

What others say about this book

'Designed to work seamlessly with our Business Model and Value Proposition Canvases, the Market Opportunity Navigator, proposed by Marc and Sharon, will help entrepreneurs and innovators to commercialise technologies. You will enjoy discovering highly practical worksheets, maps and dartboards of tremendous interest if you want to better identify, evaluate and strategise market opportunities. Let yourself be charmed by the toolkit and the case studies, along with the thoughts of Marc and Sharon.'

Alex Osterwalder and Yves Pigneur, authors of the bestseller *Business Model Generation*

'When two internationally-known experts in entrepreneurship write a "how to" book on market opportunities for entrepreneurs, it is bound to be a very valuable book indeed. Marc Gruber and Sharon Tal have created just the right book for first-time and experienced entrepreneurs. It contains both step-by-step plans and very valuable tips on identifying market opportunities – an invaluable complement to both the Lean Start-up Process and the Business Model Canvas!'

Eric von Hippel, T. Wilson Professor of Innovation, MIT Sloan School of Management

'From entrepreneurship thought leaders comes this innovative step-by-step guide to thinking through the market essentials of an opportunity. Rather than relying on generic examples or others' stories, the authors put the reader in the driver's seat by encouraging him or her to generate, evaluate and prepare to act on their own opportunities. I can't think of a more practically useful entrepreneurship book.'

Dean A. Shepherd, Ray and Milann Siegfried Professor of Entrepreneurship, Mendoza College of Business, Notre Dame University

'Gruber and Tal have crafted a visually exciting way for entrepreneurs to identify and analyse their opportunities, before they dive into execution. This book pairs nicely with the Business Model Canvas and Lean Startup. Best of all, it also tells you how to focus, and what NOT to do!'

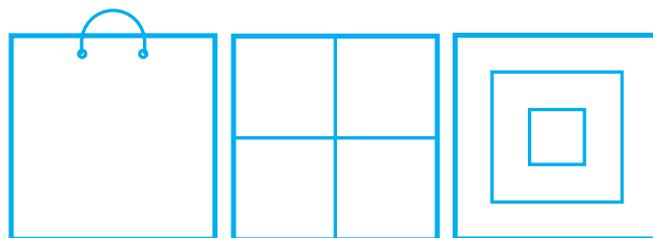
Henry Chesbrough, UC Berkeley Haas School of Business professor, and author of Open Innovation.

'Using thoughtful research and compelling examples, Where to Play provides important guidance on how to balance focus and flexibility when launching a new venture. It builds on the Lean Startup model by providing meaningful insights on what markets to address first.'

Tina Seelig, Professor of the Practice, Stanford School of Engineering

'Where to Play attacks head-on one of the most difficult questions any aspiring entrepreneur must answer: "Which target market should I serve?" It's visual, easy-to-apply, and full of common-sense. If I were starting a business today, I wouldn't leave the starting blocks without it!'

John Mullins, Professor, London Business School; best selling author, *The New Business Road Test* and *The Customer-Funded Business*



WHERE TO PLAY



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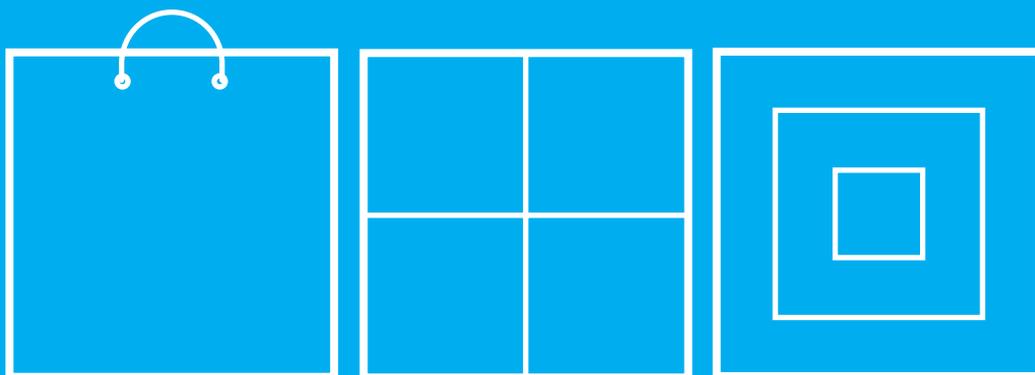
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WHERE TO PLAY

3 steps for discovering your most valuable
market opportunities

Marc Gruber and Sharon Tal



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About the authors

Where to Play presents a new business tool with a solid underpinning called the Market Opportunity Navigator. It was developed based on over 15 years of rigorous research, combined with years of practical experience in consulting and teaching budding entrepreneurs. Hundreds of cases, from different industries and countries, were studied and analysed as we developed the underlying logic of the Market Opportunity Navigator. The result is a simple and appealing tool, which has the right amount of depth to help you make solid decisions.



