



The Fallacy of the G

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Introduction

Many entrepreneurs feel that they cannot start a business without a great idea. They believe it will be impossible to succeed without a completely new concept, as the market will already have been cornered by established businesses. Only by venturing into uncharted territory can they achieve their dreams. This is the fallacy of the great idea.

In truth, most “great ideas” will never make their investors a penny. True, some companies have made billions from a unique product, but close inspection of many world-beating businesses reveals that their unique selling point is hard to pin down. Can anyone honestly tell the difference between Coke and Pepsi? And at the end of the day, McDonalds and Burger King both sell burgers.

The simple truth is that it is quite possible to create a thriving business without a big idea. In fact, starting up with a tried and tested concept is very sensible. The real key to success is focus and brilliant execution. Yes, the world needs people with grand ideas who are willing to take big risks to further progress, but the world also needs small businesses creating jobs, and entrepreneurs should not be embarrassed about not having a claim on originality.

1. The Fallacy of the Great Idea

There are a lot of “idea people” in business. A “great idea” is a novel product or service, something which has not been done before, but sounds like a sure-fire winner. It is something that takes your breath away, something bold and daring and sexy. Unfortunately, although a unique product can generate huge profits, it is also usually highly complex, risky, untested, and difficult and expensive to build.

The fallacy of the great idea is that, in order to start a successful business, it is necessary to have a groundbreaking new concept. By falling for this fallacy, many entrepreneurs eschew more simple business plans that have a higher chance of success in favor of risky, complex projects that could make them fabulously wealthy—in the unlikely scenario that they succeed.

Don’t get me wrong. If you feel that you have an idea that is going to be a true world-beater and you have the tenacity, skill and resources to pull it off, then by all means go for it—and good luck to you. However, having a brilliant idea is not nearly as important as finding a business model that works. Dreaming up the next Google will make its founder a billionaire, but there will be thousands who do not make it.

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2. The Myth of the Entrepreneur

The popular perception, promoted by programmes like *Dragons' Den* and *The Apprentice* is that entrepreneurs are smart-suited, fast-talking, sports-car-driving mavericks that have big, bold plans. On these shows, winning the contest at hand is everything and the meek will not survive. It's a formula that makes for good dramatic television, but that ignores the majority of successful entrepreneurs and companies and the more workaday ways they achieve success. The consequence of this media portrayal of entrepreneurs as rock stars is that many people believe that they do not have what it takes to start a successful business because they see no similarity between themselves and their TV role models.

In truth, most businesses in the real world are really rather prosaic. What is interesting in reading the Sunday Times Fast Track 100 (a list of the 100 fastest growing companies in the UK) is not only the great variety of companies, but also how mundane most of them are. Many great entrepreneurs made their mark in unexciting industries. *Dragons' Den's* own Duncan Ballantyne started off in the ice cream world, and Richard Branson's first venture was a student magazine.

Entrepreneurs are not all made from the same mould, and very few fit the stereotype portrayed in the media. Along with the fallacy of the great idea, the myth of the superstar entrepreneur provides an excuse for inaction, or causes people to start ventures inspired by fantasy instead of reality.

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3. Why Great Ideas Should be Handled with Care

Great Ideas are Often Not That Great

It is sobering to take a look at a directory of web start-ups, such as Go2Web20, and reflect that at least 50% of these businesses will not be around in two years time. Each one of these businesses was undoubtedly based on what their founders thought was a world-beating idea. They were wrong.

Entrepreneurs, especially in the technology sector, fall over each other to prove how terribly smart they are and show how much they are going to change the world with their idea. All this posturing hides an awful truth: most of these ideas are not very clever. In fact, most of them are so dumb that they will never make any money. Not one penny.

Great Ideas are Highly Seductive

There is no denying that big ideas are good for the ego. Being part of the next big thing sounds good at parties and impresses people. Self-image plays a big part in that. Intelligent, educated people often feel they must launch a business that holds a mirror up to their undeniable, though undiscovered, brilliance. They want to develop a world-changing concept that will prove what a smart and insightful person they really are.

Due to some lucky people who have made their great ideas a reality in spectacularly profitable fashion, great ideas seem to promise riches beyond the dreams of avarice—if only we can come up with the next one. Don't get drawn in.

Great Ideas are Disruptive

Most people are resistant to change. We know what works for us and mostly we stick to it. As a result, it is rare that there is mass uptake of a new technology or service. New products require people to shift their behavior and are subsequently difficult to get off the ground.

Great Ideas are Unproven

Ideas that seem great on paper may not survive the harsh realities of the marketplace. No matter how much market research is undertaken, it is impossible to determine whether a product has not been created heretofore because no one has thought of it or because there is simply no demand for it. It is easy to forget that companies with killer products like Apple and Microsoft have had their fair share of flops... and, as an individual entrepreneur, you probably can't afford a flop.

Great Ideas are Expensive

The Internet has heralded in a golden age of entrepreneurs as the costs of market entry in areas such as retailing and publishing have been slashed to a fraction of the pre-Internet levels. Open source technologies and the ability to outsource work to low cost labor markets has slashed the cost of entry even further.

