

Pam Henderson, Ph.D.

Tools for **OPPORTUNITY THINKING**



You can kill an **IDEA**...
but you can't kill an
OPPORTUNITY!

How to Discover *New Sources of Growth* for Your Organization

Contents

[Chapter 1: Big Thinking](#)

[Chapter 2: Big Growth](#)

[Chapter 3: Big Opportunity](#)

[Big Sources](#)

[Big Relationships](#)

[Chapter 4: Big Exploration](#)

[Big Trends](#)

[Big Dimensions](#)

[Big Insights](#)

[Big Picture](#)

[Chapter 5: Big Landscape](#)

[Big Spaces](#)

[Big Starters](#)

[Big Shapers](#)

[Big Stories](#)

[Chapter 6: Big Ideas](#)

[Big Farming](#)

[Killer Ideas](#)

[Big Mining](#)

[Chapter 7: Big Future](#)

Little Epilogue

Index

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but you can't kill an
OPPORTUNITY!

How to Discover *New Sources of Growth* for Your Organization

Pam Henderson, PhD

WILEY

Book layout and illustrations: Richard Merritt

Cover design: Nick Lippold

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Published by John Wiley & Sons, Inc., Hoboken, New Jersey.

Published simultaneously in Canada.

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ISBN 978-1-118-80838-2 (pbk); ISBN 978-1-118-82274-6 (ebk); ISBN 978-1-118-82284-5 (ebk)

To:
The Author of everything
and
My amazingly creative, inspiring, and supportive family—
Michael, Bryce, Bond, Britt, and Mom.

