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## Dreaming Up Business: The Best Ways to Create Ideas for Startups

Startups got a bad rap during the tech bubble in 1999-2000. But the idea behind startups is still important to how we do business today. If there were no more ideas, business would stagnate. Developers, or code-writers, and designers who create the consumer-friendly face of the start-up work to develop an idea for a business and conduct market research for commercial potential. There's a lot of money in startups because investors are always looking for good places to make their capital grow, even though typically this is a high-risk venture. When we asked successful business owners how they came up with their ideas for startups, they had a number of things to say.

Matt Inglot of [tiltedpixel.com](http://tiltedpixel.com) had a straightforward, if somewhat minimalist, tip on the best way to get a business idea--find a problem that people need solved. Then charge them money to solve it. If someone is willing to pay up front, start your business. If not, find a problem people are willing to pay to get solved.

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Lance McNeill, MBA, is a small business coach in Texas for Business and Community Lenders of Texas ([www.bcloftexas.org](http://www.bcloftexas.org)), a non-profit micro-lender contracted with the City of Austin's Small Business Development Program's BizAid coaching program. "From my experience, reading industry journals, periodicals and new research reports is a great way to stay up-to-date with information that can be a catalyst for innovative ideas," says McNeill. "If you're able to keep current, then you're more likely to spot an opportunity. Yes, this requires a lot of reading, but since most of the 'low hanging fruit' has already been picked, you have to read much deeper to notice an available niche. "

McNeill also visits with many entrepreneurs deciding between more than one idea. "I usually recommend they quantify the various opportunities they're evaluating. What are the industry trends related to the idea? What is the industry growth rate? Can you carve out a viable niche and bring a competitive edge?" These are all important questions to discuss when deciding between various ideas.

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Having started several successful businesses, Anthony Kirlew, founder of AKA Internet Marketing ([www.akaim.com](http://www.akaim.com)) gives this advice:



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1. If you see a need in an area that you are both familiar with and passionate about, you are moving in the right direction toward a great startup.
  2. If you work in an arena where you see how a process can be improved upon, and you figure the system or process out, that's another step toward a great idea.

I also believe some of us are just wired to see an opportunity when others don't. For example, on my last vacation, I came up with three (and it drives my wife crazy because she doesn't think like I do).

The first was when I saw an activity on the beach and thought "I've never seen it offered on the beach and I am sure many vacationers would enjoy it." Every person I asked (when I got home) agreed that it was something they would enjoy - and pay for - on vacation.

The second was based on something we commonly use at home but did not have with us - and is typically not provided by hotels. The question is can it be made in a portable fashion that is both practical and effective (and this is low on my to do list.)

The last was just an "I wonder if anyone has done this," and it came as I was reading a book. It had little to do with the book, but just how I read a certain part of the book and I thought how I might incorporate this strategy in my next book. If it worked well, I could offer it to other authors to help them.

I will close with "never share your startup idea publicly."

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If you have a hobby or interest, you have a unique insight in a specific market. Stick to what you enjoy. You already know those markets and customers. And, when your idea blows up, the dedication required won't seem like work.

Setting out just to make money seldom pans out. Passion - for something other than money - has to be part of the equation.

Matthew White  
Gamelan LLC



Generally, the execution in a startup matters more than the idea - your initial idea is almost always wrong, and you need to iterate continually, bearing in mind customer feedback, to find your "real" idea. Startups aren't million dollar ideas; they're million dollar executions of simply making what customers want.

One of the best ways is to look at something you've made-and almost everyone who's interested in startups has made something to solve one of their own problems or one of their friends problems-and ask if anyone else might need it. And by "need" we mean REALLY need -like, "who needs this so bad they'll use even a crappy, ugly version I nailed together on my own?" If this doesn't apply to something you've got, think about something you wished you had while you were doing some activity-one you love, or one you're obligated to do. I don't know the idea behind Taskrabbit but I bet it started with somebody saying "these errands are a huge pain in the ass, I wish I had a way to find someone I could pay to do them..."

Keeping in mind, again, that the initial idea is almost always wrong - a good path to a good idea is to phrase your proposal as a question. Not "I'm going to build a smart-watch email client," but "Is it possible to build an email client for a smart watch?" This simple mental trick opens up not only your own mind, but others too; it gets ideas out of people you talk to about it, not criticisms the way a declaration does.

The worst way, honestly, is to sit around trying to think up startup ideas. This is the worst for two reasons: not only will get you an idea you're only interested in because you think it'll make money and not because you actually care about it, but I guarantee it'll fail to even make money effectively. Why? Because TERRIBLE startup ideas have a strange way of sounding very plausible.

For example, one of the worst ones I was involved with was basically "Travelocity for wedding bookings." It was generated by this method, and it sounded very promising. It was dead in the water in a week's time, because it was impossible to design it in a way that actually didn't pull cash from the pockets of everyone we needed to have on board (planners, florists, etc.). None wanted in.

Ultimately it comes down to two things: it has to be something people want, and it has to be able to grow.

Travis Root



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<http://crowdfundintelligence.com>

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Eric Erickson, the CEO of Marketing X Change LLC, agrees with Travis Root about first asking how other people can use your idea.

"This is what I call the starting backwards approach. So many individuals have hobbies they want to turn into businesses, but fail to do the appropriate research before they go to market.

