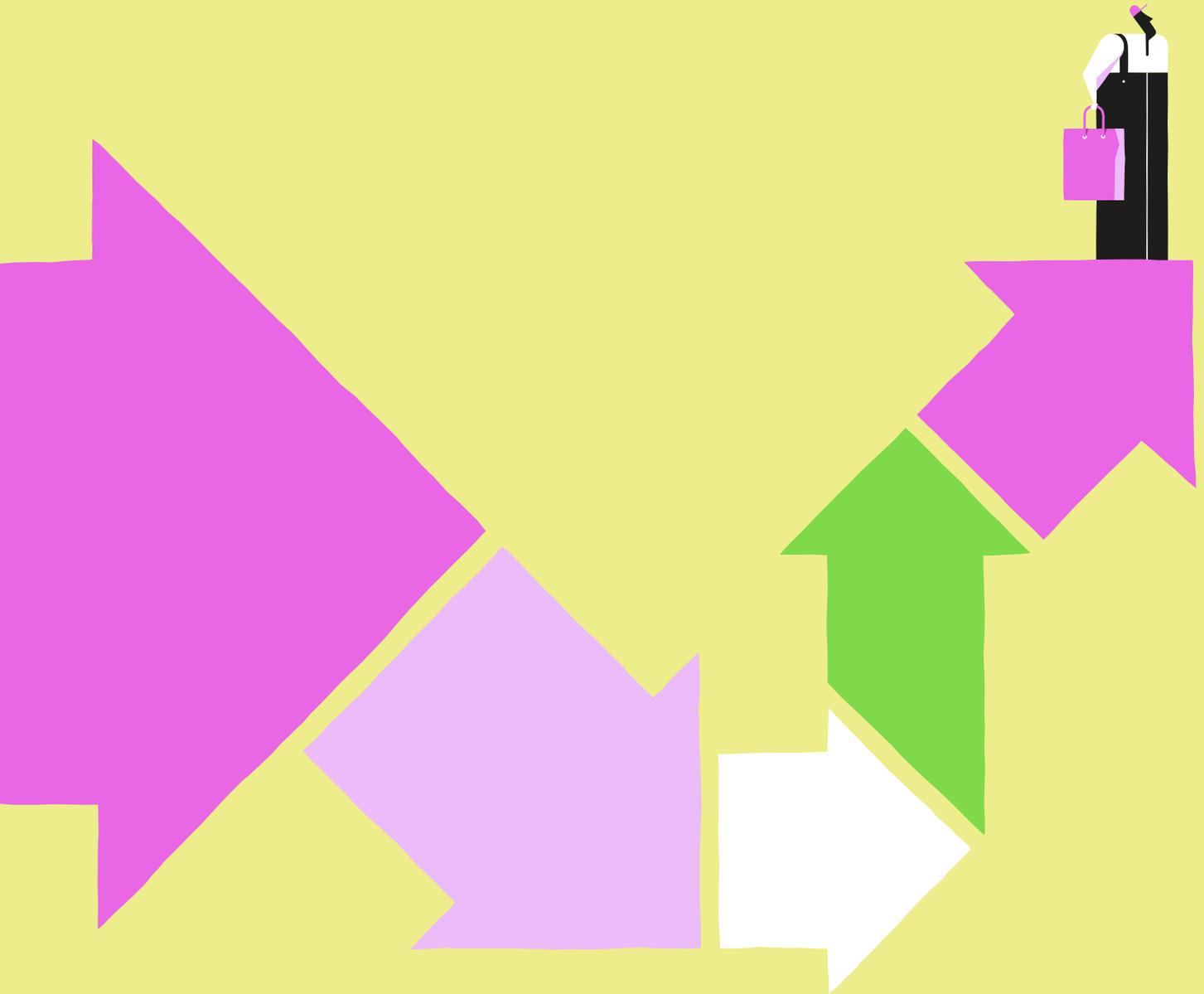


Jobs-Based Innovation

A human-insights approach to creating growth



LIPPINCOTT
Sense Perspective

**Growth is
the top business
priority for
58%
of CEOs***

**But few are seeing results from their efforts.
Across industries, newly hatched upstarts
are driving growth, leaving established players
in their wake.**

*2017 CEO Survey, Gartner

Why do people do what they do?

