

TOOTHFISH:

The Origin of Markets

Adam Vasquez

© by Merit Marketing LLC. Merit Marketing LLC
retains sole copyright to the contributions to this book.

For my daughters,
Lena and Nora.
Invent your dreams.

Acknowledgements

Thanks to my wife Susan, and my
two daughters for being my WHY.

Thanks to my mom, dad, brother, and sister, and
friends for encouraging me to be great.

Thanks to my clients who've been great partners who
live Market Invention every day.

Thanks to the Toothfish team for making this book happen;
Trevor Stauffer, Megan Earley, David Kimmick, Kim Riley,
Tom Hollerbach, Alex Rhodes, Chris Pahlman, Carly Dean,
Jamie Judy, Jessica Wolfe, Diana Miller, Emily Hopkins,
Michael Murray and Andrew Berger.

* * *

And thank YOU for taking your time to learn
about Market Invention.

contents

Section I - Introduction	15
1 First Place Gets All the Rewards	17
2 The Patagonian Toothfish	23
3 What is Market Invention?	27
4 The Process	33
Section II - Market Opportunity	39
5 Customer Pain	43
6 Hypothesis	49
7 Strengths	53
8 Competition	57
9 Influencers	63
10 Mega Trends	69
11 Validation	73
Section III - Invention Strategy	77
12 Naming the Market	81
13 Market Statements	87
14 Market POV	91
15 Pricing & Sizing the Market	95
16 The Pro Forma	103
17 Make the Market Plan	109
18 Market Funding	113
Section IV - Make the Market	119
19 Recruiting the Team	121
20 Educating the Market	131
21 Business Systems	147
22 Market Feedback	151
Section V - Iterate & Expand	155
23 Defending the Market	157
24 Overcoming Obstacles	163
25 The Market Inventor	167
26 Pay it Forward	177

TOOTHFISH

Section I

Introduction

TOOTHFISH

1

First Place Gets All the Rewards

Being second, third, or fourth sucks. You earn half the money the market leader earns. You compete for scraps while the market leader gets all the choice cuts. And your position never changes.

If you hate losing and want to learn the secret of going from last place to first in your industry, I'm about to introduce you to the secret law of commerce and the process of being first.

So what is it? It's called Market Invention. Never heard of it? Of course not. I can assure you that Market Invention is as old as commerce itself. I like to equate Market Invention to gravity: For thousands of years, we lived with gravity and its effects without understanding what made things rise and fall. The same can be said of Market Invention. We have been living with Market Invention every day, watching companies lose market share or completely disappear due to disruption. See, disruption is to Market Invention as an apple falling from the tree is to gravity. It is the law of creating major change, of shifting what people want.

Many have been living every day without understanding the power of Market Invention. It would be like understanding gravity without learning physics or flying a plane without understanding aerodynamics. Market Invention can help

your company be the next unicorn business, not another horse on the farm.

Why should you believe me? To start, I'm the person behind the shadows inventing billion-dollar markets for large corporations and small start-ups. I'm someone who has not previously been in the public eye, and is behind many great companies and organizations. I'm the person who has made hundreds of companies market leaders in billion-dollar markets. I've invented markets for technology brands that deliver data to your car's navigation system and brands that make the sugary treats that fill Easter baskets and Christmas stockings. I've successfully invented the "Market Invention" market, the fastest growing market in consulting.

I'm a father of two amazing daughters. I am a forever grateful husband. A proud brother. A fraternal twin. A son. A retired lacrosse player. An avid angler and an artist. I'm a Market Inventor.

I wrote this book because I've been in the process of creating billion-dollar markets for a long time and was frustrated when I saw struggling entrepreneurs, CEOs, and small business owners. I read at least 100 books per year and haven't seen anything that understands Market Invention and

teaches you how to do it, so I've written this book.

This book is for individuals who want to create their own path, who want to be first in their market, who strive to make not millions but billions of dollars. We're talking large movements. Things that make big impact. Things that, once in the market, people can't ignore. Things that forever change the status quo. This book is going to teach you how to identify or validate an idea and ultimately see the results in your pocket.

This book is going to take you through the framework of Market Invention. You will:

- Learn from dominant companies who have created thousands of multimillionaires
- Help your existing company break out of the sea of "me too" competitors
- Improve yourself as an individual through the process

This book is going to change the way your business is perceived by customers and competitors forever. Whether you're a serial entrepreneur or just looking to start your first business, this book is going to drastically accelerate and improve your ability to become number one. If you're the CEO,

this book may be the secret sauce that changes everything for the company you lead. If you're an investor, this book will help you ensure the idea you're pursuing is a good one and will give you the tools to coach the entrepreneurs you invest in. If you're a person who works within a large company, this book will help you differentiate your career.

This book is also going to radically change how you view commerce.

When writing this book, I pulled from the more than 1,000 client engagements and business models that I've been a part of in my career. These principles are not taught in college and, frankly, most companies are unaware of the power of Market Invention. My hope is that this book gives you the framework, the blueprint, to create something massive, whether that means leading a social movement, changing the way you do things today, or creating generational wealth.

This book is going to teach you the process, from first ideas to defending the top spot in the market you've invented. We all strive to create something bigger than ourselves. This book is a lot of things. It's a business book. It's a strategy book. It's a marketing book. It's an organizational book. It's a book about teamwork. It's about self-development.

Really, it's all about Market Invention.

So whatever you do, you will know how to create the next big thing. I assure you that upon finishing this book, you will have a skill set that few others have. You'll be able to make incredible impact, whether you do it as an employee, a publicly traded CEO, a small business owner, or an entrepreneur. I can't guarantee millions or billions in your pocket—that's up to you. I can guarantee you that you'll have the blueprint, tools, and materials to build generational wealth and move into first place.

TOOTHFISH

2

The Patagonian Toothfish

Why is this book called Toothfish? Let me explain with Lee Lantz and a billion-dollar fish tale. Lee was a lot like you—he was searching for the next big thing that would push his company into first place. In 1977, Lee was looking for something that could help his fish wholesaling business thrive. It wasn't that his business was struggling—he just wanted to be first in his industry. So he went on an excursion to a small fishing village in South America that supplied fish for him. On his journey, he came across a delicious white fish that was being eaten by a local fisherman. He asked the fisherman where he could buy it. The fisherman said that no one bought the Patagonian toothfish—it was bycatch. But some of the fishermen had learned that it was better tasting than the fish they were actually paid to catch. Once Lee learned this, he knew he'd found something that no one else was selling. A product that could possibly help his business become number one. Lee decided to launch a new fish and by default invented a new market. However, before inventing a new fish market, Lee faced three major obstacles with the Patagonian toothfish.

The first was the supply. Patagonian toothfish live deep in the ocean and are difficult to catch. There was little to no available inventory. Lee realized he would have to commit

investment dollars for fishermen to spend their days fishing for the toothfish. He also realized he needed to work with the local fishermen to develop a more efficient and innovative approach to fishing in order to scale for global demand.

The second obstacle was demand. To ensure he made the margins he needed, Lee would position the fish as a gourmet, top-dollar option. He also leveraged existing relationships with restaurants to create demand for a fish no one had ever heard of.

Finally, “Patagonian toothfish” was a terrible name, with no consumer awareness or demand. No one would buy something called a “toothfish,” so Lantz decided to rename his market invention. It’s called the Chilean sea bass. Funny thing is, Chilean sea bass isn’t a bass at all—it’s actually part of the cod family. It’s tasty, though, and you pay a premium price for something that no one wanted before Lee invented a market for his new product. I bet you never realized that the process of Market Invention brought Chilean sea bass to your plate. Lee never realized it either. Luckily, he followed the process of Market Invention without knowing it existed and invented one of the largest fish markets in the world.

