

Market opportunity choice- a profound decision



Shape your chances of success

The decision is imprinting



Markets to play in?
Which markets to play in?

- So to begin with, let's look at the market opportunity choice in firms. This is a very profound decision for two main reasons. - First, your choice of market opportunity will influence your chances for success; it will influence how you'll get traction in the market. How you'll gain profits, and how you'll create value for your firm. - So in a way, it's like finding fertile ground, and growing your tree on that fertile ground. Exactly. But second, it also imprints your venture or your innovation process. In the sense that the decision that you make in terms of your focus market will then shape other decisions that you will take over time and that then puts you in a certain trend channel or path. - And this will actually be very difficult to undo if you need to change direction. - Exactly and that's why this is such a profound decision.

Notes

Summary



0m 03s

But...it's a very difficult decision



- However, this is a very difficult decision to make. As David Ross, the co-founder and CEO of AppFirst wrote in an interesting article on Forbes, “Understanding where to focus is a real dilemma for entrepreneur.” - And he also mentions in that article that firms rarely fail because their teams don't work hard enough but they fail because their teams actually work on the wrong things.

Notes

Summary



0m 52s

But...it's a very difficult decision



There is always uncertainty

There are always trade-offs

Markets are constantly changing



to play in?

So why is this such a difficult situation or decision? - Well first, there is always uncertainty. Uncertainty is actually inherent to the innovative process. There will always be known unknowns and also unknown unknowns that will make this decision difficult for you. - And then there are always trade-offs. Think about some markets being large, growing quickly, other markets being small but well protected, etc-etc. So it's a decision with many variables to decide on. - And in addition, markets are constantly changing and what seems to be promising today might turn out to be less promising in the future.

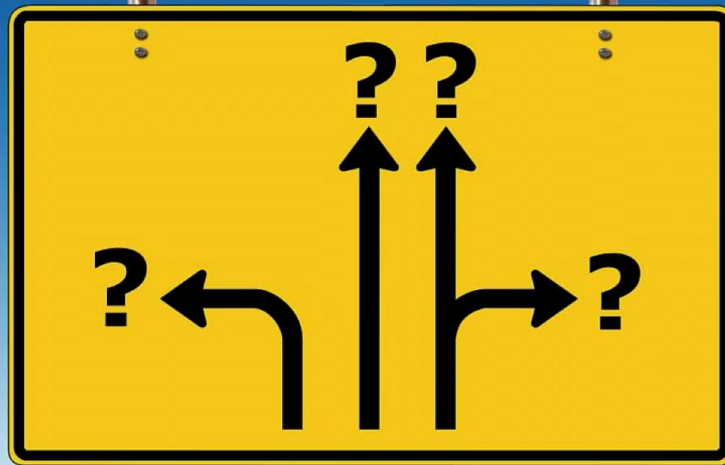
Notes

Summary



1m 16s

So...what can go wrong?



Which markets to play in?

- Making the right market opportunity choice is definitely key for creating significant value and success. But as we saw from our studies, there are several possible mistakes that entrepreneurs might make as they go through this process. So let's see what can go wrong as you make your market opportunity choice.

Notes

Summary



1m 59s

I. Focusing on the wrong market opportunity



Which markets to play in?

- First, startups may simply choose to focus on the wrong market opportunity. That is an opportunity that does not bear real potential for value creation.

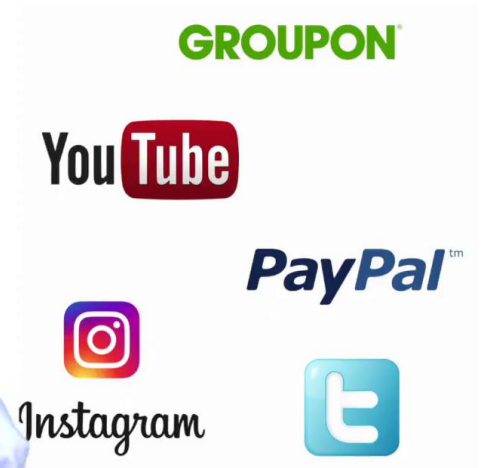
Notes

Summary



2m 15s

I. Focusing on the wrong market opportunity



In fact, many well-known firms started by focusing on the wrong market opportunity. Just take a look at all these well-known companies behind us. What they all have in common is starting with the wrong market opportunity. Luckily for us, they managed to change their strategy and find the promising opportunity in the end. - And this is not only anecdotal evidence, actually there's lots of research out there that looks at this question 'Why firms fail?' And there's one story for instance by CB Insights that looked at more than 100 startups and they found that 42% of these startups actually failed because there was a lack of market need, so there's clearly something to be learned from that insight as well.