Developing new offerings that customers will predictably purchase and use requires a systematic approach based on a deep understanding of the progress and experiences that customers seek. Enter jobs-based innovation. Developed by Harvard Business School Professor Clayton Christensen with Lippincott's Taddy Hall and coauthors Karen Dillon and David Duncan in their best-selling book *Competing Against Luck*, "jobs" is an approach to innovation that helps companies uncover opportunities that are systematically overlooked.

Jobs-based innovation replaces traditional models of backward-looking data correlation with deeper insights on human behavior and why people do what they do. By understanding the jobs that people are struggling to perform, companies can systematically design better products, services and relationships to get them done.

1

Jobs Theory 101

Before we dive in, here's a quick glossary of terms and language in Jobs Theory:

A “**job**” is the progress that an individual seeks in a given circumstance.

The **job to be done** generates the energy required for someone to take an action, such as pull a brand into his or her life or develop a cumbersome workaround.

While many of the jobs in our lives have adequate solutions, **successful innovations** resolve circumstances of struggle and trade-offs: They perform jobs that formerly had only inadequate or nonexistent solutions.

Understanding the job reveals **why people purchase and use products and services**, and why they sometimes behave in ways that involve no purchase at all (what we call nonconsumption).

Viewing the marketplace through the lens of consumers’ jobs to be done **redefines categories** (typically far larger than companies ever envisioned) and **reframes competitors** (typically more numerous and diverse than ever considered).

Jobs Theory creates a shared purpose and common language that facilitates communication and **integration across diverse functional areas**. A well-defined job enables efficient development as well as in-market success.

2

Growth is about more than scale, it's about enabling progress

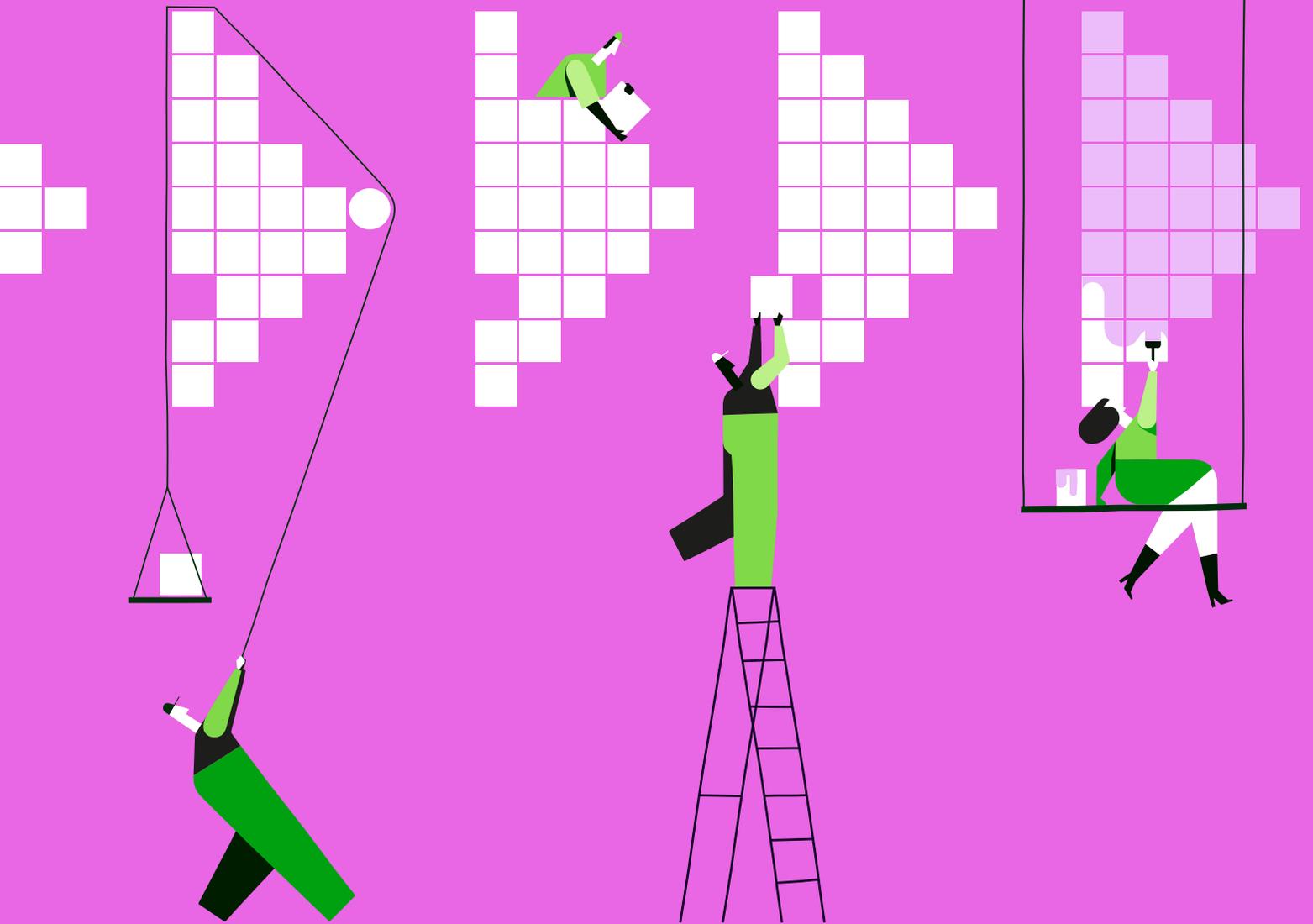
There is a simple but powerful insight at the core of Jobs Theory: Customers don't buy products or services; they pull them into their lives to make progress. This progress defines the "job" they are trying to get done, and customers will "hire" products or services to solve these jobs. If a product or service doesn't live up to expectations, customers will "fire" it and look for alternatives.

