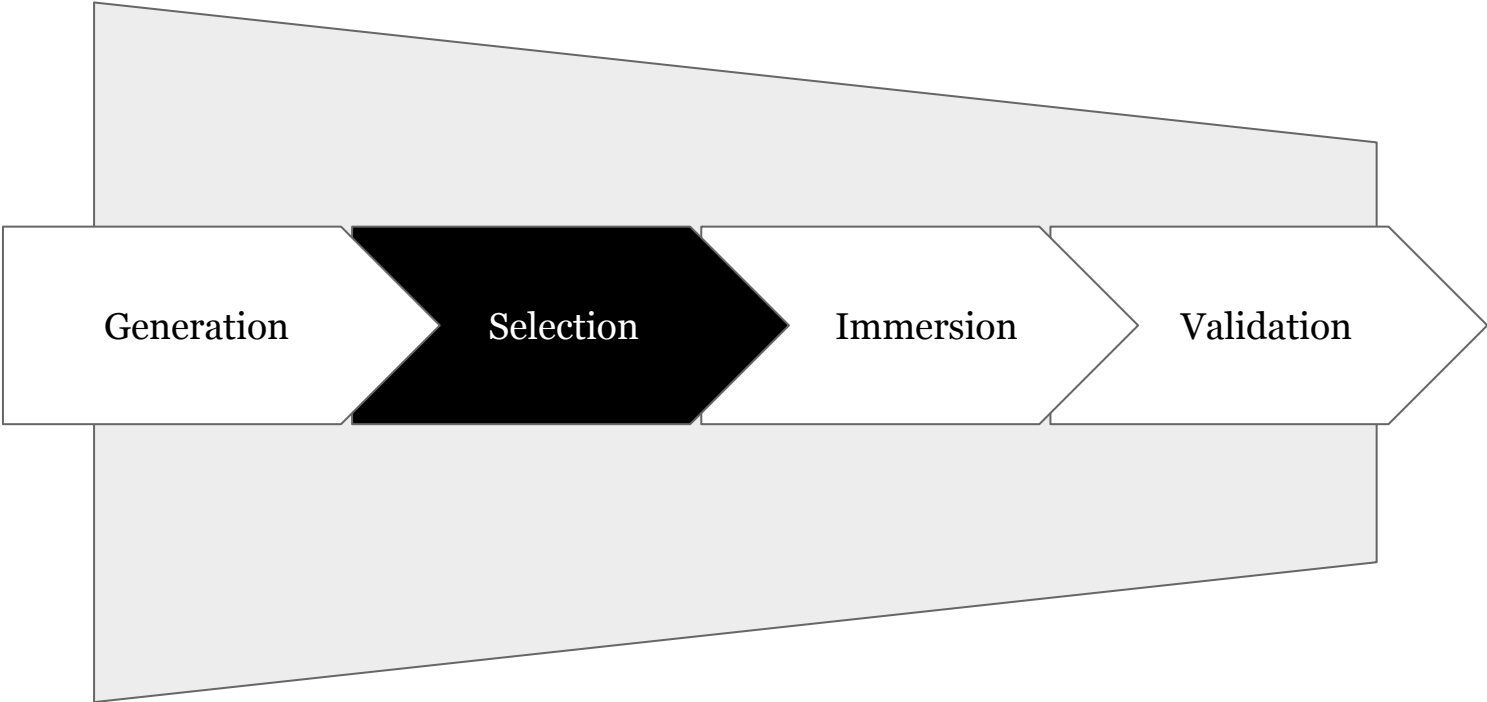


The IDEA Funnel



Stage 2 - Idea Selection

In this stage we will Select a single idea after evaluating your top using two assessments:



(1) Market Assessment

(a) Top-down

(b) Bottoms-up

(2) Niche / Differentiation Assessment



Assessing both with just a little bit of upfront work will save time, money, and headaches down the road and is critical before moving onto the next stage (Immersion).



NOT doing these assessments would be like going to a lake where's there no fish.

We want to go where there's fish . . . AND where we have a good chance of being good fishermen.