You are embarking on a journey

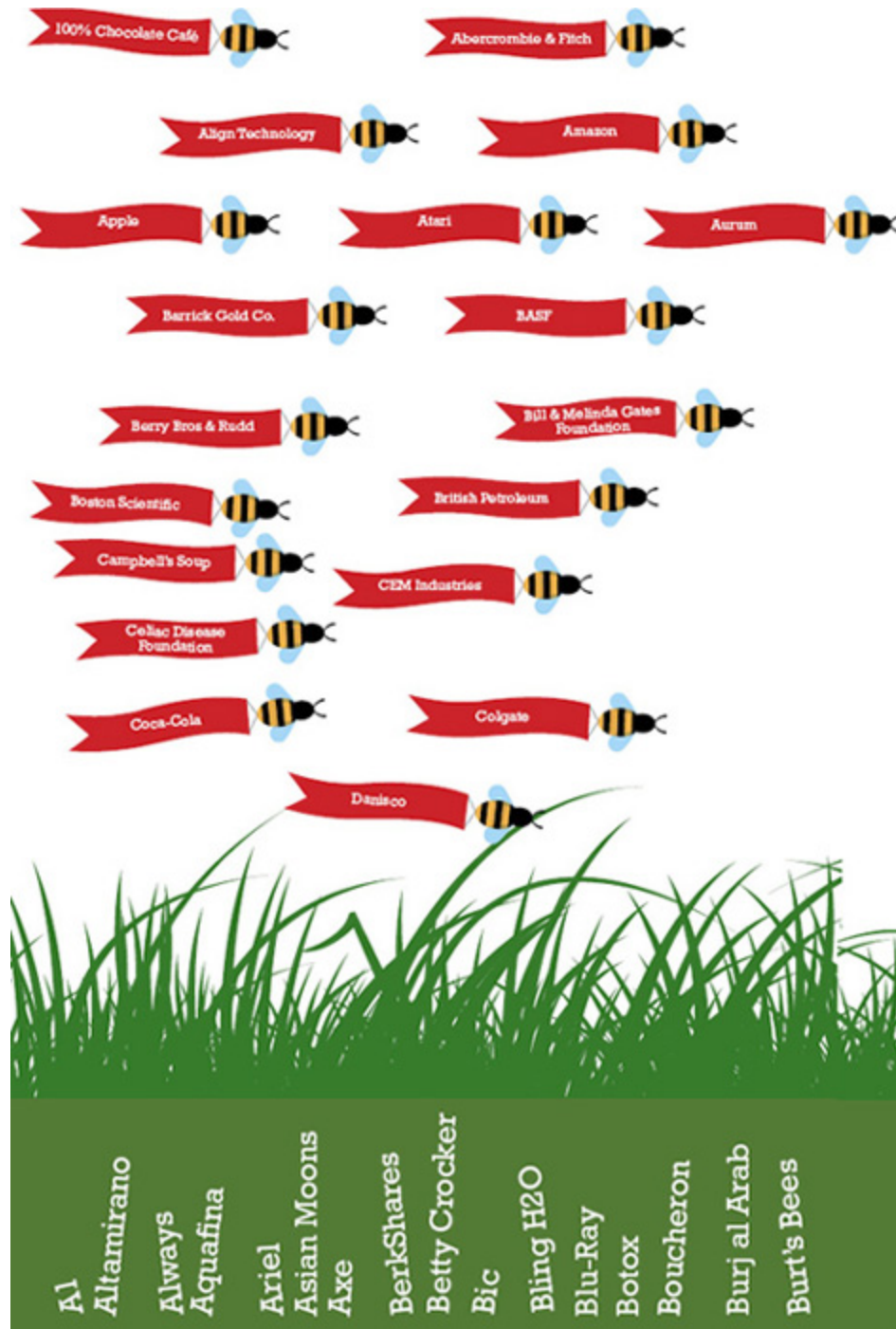
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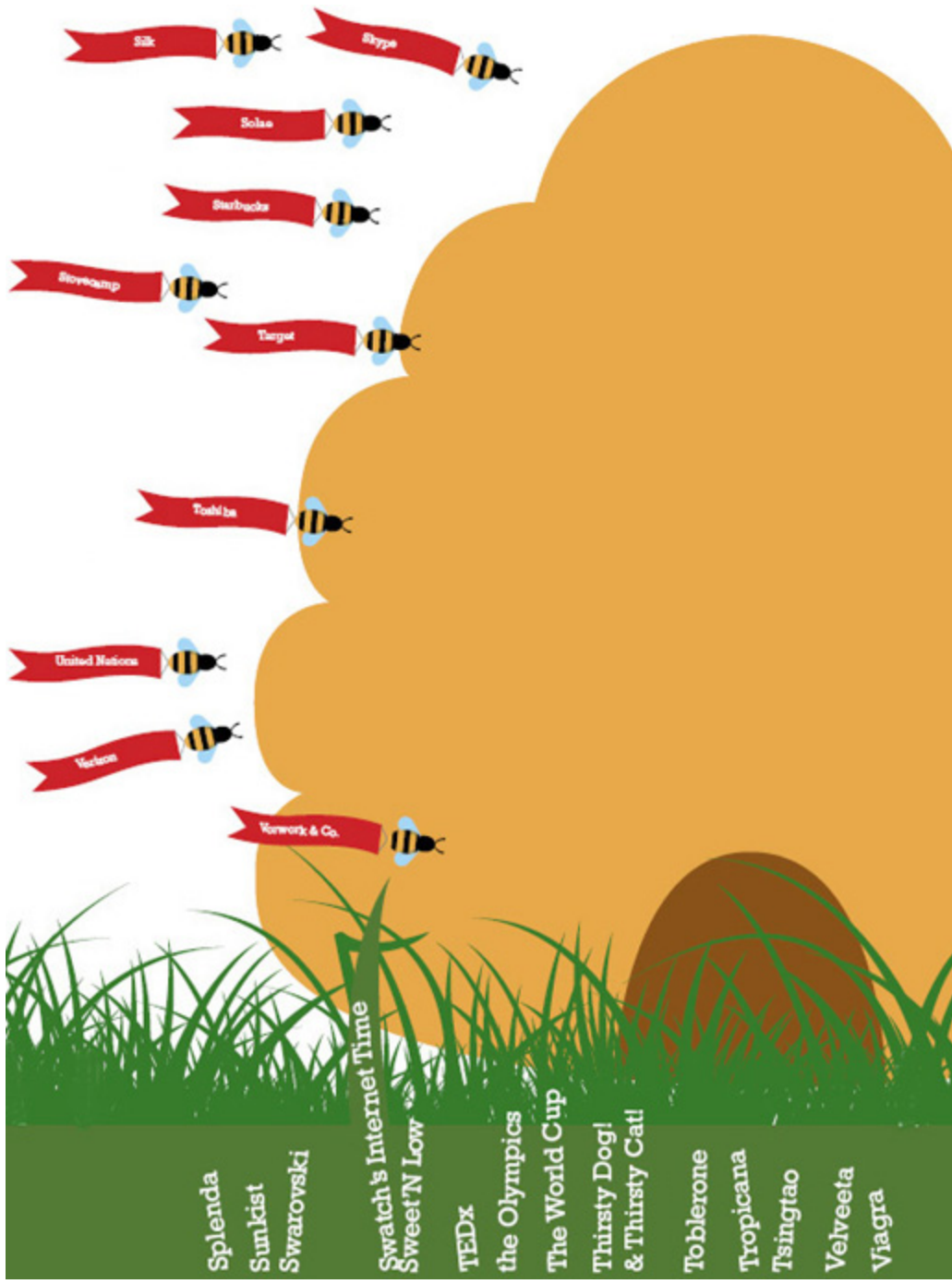
taking you around the world . . .



inspiring you with stories of organizations and brands . . .