A jobs view clarifies things to powerful effect: markets expand and opportunities crystallize.

All too often, leaders view the marketplace through the lens of their products — "We are in the mortgage lending business" — rather than through the customer job lens — "I could use some help figuring out how to pay for our first home." What predictably follows is a costly string of innovation failures as leaders introduce an array of perplexing variations on mortgage rates, terms and features that leave the would-be homebuyer struggling to make any decision with confidence.

Take credit cards and a customer's job to gain access to cash. They could hire another credit card to do the job, but they could also sell unwanted goods on eBay, rent out a room on Airbnb, find a short-term job on Catalant, or cut expenses with Trim. Seen through a jobs lens, all of these options compete to be hired. In a different context, the next time you're looking for an afternoon energy boost, pay attention to your own roster of potential hires. Perhaps you go for an energy bar or a cup of coffee, but you might take advantage of a beautiful day to go for a walk, Facetime a friend, find a colleague to chat with in the cafeteria, or check in on Facebook. They all compete.

As these examples illustrate in shorthand, innovations succeed because of the progress and experiences they enable — not because of the features or functionality they offer. Product attributes are just a means to an end. A jobs view clarifies things to powerful effect: markets expand and opportunities crystallize.



Product mindset vs. Jobs mindset



Circumstance

Looking for a birthday present for my daughter

Company mindset

Product mindset

Jobs mindset

“Sell a doll”

“Enable mothers to connect and share experiences with their daughters”

Who are you hiring to do this job?

Barbie
Doll

Amusement park
A memorable day with her best friends

Madame Alexander
Doll

Ballet class
Enable her to experience an activity I loved as a child

Cabbage Patch Kids
Doll

American Girl
Portfolio of offerings that enable diverse ways for mothers to connect and share experiences with their daughters

Innovation opportunity

Commoditization as a result of a narrow “business as usual” lens

Facilitate memorable times with my daughter — to play, create and share stories, and to strengthen our bond in ways that are fun for both of us

