Module Overview

- How do I forecast demand for my new idea that I plan to take to market, but more than that, often times, bet my life on it?

- Under forecasting is just as problematic as over forecasting
  - If you under forecast, you are losing an opportunity

- Forecasting is not easy, but we can use some simple proven methods to improve our estimates and, more importantly, learn how to influence demand
  - If it is low, what can we do to improve it?

Module Overview

- Will this idea take off?

  - What are some common characteristics of ideas and products that take off, and how well does my idea stack up on those criteria?

- How do I quantify the demand for my product and, more importantly, what can I do to influence it?

  - What levers do I have under my control that can influence demand?

Will This Idea Take Off?

- Professor Everett Rogers wrote a classic book titled *Diffusion of Innovations*
  - This was foundational work based on his many years of research studying what kinds of innovations took off and which did not

- Professor Rogers grew up on a farm and started to ponder why some innovations were adopted by farmers and why some were not

- He distilled his findings into six criteria that determine the success or failure of a new idea
  - These have come to be known as the ACCORD model

ACCORD Model: Six Characteristics

- A: Advantage (or more specifically, relative advantage)
  - This could often times be economic advantage

- C: Compatibility
  - Are the methods needed to use or apply the new idea similar to the ones we use for existing products?

- C: Complexity
  - How easy is it for me to understand why this new idea will deliver or perform what it claims to deliver on performance?
  - Is the science or the logic behind my idea simple to understand?

ACCORD Model: Six Characteristics

- O: Observability
  - If one user were to adopt this idea, will other users be able to see that others have adopted it and then observe and imitate behavior?

- R: Risk
  - How risky is the adoption— what if the product does not work, or what is the downside?
  - Professor Rogers also highlighted the social risk along with the economic risk— what will others say?

- D: Divisibility
  - Can I try this idea at a smaller scale before going full stream?

Will This Idea Take Off?

- Let us now look at an example— let us think of Wharton's decision to offer an online course on Entrepreneurship (the one you are enrolled in)

- Wharton in the past only offered such courses in person, and you had to come to campus to take these courses

- Let us use the ACCORD model and put it in practice

ACCORD Model Example: Online Course on Entrepreneurship

A: Relative advantage

- Clearly the online course has some advantages
  - It is less expensive
  - You can take it at your convenience
  - It is on demand
- But it may not give you the same opportunity to connect with the expert professors at Wharton, as well as peer learners, as effectively

ACCORD Model Example: Online Course on Entrepreneurship

C: Compatibility

- This is a complex question
  - It is quite different than learning in person
  - But from a capability perspective, if you have a computer, internet access, and are used to learning online, then it is quite compatible

ACCORD Model Example: Online Course on Entrepreneurship

C: Complexity

- Will online learning deliver what you expect?

- Will it be effective?
  - Wharton may have to give you some evidence that it does
  - This could be testimonials from other learners

- Note that as we evaluate the new idea on these criteria, it also forces us to focus on what we need to do to correct some of the weaknesses

ACCORD Model Example: Online Course on Entrepreneurship

O: Observability

- If one learner takes this course, will others be able to observe and then follow?
  - The answer to this is probably no— you are taking the course in the privacy of your own home or office
  - But if we were to offer badges that you put on your LinkedIn page, then your friends will be able to see that you took the course

ACCORD Model Example: Online Course on Entrepreneurship

R: Risk

- This can take many forms

- What if you do not get what you expected?

    - The fee you spent on the course will not have paid off

    - Time you spend would also not pay off

    - But is this risk more or less than other ways of learning about entrepreneurship?

ACCORD Model Example: Online Course on Entrepreneurship

D: Divisibility

- Can you try this new product at a small scale before taking it on fully?
  - Yes— Wharton can offer a free trial option
  - You can sample the course before taking on the entire course
  - This also mitigates risk

Summary and Next Steps

- What we were trying to do was to learn a framework and practice applying it in a familiar setting— Wharton evaluating whether or not to offer an online course on entrepreneurship

- I now urge you to apply the ACCORD model to your idea that you are passionate about

  - As you apply the model, rate your idea on a scale of 1-7 on each of the six dimensions

  - Also ask yourself, if the idea rates low, what can I do to improve it on that dimension?

  - Also have your friends evaluate your idea using the ACCORD model