I came up with a brainstorming process and it has worked for my clients. When brainstorming for new products/services/business startups it is important to think what the end result needs to be.

- What niche will it serve?
- What price point does it need to be?
- Where and how will be sold?
- Is this product going to serve a vertical or horizontal market?
- Are you creating a product to add to existing similar products or are you going to segue into a different market?

Once you've decided, you can set the parameters and expectations so no one in the group goes off track. I like to write down all the expectations on a board and mind map the solutions or ideas. This helps you to stay on target."

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"The best way to discover a startup is to first find something you love, then find what makes others love it too and what they want from it and then find a way to service those needs efficiently or differently," says Denny Daniel from [www.museumofinterestingthings.org](http://www.museumofinterestingthings.org)

"I love antiques and history, found that teachers wanted to teach that stuff but did not know how. So I bought hundreds of items and now I travel around supplementing their curriculum. I started one of the neatest niche startups: The Museum of Interesting Things. I curate a traveling interactive demonstration/exhibition of antiques and inventions inspiring kids and adults to be curious and to



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tinker. I like to say it shows kids that their iPods did not pop out of thin air! Eventually. I found out that corporate events like such interesting things too and so do event planners and festivals. Now I have a career I enjoy that other people also need and enjoy. A win win win."

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Carrie Devorah has been in licensing/development and facets of IP law since 1978. She recently soft-launched her new initiative The Center for Copyright Integrity. Carrie does not brainstorm ideas. Instead, when she gets an idea she "soft tests them on people in the course of conversation." "This is good old fashioned focus group testing," she says. "Then I watch to see how people respond to ideas. As it is the public I am servicing, not me who falls in love with everything I do, I know I am not the one to judge."

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Audrey Darrow, president of EarthSourceOrganics.com found the best way to start her new business was by looking at up-and-coming trends within the industry she wished to build a business in. "Many businesses are born out of illness or other trials we encounter in our lives. I found that following health trends of the American people I was able to foresee up and coming needs for the food industry. I was able to see the need for certifications and have been able to stay on top of those even before the retailers get on the trend."

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David Olson, president of WaltonConsulting.com has the following insights from 12 years of experience with 3 small startups:

Here are the top three things to consider as you begin to dream up a new startup:

1. Startups are 10-100 times more difficult than anyone can really imagine (especially if it's your first). You need to assess your financial fortitude and emotional fortitude before venturing forward. Startups take longer than anticipated, which requires more financial stability than you can accurately estimate, and means that you need to be emotionally tough (often a depth of your soul that is uncharted). I compare the emotional roller coaster associated with startups and working for corporate America simply as follows, "the highs are higher and the lows are lower." People launch startups for the anticipated and hopeful highs, but if they can't handle the emotional lows, then they will find themselves derailed quicker than a 5-minute roller coaster ride.



2. Stay in your "love spot." Yes, being in your sweet spot is important, but it's more important to be in your "love spot" (a market, industry, work activity that you love and are passionate about). One of the saddest stories I know is the friend of mine who bought a small company because of the financial economics. He did all his due diligence and analysis to determine it was a "good" buy, only to find himself stuck in an industry he ended up hating, doing work he couldn't stand, and being unprofitable at the same time, which all added together equals "stuck." Don't get stuck in a startup you hate. Stay in your "love spot," that way when you're weathering the storms, at least you curled up with a startup you love.
3. Once you've addressed the above two considerations, now it's time to brainstorm. There is no magic here except to have fun over a period of time thinking, writing down and marinating on ideas related to products and services you don't have in your specific areas of interest. Think about solutions that you would be absolutely delighted to pay for...then research, research, research. Just because you have never heard of it, doesn't mean it's not out there. For every piece of information you cognitively know about, another 10,000+ pieces of information are hidden from you. Don't short-change this process. In fact, it should be longest part of your exploration, and you'll be wiser in your efforts to go-to-market as a result.

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After I sold my second business, friends of mine knew that I had some time on my hands so they started asking me for help with their small businesses. Mostly they wanted help with SEO. There are so many scam operators out there they couldn't tell what needed to be done. I realized that with SEO these days, the only thing small businesses really need to do is write blog posts, and write them every single week. Of course, that's the one thing they don't have time to do. With that information we launched a service that helps them solve that final piece of the puzzle. So my advice about how to come up with ideas is to simply talk to lots of businesses. Just call them up and let them know that you have a bit of time and you'd be willing to volunteer to solve a problem that they have. Figure out how to solve that problem, and then figure out if you can figure out a way to solve that problem at a scale that's big enough that it's interesting.

Scott Yates

Co-Founder

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Finding the inspiration for a new startup can be a daunting task, but the best way would be to sit down and think of what you need in your personal or business life. What kind of product or service do you need that isn't readily available? If they are available, how accessible are they?

Many successful businesses today are created in such a way: introducing a product or service that is readily available and easily accessible. For example, Pierre Omidyar created eBay as a venue where people sell or trade collectible items. Back in 1995, there weren't any services like that. The moral of the eBay story is that the best products and services come from what you actually need or want. The importance of "eating your own dog food" applies here. This means using and testing your own prototype products and services to see if you can find and remedy any shortcomings. You're pretending to be your own customer, so you have to ask, "What else do I need? What else should be provided?" and proceed to satisfy those needs.

Ian Aronovich

Co-founder and CEO

[www.GovernmentAuctions.org](http://www.GovernmentAuctions.org)