CURT CARLSON'S N-A-B-C INNOVATION PROCESS

A systematic design for entrepreneurial innovation.

N — NEEDS

What is the important customer and market Need?

- ✓ Customers have a feeling of dissatisfaction with the current state.
- ✓ Important needs are those felt intensely by large numbers.
- ✓ Dissatisfaction is multi-dimensional – include all elements of value.
- ✓ Dissatisfaction is inarticulate – customers can't tell you what they want.
- ✓ Use means-end thinking and empathy to identify the deeper meaning customers seek.

A — APPROACH

What is the unique Approach for addressing this Need?

- ✓ Includes the design of the product / service and the technology, as well as delivery and business model.
- ✓ It's the HOW in "How we will solve the customer's problem".
- ✓ It must work, be easy and convenient, fit into the customer's life and current circumstances (i.e. easy to adopt), and be affordable.
- ✓ It must reach the customer through channels they want to use.
- ✓ It must be 2x to 10x better than anything currently available.

B — BENEFITS PER COSTS

What are the specific Benefits per costs that result from this approach?

- ✓ What does the customer experience – in all dimensions, including results, function, quality, convenience - cost?
- ✓ How is this experience superior to the current state – and to what degree (i.e. perceived relative difference 2X-10X better)?
- ✓ What are the customer's costs – not only $$$, but opportunity cost, switching cost, reputational cost (leader or follower)?

C — COMPETITION

How are these benefits per costs superior to Competition and the alternatives?

- ✓ Requires thorough understanding of the competitive marketplace – both direct substitutes, and indirect substitutes.
- ✓ Customer also has the choice of deferring purchase or not purchasing at all – are these viable alternatives?
- ✓ Your Approach should have perceived uniqueness and a competitive moat.

N-A-B-C Value Propositions are iterative – you never get it right the first time.

Compound your knowledge - encourage diversity of skills on your team, combining knowledge from different fields.

Use comparative learning – take comments from other innovators to improve your N-A-B-C.