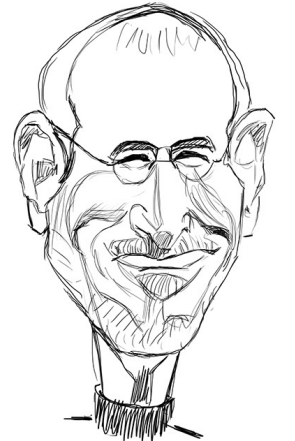
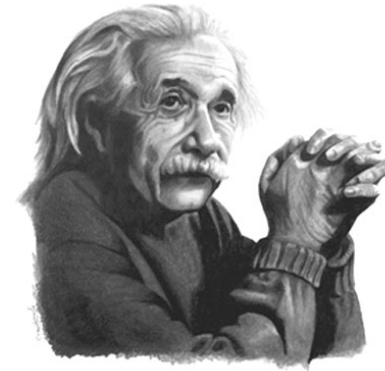


EVALUATING YOUR THEORY AND BUSINESS MODEL

ATTRIBUTES OF A VALUABLE THEORY

- **Unique**
 - Novel problem and/or novel solution
- **Simple and elegant**
 - Theory is succinctly expressed with clear logic
- **Falsifiable & Clear Direction**
 - What needs testing
 - Clarity about when to pivot
 - Value unseen by others
- **Generative**
 - Reveals or frames a novel problem or ideally a set of related problems
 - Reveals paths to a common solution



HOW UNIQUE IS YOUR THEORY?

- Would industry experts disagree with your beliefs?
- Does your business model target a novel problem or generate a unique solution to a commonly understood problem?
- Does your business model lead to a solution hard for competitors to replicate?
- Does your business model address how to solve each of the critical subproblems?
- Does your business model allow you to access or see value in assets and opportunities that others cannot?
- Does your business model build a resource or capability difficult for competitors to replicate?

SIMPLE AND ELEGANT

- Can you succinctly articulate your theory?
 - A succinctly, well articulated theory is more likely to be compelling to all stakeholders from whom you seek resources
- How many non-obvious things have to be true for your theory to be true?
 - Better theories derive more “from fewer postulates or hypotheses” (Aristotle)

VALUABLE THEORIES ARE FALSIFIABLE AND PROVIDE CLEAR DIRECTION

- Does your theory provide clear direction and sight? Should tell you
 - how to interpret experiments,
 - where to search for corroborative or falsifying evidence,
 - where to find valuable assets other don't recognize,
 - and where to search for solutions?
- Popper: “every good theory is a prohibition: it forbids certain things to happen. The more a theory forbids, the better it is.”
- It should tell you when a pivot is necessary
- It should tell you what types of choices are consistent and inconsistent with your theory.

Apple



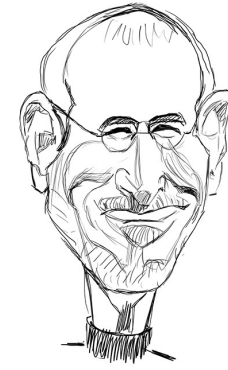
Consumers will pay a premium for easy to use, reliable, and elegant computing products (and other consumer electronics), which Apple will deliver and market through an unrivaled design capability achieved through relatively closed systems, significant vertical integration, and tight design control.



parc[®]
A Xerox Company



Jobs has specific and valuable problems to solve, and immediately sees solutions. By contrast, I am just fascinated by some cool technology.