Marc is a world-leading researcher in the domain of innovation, entrepreneurship and technology commercialisation. He is Vice President for Innovation at the Swiss Federal Institute of Technology (EPFL) in Lausanne, Switzerland, where he also heads the Chair of Entrepreneurship and Technology Commercialisation. He works as the Deputy Editor for the #1 empirical research journal in management, the *Academy of Management Journal*. He received multiple 'Thought Leader' awards for his breakthrough research. Marc is actively engaged in teaching, consulting and executive training programmes in Europe, the US and Asia, and regularly acts as a jury member in start-up and corporate entrepreneurship competitions across Europe.

Sharon is one of the co-founders and former executive director of the Entrepreneurship Centre at the Technion, Israel Institute of Technology, and a well-recognised lecturer on marketing for high-tech start-ups. She conducts seminars and workshops on a regular basis to students and start-ups, and serves as a mentor in many organisations that aim to help budding entrepreneurs. Sharon has vast experience in marketing and has served as a marketing manager for firms in several industries. She also has extensive experience in strategy consulting. Her PhD research investigated the market entry decisions of hundreds of start-ups and their consequences on firm performance and flexibility.

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Figures

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'The entrepreneur's dilemma: focus, focus, focus – but on WHAT?'

David Roth, Forbes Magazine

'The hardest thing when you think about focusing. You think focusing is about saying "Yes". No. Focusing is about saying "No".'

Steve Jobs, Apple co-founder

'The thing about inventing is you have to be both stubborn and flexible, more or less simultaneously. The hard part is figuring out when to be which!'

Jeff Bezos, Amazon founder

'You have to be prepared to see the better idea when it arrives. And the hardest part of that is often discarding your old idea.'

Paul Graham, Y Combinator co-founder

If you've ever felt these challenges,
this book is for you . . .

Where to Play presents the Market Opportunity Navigator- a tool that will help you:



Discover promising market opportunities



Evaluate their value

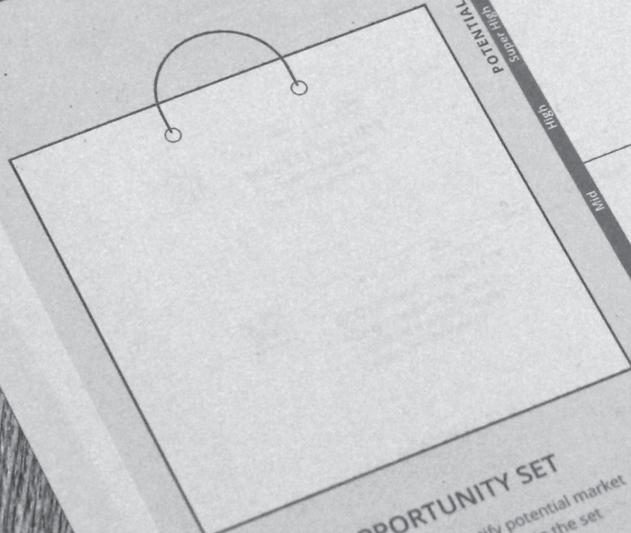


Set your strategic focus smartly

To make sure you're running in the right direction and remain agile, without losing your focus!



THE MARKET OPPORTUNITY NAVIGATOR



MARKET OPPORTUNITY SET

- 1 Use Worksheet 1 to identify potential market opportunities, and place them in the set

ATTRACTIVENESS MAP

- 2 Use Worksheet 2 to evaluate the attractiveness of each market opportunity, and place each

Market Opportunity = any combination of application + customer

Place each market opportunity

OPPORTUNITY ATTRACTIVENESS



Overview

- 1.1 Are you running in the right direction?
- 1.2 The Market Opportunity Navigator in a nutshell

1.1 Are you running in the right direction?

Commercialising innovative ideas is a constant run.

It requires immense efforts, as you attempt to move forward and make progress on your way . . . while facing one hurdle after the other. And it's not just simply running . . . in fact, entrepreneurs and innovators are trained to run fast. Time can be one of your greatest enemies when new products or services are waiting to be adopted, and speed is seen as critical to successful innovation.

