IE 101 | Innovation and Entrepreneurship 101

Author: Ikhlaq Sidhu

IE Silicon Valley Hub | CITRIS | UC Berkeley | Free to use | Downloadable by chapter | Continuously updated

CHAPTER 03 | DIAGNOSE Common Strategic Errors and Story Narrative Mistakes

CHAPTER PURPOSE: Improve the story by removing the mistakes that make projects sound weak, vague, naive, or disconnected from reality.

Figure 11. Common story and strategy mistakes to check before the next execution cycle.

What could possibly go wrong?

As a story becomes a fuller pitch, it will be evaluated, questioned, and challenged. The story does not need to be perfect, but it should avoid mistakes that waste time, weaken credibility, or send the team toward the wrong work.

Use the idea immediately. If it does not change the next interview, build, demo, decision, or pitch revision, it has not entered the project.

All logic, no emotion

A story can be logical and still fail because nobody cares. The problem should have human pain, urgency, frustration, or aspiration. The benefit should create energy. Without emotion, the listener is left with the question: who cares?

Solving the wrong problem

Many teams solve a problem that customers do not actually have, or they validate a real problem but offer the wrong solution. The team must listen carefully enough to separate the problem it wants to solve from the problem customers actually need solved.

Use the idea immediately. If it does not change the next interview, build, demo, decision, or pitch revision, it has not entered the project.

Unquantified value proposition

A value proposition should eventually be quantified. What value is created? What is the next best alternative? How much time, cost, risk, effort, revenue, or satisfaction changes? If the value is large, the project has room to learn. If the value is small, the project has little room for error.

Market size nonsense

Do not use a large market number just because it sounds impressive. Use the right market. Then estimate from the bottom up: who will buy or adopt, how many, how often, at what price or value, and in what realistic first period?

Use the idea immediately. If it does not change the next interview, build, demo, decision, or pitch revision, it has not entered the project.

Financial model errors

For revenue-generating projects, the team must eventually understand customer acquisition cost and lifetime value. If the cost to acquire customers is greater than the value those customers create, the model is broken.

Core competency errors

Inside an existing organization, a new project must make sense relative to the organization's core competencies, assets, and strategy. If the project does not fit, the team must explain why the organization should still do it or why another organization is the right home.

Use the idea immediately. If it does not change the next interview, build, demo, decision, or pitch revision, it has not entered the project.

A final note on starting inside organizations

A proposal must be good enough that a management team can sponsor it, fund it, and protect it. The team should communicate the story, the competency fit, the customer or mission value, and the first execution path clearly.

Case Use

VMware can be used as the main case for this chapter because it shows how technical logic, business story, market direction, acquisition, scale, and trust all interact.