**in pursuit of opportunity and
growth . . . toward a bigger
future through Opportunity
Thinking!**



Splenda
Sunkist
Swarovski

Swatch's Internet Time
Sweet'N Low

TEDx
the Olympics

The World Cup
Thirsty Dog!
& Thirsty Cat!

Toblerone
Tropicana
Tsingtao
Velveeta
Viagra

CHAPTER 1

BIG THINKING

This book is about growth . . .

growth
that starts
by killing
ideas.

Killing ideas that **won't** lead to growth.
Killing ideas as **the starting point** for growth.
Killing ideas in order to **begin at**
the real starting place for growth—

opportunity.

Opportunity which, when truly understood,
provides **clues** to building the right ideas—

big ideas.

Big ideas, killer ideas that produce

big growth.

A paradox?

Not really.

Ideas have too often been relied upon as the catalyst for growth.

Why not? Ideas are enticing, ideas are entertaining, and ideas are energizing. Each good one holds hope—hope for a better world, for a fuller life, for things bigger, faster, cheaper, healthier, more beautiful—hope for some kind of tangible growth.

We hunger for ideas to help meet our challenges, solve our problems, and give us a brighter future. Without ideas there would be little progress. History is full of amazing ideas that have delivered both small and large advances in how we live. Many of these successes were so noteworthy and so beneficial we eventually began to assume ideas were the source of progress and the creators of growth.

Ideas are any man's greatest asset.

Harvey Firestone, founder of Firestone Tires

Ideas are the beginning points of all fortunes.

Napoleon Hill, personal success guru

It's always possible to have a great company if you have great ideas.

Jerry Yang, co-founder of Yahoo!

Ideas . . . more than money, are the real currency for success.

Eli Broad, billionaire, philanthropist

Real wealth is ideas plus energy.

Richard Buckminster Fuller, architect, futurist

Despite their allure, ideas in the commercial world are too often failing to deliver on their promises.

It takes about 3,000 ideas to get 100 projects, which result in only two launches, producing, on average, one product that breaks even. Of these products, only 20% make some appreciable profit!

Considering all the commercial ideas we generate, the vast majority aren't very good after all. Ideas are more likely to disappoint than delight, becoming an expensive distraction from growth. This is not the result of acting hastily. The average length of a major new product development project in most industries is measured in years, not months.

We are dismally failing with our ideas, even after we have plenty of time to examine them. This is not only a waste of time, resources, and investment but also a waste of the personal commitment.

3,000

ideas leading to

100

projects resulting in

2

launches, of which

1

breaks even

It's been said that no idea is a bad idea. This brainstorming mantra is meant to spur creativity and unleash a torrent of ideas by removing barriers of doubt and objection. We all know it isn't true, though—some ideas are actually quite bad!

The problem is not with the mantra; the problem is that we don't have a reliable way of producing or knowing a good idea from a bad one until it's too late. As a result, in a world dying to have new ideas, new ideas are all too often dying

and taking our hopes and aspirations for growth down with them.

If bad ideas were to have an epitaph it would probably be .

...



Clearly our concern here is not with ideas that fail in the lab. After all, Thomas Edison—a master of invention—is credited with saying of his pursuit of the lightbulb,

“I haven’t failed; I’ve just found 10,000 ways that won’t work.”



It is important to form many ideas and to test them—in the lab. Our concern is with those that fail in the market—the ideas on which we place our bets for success and profit and send forth with great anticipation into the world. These ideas passed the lab tests but failed the wallet test, disappointing us and our customers.

So what distinguishes ideas that succeed in delivering growth from those that don't?

Some ideas fail because there appears to be no demand for them.