TOOTHFISH

3

What is Market Invention?

Now that you know about Chilean sea bass, what is Market Invention? Market Invention is the process of creating a new market that represents the future of an industry, so that you're no longer competing in someone else's market but own its future through the market you invent. It's a mix of creativity, technology, market awareness, strategic execution, and disruption. It's the process in which you identify the market opportunity, develop the invention strategy, make the market, and then iterate and expand to become the market leader. Market Invention is the only way to become a market leader in today's economy. Why? Because things like advertising don't work like they used to. Pre-internet, advertising was a primary source of new brand awareness. We'd hear about sliced Wonder Bread on the radio, see it on TV, and because sliced Wonder Bread spent the most money on advertising and shelf space, it dominated mind share and everyone bought its bread. Post-internet, advertising only makes consumers aware of your market—not necessarily your brand. As consumers, we now have access to endless information and brands at the sound of our voice: “Alexa, find me” This results in a new buying journey. Now, when we hear a radio advertisement, watch a TV commercial, or click a Google Ad, we then search online to

comparison shop for the best product or service.

So if we see an ad for sliced Wonder Bread today, we go online and ask, “What other sliced breads are there?” or “Are there some better alternatives to Wonder Bread?” The majority of the time, we end up spending our money with whoever we perceive as the better option—which is generally the Market Inventor and market leader.

Today, if you’re not number one in your market and you’re advertising in that market, then you’re actually driving potential customers to whoever is number one. This means that no level of advertising will help you take the number one spot. As you fight to increase market share, you’re actually sending more customers to the leader. Thus, businesses that advertise without Market Invention will never be the market leader.

Digital transformation is the same: Used alone, without following the Market Invention process, it will keep you in your place. Basically, if you’re doing some sort of growth or innovation initiative (sales, marketing, mergers and acquisitions, technology, operations) and Market Invention is not your intent, you’re wasting your money, as you’ll always be number two, three, or last in your market. In fact, if you’re

not first, even the industry terms you use on a daily basis are the market leader's words, not yours.

Market Invention can be a product. It can be a channel to market. It can be a service. It can be packaging. It can be branding. It can be a digital experience. It can even be a sports team. It can be any one of those things or a combination of those things. There are endless possibilities. You just need to know how and when to apply Market Invention.

The most successful companies use Market Invention as the ultimate process of future-proofing their businesses. It doesn't really matter if you're an entrepreneur or an established CEO: You need to follow the Market Invention process. As I've said earlier, Market Invention is as real as gravity. It explains the physics of why new and disruptive ideas become either the next Apple iPod or the next Microsoft Zune. Market Invention is about identifying, creating, and winning the new high-growth market so you are tomorrow's market leader. Allow me to use some examples to illustrate how this could work for you.

The old pet rock is one crazy genius example of inventing and creating demand for a rock out of thin air. Diamonds are a more sophisticated example but not as far off from the

pet rock as you may think. What De Beers did with diamonds in 1948 with the invention of the diamond engagement ring market and its “Diamonds are Forever” campaign created a direct association between marriage and engagement rings and diamonds, and it invented today’s massive multi-billion-dollar market. They invented the need for diamonds.

Netflix is a great example of a business that invented its way to market leadership—not just once, but twice. See, Netflix didn’t invent video rentals, but it saw customer pains like late fees, having to drive to stores, and lack of inventory and decided to invent the video rental on-demand market that put Blockbuster out of business. And once megatrends like faster internet broadband speeds emerged, Netflix invented a second time by evolving to be the digital on-demand content market leader. Now they are slowly putting HBO, Showtime, Cinemax, and the large cable companies out of business. Netflix started with a new way to rent videos, and by continuing the process of Market Invention, they expanded to a much larger content and media market.

Amazon does Market Invention every day whether they realize it or not. In 1994, they launched an online book store; now they are the everything store. HubSpot, a marketing software-as-a-service company, used Market Invention to

create the Inbound Marketing market that disrupted the legacy multi-billion dollar Marketing Automation market with an easier interface and sales lead nurturing system. And now, HubSpot's INBOUND conference has more than 21,000 attendees every year. You could be like Apple and invent the Personal Tablet market with the first iPad product. The industry analysts thought it was a terrible idea at first. They said, "Who would want a larger iPod?" Turns out, everyone did. The iPad product invented one of the largest and fastest growing consumer device markets ever.

You could even use Market Invention to collaborate with another brand—like what Cole Haan did with Nike by putting Nike's sneaker soles on its dress shoes. The Cole Haan market invention reinvigorated the company and turned grandpa's loafers into one of today's most stylish dress shoe companies. And last but not least, you could do something like what Merit is doing to disrupt the consulting industry by inventing Market Invention consulting through the process of Market Invention.

TOOTHFISH

4

The Process

Starting to get Market Invention? Good. Now let's discuss the process in more detail, the process of how it gets you from last place to first. To get started, below is a graphic (figure 1) of the process to help you see how the phases in the process connect to create Market Invention.

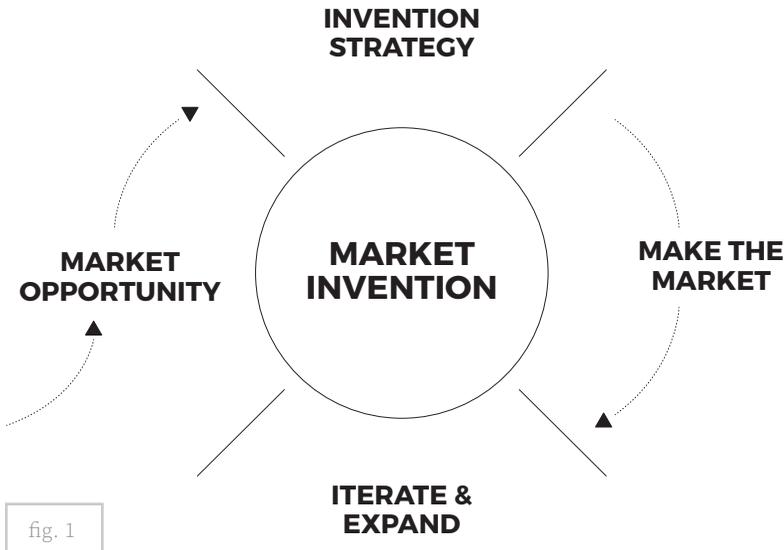


fig. 1

The first phase of the Market Invention process is Market Opportunity, where you do the research and analysis to discover what your market invention is. The second phase is Invention Strategy. This is where you visualize and name the market, build the plan, and budget. The third phase is called Make the Market. This is where you take the Invention

Strategy you developed and execute it. Finally, the fourth phase is named Iterate & Expand, when competitors begin to invade your market and you need to go from educating the market to scaling with and defending the market.

The complete Market Invention process can happen in six months or six years, but I've found you should expect this to be a one- to five-year process—sometimes longer, depending on how big the opportunity is and how long it has to develop. I hope you didn't think this was some overnight, quick-fix weight loss program. Not even close. But on the other hand, don't get intimidated by thinking that Market Invention needs to be some major, multi-million-dollar initiative. There are countless examples of bootstrapped market inventions by great entrepreneurs. For example, people think Amazon was an overnight success, when in fact they've been doing this since 1994.

Once you launch your market, the key to knowing what phase you're in is based on your ability to read the market signs and see how they're impacting your business. There are two primary groups of signs. The first group are signs that you're in the Make the Market Phase; the second group are signs that you're in the Iterate & Expand Phase.

It's important to be aware of these two groups of signs because your Market Invention tactics need to change with the phase that you are in. When you launch your market invention, if all goes well, you will get traction and start getting new customers, seeing media coverage, and garnering cash flow. These are all good signs that you are in the Make the Market Phase. As you see success and the market grows, there will be public awareness and people will begin to notice the market you invented.