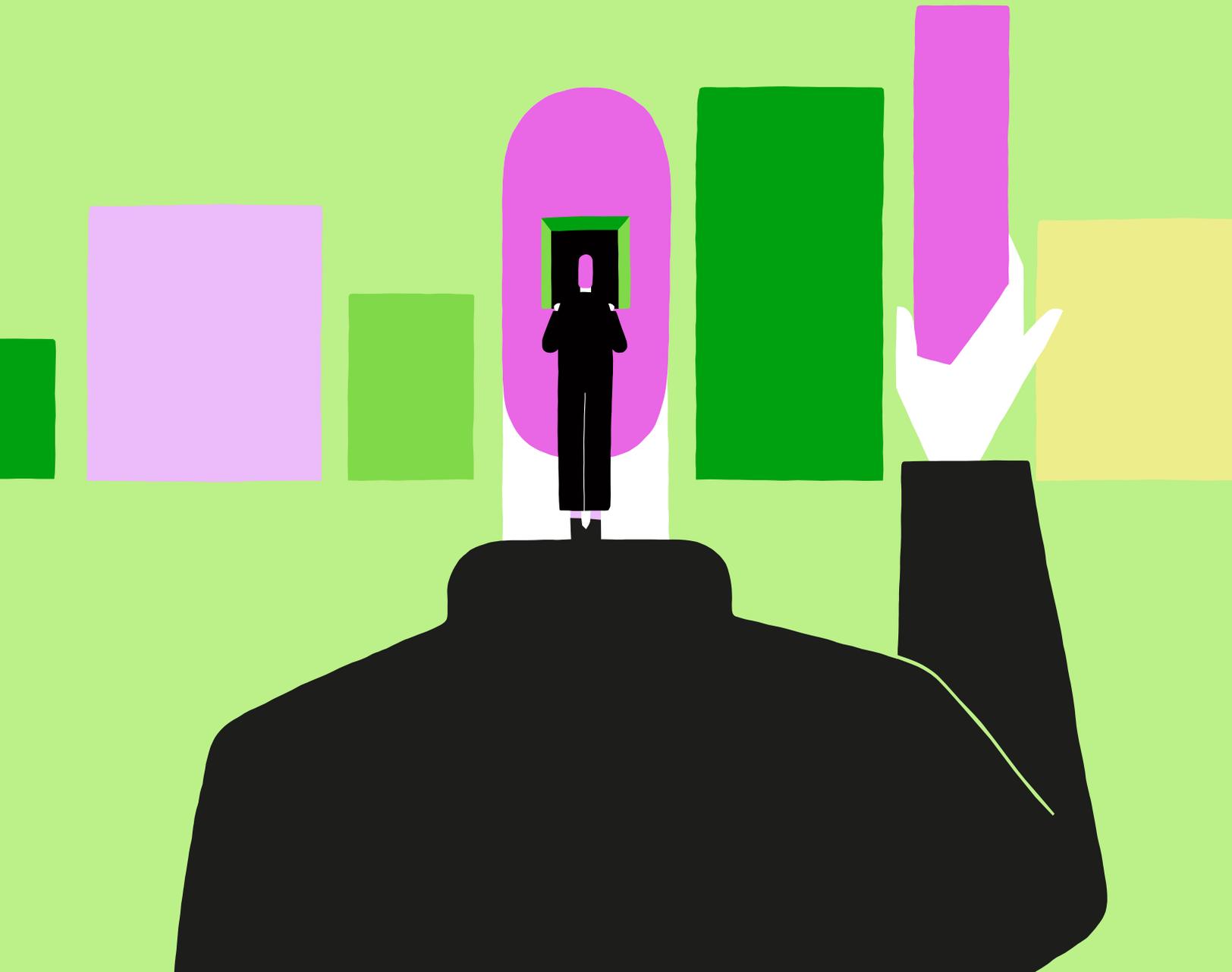
A jobs view makes way for the answers that matter