People weren't clamoring for Tangy Fish and Crispy Bacon flavored water for their pets; parents were offended by Abercrombie and Fitch's introduction of padded swimsuit tops for little girls; and no one seemed to find disposable underwear from Bic to be compelling enough to buy. There have been a stream of tech flops, from Microsoft's ActiMates, plush toys that connected children to TV programmers (a bit scary!); to Sony's egg-shaped Rolly, their contender for the iPod; or Swatch's Internet Time, a new system for telling time with 1,000 beats, meant to reduce the confusion of time zones. Never heard of these? Well, that's the point!

The list of ideas that didn't last in the market could fill these pages. From New Coke to Crystal Pepsi, otherwise successful companies and people have too often missed the mark, either in concept or timing.

Other ideas intrigued us with hints at success: they had all of us watching, even expecting them to revolutionize the world, but ultimately they went out with a whimper. They failed because they caught the edge of an opportunity, but a better-crafted alternative captured the full potential.

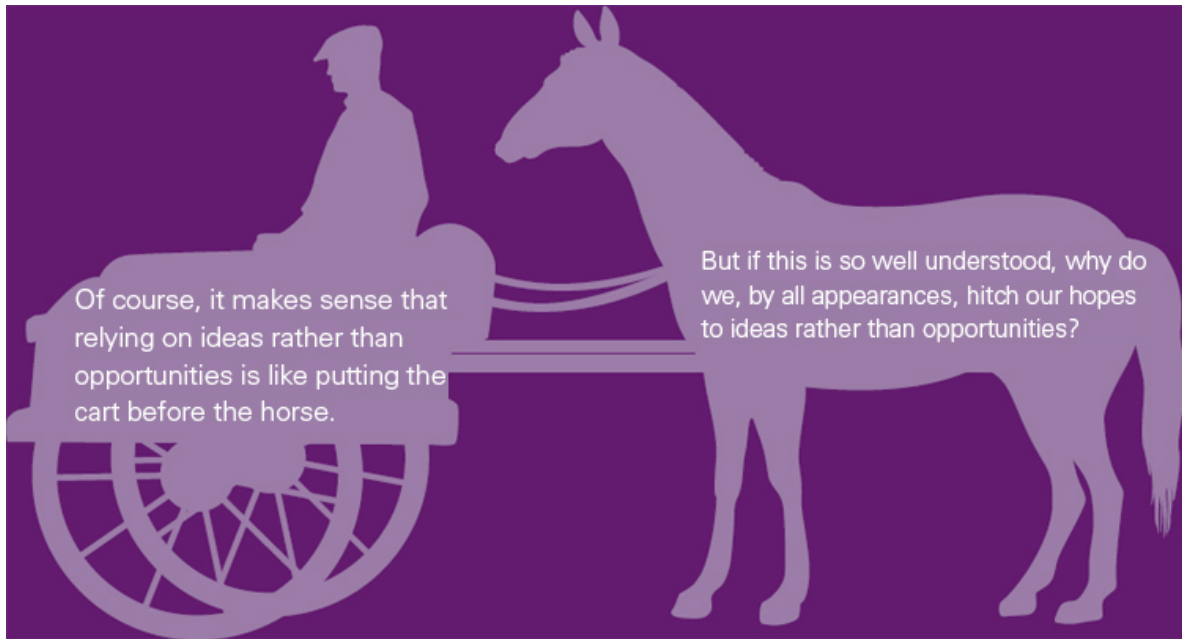
Experts and amateurs alike closely followed the Blu-ray versus HD-DVD battle. Although Toshiba's HD-DVD could be produced at lower cost, a Blu-ray disc played on more popular devices, such as the Sony PlayStation console, and

carried a wider movie library. Car-sharing programs, such as Zipcar, delivered a solution for inner-city transport by using the existing infrastructure around cars while foot-traffic replacements like the Segway drowned in strict regulations, limited uses, and high costs. Highly promoted and highly processed fat alternative, Olestra, was quickly shunned by consumers ultimately favoring the simple, natural solution of baked snacks from Lays.

These ideas didn't take root: like tumbleweeds, they died and were blown away. Some were planted where there was no opportunity and others were not sufficiently rooted where there was opportunity. Ideas that fully tap into opportunity are far more likely to take hold and fulfill their promise of growth. **It is the opportunity that both predefines the value of an idea and defines those ideas that will have value.**

We need to start with opportunity.





After all, many innovation processes start with ideation. Business leaders spend hours in idea-generation sessions but little time in opportunity-generation sessions. Myriad methodologies have been published on ideation, but few exist on opportunity definition.

Is it any wonder that the most common image on the cover of any innovation book is the lightbulb, the icon for the “bright idea”?