Your success will attract imitators, whether it's the legacy market leader or some small start-up. This is an important sign that you're entering the Iterate & Expand Phase. The good news is that when you begin to see competitors, the market expands and you get big with it. Just as your advertising had been sending customers to the market leader in the legacy market, now your competitors' advertising is sending customers to the market you invented—and customers come to you because you're the leader.

If you don't recognize the signs, you could end up like LifeLock. LifeLock is a company that arguably invented the personal data insurance market. When LifeLock launched, it was in the Make the Market Phase. They had a growing customer base, but they still needed to educate the market

by answering the question “Why do you need personal data protection?” Now, because there are data breaches in the media weekly, there’s enough public awareness that competitors have invaded the LifeLock market. All signs are that LifeLock is in Iterate & Expand Phase.

Problem is, at the time of writing the book, LifeLock still thinks it’s in the Make the Market Phase. And it’s still doing infomercials all day Saturday, trying to explain what personal data protection is while a new competitor, Experian, is claiming to be the market leader. If LifeLock doesn’t wake up, it will have done all the work educating and inventing the market just to let some competitor steal market leadership. It’ll be interesting to see if LifeLock pivots into the Iterate & Expand Phase or continues to lose the market leadership position.

This book will help you understand the Market Invention process. Prepare for takeoff.

TOOTHFISH

Section II

Market Opportunity

Market Opportunity is the first of the four Market Invention phases. During this phase, you are searching for your toothfish opportunity. At this point, you could be first or last in your market, or anywhere in between. Regardless of where you are now, you need to find your next market opportunity, because the law of Market Invention is constantly at work, and if you don't harness it, someone else will, leaving you in an outdated market.

The Market Opportunity Phase cannot be skipped, even if you have a Market Invention idea or are already first in the legacy market. If you're already the leader, then this phase will kick off a process to keep you in first place. If you already have a Market Invention idea, then this phase will validate or adjust it. If you don't have any idea, this phase is the process that will reliably give you several opportunities that will lead to a market invention.

The Market Opportunity Phase will mainly consist of research. This research should be focused on uncovering several data points or trends that will direct you to where the opportunities exist for a market invention. In the following section, you will learn to identify the acute pains impacting potential new market customers.

After pain, you will form and test a Market Invention hypothesis. After testing, you identify your strengths as a business, team, or individual. Next, you dissect what your competition is doing —and not doing. Then you group the trends and themes that the influencers are discussing. This shows you how to identify and align the mega trends with your strengths, your competitors, and influencers to develop a bona fide market invention.

TOOTHFISH

5

Customer Pain

Now that you have an idea on what we'll cover in the Market Opportunity section, let's jump in and start with customer pain. Well-known companies like Airbnb, Uber, Amazon, Tesla, and PayPal all started with customer pain and all started in last place. They saw a problem that nobody was solving, and many of the founders even experienced the pain themselves. They identified pain that everybody else had gotten used to living with and developed a solution to fix the pain the customer never realized they had.

Whether or not you have an existing idea, Market Invention starts with identifying pain. The pain could be anything, and it's your job as a Market Inventor to uncover the pain no one else has addressed. Pain could be trying to get a car ride after a long night at the bar. It could be something as basic as just being tired of having to slice your bread before making a sandwich. Either way, you're trying to uncover real pain where there isn't already a market solving it.

So how do you uncover this pain? First, have you experienced the pain yourself? That's a great place to start. If not, you should talk to existing and prospective customers. It's important to know when asking existing and prospective customers that you're not expecting them to come up with a

solution, because the old Henry Ford quote, “If I had asked people what they wanted, they’d have asked for a faster horse,” definitely applies here. Steve Jobs discouraged customer research because he believed that customers cannot predict innovation in products.

Both Henry and Steve were right: Customers can’t tell you what you should do. They can’t articulate what they need. What they can do is express their pain. People will readily tell you what they’re not getting, where they feel disappointed, where they experience frustration. It’s up to you to translate that pain into a product, a solution, a service, a technology. Maybe it’s packaging. Maybe it’s just messaging. Either way, you need to translate this pain into the new market—into Market Invention.

How you facilitate this process is up to you. You could observe the process of how customers browse a website or use a product. You could conduct one-on-one interviews. You could facilitate focus groups, or you could conduct a digital survey. Just don’t interview to validate any of your assumptions, and don’t drink your own Kool-Aid. A lot of times it makes sense to pay a researcher to conduct the interviews. Be careful, though. Make sure they understand and follow the Market Invention process, or you’ll get research that

keeps you in the legacy market.

As part of this book, you'll have access to a questionnaire template to help with your process of uncovering customer pain. It's ideal to make most questions open-ended. Don't ask, "Have you ever had a negative experience during air travel?" A much better question would be, "What do you dislike the most when traveling on an airline?"

As you ask the questions, it's important to know that you are trying to group the answers into pain themes. With the airline question, someone may answer, "I hate it when I lose my bags." If several people answer with a similar response, you have a theme: lost bags. As you ask more people, there will be different responses, and the number of themes will grow. You want to group these themes and ignore the outliers. These themes will become the basis of what you focus on when mapping your strengths, competition, influencers, and mega trends to the customer pain.

It's critical to get a large enough sample size (at least 30 people), so that genuine patterns emerge. Once you start to see that no new themes are emerging, you know you've asked a sufficient number of people. You've reached the point of diminishing returns. Write down these pains and put them

fig. 2

Mega Trends	Pain	Pain	Strengths
	○ _____	○ _____	
	○ _____	○ _____	
	○ _____	○ _____	
	○ _____	○ _____	
	○ _____	○ _____	
	○ _____	○ _____	
	○ _____	○ _____	

fig. 2 Customer Pain Grid

into a grid—you can download a free pain grid template by following the link at the end of this book. Here's a picture of the pain grid template (figure 2) , you'll want to reference it throughout the Market Invention process,.

If you have four pain themes, then your grid will be four squares. If you find six, then you will have six squares. Then, write the number of customers who prioritized each pain point next to the corresponding squares in the grid. These numbers help you to visualize each pain point's popularity—the more common the pain point, the more potential demand for your market invention.

6

Hypothesis

Once you have verified customer pain outlined in the pain grid, you're going to build your Market Invention hypothesis. If you already had an idea going into the customer pain research, then this is the time to make any corrections to your initial assumption. Once you have your hypothesis, you're going to test it through the rest of the Market Opportunity Phase and you'll either validate it, adapt it, or kill it and come up with something new. During this exercise, you will reflect on questions such as: What are you trying to be? Do you have a vision of yourself and your company? Do you have aspirations? Do you have goals? What is your point of view on this pain? Is it something you've experienced in the past and want to change?

Write down a simple statement like, "I will solve (insert pain) by providing (insert solution) that will change the way (insert industry) works."

Once you have a picture of what you're trying to do to resolve the customer pain, start thinking about who the competitors are in the legacy market that you will be displacing. Do any of your existing competitors offer a similar solution? Basic internet research will help you find out if there's somebody already addressing your hypothesis. But don't spend too

much time on researching the competition yet; we're just trying to eliminate any Market Invention ideas you have that are already being met.

As an example, if I had done this for Netflix when Netflix was just an idea, I might have thought, "Blockbuster is a clear competitor near-term, but for the long-term vision of the market, maybe HBO, cable providers, and film studios will eventually be my competition." It's doubtful that Reed Hastings and Marc Randolph, co-founders of Netflix, would have identified Amazon as a competitor in the space at that time—you can only visualize so far. So don't overthink or beat yourself up if you don't identify every potential competitor.