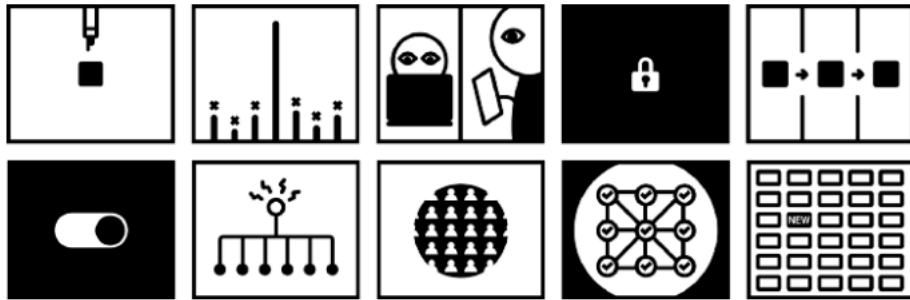
VS

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GOOGLE VS. APPLE

Apple in a nutshell

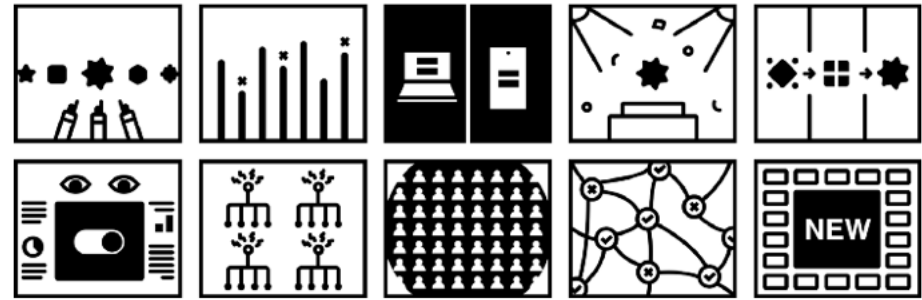


When the first iPhone came out and a reporter complained about how it was too hard to type on a touchscreen, Steve Jobs replied: “Your thumbs will learn”.

That’s Apple.

Apple often knows the users more than the users know themselves. They do this by lengthy and careful research and focusing on providing good and consistent UX and evergreen solutions. They also have a hierarchical structure where a few elite designers control the quality of the final deliverables. While it is great for crafting perfect products, it often requires more time and effort upfront. This “we know what you want” approach can also sometimes be seen as less friendly to many which limit its userbase and could offend users in the niche market who, for example, look for a physical keyboard on phones.

Google in a nutshell



Google, on the other hand, tends to get validation from its users. They often open-source their work when possible and appreciate contribution and feedback from the communities. This helps them create a diverse product portfolio efficiently and bring in a massive userbase (where Google collects its data from). Just think about all the things an Android phone can do that an iPhone can’t. However, users don’t always know what they want.

Remember the [modular phone Kickstarter concept](#) that went viral in 2013 and then got took over by Google? It was a beautiful concept but it failed. Heavily relying on users has its pros, and certainly its cons.

lective, Prototypr, and more. Judge for Webby Awards, Telly Awards, AIVA, and more. ♦ gasolinehorses.com



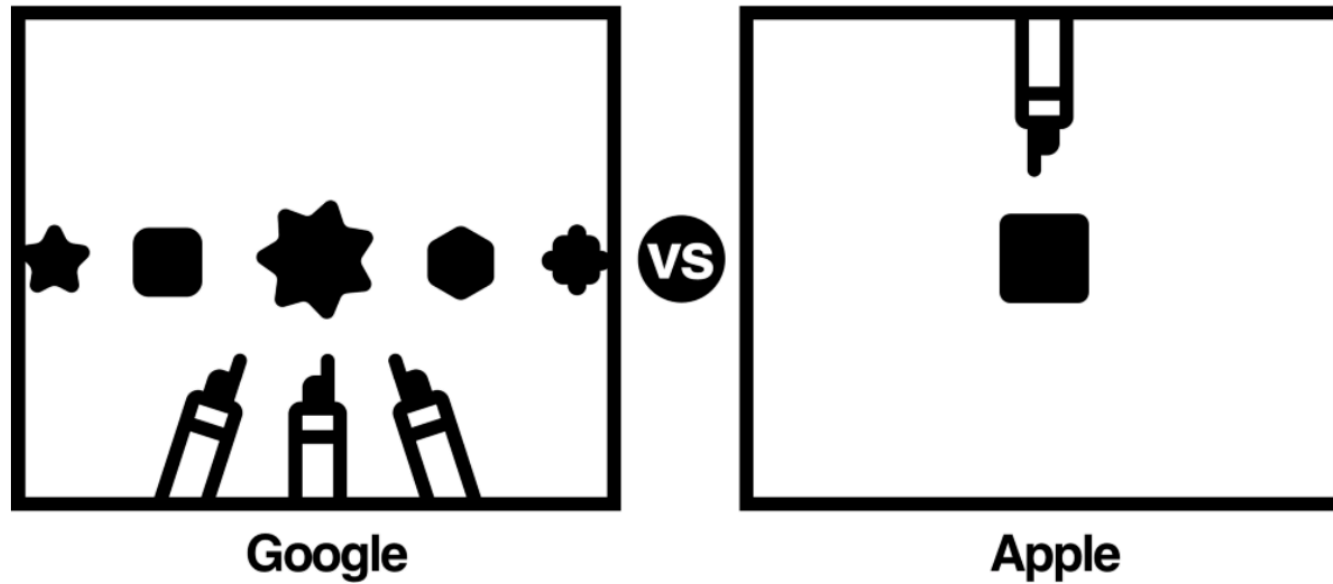
WRITTEN BY

Allen

Writer for UX Collective, Prototypr, and more. Judge for Webby Awards, Telly Awards, AIVA, and more. ♦ gasolinehorses.com

