THE LAUNCH LENS: Essential Questions You Need To Ask Before Launching A Big New Idea
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As you screen new-business ideas, the Launch Lens gives you a quick way to focus your thinking and flesh out the concept. First-pass, do your answers to the questions make you feel more excited about your business idea? Or does the Lens uncover red flags that might give you pause about moving forward? And if your idea passes a first-order screen and you decide to dive deeper, the framework gives you guidance as to where to focus your research and analysis as you develop your plan.

Below are 10 ‘focal points’ of the Launch Lens:

1. **Who are your customers?**
   Generically describe the types of customers (not to list your specific customers). That is, what are the categories of consumers, businesses or other entities that will purchase and use your product or service? If you have a consumer product, is your target market Hispanic pre-teen girls in Southern California… or Baby Boomer men and women throughout North America… or music lovers over 30 with disposable income of $35,000 or higher… or whom? Be as clear as possible.
   If you have a business-to-business product, is your target market warehouse operators of a certain size… small independent retail establishments…. software developers…. financial institutions… or whom?

2. **What is your customers’ unmet need?**
   To state this question another way, what is the customers’ “pain” that your product or service – you’ll be describing that in question #5 – is designed to ameliorate or address? This could be a true and dramatic unmet need – for instance, for the inventors of the pacemaker, the customers’ unmet need was that their hearts were beating slowly or unpredictably, thereby endangering their lives. On the other hand, for some businesses, the unmet need might be a less of a need than a want – for instance, for the founders of LoveThoseHotShoes.com, the “unmet need” might be the frustration of style-conscious women in their inability to learn about up-and-coming designers before they make it big, and to easily purchase those designers’ shoes at competitive prices.

3. **How are your customers addressing this need today, however poorly?**
   Even if your company has a novel new way of addressing a customer need, remember that those customers were addressing that need in some other fashion before you came along. Say you had developed the first automatic dishwasher: your customers would have been addressing their need by hand-washing dishes. Before the advent of the cell phone, individuals got along with a combination of landlines at home, in their offices, and in phone booths. Before SMS texting, people got by with email. Before email, people made due with phone calls and postal mail.

4. **To what extent are your customers hurt by not being able to meet this need effectively?**
   If they’re business customers, does their inability to address their need optimally (i.e., using your company’s new solution) cause poorer product quality for them? Does the pain delay their product launch by several weeks, thereby postponing profits? Does the absence of your solution lead to more clinical errors? If you’re targeting consumers, does the pain cause them to look unstyled at school, thereby causing loss of social status? Fail to connect with friends due to the lack of your social networking app?

5. **What is your proposed solution (product, service, or combination)?**
   Concisely describe your customer solution. What product, service, or product/service combination will you be offering? At first, you ought to be able to state this in a sentence or two. But as you evolve your concept, you’ll want to make your solution ‘come to life’ in diagrams, mockups, and prototypes.

6. **How will your customers benefit, and can you quantify those benefits?**
   What is your “compelling value proposition” (CVP)? Can you quantify that CVP? That is, how will your customer benefit by switching from the way “the way they’re dealing with it now” to addressing their need using your solution?
   If customers adopt your solution, explain exactly how they will be able to address their unmet need significantly better, faster, cheaper or cooler than they were formerly able to do so. Be as specific as possible.
7. **How will your business make money?**
In business parlance, what is your business model? Note that a company may have multiple, different business models that complement one another. For instance, a golf-oriented website may make money through a combination of: (i) referral fees for providing teaching referrals to golf pros; (ii) transaction fees for online or mobile scheduling at golf courses and driving ranges; (iii) Google AdWords advertising; (iv) display advertising; (v) affiliate marketing, selling books, DVDs, golf apparel and so on on their site through Amazon and other retailers and receiving affiliate sales commissions. And bear in mind that for such a company with multiple, complementary business models, there’s no requirement that all the revenue-generation methods be implemented at once. In other words, you may consider “turning them on” one at a time as they make sense and as you have the time and resources.

8. **How big is your total addressable market?**
Theoretically, if every one of your potential customers were to purchase your product or service, at the asking price, from either you or your competitors, how much annual revenue would result? While the total addressable market (TAM) is a purely theoretical number, it’s nonetheless important because it may quickly tell you whether your business idea is worth pursuing. (If, for instance, you’re thinking of launching a local equipment rental business and you discover with quick analysis that only 900 households in the area have the disposable income to use your service, that’s quite different from finding a local potential market of 35,000 households.) Your addressable market’s size can be determined by asking yourself the following: If everyone in your specified geographic market – whether that be, the English-speaking world, a specific 2-county area, or all of Western Europe – who could potentially benefit from your product or service – or that of your direct competitors – were to do so, how many people or “unit sales” would that be per year? If this is a product or service for which you are directly charging, multiply the unit sales by the asking price to see how much annual revenue that equates to. In other words, it’s the answer to the question, How big would this market be if it were completely saturated? And note that if yours is an online play or mobile play, it may be more useful to estimate your market size in terms of number of potential units – online users, or mobile downloads – rather than dollars and cents.

9. **Who are your competitors, and how do you compare to them?**
Describe your competitive positioning and your competitive differentiation. And remember (as we started addressing with question #3), even if you’re introducing a solution that you consider an industry-first, you will be asking your customers to change the way they’re currently doing things. So, even if you think you have a novel, new solution to address your customers’ needs, your biggest competition as an entrepreneur may be “the way your customers are dealing with it now.”

10. **How well does the business fit with your core competencies?**
Will this business leverage the skills and business competencies of the founding team? This question applies equally well to entrepreneurial startups as it does to corporate new-business launches. Entrepreneurs need to ask themselves, Is this something I’ll enjoy and be good at? For instance, if the business will entail extensive face-to-face interaction with consumers, is that something that you’re good at and that you’ll truly enjoy? Or if the business will entail organizing and managing myriad details every day, is that something that someone on the founding team is truly gifted at doing and will enjoy?

For new corporate initiatives, this question applies in a different but equally important way. Does the new-business concept take advantage of the organization’s established capabilities? For instance, if an industrial corporation that sells its goods primarily through distributors is contemplating launching a new series of branded consumer products, one would have to ask if the founding organization and its executives have the core competencies to do an excellent job of launching such a business. Shouldn’t they seek new-business opportunities that have a better strategic fit with their competency profile?

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