

Inspiration

Incubation

Illumination

Implementation.

<https://perfomante.io/blog/inspiration/idea-generation-full-guide/>

Idea generation passes through three periods:

- 1. It can't be done.*
- 2. It probably can be done but it's not worth doing.*
- 3. I knew it was a good idea all along!*

Arthur C. Clarke

We are used to thinking of idea generation as of something that comes sporadically and unpredictably. And even after we've had that eureka moment, we rarely know what exact steps should be taken in order to bring this idea to life.

Fortunately, there are techniques that can turn idea generation into a systematic process and there are strategies and tips that will help you manage and execute the best concepts.

Idea Generation & Goal Setting

Setting a goal is a great place to start. After all, the execution of an idea has to lead to something and it's up to you to ensure that you stay relevant and make positive change happen in your company. Moreover, 14% of individuals who have goals are ten times more successful than those who do not have a specific aim.

Do you want to improve efficiency? Make your product better? Attract a new audience?

When coming up with a goal, you can use the SMART method. You have higher chances of achieving the aim if it is;

Specific,
Measurable,
Achievable,
Relevant,
and **T**ime-based.

Idea Generation Techniques

If you want the creative process to be effective, it should be **collaborative**. Try to involve different people and opinions.

Creativity challenges

Opposite thinking (reverse thinking)

Use this technique, if you feel like you are stuck and find it challenging to think outside of the box. The exercise might sound ridiculous but this is exactly what will help get rid of limiting assumptions and get the creative process going.

Try to come up with ideas that are opposite to what you are actually looking for. For example, if you want to make an app more user-friendly, set a reverse goal and write down everything that

will make it more difficult for the users to navigate the application (like highly specific terminology and a counterintuitive set-up panel).

Mind map cards

Ask the client

If you are creating a product or service for your consumers, why not ask them directly what they're looking for?

Customer co-creation is a widely used and effective technique. For example, in 2018, IKEA launched 'IKEA co-creation' – a platform that directly asks customers for idea suggestions and that collaborates with university students to find the best possible solutions. The Swedish giant also provides customers with prototype shops and labs that they can use to test their creations. Moreover, participants will get a cash reward, if their idea is implemented.

Idea Screening & Validation

Now that you have a long list of ideas, how do you find out which ones will work and which ones should be dumped?

Ask questions according to chosen criteria that are relevant to your business

Criteria Examples	Question Examples	Why It's Important
Product benefits	How many ways can a customer benefit from this product? Do the benefits help the target audience or another audience?	<u>63% of customers</u> expect companies to know their expectations and unique needs.
Audience	Is there an audience growth potential? Will it help bring in a new audience while still serving the old one? Does the product meet the needs and wants of the target audience?	Acquiring new customers is <u>up to 25 times more expensive</u> than retaining the existing ones. While audience growth is great, focusing on existing customers is more cost-effective.

Market/Industry	Is the market for the product/service oversaturated or completely new? Is there a need for this product/service? How many direct competitors are there?	A saturated market shows that <u>the market has a lot of opportunities</u>. The key to success – is change. While you're still in the early stages of idea development, it is easier for you to make quick decisions and the necessary changes.
Manufacturing/development	Is the manufacturing/development process quick and easy or complicated and slow? How will the manufacturing costs affect the price point of the product/service?	Your <u>speed-to-market</u> will have a direct impact on the product's/service's success. It helps you be ahead of competitors and save plenty of resources.
Profitability	What are the possible areas of expenditure? How much profit will this item/service make?	Try to figure out what your ideal profit margin should be. To measure the profit of one single product, for example, use the <u>gross profit margin</u>.
Branding	Does the product/service comply with our brand's identity?	Companies that consistently take their brand's identity into consideration, are <u>3.5 times more likely</u> to receive strong brand visibility. Moreover, having a great brand brings down training and hiring expenses <u>by up to 50%</u>.
Improvement	Can this product/service be improved in the future? What improvements can make it better? How much would they cost?	Existing products should be reviewed once new technologies or materials are available. Changes in consumer needs, in laws and regulations, and production costs will also lead to product revision and further improvement.

Warning

The idea might **not be worth pursuing** if the audience benefit is low or non-existent, there are too many flaws that would require future investments, or if you won't earn enough money from the product/service.