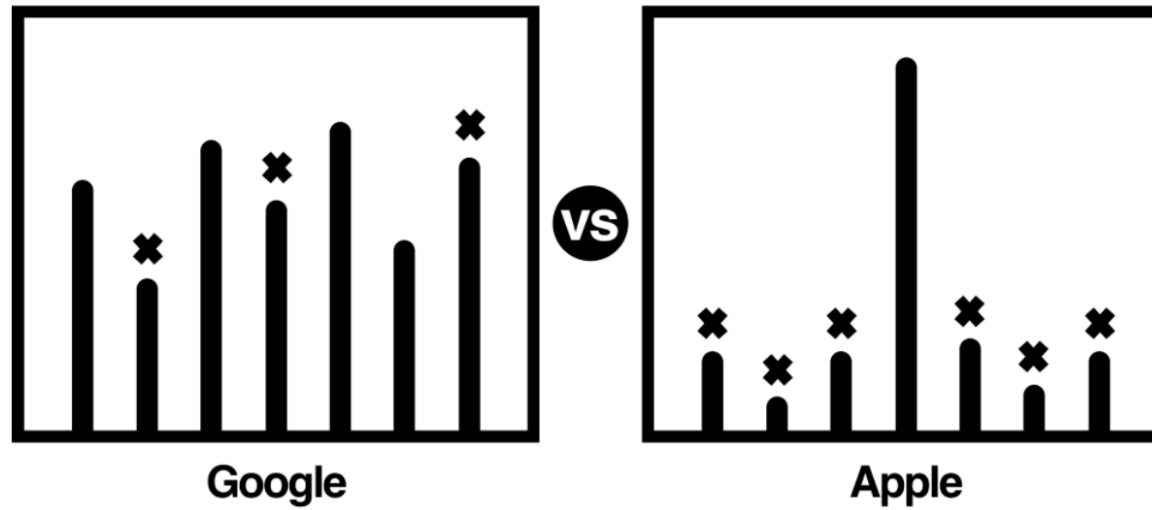
Follow

1. Decision making



Google: create what users think they want
Apple: create what they think users want

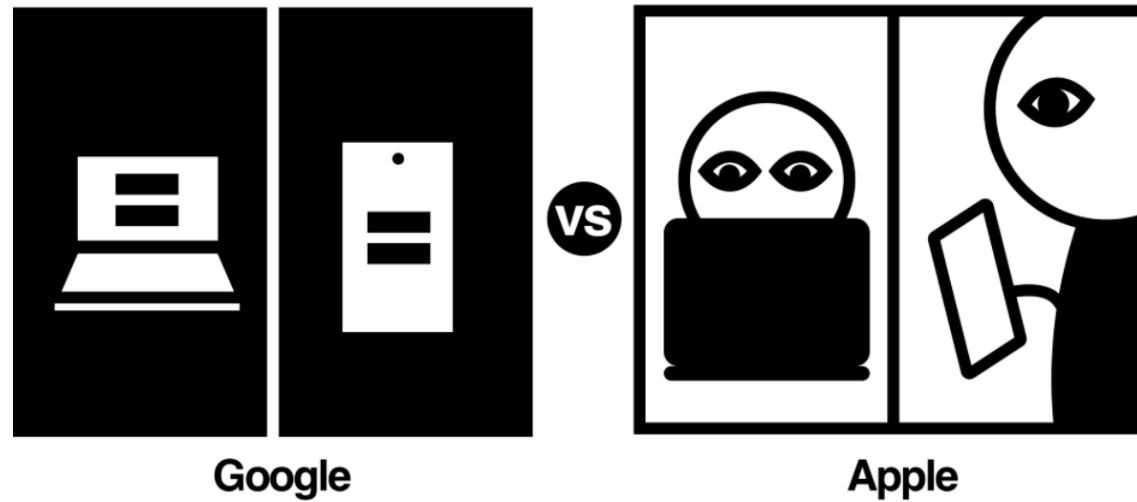
2. Research and development



Google: development over research
Apple: research over development

...