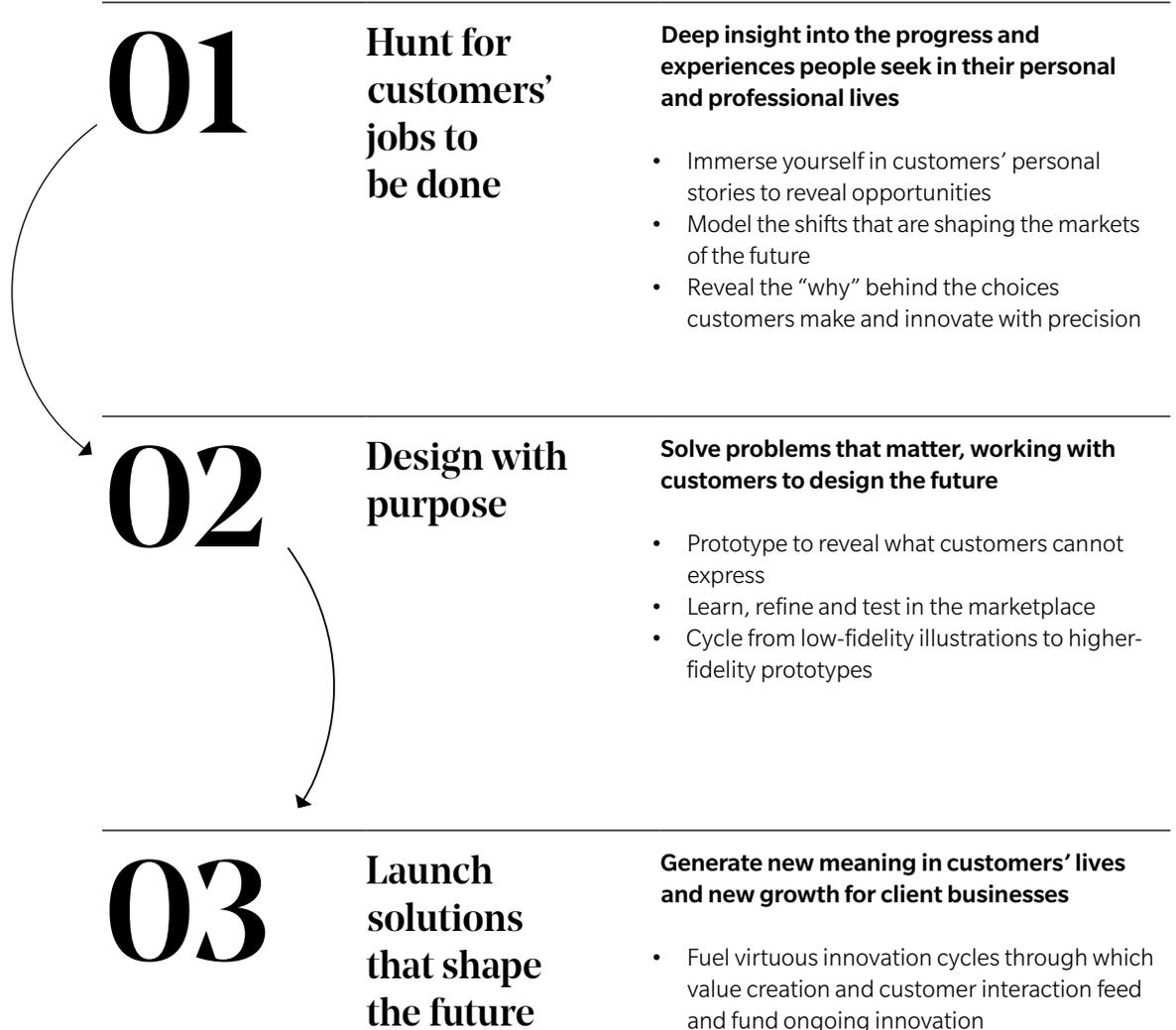
A jobs view reframes markets by revealing the opportunities, and answers, that matter most to customers. In doing so, it uncovers a true map of competitors — helping leaders identify and anticipate previously overlooked threats.