Yet, running, and even running fast, may simply be useless if you are not running in the right direction! If you are not pursuing a valuable market opportunity, or not playing in the right field, you are wasting your time, energy and resources . . . and those of others, too!

Finding the right direction, however, is not obvious at all. Your unique resources and abilities can address different needs, for different sets of customers, thereby creating several potential market opportunities for your venture – or a set of possible paths in your entrepreneurial race!

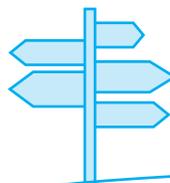
So before you run fast, make sure you are running in the right direction, because . . .

Different paths lead to different results

Market opportunities differ in their value creation potential and thus in your ability to generate sales and become successful.

Your market choice imprints your venture

Your market choice will shape many aspects of your emerging venture. It will not be easy to un-do, especially when significant investments are required.





Have you been asking yourself . . .

- How can I identify blockbuster opportunities?
- Did I miss out on any?
- How do I know what's the most valuable option if there is so much uncertainty out there?
- How can I let go of seemingly promising opportunities?
- Should I pursue several opportunities in parallel?

The Market Opportunity Navigator will support your market choice and help you to systematically uncover the most valuable market opportunities.

In short: it will help you to make sure that you are running in the right direction.

Are you locking yourself into one direction?

Once you have chosen your direction, you also need to make sure that you can remain agile, without slowing your pace. Your efforts, your resources, your attention – they should all be focused on advancing your chosen path, but at the same time you need to develop your capabilities in a way that would allow you to redirect your route.

That is because unforeseeable things may happen: despite your best, diligent efforts in choosing the most promising path, you may reach a startling dead-end and will need to pivot; you may also uncover a new, more attractive opportunity and consider its potential; or, down the road you may simply want to exploit your next growth options in the most efficient and effective manner. In short: new junctions, which are currently unforeseeable, may appear along your way, and you must make sure that you make the most out of them.

So, what does it mean to remain agile while running in your chosen direction? It means that you understand your options and keep some of them open now – so that you avoid locking yourself out of other interesting directions in the future.

When you consciously keep selected options open, you can, for example, create a more modularised technology, cast a wider intellectual property (IP) net or even pick a brand name that would lend itself to redirection. In short, it would help you to develop your resources and capabilities in a way that would allow for greater flexibility down the road.

Especially for start-ups, being able to focus while remaining agile is crucial. If you are not open to alternative paths while concentrating your available resources, and can't handle change or adaptation efficiently, you may simply lose the race . . .

| *The innovator's challenge: focus and be agile.*





Have you been asking yourself . . .

- If market choice is so important how can I hedge my bets?
- How can I focus sharply yet stay flexible at the same time?
- What shall I do with new information that cracks my confidence in our chosen path?
- How can I deal with the next junction in our road?

The Market Opportunity Navigator will help you to strategise your opportunities and decide which options you should keep open as backups or for additional growth, so that you can stay both focused and agile at the same time.

Three steps to support your market opportunity choice

The book will take you through three steps that are necessary for designing your market opportunity strategy and choosing where to play:



I. Search broadly

Which market opportunities exist for us?

It is important to understand your terrain and uncover potential paths before you start running. Step 1 will guide you on how to search systematically and broadly for market opportunities in order to create a varied set of options.



II. Assess deeply

What are the most attractive market opportunities for us?

Next, it is essential to assess your options and understand their pros and cons. Step 2 will guide you on how to evaluate opportunities, so that you can estimate and compare their attractiveness in an unbiased manner.



III. Strategise smartly

What market opportunities should we focus on?

This is where choosing smartly comes in: it's not only about focusing on the most promising option, but also about remaining agile. Step 3 will guide you on how to build your Agile Focus Strategy, so that you can mitigate your risks and increase the value you can create – with minimum effort!

Overall, this book will take you by the hand as you progress from:



Manage your commercialisation effort in the face of uncertainty

The Agile Focus Strategy clearly defines the market opportunities that you will pursue now, and the opportunities that you will keep open as Backup or Growth Options, so that you can manage your start-up with foresight and agility, while facing uncertainty.

This smart portfolio will be essential for running in the right direction and for remaining agile. Eventually, it will have significant implications on how you build and design your firm.

So before you . . .