3. View of consistency

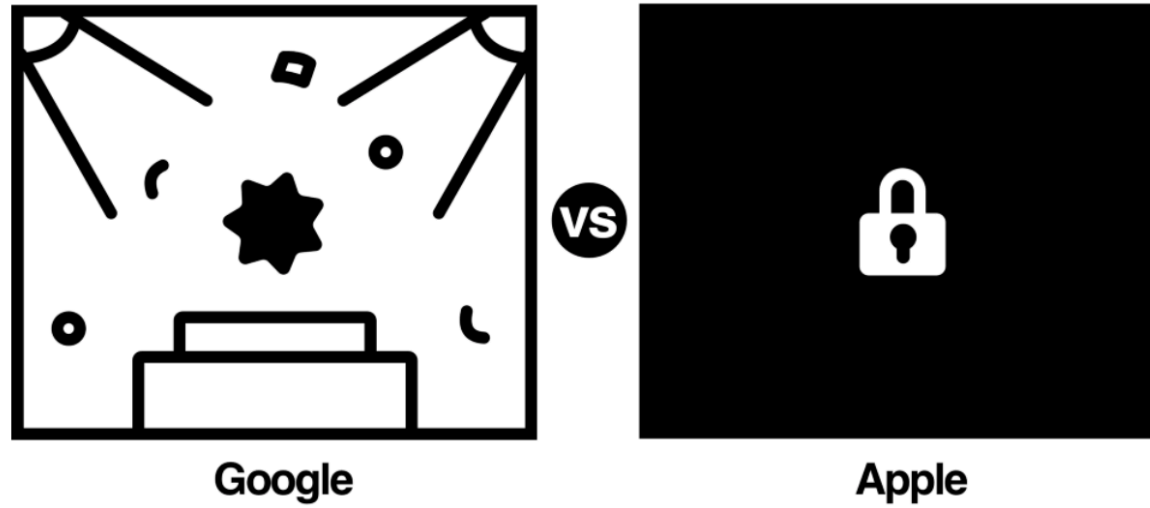


Google: consistency focused on visual consistency

Apple: consistency focused on user experience

...

4. Products pre-announcement

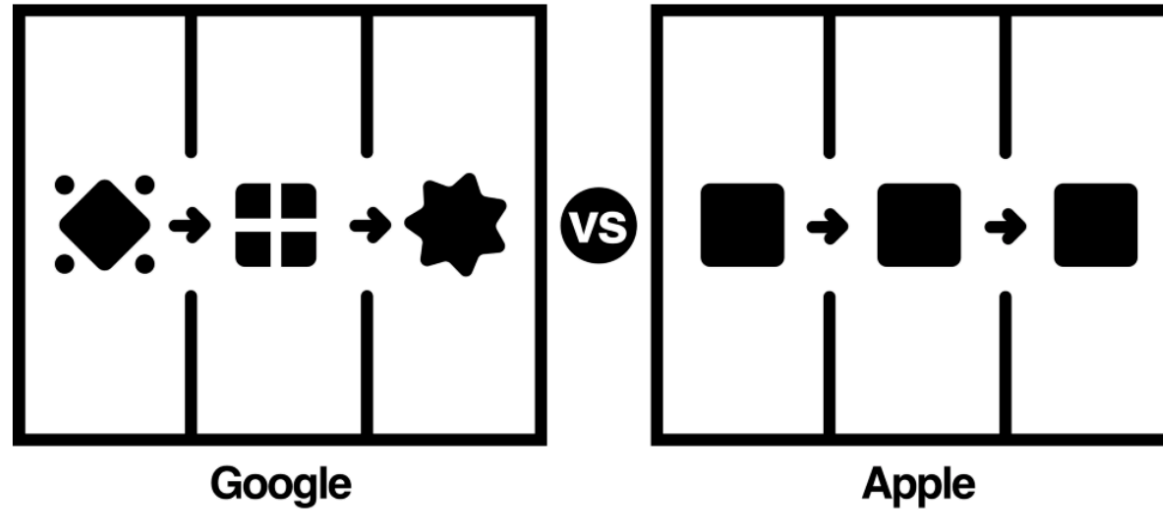


Google: press releases and teasers

Apple: none

...

