

URL: <https://stvp.stanford.edu/clips/what-problem-are-you-solving>

Play Bigger Advisors Co-Founder Dave Peterson emphasizes that entrepreneurs must be able to articulate the problem they seek to solve if others are to understand their vision. Successful marketing also persuades people to care about a problem they weren't aware of before, and your solution for it. "Understanding the problem is the first step," Peterson says.



Transcript

- So when you look at categories, the one thing again they all have in common is they start with an insight.. That aha moment.. And I'm guessing many of you have already had that aha moment and you're staying up late at night or talking to your friends or maybe not telling any of your friends.. You don't want them to know.. And that aha moment, actually Ann Mira-Ko, our partner over at Floodgate, she calls that the technology or market insight.. And it starts there.. And once you have that aha and you basically haven't slept and you've been kinda using all your classwork to fill in all the blanks on how to create a great company or a great product, one of the toughest things to do is answer one of the most simple questions, which is this insight I have, what problem does it solve and can I explain this problem and have people understand it like I was explaining it to a five year old.. And it's interesting question.. We have seen companies and worked with companies.. They've been wrestling with this question for years..

The problem with answering this question is a whole bunch of other questions come up.. If I've had this insight, is my insight solving a problem that's an existing problem with a really crappy answer, which is in this case, if you think about Uber, taxis could get you from point A to point B, but they kinda smelled funny and they were unreliable and unsafe.. Or am I trying to convince people of a brand new problem they didn't even know they had? I think Airbnb is a good example.. I don't think anybody thought there was a crisis in the hospitality industry and we needed to stay in somebody else's home.. I don't think there was a big dilemma there, but they convinced us.. They conditioned us to understand there's another alternative.. And the list of problems go on and on and on and on and these could keep entrepreneurs up at night.. But understanding the problem is the first step because soon as you ask what the problem is, the second question is what is your secret sauce for solving that problem.. What is the answer? And again is it a market insight? Did something happen.. Broadband back in the day opened up social media and today marketplaces can be literally invented overnight, connecting supply and demand..

Did something happen in the market that allowed you to take advantage and capitalize and create a new company or a new product? Or again as to that tech insight, we did a lot of work with.... Around Diane Greene and what happened at VMware.. And she's very humble.. She would say oh, we just accidentally created the whole virtualization category.. I don't believe that.. They're way too smart, but there was a technology there.. They didn't understand what problem it was solving.. And so my guess is if you're in this room, there's probably a lot of plutonium creators, a lot of answers.. A lot of products get created without a full understanding of where the problem is.. There's the old cliché, technology, looking for a problem..

And the only.... I'd say this.. If you don't remember anything else that Alan and I talk about and you're running around with your new product or you do tech insight, take one second, slow down and think about the problem you're trying to solve with that technology and believe me, people will understand what you see a lot better and understand the value of your product if you just slow down and understand that problem statement first...