But, whilst all businesses can benefit from these cost savings, the next truly big thing will almost certainly need bespoke development that will require significant start-up capital. Raising finance is hard at the best of times, and should not be undertaken lightly as it often requires giving away a large proportion of the business in exchange for it.

Great Ideas are an Excuse for Inactivity

As mentioned earlier, many people say that they would like to start a business, but don't think they have a good enough idea for one and, as a result, they are paralysed by an apparent lack of options. In falling for the fallacy of the great idea, they are failing before they have even started.

Seth Godin, in a manifesto on this very site, The Bootstrappers Bible, noted that of his Stanford MBA class, half had publically proclaimed that they wanted to start their own business sooner or later. 20 years later, only 10% had actually done it. He believed that the rest were waiting for the right idea or the right backing, for "an engraved invitation and a guarantee of success" as Godin put it. Life is rarely that obvious or simple.

4. Beyond the Great Idea

Why You Don't Need a Unique Selling Point (USP)

Talk to any business advisor or recent MBA graduate, and the first question they will ask about a business idea is “What is the USP?” Not to have a USP is to be labelled as an amateur.

But, close inspection of many world-beating businesses reveals that their USP is hard to pin down. It is perfectly possible to create a thriving business without any kind of USP. In fact, the great advantage of starting with an existing business model is that you know it can be done and you can learn from the mistakes of others.

Think Simple

A simple idea that works is more attractive than a sexy idea that fails. There is no shame in launching a business that is not based on a complex business model. There are several benefits of launching with a simple idea:

- **Quick to market.** Simple business plans can be launched quickly, as they do not require any bespoke infrastructure. Getting fast to market will also allow the idea to be road tested and developed. This iterative process will hone the concept and may lead in unexpected directions. This valuable feedback can only be gained by experience.
- **No need for angel or VC funding.** Entrepreneurs can hold onto more equity by reducing cost—and hence the need for external funding. Many aspiring entrepreneurs spend months planning their businesses and struggling to raise the necessary capital only to find that their idea is considered too risky for investment. Also, when it comes to the point where additional funds are required to grow, the business will have a trading history to which they can refer, making fundraising much easier.

→ **Profitable within months, not years.** By keeping start-up costs low, a company will quickly break even.

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Don't Try to Be Too Clever

As the recent events in the financial market have proven, being clever is no guarantee of success. The world's banks hired the smartest graduates from the best universities, but somehow managed to get it all wrong. Clever people can still make mistakes and they can have some very bad ideas. Furthermore, they have the added handicap that being clever often gives them a feeling of invincibility.

Do not be seduced by your own brilliance. Being smart and writing arresting presentations makes some people think that they cannot possibly fail. Nothing could be further from the truth. Have the courage to see through your own hype and the hype of others. Good entrepreneurs build on their strengths by choosing a sector in which they have experience and passion. They also understand their weaknesses and are not afraid to accept help and advice from others.

5. A Call to Arms

There are no entry requirements or qualifications required to become an entrepreneur, and as I have argued, a world-beating idea is certainly not required. Entrepreneurs are real people, they are not, on the whole, geniuses and they usually do not have any special insights or abilities. They have simply, for one reason or another, decided to start their own business and followed this decision with action.

Concentrate on Brilliant Execution

By concentrating on brilliant execution, a company can quickly develop a good reputation and return customers. Efficiencies can be passed onto customers in terms of cost savings and better customer service.

Ideas are cheap and plentiful. But having an idea is one thing; putting it into practice is something entirely different. For this reason, investors consider the management team to be at least as important as the concept itself. There are plenty of existing companies that offer a poor level of customer service or are behind on the latest practices in marketing, service fulfilment and technology. These are companies you could be competing with, and represent a huge opportunity for the hungry entrepreneur.

Start Small if Necessary

The beauty of starting a business without a big idea is that it can be done quickly, cheaply and the idea can be adjusted as the business matures. If you are a part of the majority of people for whom money is in short supply, this is great news. Consider starting in an area in which you have experience and an interest, and start small if you have to. Starting a business on a limited budget, also known as bootstrapping, is a painful but educational experience.

Innovate

Running with a simple idea does not mean that there is no room to innovate. Entrepreneurs get their edge by being experts in their field and should always be on the look-out for ways to do things better.

In almost any industry you consider, the incumbents will be stuck in their ways. Small, nimble businesses can quickly integrate the latest ideas into their offerings. A lack of resources can act as a great spur to thinking laterally. Make it a mission to implement industry best practice into all areas of your business, and the next “great idea” may be a seemingly minor change you make to an existing industry.

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There is Not a Moment to Lose

If you have aspirations to be an entrepreneur, do not delay! Not having a good enough idea is not a good enough excuse for not doing so. Planning is essential, but the only thing definite about a plan is that it will change. There is no substitute for action. 🚀

ABOUT THE AUTHOR

Trevor Ginn is an entrepreneur and blogger who lives in Bethnal Green, London, UK. His online nursery business, [Hello Baby](#), is unashamedly unoriginal, though, at least in his opinion, well executed. He is also a consultant at [Vendlab](#) and you can follow his exploits at [trevorginn.com](#) and on twitter [@trevorginn](#).

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