Beyond thinking about competition during your initial hypothesis, think about what other partners, vendors, and even team members might be part of your market. What industry influencers could be involved? Are there trade associations in place? Are there any laws or regulations? You're really trying to get a rough map of the ecosystem and the potential market that you're going to invent.

Who's going to be in it? Who's not going to be in it? What companies or people are you displacing? Who might you

form partnerships with? You are trying to validate your initial vision. Most likely, some or all of your hypothesis will change by the end of the Market Opportunity Phase, so don't exhaust yourself. Instead, focus on educating yourself and looking around you. Learn enough to be truly confident in the landscape you're about to venture into.

TOOTHFISH

7

Strengths

Once you've built your Market Invention hypothesis, you need to be honest about understanding your strengths. Be able to articulate precisely and clearly how your strengths help the customer's unaddressed pain. Some people will tell you to focus on developing and shoring up your weaknesses. That's the worst advice ever. Market Inventors know how to double down on their strengths. If you're a business, don't try to suddenly offer something that doesn't complement your strengths—someone else is better suited.

When reviewing your personal and company strengths, ask your friends, colleagues, mentors, and customers to give you honest feedback. If you are a business, have two separate groups: customers and team members. In both groups, you should strive to include people with different backgrounds, roles, and demographics which will give you access to as many perspectives as possible. Ask honest questions: What do you do better than anyone else? Why did the customer pick you over the competitor? Why did your employees decide to work for your company over the competitor?

As you get feedback, it's important to understand that strengths come in multiple forms and types of value. A strength could be your ability to clearly see what the future

market looks like, which is a very rare strength. It could be that you're an excellent writer. It could be that your company has an excellent manufacturing footprint. Maybe your strength is a large customer base with an existing channel of potential customers to sell into. As you gather responses to your strength questions, begin writing down your strengths as a company and as an individual. You should summarize the themes into terms just like we did for customer pain. You can use general terms, like "Fortune 100 relationships" or "superior customer experience." Instead of creating a grid, you'll write them down next to the grid to reference them when you finalize your market opportunity.

As you write down the strengths, you need to examine and understand them. You need to have a clear vision of what you and your company is the best at. Whatever your strengths may be, once you understand them, you can start analyzing how your strengths potentially could solve customer pain.

The best Market Inventors are self-aware. They know what they're good at. They know what they're bad at, and they look to find and build a market invention that complements all of that.

Something to remember when you are examining, and

eventually building, your market invention is that we are all subconsciously programmed to avoid fear and risk—a trait left over from our days in the caves. I bet that when you first visualized your Market Invention hypothesis, the bigger the idea became, the more anxious you got. At some point, you probably thought to yourself that you couldn't do it.

The good news is that we're all built to think like that. If you want to go from last to first, then you need to mute that fear. If you're already first, then you know what I'm talking about. The best way to battle that primitive fear is focusing on your strengths to raise your confidence. That's a key secret to any billion-dollar-Market Inventor's success. They know how to focus on strengths and silence their own self-doubt. So take a second after you identify your strengths to ask yourself, "Is my Market Invention hypothesis too small?"

TOOTHFISH

8

Competition

At this point, you should have a grid of customer pain, and you should be aware of your own strengths. The next step is to examine the competition. Remember the competitors you identified with your Market Invention hypothesis? It's time to use the names you identified. If you think your initial list is weak, then now is the time to identify more. As you further your search for competitors, maybe this definition will help: Market Invention competitors are the incumbents in the current market(s). Netflix identified Blockbuster. Salesforce.com identified Siebel Systems, I'll share the full story later. Nike identified Adidas. Sometimes, there isn't a market incumbent. If this is the case, then ask yourself what potential solution for a similar pain are you replacing.

Once you identify the competition, you need to understand how they are positioning and where they are going. How are they failing to address the customer pain you discovered? If you have a clear enough picture of the real customer pain, identifying what the competition is doing will expose a seemingly obvious disconnect. When analyzing your competition, you're also testing your hypothesis. The validity of your original idea should become very clear.

So how do you identify and map competitor themes? One way is easy and pretty obvious: Go to their websites. You'd be surprised how much a company website will tell you about your competitor. Websites tell you where they're positioning, what their point of view is, what they think is their differentiation, and what new products they are launching. Also pay close attention to more subtle elements, like the industry terms they use, because it will tell you the direction they're going. Are they more focused on one pain than another? Do they have a product or service that addresses the pain that your research revealed in the market?

If the competitor is a publicly traded company, investor relations websites and annual reports are great sources to identify trends. They don't tell you everything, but they will give you a directional sense of where they're going and how they're communicating with their investors. Former employees are another great source of competitor trends. It's important to understand if any former employees you're talking to have nondisclosure agreements (NDAs), meaning they can't talk about their former employer without being sued. Rest assured, most won't have NDAs, and even if they have signed one, many times NDAs are not applicable and not upheld in state law. In California, NDAs are illegal.

Former employees can be good sources—they're often former employees because they didn't share the vision of the company. This is especially true at the C-suite level. A great tool for identifying and reaching out to former employees is LinkedIn. Glassdoor and similar company review sites are also great sources of former employee information.

In addition to former employees, current employees are a good source of identifying competitor trends. I'm not saying to do something illegal like corporate espionage. Instead, go to a networking or industry event where you know past and current employees will be. When you come across a current employee, buy them a drink, ask them about their job and the company direction. You'd be surprised how much people will tell you.

A positive side effect of meeting former and current employees from your competitors is that they may become future teammates. If they join your team, it could accelerate your market invention with deep industry knowledge. They have past experience and may get you past a lot of those barriers in the learning curve when you're breaking into a new industry. They could also unlock peer networks, new customers, and new opportunities. Linking with former and current employees is a very good way to accelerate your

understanding of competitor trends.

As you identify the products, messaging, campaigns, or experiences competitors are pursuing, write down the themes that describe them and group them into the pain grid squares you think they align best with. Some example themes could be mobile banking or concierge lost bag service. Once you're finished grouping competition themes in the different pain grid squares, you'll begin to see where the competition is focused. And as I said earlier, it will begin to seem pretty obvious where the Market Opportunity resides. In fact, you may find yourself thinking, "This is too obvious. My competitors must see the same thing." Or, "If everyone is focused on one or two pains, that must be where the money is." But remember that the opportunities you are exposing would not be so obvious if you weren't following the Market Invention process. Chances are, your competition is currently where you were before reading this book—flying a plane without understanding aerodynamics. They're not following a process to find the next big Market Opportunity. Whether they realize it or not, they're essentially entrenching themselves deeper and deeper into a limited market space, waiting for someone else to discover the next big thing—at which point they will try to ride the Market Inventor's coattails.

TOOTHFISH

9

Influencers

You've plotted the competitors onto your customer pain grid. Now let's focus on filling those squares with what influencers are talking about. During this part of the Market Opportunity Phase, you'll want to research the industry conversation about the present and future. Understanding what everyone is focused on inside and outside an industry will allow you to see where the competitors are going and if the industry sees the same pains and opportunities as you do. Influencers are good indicators of where the competition is today and where they're going tomorrow.

There are two types of influencers that drive industry conversation. Influencers from within the industry, called industry experts, and influencers from outside the industry, called mega influencers. It's important to realize that not all industry experts are influencers and not all influencers are industry experts. Either way, influencers are a sort of benchmark of industry conversation, and you will see that the competitors' themes will align almost perfectly with the influencers' themes.

The best place to start uncovering influencer themes is with industry influencers, as they are like the canary in the coal mine for you. They don't know they're in a cage, and they

rarely smell the toxic gas of disruption coming. Before they realize what's going on, they're dead. They feed into the "me too" of a market because they sell their services and their research to everyone within the market. If they're part of an association, they exist to protect the status quo of the industry.