Quantitative research

Answering a few questions together with the team is certainly not enough. The ideas that have passed the first stage have to be validated once again.

Quantitative research is a *systematic investigation of your ideas*. It is performed by collecting and analysing quantifiable data to test hypotheses and find correlations.

Here are some analyses that you can perform.

SWOT analysis

SWOT analysis is one of the most popular types of product analysis out there. It stands for:

- **STRENGTHS** – the characteristics that give you advantages over the competitors. Use them to expand the market position.
- **WEAKNESSES** – the characteristics that make your business disadvantageous relative to competitors. Strive to remove them.
- **OPPORTUNITIES** – elements in the external environment that let you formulate and implement strategies to increase profitability. Leverage them.
- **THREATS** – elements in the external environment that might endanger the profitability and integrity of your business. Mitigate them.

The person identifies all features for each criteria. After writing down all the strengths, opportunities, weaknesses, and threats **give every point a relative weight and then compare them** (put the most important S's and W's against O's and T's).

Such a '[confrontation matrix](#)' confronts your businesses' strengths and weaknesses with the market's opportunities and threats. Assess the effects and come up with a suitable marketing strategy (or find out that the idea is not viable after all).

Only you get to decide what total score is good enough.



Opportunities

Threats

New housing
development

School
study books

Online store

Competitor
nearby

Total

Strenghts

Extensive range

Customer-friendly stoff

attractive reading table

○

+

○

-

○

+

○

++

○

+++

++

○

++

+

+++++

Weaknesses

Small children books dept.

Staff shortage

-

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○

-

-

+

-

--

+++

Total

+

○

+++

Market analysis

The needs and requirements of your target audience are constantly changing. New trends and responses emerge on a regular basis and your idea or undertaking has to be able to keep up with all these changes.

Market analysis will help you gain a better understanding of what is in at the moment. Ideally, you would be able to find a gap between *what is offered* by your competitors and *what the audience wants to receive*. That is your chance to occupy the free niche.

PESTLE analysis

PESTLE stands for **P**olitical, **E**conomic, **S**ocial, **T**echnological, **L**egal, and **E**nvironmental circumstances.

It allows you to *analyse the whole environment in which your product/service will be operating from different angles.*

You can add another 'E' for **E**thical.

Factors	Definition	What they include
Political	How the government intervenes in the economy.	How the government can influence the economy. Fiscal policy, tax policies, trade tariffs, and so on.
Economic	Refer to the financial state of the economy. Are connected with services, money, and goods.	Foreign exchange rates, economic growth patterns, FDI, interest rates, inflation rate, etc.
Social	The effects of people and groups influencing one another.	Population analytics, demographics, cultural trends.
Technological	Refer to the ways new technologies and practices can affect businesses.	Research and development, automation, innovations.
Legal	Refer to the ways the law affects how customers behave and businesses operate.	Labor laws, safety standards, consumer laws, etc.
Environmental	Refer to abiotic and biotic factors that influence living organisms.	Environmental offsets, climate, geographical location, global changes in climates, and so on.
Ethical	Include all the actions that influence employee behavior inside the company with the outside environment (customers, competitors, partners).	The factor that businesses can influence. Determine your ethical guidelines and follow them.

Rate every external factor. You can assess its impact over time (long-term or short-term), by type (positive or negative), and dynamics (will the factor's importance increase over time?).

Rate the factor's potential impact on the business (high or low) and *the likelihood* of such a scenario coming to life (high or low).

Qualitative research

An easy way to screen and validate the ideas is by asking the actual users and consumers.

- **Reviews and testimonials**

Study the reviews of your ideas and others' ideas to gain more insight into what the audience thinks.

- **Surveys**

Surveys are great as they can be sent to a wide range of people. However, the response will be limited by the number of questions.

- **Focus groups**

Unlike surveys, the discussion in focus groups is not limited by a piece of paper. Even though you can bring together only a certain number of people, gaining different perspectives and thoughts on the new product/service in the form of a discussion can be useful.

- **In-depth interviews**

Interviews provide much more detailed information than surveys. There should be no more than ten questions that will be guiding the interview.