

Joining the 1%



When you watch this short video, titled [“Less Than 1% Get Funded,”](#) you will see a key issue in the mindset of a lot of businesses. Businesses will come up with an idea and then go out, get a bunch of money, and it will GO BIG.

This mindset leads to 99% of people not getting funded. It takes a lot of grassroots to get you to where funding is the appropriate next step.

I am a firm believer that when you get going in any endeavor, it is important to build a “grassroots approach” to getting started. That means you should work to get your idea together in any way possible, even if that means doing it part-time while the full-time job is paying the bills. Be frugal to not spend unnecessary money before you are getting those first few clients in that bring some revenue. If securing money is necessary, you should start with the friends, family, and credit card route first. Going after the serious venture capital dollars is not an easy endeavor, will be a difficult first start, and is left for that remaining 1%.

So how do we increase the odds of our success to reach the 1%? We must first get our product or service going by building out the offering, getting users, and showing some market acceptance. From there, we can begin to approach companies about additional funding. By using and providing some revenue help, you can then continue to build on this cycle. And in turn, you will slowly increase the odds that you will have success within the venture capital world, as I discussed in my recent blog, [Scaling bounceit!™ by Not Scaling](#).

Currently, I am in the process with my partners at bounceit!® to raise money and take the idea of this social voting mobile app to the next level. This week, we traveled to Columbus, Ohio to meet with a venture capital firm. As we discussed a plan to raise capital, they saw other opportunities for applications of bounceit!®. I am hopeful that this will be a very good arrangement for both parties. I will keep you updated as we progress.

We are at this point of approaching venture capitalist because we have followed the steps mentioned above. We have invested our own money and time, gotten bounceit!® out there, and been receptive to the users' feedback. Our first vertical is approaching campaigns and implementing a ground-level polling analysis. We are taking the next step and talking to businesses that are ready to sign up, and get a plan together to enter next year's political season.

My first two companies were done from a "grassroots approach" and not taking any outside money. The success of the IPS Funds were all grown with one new investor after another. Efficiency was grown from some money I had from IPS, but not from any outside investors. So this side of a startup will be a new experience for me, and we look forward to becoming part of that 1%.

What Is Your Job to be Done?

When trying to find opportunities to grow during times you may have hit a lull, or even when you are starting a new company, there is a process that can help get you there. That is what I found when I



started to read the book Seizing the White Space: Business Model Innovation for Transformative Growth and Renewal, by Mark Johnson. Mark will be speaking at the next Fortune Growth Summit in Las Vegas. I was intrigued by him since he is partners with Clayton Christensen, who wrote The Investors Dilemma and shared a lot of break-through thinking in this book.

I assume that most think like I do, and we think that the cool idea happens when some light bulb goes off and then somebody is off to the races, trying something and seeing if it works. Mark says that you actually can get this innovation with a process that starts with asking, "What is the job to be done?" Other times, it may be when you do customer research and the clients tell you what they want from you. Doing it this way, Mark says, has shown that you are being held back from pursuing the game-changing, transformative, new growth opportunities.

To ask the question of what job needs to be done, it takes looking at things differently from the natural way that we see from the inside-thinking of our products and company. When you think of it as unmet jobs, you are looking for the things you are not doing now, but things potential customers want done. When we go about this by asking our clients what they need from our products, they usually put out answers like "less expensive," "easier to use," "less invasive," and "more features." When you think of it in this perspective and also look at it from a typical segment of target markets, it doesn't usually align with jobs customers might want us to do.

Marks says, to be truly more customer-centric, you must stop asking “what do you need?” and start asking “what are you trying to get done?”

He uses a very cool example of this when a company was trying to improve the sales of its milkshake. They initially tried to define the market in terms of the product and then its demographic segments. When they asked the target person what they wanted, they got more of the inside-out answers by supplying categories like thicker, more chocolaty, cheaper or chunkier. They made changes, and then they didn't get any increase in sales, so they brought in a researcher who watched to determine what the target person was trying to get done when they “hired” a milkshake.

The researcher noted things like, who was with them when they were buying, what time they were there, did they eat there or when they left, and on and on. From the perspective of looking at the job to be done, they determined that buyers hired a milkshake for two different reasons. The buyer was the same for both, a working father. The difference was that in the morning, dad didn't have time to eat breakfast so he grabs a shake for the daily commute. In the latter part of the day, the dad brings the kids in for an afternoon treat or after meal milkshake. The job to be done is to fill working dad up in the morning, so the shake needed to be thicker, maybe with chunks of fruit. In the evening, dad with kids wanted them to hurry up, so a not-so-thick, fruit-free shake was better.

This information could not be obtained by asking the customers what they wanted. To do this, the mind-set had to be one of paying close attention to the jobs that customers are having a tough time fulfilling. So when you look around your product or service offering, what are the jobs not being done that your customers need done?

bounceit!™ update: Over the past few weeks, we have been working on some improvements for bounceit!™ that will include

a new look and improvements with some of the features. This will be in the Apple store next week. We have also been doing some venture capital presentations and looking to get some money from some angle investors. We have some good press going, as well. Gary Hardin was interviewed on a local TV show in the live segment and an article was out Sunday in the Knoxville News Sentinel. I will have links for you on both of them next week.