The competitors you identified all follow these industry influencers, and they're all reading the same stuff. They're all seeing the same trends; they're all following each other. The so-called industry experts are great barometers for the "me too" thinking in the industry; however, they are very bad at telling you where and when the disruption is going to happen. They're stuck in the established industry and can only see what's happening within the legacy market. With that said, they are still very useful to you, and their opinions and beliefs are really a summation of the competitors and all that's happening in the industry today. Although they won't tell you what the next unseen market opportunity is (that's your job), you need to respect them and realize they will be your partners in this process, because they'll be the ones that help expose your market invention to the legacy market customers.

The second kind of influencer is what I call the mega influencer. Their perspectives and messages span multiple

industries. Good examples of mega influencers may be an editor for Forbes or a business influencer like me. Mega influencers cast a wider net than the market or industry you are disrupting. They are good for validating your market invention and influencing potential customers beyond the legacy market. They're also important during another phase of research that we'll discuss in the next chapter.

Research at least 10 influencers, aiming for an 80:20 ratio of industry to mega influencers. Finding the influencers is easier than you might think: Look at association websites, trade journals, industry blogs, and social media. Read what they are writing about and search the web for each of the pain points to see who is talking about it. Remain focused on who is talking (or not talking) about the customer pain—don't get lost in unimportant industry dialog.

So what questions should you ask yourself when researching influencers? Are they talking about any of the customer pain you identified? Are there conversations around pain points not identified in your grid? Do they see the same opportunity as you do? Why are they missing the customer pain? Are they talking about your Market Invention hypothesis? Are they saying the same thing as all the competitors?

As you research the influencers, you want to understand if any of the customer pain is being discussed in the industry. If they're not talking about the pain you identified, don't worry—this is actually what you want, because chances are none of the competition have identified it either. You could be sitting on a billion-dollar market invention.

As you populate the customer pain grid, you'll see influencer and competitor themes in the same squares most of the time. If you see influencer trends in squares with no competition, then it may be an opportunity. With this scenario, remember that influencers are a catalyst of “me too” thinking, so if you decide to move forward with an opportunity in a square with no competition but lots of influencers, then you'll need to move fast—the competition is close behind. Once you feel you've gathered and mapped enough influencer data to have a clear picture of unaddressed pains, it's time to start looking at mega trends.

TOOTHFISH

10

Mega Trends

At this point, you're seeing the patterns and your original hypothesis is hopefully nearing a point of true validation. If not, trash it. Even if your entire hypothesis is blown at this point, don't worry. You're about to find a better one.

Now that you've mapped out the customer pain and identified your strengths, what competitors are doing or not doing, and what the influencers are talking about or not talking about, it's time to go outside the established industry and look at the mega trends.

Mega trends are the big trends that span multiple markets and industries. Internet of Things (IoT) is a mega trend. Maybe it's millennials, a generational mega trend. Maybe it's artificial intelligence, a technology mega trend. Maybe it's customer experience, a process and marketing mega trend. We're going to use mega trends to help inform a potential way to solve the customer pain in a unique way, such as a new technology, process, or business model. Leveraging mega trends will also ensure that your Market Invention timing is on point. Timing is everything when launching a new idea, so aligning with a mega trend ensures there is already a broader discussion happening—it makes your new market invention more familiar.

Salesforce.com did this in 1999 by using the internet and cloud mega trends to disrupt the customer relationship management software market and convert “On-Premise CRM” buyers to “Cloud-Based CRM” buyers. It was easy for customers to understand Salesforce.com’s market invention because there was a broader discussion happening. It was Salesforce.com who was first to take a mega trend to solve customer pain.

As you are researching mega trends, the best places to start are with the mega influencers we identified in the last chapter. Also, read the broad technology and business journals to identify themes. As you research, write down a list of as many mega trends you can find. Once you have this list, reflect and write down the mega trends you feel are applicable on the opposite side of the grid from your strengths.

After you’ve identified some clear mega trends, look to see if competitors are adopting these trends in your customer pain grid. You’ll see that some competitor themes align to some of the mega trends, and that’s okay. You just need to figure out a different way to leverage the same mega trends. Once you feel good about the mega trends you’ve identified, it’s time to validate and adjust your Market Invention hypothesis.

11

Validation

Your research is done and your grid is complete. Now it's time to make sense of it all. As you review your grid, you're looking for customer pain squares with little-to-no coverage from competition and influencers. Most likely, there's a heavy concentration around several of the customer pain squares. But there should be a few squares that look empty in comparison, and this is where the opportunity resides.

What if you have three pain squares with no competition? How do you know which opportunity to pursue? Prioritization is an important step. You might see many opportunities, but you can't pursue them all at once. To start, use the numbers you wrote next to each of the themes to keep track of how many people mentioned that specific pain point. The higher the number, the bigger the potential. But it's also important to remember to avoid only using the numbers to prioritize. I've seen low numbers in pain grids that became big markets. Why? Because we're all conditioned to ignore some of the biggest pains due to experiencing them every day. And when someone asks us about pain, we might forget about some of the biggest pains of all because they're so common. We haven't even gotten into strengths yet—that's the second step for prioritizing. After you've prioritized the pain, look at your strengths and be brutally honest with

your ability to solve that pain. Once you run the strength filter, you should know what pain you are going to convert into a market invention.

After you have a clear picture of what pain you are going to solve, look at how you can leverage your strengths and the mega trends to solve the pain. Write down as many initial ideas as possible. Then walk away from the list; the obvious, easy ideas are rarely the best. Take a day or two to think about the pain. Go back and talk to the customers about any potential ideas you have. Go experience the pain for yourself. Walk in their shoes. If you get really stuck, stop thinking about it.

Have you ever experienced an idea for a solution that came out of the blue? Get some distance for a few days—it will help. Don't take too long, though, because if you sit on your idea too long, someone else will probably beat you to it.

Once you have the concept, look back at your original Market Invention hypothesis. Does it need to be adapted or completely thrown away? Don't hold onto any idea because you fell in love with it. If the competition is already doing it and the influencers are talking about it, you need to rethink your hypothesis. So rewrite it based on your new concept, and

research to see if anyone is doing it. If not, you're good to go to the next phase, Invention Strategy.

Section III

Invention Strategy

You've looked into the trends, uncovered the opportunity, and refined your hypothesis. Now it's time to move into the Invention Strategy Phase. The Invention Strategy Phase is the second of the four Market Invention phases—the process of taking your Market Opportunity and turning it into viable new market roadmap. Just like the Market Opportunity Phase, the Invention Strategy Phase cannot be skipped. Shortcutting the Market Invention process is like trying to build without a blueprint or govern without a constitution—and it rarely ends well.

During the Invention Strategy Phase, we'll focus on designing the market invention and creating a clear story that combines your vision with the financial impact it'll make on the legacy market you are replacing. First, you're going to give your market invention a name. Then build a foundational market statement that will become the basis for your sales and marketing messaging, as well as develop a clear point of view that will help you easily describe the market you are inventing with customers, employees, investors, and partners.

Following the point of view, I'll walk you through the process of pricing and sizing your market invention so you know how big the opportunity is and how you will convert opportunity into money in your pocket. After you know how

to size your new market, I'll walk you through building a pro forma budget that will give you a financial roadmap toward profitability. Then I'll teach you how to develop a Make the Market Plan that serves as blueprint to getting traction and customer demand for your market invention. Finally, I'll share some ways to fund the launch of your market.

The Invention Strategy Phase is your planning phase. It's not meant to be exhaustive, because it will change and evolve as you get market feedback in the Make the Market Phase. But you do need to be confident that you have a clear vision of what the market will become as you take the first steps toward customers and positive cash flow.

12

Naming the Market

At this point you have validated and refined your market hypothesis. You've identified an entirely new market. Now it's time to name that new space you've identified, and what you decide to call your market is probably more important than you think.