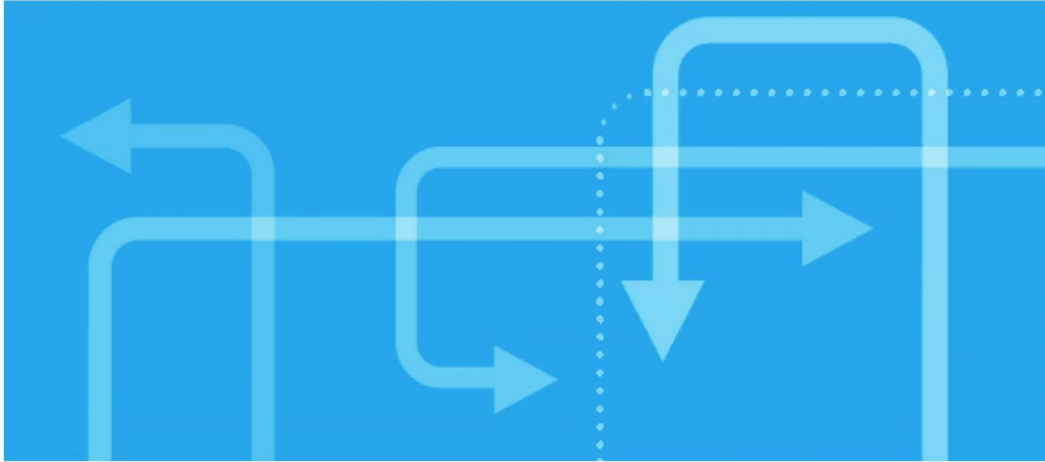
Notes

Summary



I. Focusing on the wrong market opportunity

So before you start running fast...
make sure you are running in the right direction!



Which markets to play in?

- So before you start running fast, make sure that you are running in the right direction.

Notes

Summary



3m 11s

II. Improper balance between focus and flexibility

Startups must focus sharply if they want to win the race

Startups must stay flexible if they want to win the race



Which markets to play in?

But choosing smartly doesn't end in finding the most promising market opportunity to focus on. You must also take into account how to focus without losing your agility. In fact, an improper balance between focus and flexibility is actually the second mistake when startups choose their market opportunity strategy. Why would this happen? - Well, on one hand startups must focus sharply or else they won't be able to survive, and the reason for this advice is fairly clear. Small ventures are scarce on resources and thus they must not spread their efforts too thinly. But—that 'But' is a big 'But'—on the other hand, startups must stay flexible and agile to be able to adapt quickly because unforeseeable things may happen along the way and typically do happen. So if you choose one market opportunity and completely ignore all other options, you might be in trouble down the road.

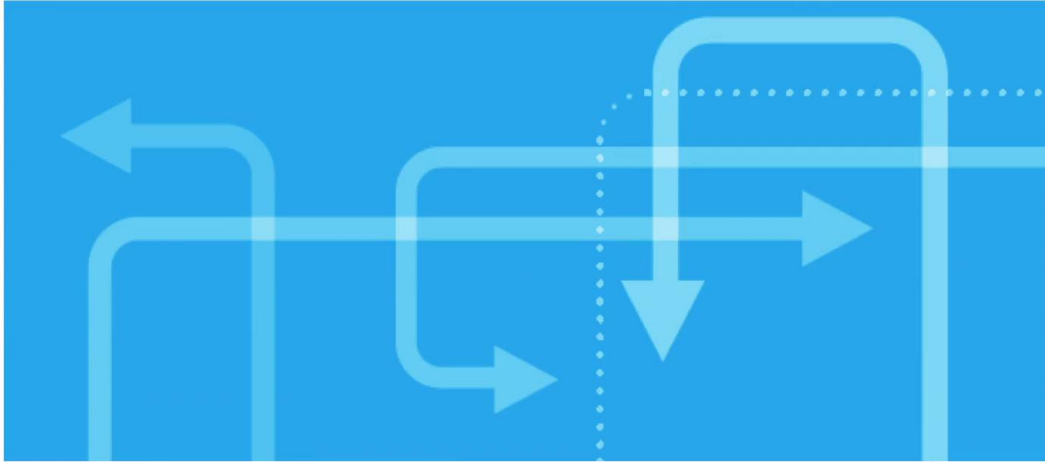
Notes

Summary



II. Improper balance between focus and flexibility

So as you start running ...
make sure not to lock yourself into one specific direction



Which markets to play in?

- In order not to lose your focus but also not to get trapped, you need to keep some market opportunities open. This will help you to develop your resources and capabilities in a wider manner. - And keep your cognitive flexibility up. So here's a quote by Stephen Kaufer, who was one of the founders of TripAdvisor—the well-known firm; he says, “If you're a lightning focused on just one thing and aren't willing to consider others, you probably don't have the flexibility to make it when your things don't go according to plan.” - So that's that one truism—things won't go according to plan. So as you start running, make sure not to lock yourself into one specific direction.

Notes

Summary



4m 15s

Have you been asking yourself...



- How can I identify blockbuster opportunities? Did I miss out on any?
- How do I know what's the most valuable option for us?
- How can I let go of seemingly promising opportunities?
- As market choice is so important – how can I hedge my bets?



Have you been asking yourself lately... - How do I identify blockbuster market opportunities? Have I missed out on any? - How do I know what is the most attractive market opportunity for us? - How can I let go of seemingly attractive options? - And if market opportunity choice is so important, how can I hedge my bets? - If you have been asking yourself those questions, and perhaps others, this MOOC is for you.

Notes

Summary



4m 59s

This MOOC will provide your answers

The Market Opportunity Navigator will support your market choice and help you to make sure that you are **running in the right direction...and remain agile while doing so!**



to play in?

- Yes, it will show you how to use the "Market Opportunity Navigator" to support your market choice, and therefore make sure that you're running in the right direction and remaining agile while doing so. - Join us.

Notes

Summary



5m 25s