- Develop your technology
 - File your patents
 - Recruit new employees
 - Engage your stakeholders
 - Nurture your company culture
 - Pick a brand name
 - Design your marketing materials
-
- Make sure to apply the Market Opportunity Navigator and design your Agile Focus Strategy!



Enhance your value creation potential

The three steps of the Market Opportunity Navigator will successfully . . .

Support your decision making

Identify valuable opportunities and make an informed decision for enhancing your value creation potential – one that is less vulnerable to biases and that is not based mainly on intuition.

Establish a shared language

Communicate, share and debate with your team members and stakeholders, to enhance your learning, to showcase your potential and to reach agreements more easily.

Offer guidance over time

Trace back, track and update your decision over time, at any junction along your path, or whenever new information puts your strategy in doubt. Just like navigators that you know from other walks in life, this will help you to re-calculate your route if necessary. It's your learning companion.

The Market Opportunity Navigator works for . . .

Start-ups

Faced with uncertainty, start-ups often struggle to find their path to success. They need to make sure to focus on pursuing the most valuable opportunity on one hand, and hedge their bets on the other – and all with limited resources. The Market Opportunity Navigator will help entrepreneurs to identify and map their options as they progress along their entrepreneurial journey, and to choose a path that can lead them to success.

Established organisations

Established firms often struggle in creating the most value from their existing assets and in identifying opportunities for new growth. The Market Opportunity Navigator will help established firms to identify the next BIG thing and to manage their innovation funnel smartly, so that their entrepreneurial endeavours are better positioned for success.

Technology Transfer Offices

Research institutes often struggle with how to commercialise or spin out innovative technologies stemming from their laboratories. Finding potential applications and customers for these inventions is challenging, yet of key importance for these offices. It will support their decision to patent an innovation and can help them understand how – and to whom – they shall license it.

Investors

Investors are constantly looking for promising businesses. While they do want to invest in a specific market opportunity, they also greatly appreciate the value of agility. They can use the Navigator as a screening tool – to evaluate the attractiveness of an opportunity and, if it proves to be interesting, to encourage the development of a smart portfolio around it.

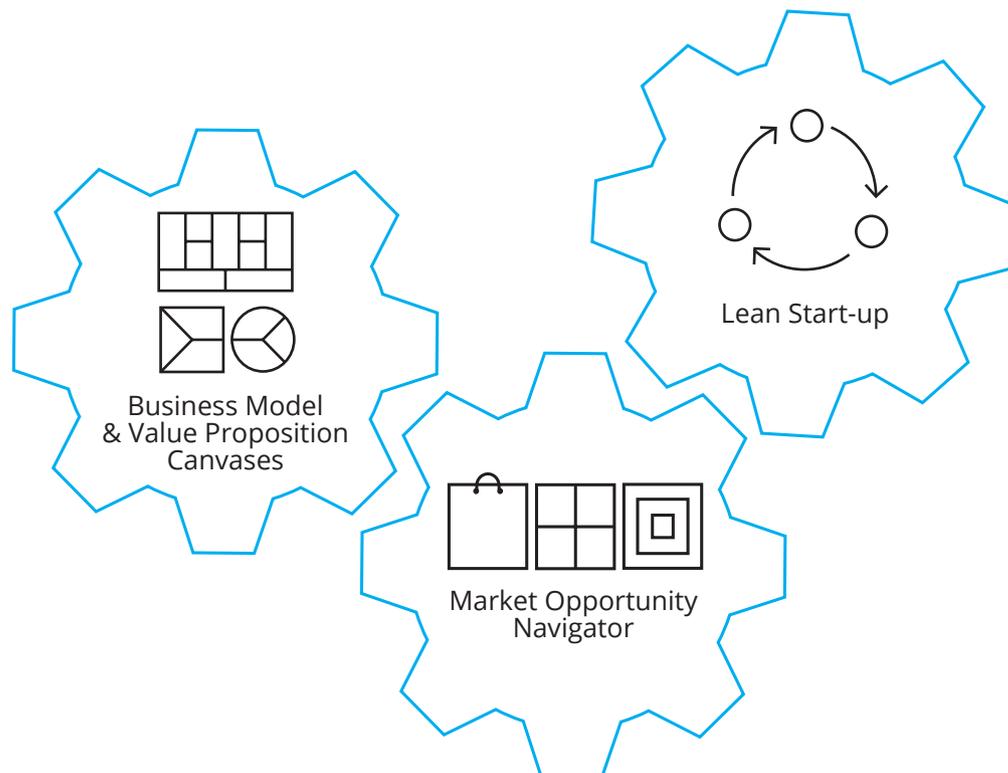
Educators and accelerators

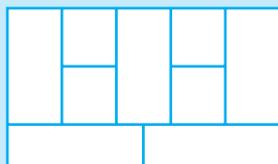
No matter if you are teaching entrepreneurship or technology commercialisation in universities, or if you are accompanying budding entrepreneurs in an accelerator or an incubator: this book provides a suite of important tools that clearly lays out all the major considerations of this process, and all in an easy-to-apply form.