This is the point where most businesses make a major mistake. They take this new market invention and try to sell it in the same old highly competitive market. Do this, and all the work you've done formulating your new market invention goes out the window (and into the legacy market leader's pocket).

It's critical that you don't confuse your new product, solution, or service with the market you are inventing. For now, you're not naming your company or your product. You're naming the market you will be creating with the launch of your new product, solution, or service.

This is more than a way to differentiate your new offering. It's a way to sow seeds of discontent within the legacy market by using new terminology, thus reorienting the industry conversation and consumer conceptualization of the space.

Let's use HubSpot as an example. HubSpot is a software provider in the marketing automation space. What is marketing

automation?

The emails and content you get from companies are managed by programs that make it easy for marketers to send you the right content at the right time to get you to buy. Ever scroll through your inbox and find yourself thinking, “Wow, this is highly tailored content at just the right time?”

Thank HubSpot. They created the software that makes it easy to deliver this level of customization. They allow marketing and sales people to manage their customer relationships in a much more personalized and automated way through content and analytics to convert your engagement into revenue.

HubSpot was smart. Its two founders, Brian Halligan and Dharmesh Shah, wanted to avoid a very crowded and well-established marketing automation market. They realized that although their software was a better marketing automation platform, they needed to direct customers to a new market, one that they could lead. So they named the new market Inbound Marketing.

This is exactly the sort of strategic approach you want to take when naming your new market.

Now, I wasn't there when Halligan and Shah came up with Inbound Marketing, but I'm fairly certain the conversation

went something like this:

“We need to differentiate ourselves. What most software companies are doing in the marketing automation market doesn’t work—it’s just outbound marketing. Consumers don’t like outbound marketing, so let’s build a technology that draws in customers through timely and engaging content. We’ll call it the Inbound Marketing market.”

Inventing Inbound Marketing carved out a separate space for HubSpot—while at the same time making the entire “outbound marketing automation” space old-fashioned and undesirable.

Being the leader in the Inbound Marketing market made HubSpot number one by persuading the whole industry that Inbound Marketing was fundamentally superior, the future of the industry. If you do a Google search on Inbound Marketing, you’ll find lots of competitors in the Inbound Marketing market—competitors that validated Inbound Marketing and unintentionally established HubSpot as the new leader.

So what makes a good Market Invention name? The most important thing to remember is that the name needs to be a bit academic. It can’t be marketing jargon; it needs to be relevant and so authentic that people believe in it as the next

industry trend, not some marketing campaign you came up with. It needs to be smart and get people excited about the future, while still being grounded in what the industry knows. The Market Invention name can be one word, like “Cloud,” or two words, like “Market Invention.”

You want a name that sticks, one that’s easy to remember and spread by word of mouth. I typically prefer two words: one familiar industry term and one with a new twist. This approach creates a kind of mash-up between the known and the revolutionary.

Be sure to make the Market Invention name descriptive enough that it’s not generic, but high level enough that it doesn’t limit your market’s potential growth. When choosing the name “Market Invention” to describe the process, I played with other ideas like “Category Invention.” The problem with Category Invention was that it’s too small, and I realized that Market Invention is bigger and more flexible than just inventing a product category. So my colleagues and I went with the bigger option. We could have gone with something even bigger like “Industry Invention,” but the word “industry” didn’t describe what was actually happening to markets within an industry.

The ultimate goal is a name that is adopted by the industry analysts and customers to describe the future of their industry. Once you have a few names to consider, don't be afraid to get feedback. Choose a name that feels right to you. It's important that you believe in the name you give your market, because you will be the one who needs to sell it the most. And as you go on this journey as a Market Inventor, the market name will become one of the most used terms in your vocabulary.

TOOTHFISH

13

Market Statements

After naming the market, you need to draft your initial market statements. Market statements are your messaging, language, and facts about the old market—and your new, better alternative. Market statements are key to the process of converting customers from the legacy space into your new market.

Market statements are the foundation for the entire influencing process of guiding customers, investors, and team members from the legacy market to your market invention. Similar to a value proposition statement, it is your definitive statement of why your market invention is better than the old market.

Let's use the example of Salesforce.com versus Siebel Systems to illustrate what a market statement may sound like in a conversation. If you're not familiar with Salesforce.com, it's a customer relationship management (CRM) software provider. Siebel does the same thing.

In 1999, Siebel was the leader of the large CRM market, while Salesforce.com was just a start-up. But Salesforce.com founder Marc Benioff saw an opportunity to disrupt the legacy CRM market by leveraging a little trend called the internet to help ease customer pains like lack of user mobility,

costly software integrations, and expensive, long-term contracts. Marc saw an opportunity to invent a market called “Cloud-based CRM.”

Cloud-based CRM is nothing groundbreaking now, but remember this was 1999 and the cloud itself was a very new and underestimated mega trend. The cloud allowed Salesforce.com to offer software-as-a-service to the sales and marketing industry.

The first piece to Salesforce.com’s market statement formula was to label the legacy market “on-premise software.” The second piece was being able to articulate the customer pain (use your pain grid to help): expensive long-term contracts, lack of user mobility, and costly integrations. And the final piece of the formula was to identify the solution: no installation, integration, or expensive contract. These three pieces added up to its market statement of “Don’t buy on-premise CRM. Don’t you hate the expensive long-term contracts, the lack of mobility, and the costly software integrations? Of course you do. You should look at cloud-based CRM; that way you don’t have to install, integrate, or get locked into long-term software contracts. And by the way, Salesforce.com invented this market.”

The young company used this formula as a basis for everything it did. Early on, Salesforce.com held a mock protest against software during a Siebel user conference. Salesforce.com even made their logo say “No Software.” Market Invention worked so well for Salesforce.com that, as of writing this book, its market value is \$119 billion. Siebel was bought by Oracle for cheap.

As you write down your market statements, start with what you believe, a statement of why you are best for solving the pain you identified. This statement should be believable. But it should also be a big promise that inspires you, investors, customers, partners, and team members. Then, following the Salesforce.com example, further describe why you exist with a market statement that follows the same example formula. In this statement, label the legacy market and the pain it causes. Describe the value of your market with your Market Invention name. Don't worry if it's not perfect at first. Your market statements are ever-evolving, and you should adjust and improve them as you get feedback throughout the Market Invention process.

TOOTHFISH

14

Market POV

It's time to begin conceptualizing your market. To start, I want you to create a one-page point of view. It should really be the culmination of everything you've done to this point: your vision, the customer, and the competition. Eventually you'll want to include financials, and I'll show you how, in the next couple chapters. For your vision, describe the customer pain not being addressed. Second, describe the problem with the legacy market and how it is fueling the pain. Be sure to name the legacy market problem like Salesforce.com did with "on-premise CRM." Third, describe your market invention and how it solves the pain—what is the new market, and what is your product, solution, or service? Be sure your description honestly and clearly illustrates how your market invention solves the pain: This is not a marketing piece. What does it do? How can you explain it in a relatable way? Forget about features. What value does it bring to the customer?

I want you to be precise and concise—the shorter the better. You need to be able to tell this story in 30 seconds or less. Once the first part is written down, it's important to get feedback from friends, family members, colleagues, and the customers you initially spoke to. This feedback will ensure you're not using irrelevant jargon. If the majority of the

people you speak to get it, then you've successfully written the vision portion of your point of view for your market invention. And don't be afraid to adjust and refine your point of view after speaking to each person.

After you get feedback on the first piece, it's time to move on to the second part of your Market Invention point of view by describing the ideal customer and how they will pay you. Marketers call this a "persona and revenue model." Whatever you call it, be sure you have a very clear picture of who your customer is and how money will be exchanged. Write this down to share with team members, investors, and partners.