5. Design evolution

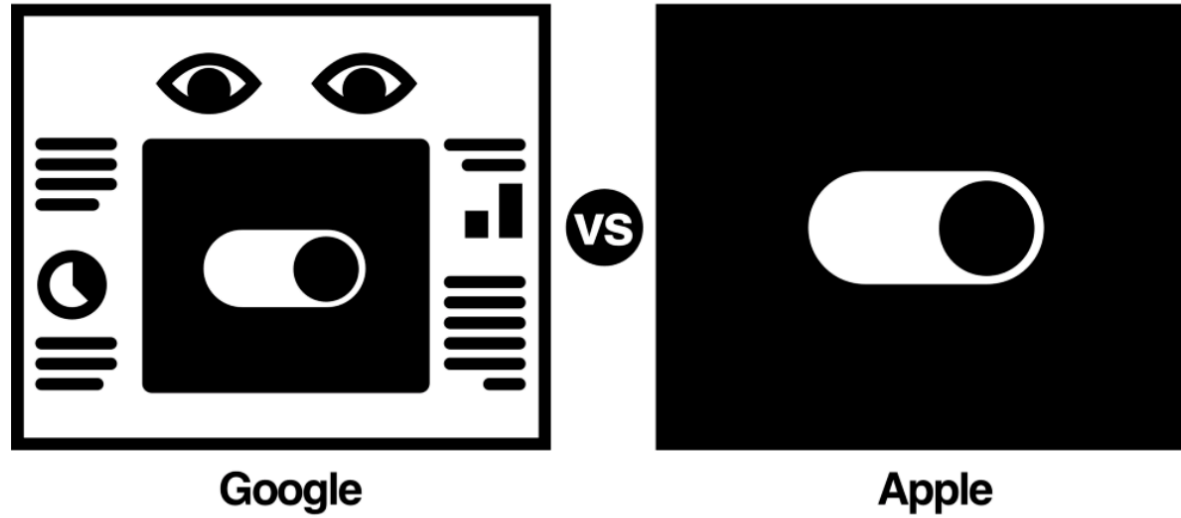


Google: redesigns and new trends

Apple: evergreen, long-lasting design

...

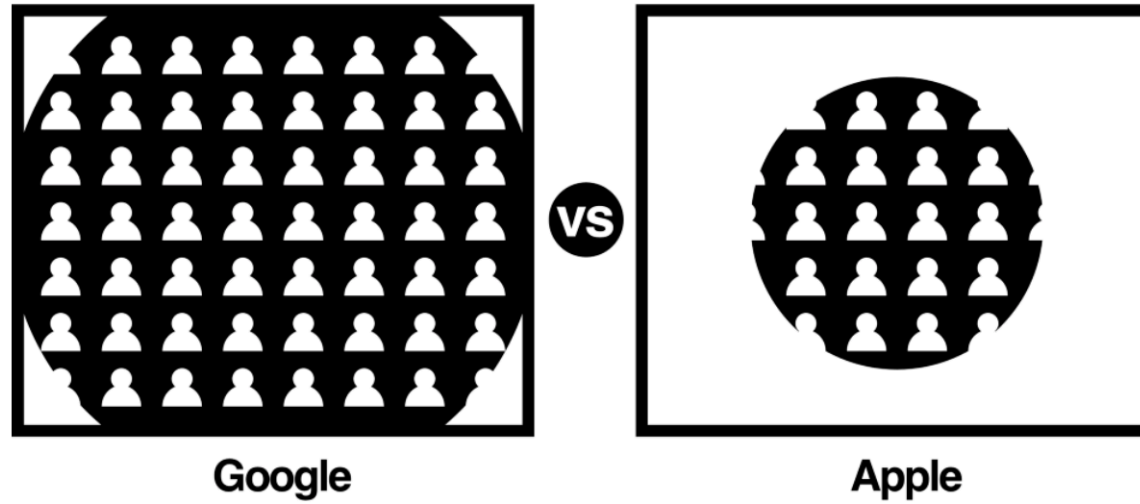
6. Privacy



Google: simulated privacy
Apple: true privacy

...