Use the Market Opportunity Navigator with other business tools

The Market Opportunity Navigator is an easy-to-apply business tool that helps you in systematically identifying and rigorously assessing potential opportunities as you choose which options to focus on. It not only gives you the ability to deliberately plan your strategy but also to reflect and adjust it as you progress through your learning journey.

To make this learning process broad and complete, we recommend that you use the Market Opportunity Navigator together with other key methods and business tools. Specifically, the Navigator is designed to work seamlessly with the Business Model and Value Proposition Canvases, created by Alexander Osterwalder and Yves Pigneur, and with the Lean Start-up Methodology, created by Eric Ries and Steve Blank.





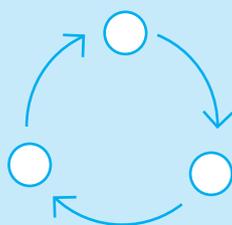
Business Model Canvas



Value Proposition Canvas

The Business Model Canvas and the Value Proposition Canvas offer valuable frameworks that help you to plan your strategy in order to create value for your customers and for your firm.

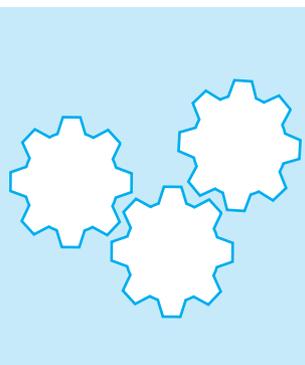
The Navigator – which provides the macro view of the landscape of opportunities – adds an essential level of analysis to the micro-planning of the Business Model and the Value Proposition Canvases. Together, these three tools reinforce each other to provide the comprehensive planning that is required for finding the most fertile ground for your endeavour.



Lean Start-up

The Lean Start-up Methodology offers an important validation process for discovering and developing customers through rapid market testing and continuous pivoting.

The combination of the Navigator with the Lean Start-up Methodology allows for a powerful process of validating a winning strategy: the Navigator provides an on-going tool for planning, reflecting and adjusting as you go through rapid Lean cycles of learning and makes sure that you will always keep track of the broad picture in addition to the path that you are currently testing.



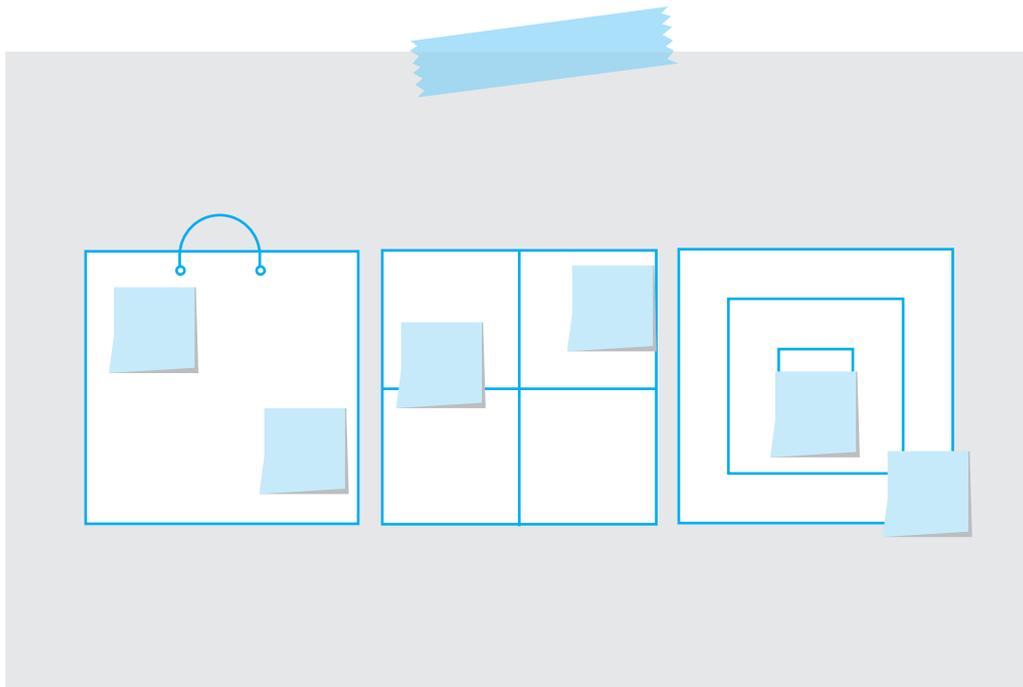
This suite of business tools helps you in understanding fundamental questions in entrepreneurship and innovation in a manner that none of the tools by itself would allow you to. The whole is greater than the sum of its parts. **Use this powerful combination to set your strategy for success.**