The third part of creating your point of view is writing down the competitors you identified in the Market Opportunity Phase. You don't have to write a description of each competitor. Instead, list competitors by order of market share to make it clear who the leader is; focus on the top five.

The fourth and final piece of your point of view is the financials of your market. For this part, you need to write down the estimated size of the market and your initial revenue model. Keep this part as a placeholder for now. We're going to cover pricing and sizing your market in the next chapter. Once you complete the next chapter, come back to your

Market Invention point of view and finish the document.

Moving forward, this document should serve as your anthem, your executive summary, and the lens through which you view your business. Remember that this document will evolve as you receive feedback and go further into making your market. Respect the vision you've set down, but never follow it blindly.

You should now have a page or two that illustrates your point of view. To help, I've included a link to a sample in the Resources chapter at the end of the book.

15

Pricing & Sizing the Market

Pricing your market determines exactly how profitable your market invention will be, and it's all about the exchange of value. Finding the right price means understanding how your product, service, or solution fits within your target customer's value threshold.

A customer's value threshold is the dollar range they are willing to pay for your offering. Looking at the legacy market for pricing standards is a good start, but it may be misleading by being too low when compared to the value you are offering. Also, be aware that the pricing you introduce for the market you are inventing will be eroded as competitors enter your market. So aim as high as possible to keep good margins in case you have to lower prices to compete later.

Another data point to get a good feel for your market invention's value is through other industries that sell to similar target customers or companies. For example, suppose you're a software company selling to a chief financial officer. There may be another kind of software company that has a license agreement with the same CFO at \$100 per licensed user, per month.

That \$100 becomes your benchmark on pricing. And because

you've developed a software that solves bigger problems, you might decide to price your product at \$125 a license per user. Either way, you can expect that the CFO is used to paying a certain price for enterprise software, so when you sell your software to the same organization or individual, you know you are within the company's value threshold. It's not perfect, but it gives you a direction.

Some businesses try to use low prices as their market invention. I'm not a fan of being the lowest price alternative. I just don't believe it's sustainable; someone else will always be cheaper. It certainly does work for Walmart, and it definitely works for Amazon. But again, look at Walmart competing with Amazon. Can either win on price? Maybe, until Alibaba.com or someone else figures out a way to undercut. Price is a losing value proposition. Amazon isn't winning on price: it's really about convenience and comprehensiveness.

Once you have a good feel on pricing, you need to speak to the customers you interviewed earlier. Ask the customers if they would pay your price for your market invention.

I wouldn't ask customers to give you pricing off the top of their heads from the start. Instead, give them a number to respond to. If they say it's too high, then ask what they would

pay. Asking customers about pricing is tricky—if customers say your pricing is good, you may be priced too low. On the other hand, they may express comfort with a hypothetical price, but be unlikely to pay that amount with real dollars.

Early on, you may feel like you need to adjust your pricing. You may even decide to price your initial products lower to get traction. It doesn't mean that you need to lose money here; it just means that you may need to discount early adopters as needed.

Think about this as a cost of acquisition or marketing investment. Just don't make discounting your business model. Remember that there is a direct correlation between price and quality. Some ideas for pricing for traction include: free trials, freemium software, free to play with in-app purchases, free content. You could provide an early adopter discount if they give you testimonials and referrals. Be creative here. The mission for pricing this way is to seed the market and start gaining traction.

Once you have a good understanding of where you need to be priced, sizing the market is an important next step for two main reasons. First, you want to make sure you are going after a big market opportunity worth billions. Second,

you'll need to articulate the size of the market for potential investors and team members when you sell your Market Invention vision. You should be aware that market sizing is a bit of fuzzy math. You are trying to triangulate how big your market invention and business (remember: those are two separate things) will become. That's why it's best to combine a top-down and bottom-up approach to get you to a number that feels directionally accurate.

For a top-down approach, you should think about the total industry you are disrupting—for example, HubSpot's disruption of a \$20 billion marketing automation market. If it's an entirely new market, like the first vacuum cleaner, think about the brooms and carpet beaters, plus the time savings. What is that worth?

Or maybe you're Dyson, and you invented the high-end vacuum market. You could argue that, because of the better quality, one Dyson was worth two or three regular vacuums.

Let's look at a bottom-up approach. What is the total wallet size of a household? How much do they spend every month? Don't fall into the trap of just looking at what they have spent in the past in the legacy market—Dyson and Apple charged at least double the price of legacy market products. Instead,

think about what the true value of your offering and consider what percentage of a customer's wallet that is worth.

Pretend you're Dyson. If you believe consumers will buy one of your vacuums every five years, that should go into your math. To keep things simple, say the available market for your vacuum is 500 households. The average annual spend of a household is 100 dollars, and you think your product is worth \$10 dollars. So then, if they buy vacuums every five years, then your annual total available market is 100 households which would mean that your market is \$1,000 dollars. Obviously, that's not a billion dollars, but you get the picture. You can use this to triangulate how much of a bite you are going to take out of the legacy market. For Dyson, this meant \$3.24 billion in 2016, more than 32% of the \$10 billion global vacuum market.

Don't be afraid to give yourself a bit of a range when sizing the market: Just make sure it's as small of a range as possible. Use conservative numbers to keep things believable.

By this point, you should be able to summarize these findings in a few sentences in your Market Invention point of view. Write down the pricing strategy in one sentence, and in a second sentence, describe the market size and how you

TOOTHFISH

got to that number. This should polish off your Market Invention point of view.

TOOTHFISH

16

The Pro Forma

It's time to build your pro forma, which is just your revenue and expense timeline. It allows you to understand how your budget is going to impact your Market Invention profit over a given period of time. To help you with this process, there is a link to a pro forma template in the Resources chapter of this book.

So, what makes a good pro forma? First, you need to be conservative in your revenue estimates. This is not the time to be a hero. If you go too big, you're setting yourself up for failure. Your pro forma should cover three to five years. Some banks and investors may require five to 10 years, depending on how much investment you need. But for now, start with three years, knowing the further you go out on the pro forma, the fuzzier it gets. Know that revenue and positive cash flow always take longer than you expect. Be conservative. When you're building the spreadsheet, lay out the months from left to right. If you have three years, you will add 39 columns: one for naming the budget or source of revenue, 36 for each month, one column for the total, and one for a description of the line item. After you lay out your columns, you're going to have two groups of rows.

The first group is your estimated revenue. How are you

going to make money? Think about your products, services, anything you're offering. Think about the pricing you wrote down, and think about the number of customers you're going to acquire each month. Is there recurring revenue, or is every month a new sale? Think about all the revenue sources that you could possibly make, and make each of those a line item on your spreadsheet.

In the first month, maybe you'll have \$0 in revenue because you'll be building up and searching for your first customer. Maybe it takes until month three to get customers. Will those be paying customers? Will they be freemium customers, signing up for a free service that eventually leads to additional, paid services? This is a very common in the mobile application and software-as-a-service markets.

Let's suppose that you plan on getting customers to pay you from day one. How many customers do you think you can get that first month, and how will that compound if you have recurring revenue?

A plan that assumes recurring revenue may look like this: You estimate that you'll get 10 customers in month 3, but in month 4, you believe you can get 20 more. So in month 4, the number of paying clients is 29. The 29 paying clients

include an estimated 10% attrition rate in your pro forma. If your market invention is more project based, try to figure out how many projects you'll be taking on and how long the revenue will occur. Compound that based on project overlap. Now total your revenue in the bottom.

After you lay out and total your revenue, move down to the second group of rows labeled "expenses." Your expenses are going to be employee salaries, advertising, any services that you buy, office rent, computer equipment—everything you need to reach your revenue target. Try to think of everything, right down to the coffee. If you're building a new product, it could be prototyping designs. It could be building manufacturing molds. It could be outsourcing your development team or hiring developers. Try to build based on the worst case scenario. Each expense should have a separate row. Once you feel that you have a complete list of expenses, go ahead and total it on the bottom.