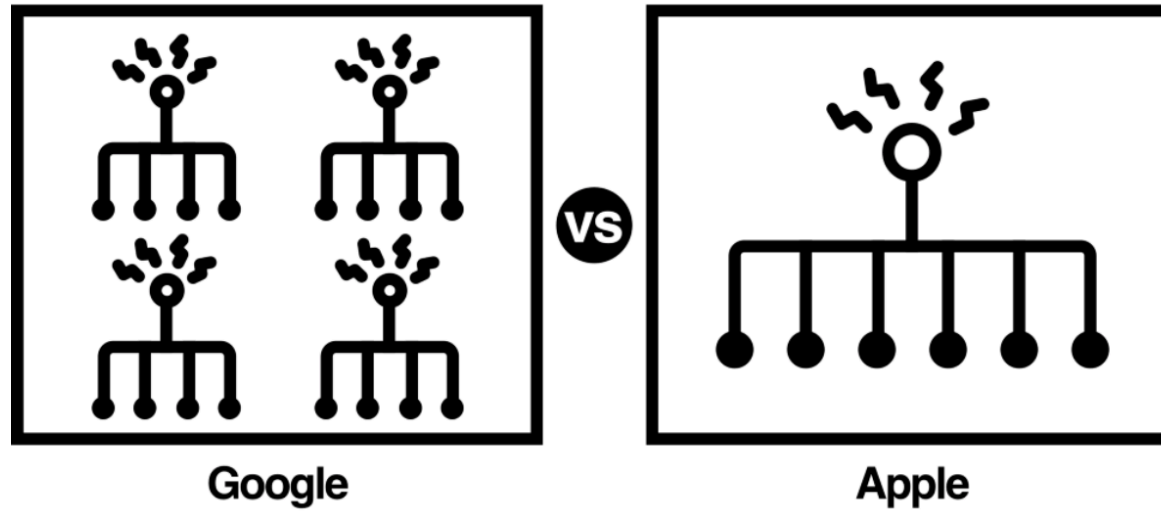
7. Userbase



Google: extensive coverage
Apple: limited coverage

...

8. Leadership

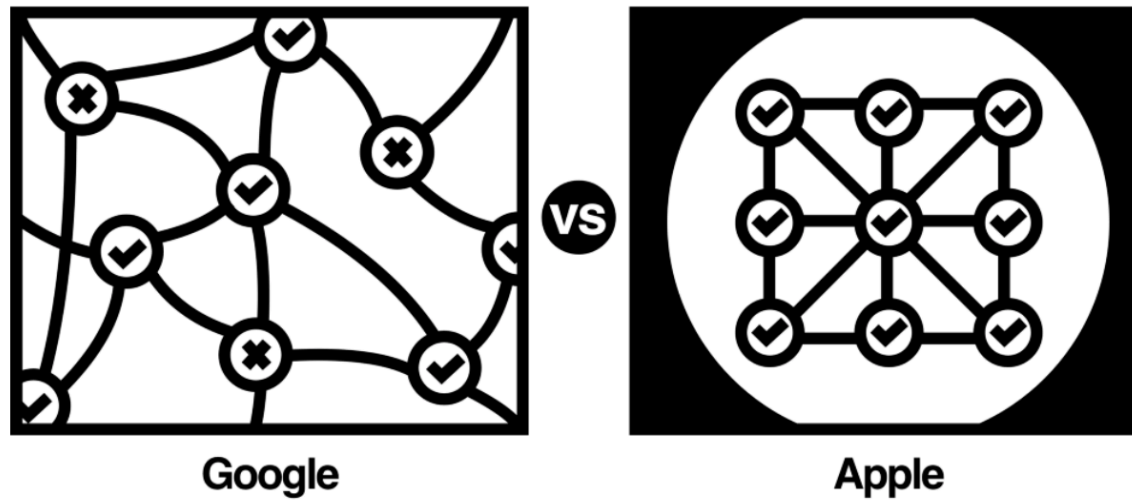


Google: flat structure with distributed power

Apple: hierarchical structure with centralized power

...