Turn to Chapter 3.3 for a more detailed explanation on how you can reap the greatest benefit from this suite of business tools!

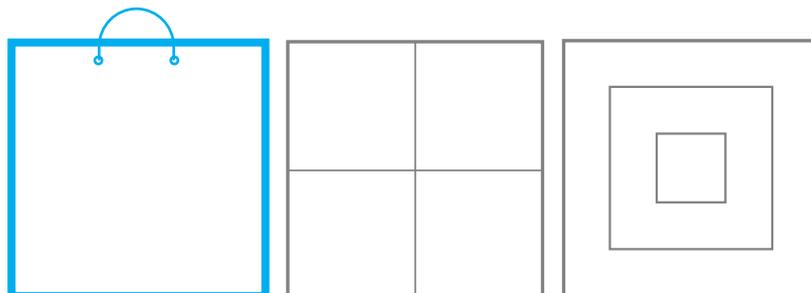
1.2 The Market Opportunity Navigator in a nutshell

The Market Opportunity Navigator is designed to help you master your market opportunity strategy and find out where to play. It offers a structured and easy to apply framework covering the three main questions that you need to consider for setting a smart strategy: (I) Which market opportunities exist for us? (II) What are the most attractive market opportunities for us? (III) What market opportunities should we focus on?

The Navigator takes you through these questions, step by step. Dedicated worksheets will help you to find the best answers, and to depict their outcome in a visual manner, so that choice becomes more apparent. Corresponding to the three focal questions, the Navigator is comprised of three parts: the Market Opportunity Set, the Attractiveness Map and the Agile Focus Dartboard.



Market Opportunity Set



What is it?

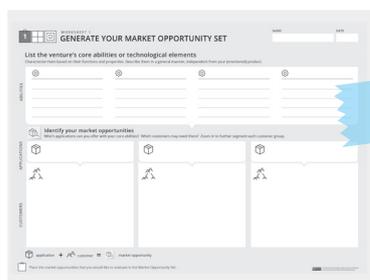
The set of potential market opportunities that you can address with your core resources and capabilities. These can be varied options, related to different types of needs for different types of customers.

Why is it important?

Market opportunities can vastly differ in their attractiveness. A varied set of market opportunities is an asset in and of itself, as it increases your chances of focusing on the most promising option. It also provides the basis for a Plan B, if required, and for unlocking new growth opportunities over time. 'Look before you leap' is therefore the first step for setting a smart strategy.

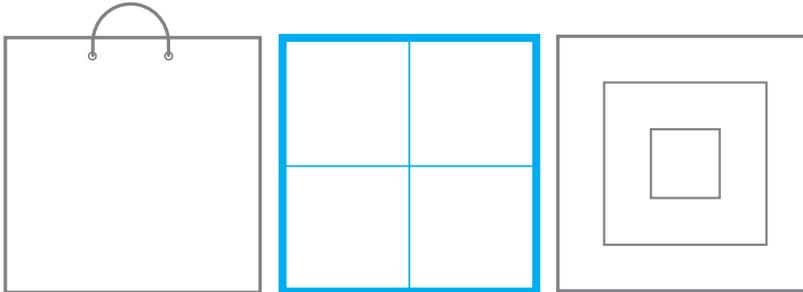
How is it done?

To discover valuable market opportunities, assess the generic functionalities of your core abilities, to understand what other applications you can create with them for different types of customers.



Worksheet 1
will guide you through
this process.

Attractiveness Map



What is it?