Product category	Jobs view	The solution
Foreign language	“Help make my long flight less boring and my arrival less scary and embarrassing”	
Office space	“When our start-up is gaining momentum, help me look and feel like an entrepreneur, not a Starbucks junkie”	
Retail furniture	“Help me furnish my new apartment quickly and inexpensively without looking like I just hit a flea market”	
Credit card reader	“Help me please my customers by letting them pay the way they want, so they’ll keep coming back, and my pop-up store will thrive”	

3

Create new meaning in customers' lives



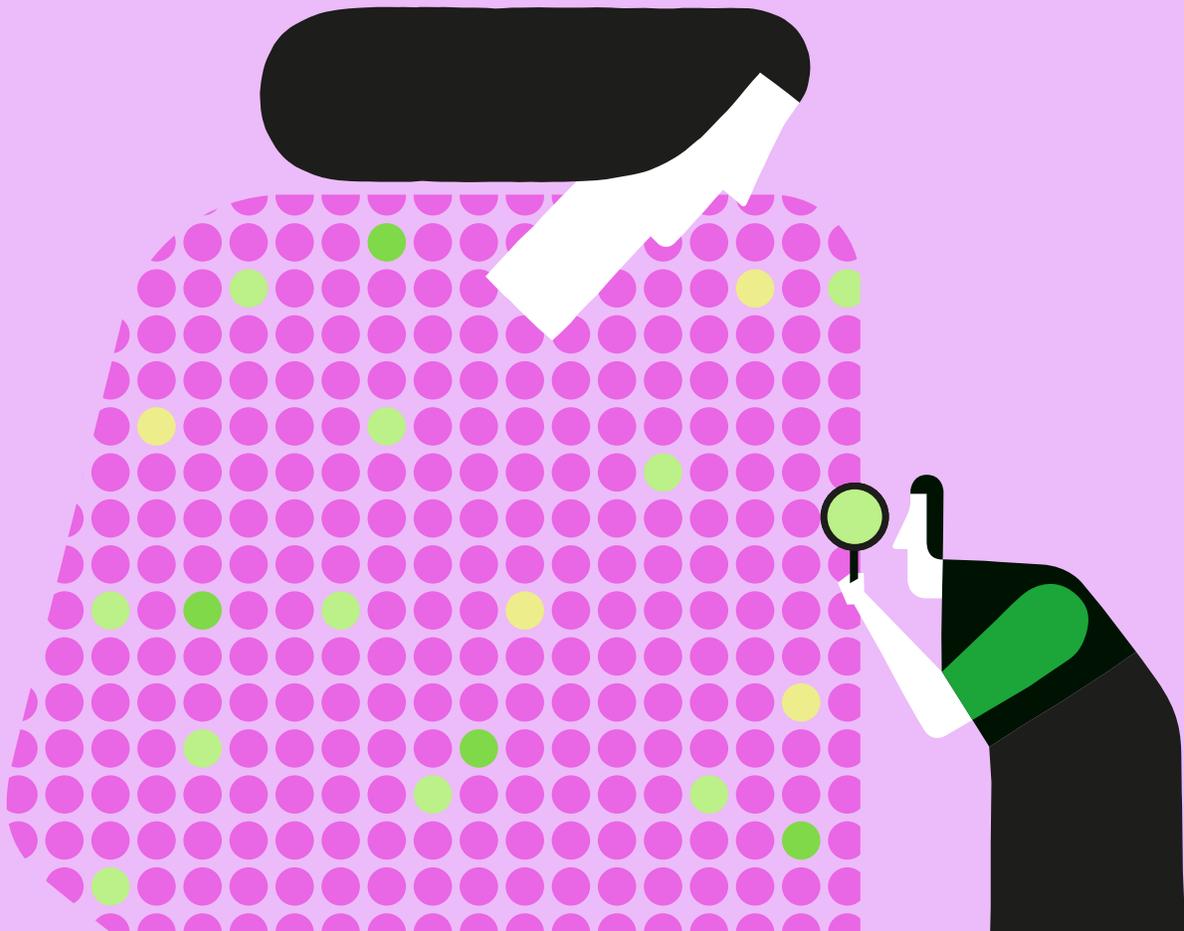


4

Innovation is the story of human progress, and the right data can help tell it

Life is not an algorithm — and neither is innovation. There's a misconception embedded in many organizations that if we can just collect enough data and model it the right way, the truth will be revealed. High-powered analytics tools help this effort, but innovation insights are fragile constructs, easily washed over by the smoothing effects of averages and regressions.