Market Assessment - (Top Down)

Evaluate existing demand - existing demand can be demonstrated in two ways: DIRECT competition and INDIRECT competition

Below are examples of each:

Idea/Category	DIRECT	INDIRECT
Healthy / Organic Grocery	Whole Foods Trader Joe's Fresh Market Publix (Greenwise)	Restaurants Fast Food Amazon Meal delivery (the rest of the food supply)

Handmade/Artisan toys for kids	Etsy Toys R Us Hand-me-down toys	Kids television iPad games Sports Playgrounds Homework (anything capturing kids' attention)
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Indirect competition can be found by identifying the underlying need

(i.e. food for sustenance, parents wanting quiet time and/or their kids to be mentally engaged)

Use these examples to fill in the next page based, starting with the most promising idea you developed in the Idea Generation stage

Market Assessment - (Top Down)

Your most promising
Idea from Stage 1 _____

DIRECT Competition

INDIRECT Competition



Searching Amazon (books + products) is also a great way to search both types of demand
(use additional pages in Appendix for additional ideas)

Market Assessment - (Bottoms Up)

Next, we want to evaluate the market from an up-close and personal perspective
(a “bottoms-up” approach)

Let’s use Seth Godin’s “**First, ten**” approach: *“find ten people [who] need what you have to sell, or want it. And if they love it, you win.”*

So . . . find ten people who *should* want this / care about your idea and tell them about it. What do they say?

Response spectrum

Person	“I don’t know” (No)	“Sounds interesting” (No)	“That’s a cool idea” (Maybe)	“I’d buy that right now!” (YES)
<input type="text"/>	●	●	●	●
<input type="text"/>	●	●	●	●
<input type="text"/>	●	●	●	●
<input type="text"/>	●	●	●	●
<input type="text"/>	●	●	●	●
<input type="text"/>	●	●	●	●
<input type="text"/>	●	●	●	●
<input type="text"/>	●	●	●	●
<input type="text"/>	●	●	●	●
<input type="text"/>	●	●	●	●

We are looking for emotionally-invested feedback - where people say things like “I HAVE to have that.” Bonus if they tell other people - put an (*) next to any that do.

Niche-ability assessment

“If you’re speaking to everyone, you’re speaking to no one.”
- lots of people

Finding a niche simplifies everything. Most importantly, it helps us decide what we’re *not* going to do, saving a lot of headaches & stress. Here are ideas for niching:

Consumer business (B2C)		Business business (B2B)	
Geography	Profession	Geography	Job function
Gender	Financial class	Industry	
Age	Hobbies	Business Function	
Ethnicity	Sexual orientation	Size	
Marital Status	Parents/Non-parents	Public vs Private	

Write out at least 3 ways you can “niche” the market for this idea

Next - think of 5 places where these people/companies hang out & where you could interact. At least 3 of these places should be physical where you can do so in person.

Niche until it hurts. If you hear yourself saying “I don’t want to limit myself” then you’re on the right path.

Differentiate-ability - how can you stand out?

Niching is one thing - being different is another.



Uber and Lyft are overused examples, but they've differentiated in every possible way from the status quo of taxis.

Functionally

Better (clean cars)
Faster (pick up, payment)
Cheaper

Socially

Polite drivers you can
talk to

Emotionally

Chance to be a hip, early
adopter in the early days



Think of 5 ways you could differentiate **FUNCTIONALLY** (faster / better / cheaper)

Think of 5 ways you could differentiate **SOCIALLY** and/or **EMOTIONALLY**



These are just ideas to make sure you are thinking ahead . . . you don't have to hold yourself to them

Synopsis - if you've walked through these steps and can check the boxes below, then you're reading to move onto the next stage: Immersion

STEP	ACTION	If you had trouble then . . .
Market Assessment	<input type="checkbox"/> I was able to easily list lots of INDIRECT competitors and at least a handful of DIRECT ones	<ul style="list-style-type: none"> - Look harder - Re-evaluate your idea - Choose a different idea
	<input type="checkbox"/> I talked to 10 people who <i>should</i> be interested in my idea and got at least 2 "YES - I need that!" from them	<ul style="list-style-type: none"> - Talk to a better group of people - Describe your idea differently - Talk about the beneficial outcome vs. product/idea
Niche-ability	<input type="checkbox"/> I identified at least 3 ways I can niche	<ul style="list-style-type: none"> - Think harder - Ask others for ideas
	<input type="checkbox"/> I identified 5 potential places where I can find this niche	
	<input type="checkbox"/> 3 of these places I can meet with them in person	
Differentiation	<input type="checkbox"/> I think I can differentiate functionally (faster, better, cheaper)	<ul style="list-style-type: none"> - Think harder - Think of your own story / reasons for this idea
	<input type="checkbox"/> I think I can differentiate socially and/or emotionally (i.e. with a story or branding that speaks to my niche)	<ul style="list-style-type: none"> - Ask others for ideas - Find others with powerful stories



If you're having trouble with this, consider performing the same steps for some of your other ideas.

If you feel confident about your idea based on these steps - congrats! It's time to move onto Immersion.