

# A Simple Innovation Process

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A look at a simple innovation process that can yield profitable new ideas.  
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If you want what may be the simplest innovation process, here it is: Find the things that others are not doing well, or just not doing. Once you identify these deficiencies, design a better service or product based on what customers really want. Then sell it.

{bot\_wrgoogle}For example, there was an article in Forbes magazine recently on a Japanese company called Kumon that teaches kids around the world how to read and write and do basic math. They have over a thousand centers in the United States alone, with 194,000 students. They do almost no advertising, yet keep growing rapidly.

Now, you might wonder why with universal public education in the U.S. a Japanese company can do so well teaching the basics. The answer is simple enough: The public schools don't do it very well in many places. Blame it on modern educational theories, "feel good" grading, distracted children or whatever, but the public system doesn't do as good a job as parents would like. Many of them are willing to pay the relatively small amount it takes to get their kids educated properly (Kumon charges less than \$120 per two-month course).

Some just want their kids to get further ahead. The federal No Child Left Behind Act pushes schools to spend resources on low-scoring students, so potential high achievers don't get as much help as they might. Kumon teaches math without calculators, phonetic reading, and essentially stresses rote learning of the basics. Whatever they are doing, it seems to work.

## Innovation Potential - Where To Look

Of course government services are a great place to look for deficiencies that could suggest innovative new businesses. For example, employment services are not particularly good at getting people back to work, and unemployment systems are often abused. Perhaps there is a need for a subscription-based employment company. Customers pay a monthly fee while working, and if they lose their jobs they're provided either a new job or an unemployment check.

Government services sometimes do no more than provide information and then require the unemployed worker to press a button on the phone to indicate that he or she did in fact look for work that week. A private service would have the incentive to find the person a job if the company otherwise had to continue paying out unemployment. They would also require that the worker take a job that is offered, or lose their benefits. I'll bet that would cut unemployment in half in some areas.

Many people have tried to deliver mail in busy cities, sometimes by bicycle. They have usually done so much more efficiently than the post office (until they were unfortunately shut down by the government). You can apply this basic innovation process in many areas of government services.

Look at private businesses too. There are often services that are deficient or incomplete not only in a given company or two, but in whole industries. For example, I recently installed a blog on one of my websites. Actually my wife did the installation. It would have taken me five days, but it took her only five hours. But this was software that promised "easy five minute installation," and was perhaps the easiest in the industry - even at five hours. Now, I hate spending time on supposedly "easy" things like that. If someone actually made an easy one, that's an innovation that I would have paid for.

One way to start this innovation process then, is to start listening for complaints. If you hear the same complaint about a product or service over and over, there's a market for something better. You can begin with your own complaints and frustrations and see if they are shared by others. For example, I hate a slow computer, and many other people do as well. There are already "computer doctors" out there, but maybe the innovation here would be a service that specializes in making your computer as fast as it can be. I just paid \$50 for that to a traditional computer doctor, but I would have called the specialist if there was one (and it could have been him, as it turns out).

Also look for products and services (or combinations of these) that are not complete. We went to the vet with our cat recently, and he did a great job, but I had questions later, and knew I would only get the receptionist if I called. It would have been nice if he had a website where we could get information and email questions to him. The time he spent on answering questions would almost certainly generate more business for him (he could remind us to get that last round of shots we've been putting off). Maybe the innovation here would be a company that sets up such websites for all of the thousands of vets around the country.

Look for deficiencies. Look for "incomplete" services and products. Then design something better and make it happen. That's a simple but effective innovation process.

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