Some organizations have clearly invested in exploring opportunity, but most only give a head nod to its definition. From innovation to acquisition, business processes require some sort of description of the potential opportunity prize and an approximation of its size. Unfortunately, the ensuing opportunity stories are usually thin at best, lacking any real depth, and provide little direction for developing, let alone choosing, the ideas that will succeed.

We tick the opportunity box by requiring estimates of opportunity size, using metrics such as total available market, potential market share, or some other measure.

The size merely tells us go or no-go. It leaves us in the dark about true opportunity (who, what, where, when, and why), giving us little direction as to its

real attractiveness or fit and even less direction toward which ideas will work.

Without this information, even the numbers are suspect. How can we really seize an opportunity when we know so little about it? This may be one reason why as many as 80% of mergers and acquisitions don't live up to expectations. Leaders envision a transformed company created from an acquisition, but the changing of the guard may not even phase the market, delivering no new value to customers and, in the end, no new value to shareholders. Lack of clarity on the dynamics of an opportunity contributes to missing the mark in other areas of business as well. We risk wasting marketing dollars, developing new brands that fall flat, creating brand extensions that cannibalize revenue, and pursuing geographic expansions that are later retracted. We may have figured out the size of the opportunity, carefully calculating financial returns, but have no notion of its real nature.

Knowing how much water a vase will hold doesn't tell us anything about its shape, much less what flowers it's best suited to display.

Knowing the size of an opportunity doesn't tell us anything about its shape much less the ideas that will best fit.

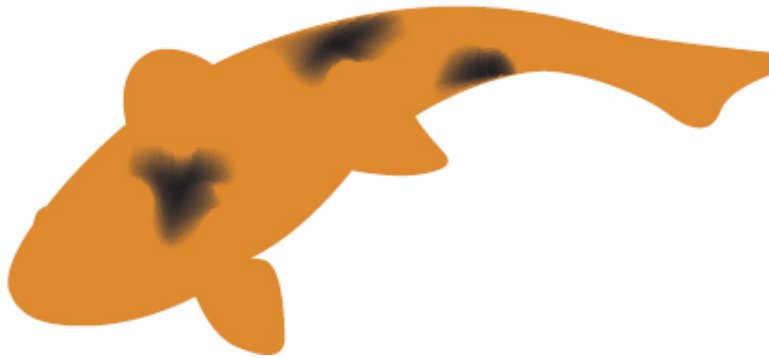


We must go beyond sizing as a proxy for understanding opportunity and dig deeper into its real nature. Currently, opportunity exploration and idea generation are separate processes, completely disconnected from each other. Understanding opportunities should be the foundation for developing ideas that resonate in the market.

The problems with ideas and their lack of success are driving people to say they want bigger ideas. But bigger ideas simply don't happen without bigger opportunities and a better understanding of those opportunities.

Think of an idea as a koi and an opportunity as the pond. Some suggest if you put one of these beautiful orange and black Japanese fish in a small pond, it will stay small. Put it in a large pond and that same fish will grow quite large. The fish grow only as large as their environment allows.

If we want a big fish, we
need a big pond; and if
we want a big idea, we
need a big opportunity.



While many organizations have realized the importance of killing off individual ideas in order to arrive at bigger ideas, they have not come to understand that ideas themselves might be the culprit for their lower-than-expected returns. The allure of ideas has distracted us from understanding opportunity. Too often, ideas have been disguised as the path to growth when in fact they have been a path to nowhere. Something has to change. We must stop hoping for the BIG IDEA that will kick-start our growth. Instead we need to start our growth journey focused on discovering and generating opportunity as the precursor to big ideas.

This book isn't big growth nirvana. It won't give all the answers or point to fields lush with opportunities. It won't guarantee winning, but it can improve your odds and reduce your risk. What this book will do is unfold the unique approach of Opportunity Thinking, which could dramatically change the way you pursue growth and develop really big ideas.



OPPORTUNITY THINKING

Killing ideas *as* the starting point for growth *is* the starting point for growth.

Opportunity is the path to killer ideas.