9. Ecosystem

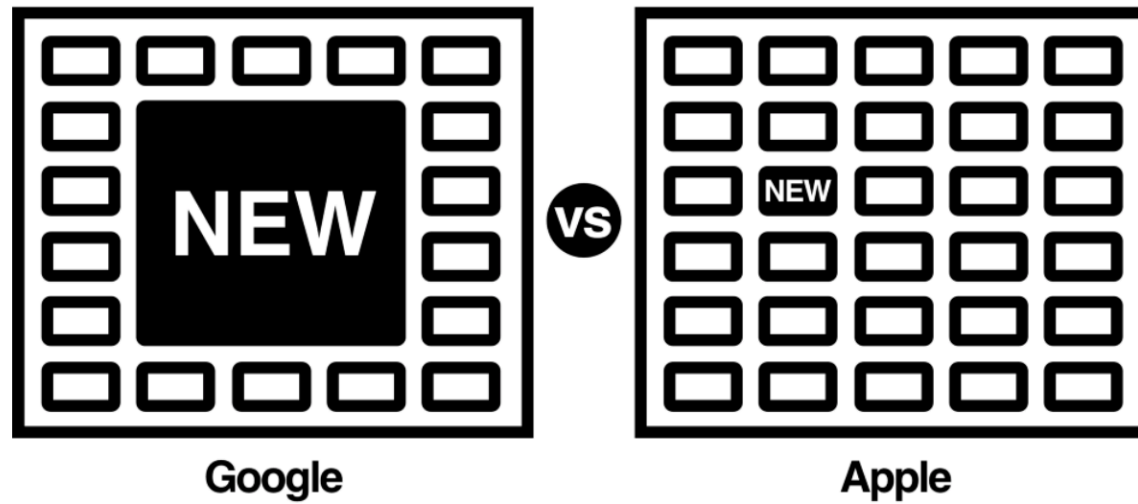


Google: open-source
Apple: proprietary

...



10. Go-to-market strategy (UI)



Google: spotlight and promotions
Apple: retain existing structure

...

THEORIES ENABLE CORPORATIONS TO SEE WHAT OTHERS CANNOT...



Seen through standard industry theory:

- Declining, local industry
- Steel operations in developing world are a disaster
- Operating steel mills in developing world is scary business
- Mini mills are growth segment

Aging Steel Mills in Developing World

THEORIES ENABLE CORPORATIONS TO SEE WHAT OTHERS CANNOT...



Mittal theory:

- Global, growth industry
- Steel operations in developing world are a goldmine
- Scary locations afford bargains
- DRI technology



Aging Steel Mills in Developing World

VALUABLE THEORIES ARE GENERALIZABLE AND GENERATIVE

- “a great scientific theory...raises more questions than it can currently answer”
- It reveals a common problem solving strategy

Good theories identify and solve a problem

Great theories identify and solve bundles of problems

Best theories identify and solve entire domains of problems.

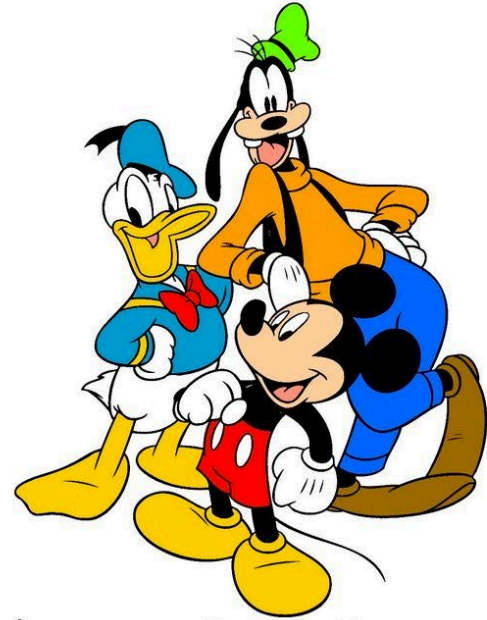
GoPro[®]

Be a **HERO**.™



the GoPro was created to solve a problem- that of capturing Action Sports like surfing, snowboarding, and skateboarding, up close.





WALTER ELIAS DISNEY

DISNEY THEORY



Disney sustains value creating growth by: developing an unrivaled capability in family-friendly animated and live action films

and then...

assembling other entertainment assets that both directly support and draw value from the characters and images developed within these film assets.

KEY TAKEAWAYS

- How unique is your theory?
- Can you articulate your theory clearly and succinctly?
- Do you have a clear understanding of what information would falsify your theory?
- Can you articulate how to efficiently test your theory?
- Does your theory pinpoint valuable opportunities or assets that others cannot see?
- Does your theory point to a path for ongoing growth?

BREAKOUT EXERCISE

- Looking out five years, what do you see your business doing? How will it be different?
- What growth trajectory is consistent with your theory, or leverages the capabilities that your theory will generate, that could sustain growth for your venture?