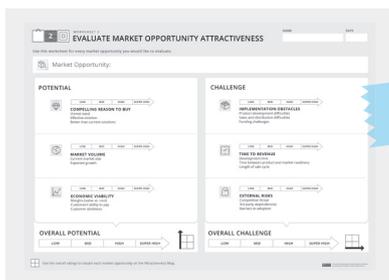
Because market opportunities can vastly differ in their attractiveness, you need to understand their value. The Attractiveness Map allows you to visually depict the evaluation of your market opportunities, so you can better grasp their upsides and downsides, and compare them with each other.

Why is it important?

This visualisation helps you in determining your most valuable options, at a given point in time, so that you can make an informed decision about your Primary Market Opportunity – one that relies less on intuition or suffers from the biases that we all have.

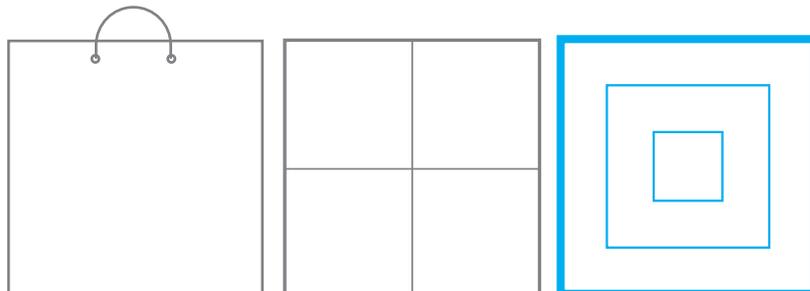
How is it done?

The attractiveness of possible market opportunities is based on their value creation potential and on the challenge encountered in capturing this value. The rating of each option on both dimensions results in its location on the map.



Worksheet 2
will guide you through
this process.

Agile Focus Dartboard



What is it?

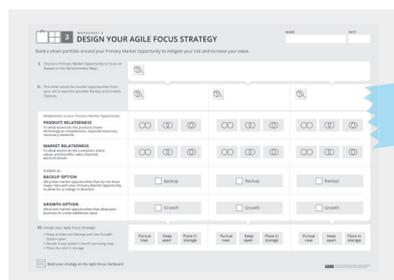
The Dartboard depicts your Agile Focus Strategy. This strategy balances the tension between focus and flexibility, by consciously keeping open other market options: those that will allow you to mitigate your risk and increase your value with minimum effort.

Why is it important?

The Agile Focus Strategy enables you to hedge your risk and to leverage your competences at the same time, thus allocating your resources more effectively and avoiding a potentially fatal lock-in. The Agile Focus Strategy has significant implications for how you build and design your venture.

How is it done?

After choosing your Primary Market Opportunity, analyse which other options are suitable for backup or for growth, based on their attractiveness and their relatedness to your primary market. This analysis can help you decide which options should be pursued in parallel, kept open for later stages or put aside for now.



Worksheet 3
will guide you through
this process.

Before you roll up your sleeves . . .

1. It's a process

Applying the Navigator is a process that requires attention and time. Dedicating this time is often counterintuitive to the common 'just do it' tendency of entrepreneurs and innovators. Getting products out there and iterating as they go seems like a better use of time. However, thinking thoroughly through your business and unearthing important variables beforehand can actually get you on the road to success quicker and cheaper . . .

Appreciate the process, not just the outcome

Although the Market Opportunity Navigator is designed to help you set a smart strategy, the learning process to get there is just as important! It helps you figure out the strengths of your business, your competitive landscape, your customers and your obstacles. You can use the Navigator's process to clarify your assumptions about a market opportunity and to gradually turn them into facts. So don't try to make any short cuts or skip some parts of the process. The knowledge you will gather is indispensable!

Make it as iterative as possible

It may seem like a linear process – yet it is not. You will go back and forth between steps, as more knowledge is accumulated and new market opportunities are discovered.

Make it a habit

The Market Opportunity Navigator will help you in navigating through the initial market entry decision, but also beyond it! Things may constantly evolve and new parameters may require additional attention. Make the Market Opportunity Navigator a constant companion – you can capture your ongoing learning and updated situations. If strategic changes are required, you will easily see them! The Navigator will help you to see a better idea when it arrives, and to overcome the challenge of discarding your old one.

2. Use the three steps according to your own needs

Although we portray the Navigator's process in a structured and staged manner, it is actually possible – and sometimes even more useful – to apply the Navigator in a different order, or simply use individual parts according to your specific questions or dilemmas.

