**Coming up with startup ideas**

**4 Approaches to coming up with startup ideas**

**-Paul Graham, venture capitalist, and co-founder of the noted seed accelerator Y Combinator.**

**-Adeo Ressi, the founder and CEO of the Founder Institute.**

**-Munjal Shah, co-founder and CEO of Health Equity Labs.**

**-Oscar Westergård, Antler Academy.**

**Paul Graham-’How to Get Start up Ideas’**

Paul Graham says that simply thinking of potential startup ideas is an inefficient means of generating startup ideas. Aspiring entrepreneurs should instead direct their efforts towards focusing on very specific targets during the ideation phase.

**Focus on existing problems.**

It sounds self-evident, but many startups focus on problems that not many people face and produce things no one wants.

**Focus on the depth of the well.**

A startup can either deliver something that a large number of people want in a small amount, or deliver something that a small number of people want in a large amount. Opt for the latter. Go for a product that many people urgently need, even in a crude form:

“When you have an idea for a startup, ask yourself: Who wants this right now? Who wants this so much that they'll use it even when it's a crappy version one made by a two-person startup they've never heard of? If you can't answer that, the idea is probably bad.”

**Focus on yourself.**

Notice what’s missing in the world around you. You need knowledge, you need to become an expert in some respective field:

“If you're not at the leading edge of some rapidly changing field, you can get into one. Since a successful startup will consume at least 3-5 years of your life, a year's preparation would be a reasonable investment."

**Adeo Ressi: Formulating winning start up ideas**

Ressi focuses on the value of idea simplicity. Entrepreneurs should concentrate on keeping the ideation process as simple as possible. According to him, the following are what you need if you want to build a startup:

**What you need**

* Passion – Pursuing a potential start up ideas requires passion, as it is something you are going to deal with everyday for possibly many years.
* Reality - If reality does not support your idea or your business being built in it, it’s not worth it. Your idea needs to exist within a clearly definable realm (i.e. market, industry, domain, etc.)
* Idea - You need to have a coherent and compelling idea that is actionable and feasible.
* Business - Regardless of how much passion you have for your idea or how well it fits within a certain market or how compelling it is, your idea needs to be able to make money to sustain itself.

**Concepts to keep in mind**

1. Start with something you are passionate about. Your experience and interest in the field is likely to give you some competitive edge when you begin to materialize your ideas.

2. Refer to your ideas as “projects”, as it makes them easier to kill.

3. Once you’ve conceived several ideas (at least three), look over what you have and spend some quiet time thoroughly reflecting on each.

4. Get feedback from friends, family and colleagues, encourage them to not hold back.

5. If this is your first time developing startup ideas, there is a very good chance that the idea you settle on is too narrow to appeal to a large audience. While it is imperative to have a clear and specific target user base, be sure that your future company has the potential to expand.

**5 rules for startup ideas**

1. Simple ideas win and complex ones die. Your idea should consist of one company, one product, and nothing else.

2. Clearly identify your ideal customer and take into account everything you should know about them so as to sell to them. You may get it wrong the first time and have to change who your customer is later, but you need to start with an archetype.

3. Build something that you can explain in 10 words or less. If someone needs to be an industry expert to understand your idea, it is not worth pursuing.

4. You need to be an expert in your respective industry, as your experience and expertise will give you valuable insights into the problem you aim to solve.

5. Be original. If you can’t build a business around a completely unique idea, build a business that’s similar to something that’s been done, find flaws in its model, and devise a way to do it better.

**Munjal Shah: The manufactured approach**

Munjal distinguishes between an organic approach to start up ideas, which resembles a group of friends coming together to create a solution to a problem known to all, and a manufactured approach, which is more methodical and analytical.

**Split and twist.**

1. Pick a domain and split it on the main dimensions that an industry might think about.

2. Identify an unmet need. Split the domain again, this time taking into account the unmet need, determine if it’s significant enough to change the landscape.

3. Repeat. And repeat. And repeat.

Despite its simplicity, this tactic is useful for cultivating new company ideas and developing better features for an offering you already have. This method should motivate you to constantly keep informed of existing products, services, and technology, and find new ways of looking at them.

“You don’t have to have a novel idea, but you have to have a novel advantage.”

**Primary research**

Munjal proposes the use of web crawlers, bots that search the web and create web indexes. Crawlers are incredibly important in the research phase because they can be used to analyze the competition by determining what types of products they offer, which ones sell the most, and what their popular features are. Another benefit of utilizing crawlers is that they can be used to see what topics are trending on social media, blogs, forums, etc. All of this information can help you ascertain holes in your respective market, which can lead to innovative and original ideas.