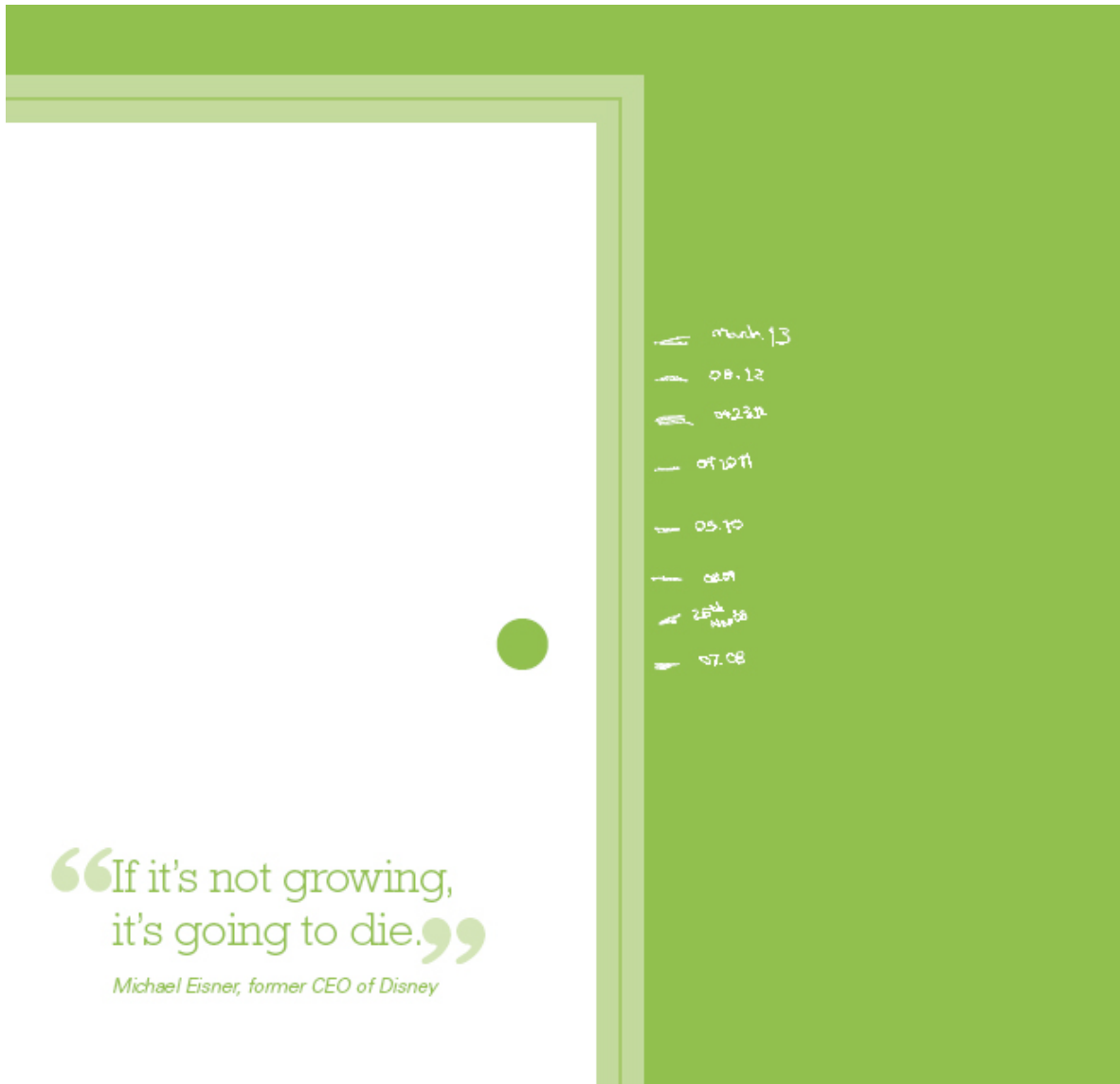
You can kill an idea, but you can't kill an opportunity!

CHAPTER 2

BIG GROWTH

One of the pleasures in a child's life is to track their progress of growth on a wall with pencil markings. Our desire for growth begins early and doesn't stop with childhood. Growth evokes a spirit of optimism for a promising future. Whether we are running a business, getting an education, raising children, or tending a garden, growth is a key measure of success.

Today's organizations also want growth, particularly at a time when it seems so hard to come by. Growth is a signal of a healthy business. It draws in stockholders, gives confidence to stakeholders, engages employees in new challenges and pursuits, and appeals to customers. Growth is a sign we are doing the right things for today and the future.



Growth is in the eye of the beholder

Organizations seek to grow in different ways at different times. Companies might target market share or revenues, focus on profitability or geographic footprint.

But growth doesn't always mean size.

In a world that is questioning the limits of growth, growth can mean an organization has broader impact on people while using fewer resources, creates bigger innovations