It's possible to start from different entry points

You can start using the Market Opportunity Navigator at different stages, and use different steps, depending on what you already know and what you have already decided. For example, you may use it to compare potential market opportunities, but not to generate alternatives, or to build a smart portfolio around a target market that you already pursue.

Market pull

Some firms may start with the intention to address a specific market need. This approach is typically called 'market pull'. If your firm falls in this category, you will find great value in the Market Opportunity Navigator as it allows you to evaluate your initial target market. If it proves to be a worthwhile opportunity, you can then build an Agile Focus Strategy around it. If it turns out to be a weak opportunity, the Market Opportunity Navigator will assist you in discovering more valuable fields to play in!

Technology push

Some firms may start with a technological invention and search for potential uses for their technology. They are typically called 'technology push' firms. If your firm falls in this category, you will find great value in the Market Opportunity Navigator as it allows you to discover possible market opportunities, stemming from your innovation, to evaluate them and to develop your Agile Focus Strategy.

3. Work efficiently

Remember that the Navigator provides you with the cornerstone questions that need to be addressed as you figure out where to play, but it does not provide the answers. Here are some important tips to help you search for answers in a more effective manner:

Avoid ‘paralysis by analysis’

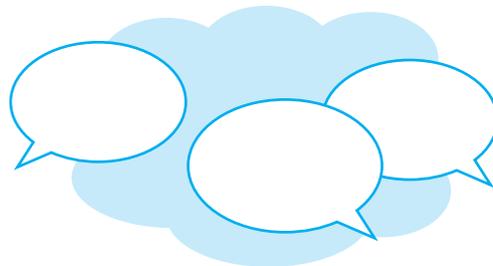
Paralysis by analysis is a well-known phenomenon. It refers to managers who are reluctant to make important decisions before gathering all the information that they could possibly get. While our framework urges you to collect comprehensive data before setting your strategy, we also urge you to stop at some reasonable point. Uncertainty can never really fade completely. Be prepared to base your decision on an ‘informed and educated intuition’ rather than on a complete set of data. The fine line between under- and over-analysis is a bit illusive, so you should be aware of it.

Be aware of your biases

As human beings, we are never an empty table. We usually approach tasks with our prior beliefs, tendencies, passions etc. This is normal. Yet, don’t use the Market Opportunity Navigator to simply rationalise your intuition. Try to be as objective as possible and to base your evaluation on proven knowledge instead of beliefs. Let the Market Opportunity Navigator be a mirror in your face, rather than mirroring your own subjective opinion!

Debate as much as you can

One main value of using the structure that the Market Opportunity Navigator provides is to clearly put your thoughts and considerations on the table, and to debate them with others. Use the framework and the language it provides to discuss your analysis with peers and stakeholders. It will enrich your reasoning and will help you to avoid any biases that may tilt your analysis in a wrong direction.



? FAQs

The technology that we are developing is quite specific for the product that we have in mind. Will the Market Opportunity Navigator be relevant for us?

Of course, some technologies or capabilities are more fungible than others. They can more easily be applied to serve different applications and market domains. Yet, almost any technology can be de-linked from its current product and be characterised 'in its own right' to understand its generic functionalities. The Market Opportunity Navigator will help you discover new market opportunities and will make sure that your firm will not get locked in and lose its agility.

There are so many things to do in a start-up and so little time. Why should we take the time to invest in this process?

Indeed, time is one of the scarcest resources for entrepreneurs. We know that. However, because it is so rare, it should be spent wisely. Our natural tendency is to invest our time in troubleshooting and short-term problems. Yet, this approach will likely take us nowhere in the long term. Your choice of market opportunity is one of the most important decisions you will ever make. Take the time to think widely and comprehensively about your options before you commit to a specific path. Make sure that the choice is smart, so that you will not regret it when it's too late. You should also keep in mind the 'learning curve' in applying the Navigator. A significant investment is usually required when you begin working with the Navigator but, over time, you will be able to use it and benefit from it with much less effort.

The common assumption among entrepreneurs and investors is that start-ups must adopt a 'laser-sharp focus' approach, because their resources are scarce. How does it fit your Agile Focus approach?

We have done comprehensive research, involving hundreds of firms, to understand this question. Our studies clearly show that a laser-sharp focus on one narrow path doesn't pay off for most firms! On the contrary: firms that implemented a wider approach – by consciously keeping related market options open – outperformed those who didn't, mainly because of their greater agility. Laser-sharp focus therefore comes at the price of flexibility, while Agile Focus helps you manage the delicate balance between staying focused and staying flexible!