



Jump White Paper

Developing New Opportunities.

Companies often find themselves trying to impact what the future looks like, identifying the kinds of offerings that obviate the need for an old way of doing things. One of the most effective ways to meet this ambitious goal while continuing to deliver value to consumers, customers and shareholders is to think about developing new opportunities, not just new products.

New opportunity development represents a fundamental shift in thinking. It requires changing the way ideas are conceived, the process by which they are developed, and even the culture that develops them. It's more about exploring than it is about inventing.

New product development is often treated like a sprint. In the effort to stay top of mind, resources are allocated toward launch and immediate sales. Afterwards, everyone recovers and regroupes – and then the process starts over again. By contrast, new opportunity development is more like a marathon. A longer-term vision leads people to pace themselves, ration their resources, and course-correct along the way. The following are some of the lessons we've discovered in conducting this work.

Don't use multidisciplinary teams. Use multidisciplinary people.

By now, it's pretty well understood that successful new product development projects require multidisciplinary teams. The idea is that a group of developers will be strongest if the collaborators come from different backgrounds. While that's certainly useful, Jump's experience has been that multidisciplinary teams aren't enough for new opportunity development. It's like trying to drive a car with one person working the brakes and the other hitting the gas. New opportunity development

instead requires multidisciplinary *people*, the sort of professional schizophrenics who are one part humanist, one part technologist and one part capitalist. Anthropologists who can sketch new concepts, artists who read Standard and Poor's reports, and financial managers with a knack for engineering make excellent opportunity developers. We've found that you can only make the necessary leaps and crossovers in knowledge when those different disciplines reside in the same brain.

Don't develop consumer insights. Reframe how you see the world.

Innovations are as much social and economic phenomena as they are technical ones. Successful new products, categories and businesses usually leverage the underlying dynamics of the culture they live in. Too often, though, even world-class customer insight work fails to adequately steep developers in that deep notion of culture. New opportunity development often requires more than insight – it demands that developers fundamentally reframe their perspective. When that happens, the answer to a seemingly intractable business problem can often lie in simply asking a different question. Getting to that kind of a reframe requires a team to forget about what's going on in their world, and start caring about what's going on in the world of ordinary people – not consumers, not users, not market segments. Just people. After all, isn't that how folks actually see themselves?

Don't shoot for breakthroughs. Create solutions that reconnect with people.

Of late, innovation has gotten a bad name because it's so wrapped up in ideas of a wild new future. Too many innovation projects produce wide-eyed visions of cars that fly, and concierge services that cater to your every whim. At the same time, we believe that Bill Gates said it best, "People usually overestimate the extent that world will be different in twenty years, and underestimate the extent that it will be different in five." Developing meaningful opportunities requires you to get beyond gee-whiz product concepts. Instead, you need to find the kind of elegant ideas that have meaning for people because they connect with everyday life. We're often most proud of a concept when it feels humble and kind of obvious, yet offers new value to the world.

Don't create product concepts. Roadmap a system of offerings.

A lot of new business activity these days is focused on creating a single winning product concept. People go out and study other people to get some inspiration, brainstorm a bunch of ideas and test the best ones. Ultimately, they're hoping to come up with the next Big Idea for their business. Unfortunately, Big Ideas are like a high-carb diet. They spike your energy, get you hyped up, and then make you crash as quickly as you started. The whole point of developing new opportunities is to create a sustainable competitive advantage – which often requires a lot of good ideas, working in

concert to create something that's incredibly hard to copy. That's why you won't put Starbucks out of business just by creating a better tasting cup of coffee. New opportunity development requires you to identify key areas of potential new business activity, develop families of offerings ranging from the near-term to the far-out, and plan those products and services within the context of a roadmap that's designed to help you learn at every stage along the way.

Don't begin with the end in mind. Let discoveries guide your process.

The whole point of exploring new opportunities is to find out what you don't know that you don't know. That requires a process that's exactly the reverse of how most of us have been taught to think. Both school and work have trained us to think deductively – that is, identify the major themes and big ideas, and then work to develop the details that support those themes. Of course, if we knew what those big ideas and major opportunities were from the outset, we wouldn't have to go develop them. The only way around this dilemma is to think in reverse, working with the details to let the big picture emerge over time. Inevitably, you need to iterate a few times before you get it right. That process of induction and iteration requires a tremendous amount of comfort with ambiguity. It requires new opportunity teams to think less like the infantry and more like the special forces, where the goals start out hazy, but get clearer over time.