Technology forecasting for strategic decision making
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Failure and Success Startup Stories

Hello, and welcome back to technology forecasting for strategic decision making. This is a session 3, that we are going to start. It is to set up a context of strategic decision making, really what goes, what is the background? what is the environment in which technology forecasting actually operates? That is what we want to really find out in this. We want to set this up first before even heading to technology forecasting.

So, before you set up the project, before you find out what is it, the technology that you are looking at, all that we need to find out the backdrop against with a canvas against which your technology forecasting has to be done, the activity has to be done. So, we are going to look at some contexts of the decision making itself.

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TWO SCENARIOS

Before setting that up I really wanted to show you some background source of two scenarios, I wanted to give you some examples of two scenarios and give some illustration of what could be possible, possibilities that can exist. I have taken on purpose, two contrasting scenarios so that you can really tell the difference between A setup and B setup. So, it is some have been exaggerated just for effect. I am going to show you those two scenarios.

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The first one is this guy, 3 friends who decide to start a company, they are from college, they study in a college and they decided to start a company. Let us give them names just for fun. I am totally out of random. Let us call the guy in the middle Tiger. The other two ladies, we can call them, I do not know Ananya and Tara, maybe, just random names I'll give them.

So, these 3 people decide to start a company and they have started a company for, and now they are wondering what to do that they have the resources. So, they started the company, and now they are wondering, now what do I do. Then they developed, start developing the product itself. Somebody says, oh, a company should have a product.

They start developing a product. They started with a prototype, and demonstrated their little prototype to their buddies asking them for their opinions. Tiger took it to his buddies, Ananya and Tara took it to their buddies and showed it to them, and they got some response. Then finally, they also showed it to a professor, someone like me, looked at it, and I said, that looks interesting.

Maybe you can do this, instead of that, this instead of that, and off, they went back to their developing their prototype. So, they kept working on it, 6 months down the line after they had started developing it. I do not know if it was Ananya or Tara, somebody mentioned, hey, how about showing it to somebody, like a customer, maybe. Tiger and Tara just shushed her and said, no, no, no, we are not ready for primetime yet.

We need to continue developing the product. This prototype has to be even better than what it is and then we will think about a customer later on. So, they just dropped the whole thing. And then 6 months down, 6 more months down the line. Again, if you look back, how many customers had they talked to? Well, the answer is 0. Have they talked to customers? No, they have not talked to it in the entire year that they have been developing this product.

Now, any opportunity in this whole year came to showcase their product or to show to somebody, what is going on, what is the product. They would just shy away and move away, and then they said, no, no, no, no, we are not ready for primetime yet, we are not ready for primetime yet. So, we are not ready for primetime yet seem to be the slogan for the company. So, they just did not want to show it at all.

And finally, they started burning through all this cash in the entire year, putting it into the product, their own, expenses and all that they started feeling the pressure that they were not generating any revenue, they started feeling and then they also look at their college buddies. Now that, it is been a year, they all also outside college now they are looking at their buddies.

Their buddies have their friends have no cushier jobs, better pay checks every month, they get paychecks, these guys have had nothing. So, then now tiger and his friends are now wondering, is it the right thing to do right now? Is it okay? And, Tiger starts wondering,

maybe I should apply to a corporate job, maybe another job and he goes and announces this saying, I am deciding to apply to a corporate job.

I do not think our product is going anywhere and Ananya and Tara revealing that they already have University offers and that they are quitting for their advanced degrees. They are quitting this company and leaving once and for all leaving Tiger and his company once and for all. And, that is where the whole startup dream went bust. Now, this story has been exaggerated a bit, but it is not too far from the truth. I have seen many startups go through this. So, that is one scenario that I have presented to you.

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Now let us look at the second scenario. This is a story of Rocky and Gal. Rocky is the guy on your right, and Gal is the lady with the glasses hanging by her neck on your left. So, they want to have a dream, their dream is to have a startup. Now, they did find a specific problem that they themselves faced as students in colleges. So, they went to the same college as Tiger Ananya and Tar. Rocky and Gal felt that they have been through certain, they had some discussions, they said, this is something that I went through. Is it true that other students also go through? So, they asked around, they sort of observed what other students are doing in their own class. And, they did feel that yes, this is true students are going through this. Now let us expand and see in other colleges and other localities. Are they facing this? They went around, took down notes and all that.

They talked to people; they observed them in their own field. It totally was the situation in which it was happening, that it was indeed how it really worked, is it they did have the same

problem. Now, they started building on this idea. Slowly, they said, I think our hunch is right, but I think we need to put something together, they quickly got something together very, very cheap stuff, they got it together. And they started building a small prototype; they got early-stage feedback from everywhere. And they said, now we are ready.

And then once they got some funding for that, they decided to develop it into a venture, now is when the talk of a company started, they built a company and everything was done. Then onwards, they said, now we know that this is based on a technology, where is it going to go into, they started looking at it. So, this is perfect. As you can see, between the two anyway, I will stop here. They started, Rocky and Gal started their own company, and then they started, then they started looking up for them, they made real products.