All successful innovations enable progress in people's personal or professional lives. Life has a narrative structure which is often messy, and innovators need deep understanding of the relevant narratives if they are to develop offerings that will predictably be pulled into those circumstances by customers seeking progress and desirable experiences.

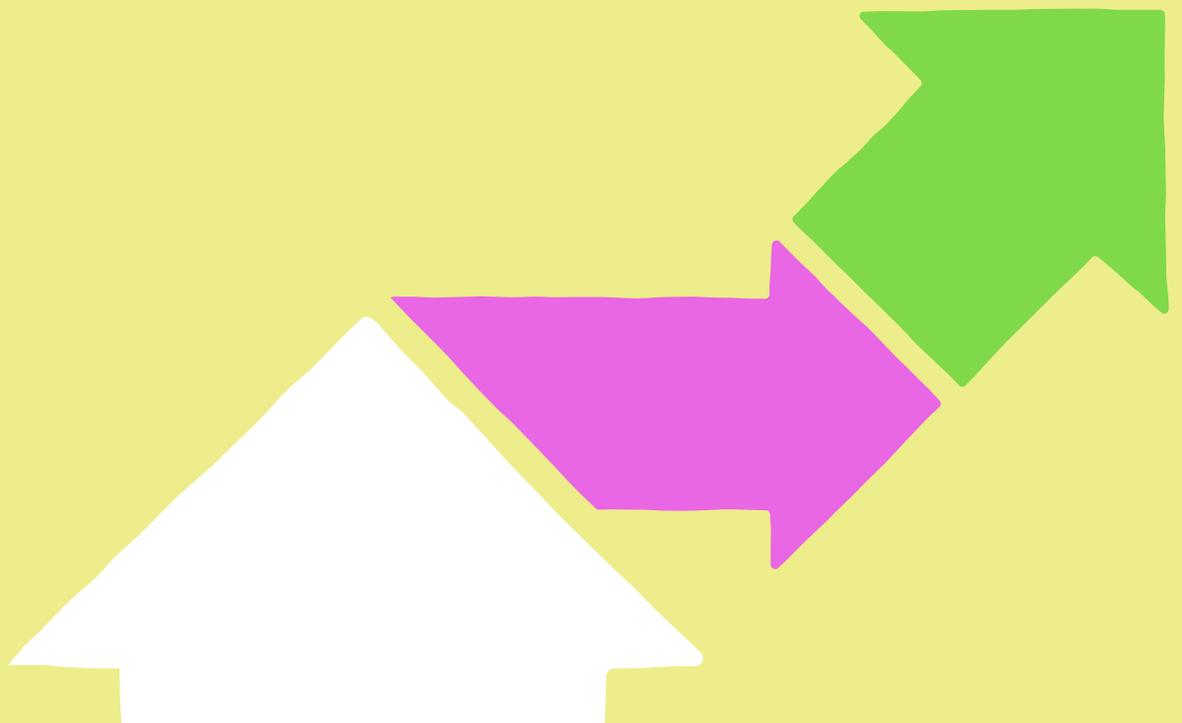


For large companies seeking to unlock new growth markets, the way is clear. It's time to get deep, and address specific job opportunities in customers' lives.

Through our process of jobs-based innovation, we help teams build and deploy the mechanisms that ensure their data reveals what they need to see: people in the world struggling to make progress.

Ask yourself and your team

- What are all the hassles, trade-offs, frustrations and compromises that complicate your customers' — and prospective customers' — path towards their desired outcomes and experiences?**
- Are you addressing the emotional and social dimensions — not merely the functional aspects — of your customers' jobs to be done?**
- What does your understanding of your customers' jobs to be done reveal about the real competition you are facing?**
- What are the opportunities in nonconsumption (where people haven't yet found an acceptable solution to their jobs)?**
- Are your processes and performance metrics aligned with the perfect fulfillment of the customer's job, or with internal operating efficiencies?**
- What growth opportunities emerge after you reframe your business definition around your customers' jobs?**



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