**Necessity is the Mother of Invention - and Intention**

Brainstorming entrepreneurial ideas may take too long and entrepreneurs may indulge in moving from one idea to another without settling on one. Minjal proposes: quit your job to settle on an idea.

**Antler’s 10 proven frameworks for generating startup ideas**

Antler has compiled some proven methodologies that entrepreneurs can use that can help them crystalise and develop ideas into viable businesses. Here are some of the frameworks that successful entrepreneurs have used in developing their business ideas.

**Strategy 1: Think globally, act locally**

One very common way that entrepreneurs can build successful businesses is to find great and proven ideas in overseas markets, and bring those to their local region.

**Strategy 2: Spend 21 days recording every problem you encounter**

Find a problem that you are having yourself, and then scale the solution into a business. Keep a 21-day notebook diary of each problem or frustration that you encounter, and at the end of the period, look back at them and see if any can be spun into a business idea.

Why keep a log of 21 days? Because with a lot of problems, you’ll battle through them on a regular basis, only to quickly forget about it once you’ve got a workaround. Keeping an actual log allows you to see how frequently a problem pops up and how important it is.

Example: DoorDash. The problem that they had was simple: they loved Thai food, but the local restaurants didn’t do delivery in suburban areas. An app that could facilitate the delivery of food was, as it turned out, a very good one indeed.

**Strategy 3: Do a SWOT analysis on existing companies**

Look at existing businesses and find ways to do things better.

The SWOT analysis is a useful tool for deconstructing companies and determining whether they’re ripe for disruption. Take the leading companies in a sector and conduct the SWOT analysis against each of them. If there are common threads within the “weaknesses” boxes, then addressing that is probably an opportunity for a business idea.

**Strategy 4: Use the Jobs-to-be-done framework**

The jobs-to-be-done (JTBD) framework is a powerful tool for developing business ideas, in which the entrepreneur will try to understand what the customer’s specific goal is (the “job”), and the thought processes that would allow that customer to use a product or service to complete the job.

Automation is a good example of this in action. Currently, automation, digitization and transformation are top of mind for many customers that are looking to drive efficiency across the business by eliminating menial tasks.

For example, Elenium Automation is an Australian startup that found a big opportunity in the COVID-19 response. Set up as a business to automate the airport experience for travelers, the company’s ability to provide contactless temperature, heart rate and respiratory checks became an automated solution to a big problem.

**Strategy 5: Uncover gaps by observing an audience**

"Forget ideas, study a market."

Many successful businesses start not by finding a new problem to solve, but rather observing an existing market and understanding where there are existing problems. Once you identify a problem that either hasn’t got a solution, or has poor-quality solutions, you can step in with a product that speaks to that audience, in a format that they prefer.

**Strategy 6: Search for an industry that is broken**

Another opportunity for entrepreneurs is to look at industries that are “broken” and have a poor reputation among consumers and find ways to innovate within them. These are usually industries that have a long history and effective monopolies that have meant they haven’t needed to innovate at all.

For example, the Taxi Industry. With minimal competition, the taxi industry hadn’t needed to change for decades. They had, at best, minimally functioning apps, and customer service had an arrogance to it— “we’ll pick you up when we’re good and ready to.” Then Uber came along with a highly functional app and convenience, and the taxi industry has been scrambling to catch up since.

**Strategy 7: Look for technological shifts**

Entrepreneurs need to be a little careful when looking to innovate with technology—just how often are great ideas failures because they were “ahead of their time?”. When it comes to innovating with technology, the secret is to look at technological shifts, and what opportunities come with that.

For example, Netflix only became viable because Internet and mobile broadband speeds across the globe got to the point that streaming in high definition was affordable.

**Strategy 8: The 10x rule**

Another strategy to build a successful startup is to “10x” something—make existing businesses 10x easier, 10x faster, 10x more productive, or 10x better in some other way.

**Strategy 9: Find opportunities in non-obvious markets**

Look for businesses that have failed, and see whether they were simply “ahead of their time.” If that’s the case, then perhaps now is the time to give the idea a second spin.

For example, video games. Nintendo made a catastrophic mistake with the “Virtual Boy”—a virtual reality console that sold dismally and was pulled off the market just months after releasing. The world just wasn’t ready for virtual reality and the technology wasn’t good enough for it to work to customer expectations.

The business world is filled with these “false starts”, so have a look into them, and see whether the market, audience, and technology has shifted so that they are now viable.

**Strategy 10: Iteration as innovation**

Iterate, rather than do something completely new. There are a lot of great ideas out there that have driven successful businesses. Taking that idea and adding something to it can result in a very successful challenger startup.