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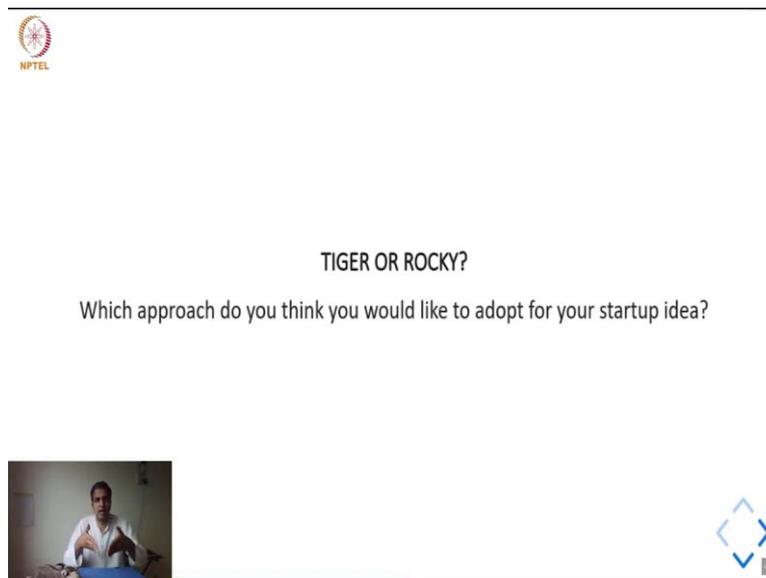
Now, if you are part of a startup, and if you were to take an approach, so this is where setting up the context, as I said before, which approach would you like to adopt? For your startup idea? Would it be the Tiger approach of putting your head down and developing the product? Not to wondering what is going on with the big picture of the product itself.

Whether it is the customer? Is it the technology itself? Or would it be the Rocky approach? Where you look at, what the customers want? What are the trends? And what is it the trend in technology? Would you do that? The answer, I guess by now, I made my point is, you should probably be thinking, just ask yourself this question, if you want, you can pause the video, and just think about it. I guess you have already made up your mind.

Yes, I agree with you. It should be the Rocky approach, which is listen to your customers, find out what is the trend, and then build your product based on that. And then look at what the technology trend is. I also address that in your technology development, because if you know what is coming up, if you know what the customers want, you can really hone in, focus in, zero in exactly where you want to be headed, it is it is a lot easier to tackle this when you know certain things.

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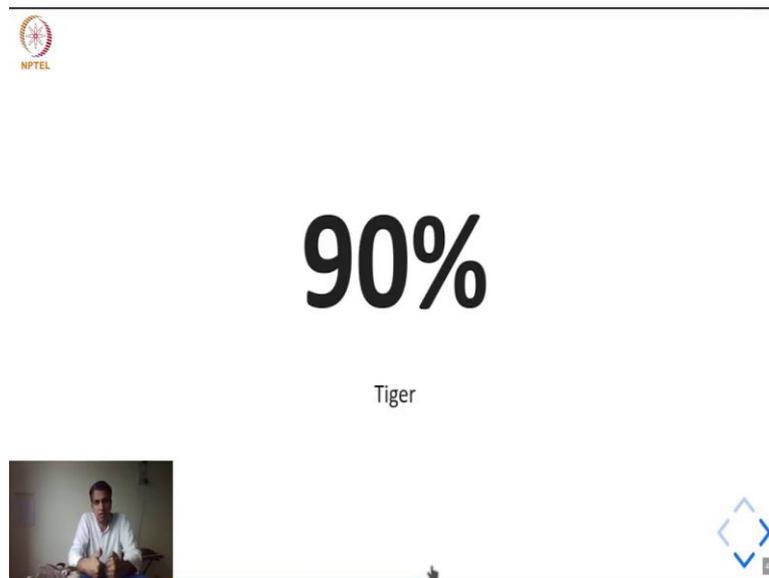
But the sad part of the story is that 90 percent of startups are actually thinking like Tiger, which is, let us burn the cash and make the product as ready as possible. And then we will think about bringing in customers and revenue and all that can be later. This is a worldwide survey that I pulled out from the from reputed agencies who have reported that 90 percent of startups had do not even look at or even think about what the customer really wants.

And then they go on doing product development. So, you really have to pay attention to what is your strategy? What is it that you are going to look at? Is it going to be the Tiger way of putting your head down? And, I am only going to think about this particular product. I am not interested in technology trends, how technology is moving ahead or neither am I interested in the customer trends, or what customer really wants.

Is it that approach? Or, no, no, this is something that I am going to be investing resources, and I am going to be putting in my time, I am going to be getting investors to pitch in for all this. So, I better focus on what is outside as well. And then focus my attention based on that

the technology part and the whole customer idea part. So, make a choice. I think the answer is fairly obvious.

But still, when it comes down to product development, people often, as you saw in the survey results of the worldwide survey results. It is 90 percent, take the Tiger approach, which is put your head down and do the product development. So, look at your strategy. What is your strategy, this is not only true for startups, of course, I covered the idea for startups into this, but it very well applies for a company also, an organization as well.

Are you totally focused on a product or a service development without looking at what the customer wants and where the technology is proceeding, or are you willing to look at the product or service development with these two being fed in to your product or service development? So, that is the point of this whole two scenario description. Hopefully that helps you, see you in the next one.