Make sure you consider taxes and any debt payments. If all of this is too much, enlist the help of an accountant. There are also plenty of free resources to understand how to build a quality pro forma, and many of these can help you figure out the basics of taxes.

Now get out the pricing model you worked on earlier. Subtract the expenses, taxes, and loans from the revenue and look at how much cash you will be generating. Are you making the profits you expected? If not, it's time to revisit your pricing. If you can't budge on pricing, then you'll have to eliminate expenses or inefficiencies in your business. A big mistake many businesses make is not increasing margins to account for the investments required to scale the business. A successful market invention will need to scale fast because there will be so much demand. So plan ahead and project this growth into your pricing model and your pro forma. After you feel good about your top line revenue, expenses, taxes, and loans, then look at your cash flow. Most people don't include cash flow in their pro forma. I think cash is king.

It's surprising how many companies don't have a good handle on their free cash flow. Free cash flow is the cash that you have in your pocket after you've paid everyone and all of the cash has come in. For some companies dealing with accounts receivables, there's a lag from when you invoice to the time you have the money in your pocket. It could be a 30-day lag, it could be a 60-day lag. If you're dealing with large companies, it could be a 90-day lag. Don't be fooled

into thinking invoice time is no big deal. It's as good as money in the bank, right? Actually, poor cash flow could easily put you out of business. Be conservative on your cash flow, and if you are invoicing companies, try to get 30-day terms. Of course, if you're taking credit cards, you'll see the cash instantly in your bank account.

How well you manage cash is going to allow you to limit the investment dollars you need from outside sources. If you can bootstrap the market invention through free cash flow, then you're going to prevent dilution of your shares as the business owner.

Your pro forma will obviously adapt and change as you get market feedback and realize some of your tactics are working and some are not. You should be prepared to revisit your budget on a weekly basis and adjust as you get off the ground. A market invention scales quickly, and things are going to change rapidly. When rapid expansion occurs, you will need to increase your expenses to scale.

17

Make the Market Plan

By now you have a clear point of view and financial model. Now it's time to develop your Make the Market Plan. The Make the Market Plan is a go-to-market plan with one key difference. You're not just launching a product or service: You're launching an entire market. For now, this will just be an overview of what goes into the plan. I'll go much deeper in the Make the Market section of the book.

Every billion-dollar market has an ecosystem around the market leader. Your market invention needs the same, and we're not going to let it grow organically—we're going to design the ecosystem so that competitors play by your rules. A well-architected market is an ecosystem of customers, team members, competitors, influencers, media, vendor partners, associations, and laws. It's important to map out the market because if you don't design it, someone else will—and it won't be in your favor.

Start your Make the Market Plan by mapping out the ecosystem. Who and where are your customers? What does your team look like? Who are the competitors? Who are the influencers? What are the media channels? What vendor and retail partners will support you or sell other services into the market? Will there be an association for your market?

Are there laws blocking your market? In extreme cases, you may need to change laws like Uber and Airbnb did. You may find the answers to a lot of these questions by examining the legacy market you are replacing.

After you map out the ecosystem, think about how you are going to persuade each group to buy in to your Market Invention ecosystem. This is the heart of the Make the Market Plan. When you flush out your plan for customers, write down who the buyers are and how you're going to build relationships with them through sales, marketing, and customer experience. For team members, document who and what roles you need and how you'll recruit them. With competitors, write down what they may do to counter your market invention. For influencers, summarize where they are and the tactics needed to get them to talk about your market invention. When you summarize your media approach, document what channels you'll use and how you'll use them. For vendor and retail partners, write down who you need support from and who you may need to sell through. For associations, decide if you want to engage existing associations or develop your own. Just remember, the legacy market's association is likely against you, as you are often a threat to their existence. For laws, be aware of any laws in place geared to

protect the legacy market leader.

An effective Make the Market Plan describes how you will influence each part of the ecosystem and build value-based relationships so that the people in the ecosystem want your market invention to succeed as much as you do. Much like everything we've discussed to this point, your Make the Market Plan will evolve the moment you initiate it. Why? Because all good Market Inventors listen and adjust quickly to market feedback. After you have built your Make the Market Plan, it's time to fund it and execute the steps needed to invent your new market.

18

Market Funding

You have a market point of view. You have a pro forma. You have a market invention. Now, how do you fund your market invention? If you are not sufficiently wealthy or can't fund it through your existing business's free cash flow, then you'll need outside support. Generally, there are three common sources of funding. The first is private money. The second is customer money. The third is public money. Each source has positives and negatives.

Let's first talk about getting the private money. Assuming you aren't ready to sell your business yet, private money comes in many forms: angel investors, private equity, venture capital, friends, and family. There are many ways to structure it, but the premise is you've got to give away some equity. Private money is expecting least five times their money back in the form of distributions or from a future liquidity event such as going public or selling your company. Private money investors are great—just be aware that you are trading equity and control for their investment dollars.

To find private money, you need to be where the deals are happening. The smaller the market, the harder it'll be for you. The amount of money and the number of deals shrink as the market gets smaller. Silicon Valley is the biggest market

for deals in the world, but it's geared more for high-tech and software. If you're a first-time start-up, you should move to where the action is.

Another option is customer money. I've seen this happen a couple ways. I've seen individuals who are actually in sales roles for a competitor who get fed up and decide to go out on their own and build a business that addresses the pain they felt. Because of the relationships and credibility they have built, their customers actually finance their market invention. These kinds of customers are great because they will say, "Hey, I want this service. I know that you're good for it. I want to invest in you, so I'll be your first customer, and I'll pay you upfront for future services that you'll give me over a period of time."

This scenario happens a lot more than you may realize. It's based on your relationships as an individual and your network, and it goes back to the strengths that you have. If you have a great network, great relationships with potential customers—that may be enough to fund your market invention.

If you don't want to give away equity and you can't get a customer to fund you, then let's talk about public funding. Public money comes from banks and publicly traded stock owners.

For bank money, we're talking about a loan. The key to getting banks to fund you is collateral. Good news is they don't want your equity—they just want interest. Bad news is that if you can't pay, they'll take your collateral, including your home, your business, or even your parmesan cheese (this can actually happen in Italy).

So where do you find collateral? If you're a heavy equipment or industrial business, a bank may use your equipment, products, or inventory. If you're a services business, they may leverage your accounts receivables. They may also want to leverage your own personal collateral, such as your house and any other assets that you may have. A popular funding vehicle for banks in the United States is the Small Business Administration loan. It allows the bank to increase the amount that they can loan to you at little risk to them.

Say you need \$1,000,000 to finance your market invention. The bank will only ask you for 20% of that as collateral, meaning they only need collateral for \$200,000. The other \$800,000 is protected by the SBA. If you default on your loan, the SBA will protect the bank up to 80%. This allows you to put less assets on the line while also giving you more funding power. The bank likes this because it lowers their risk.

Be sure the banks you identify offer commercial loans and have experience with SBA financing. Local banks are great sources and are generally more flexible than large national banks. Look for banks that are being aggressive with commercial lending. They're probably expanding, and chances are they will want to expand with you. If you're already an established business, then you can go for an initial public offering (IPO). There are two reasons most people go IPO. The first is to pay for the growth the business is experiencing. The second is to take money off the table by cashing out. Be cautious and know that the IPO route will completely transform your business in both good ways and bad.

Most likely you're going to need some combination of private, customer, and public money. Depending on which money source you leverage, you'll have to sell them on your Market Invention promise. Don't worry—you've already done the work. I've heard stories of Market Inventors having to speak with 100 or more investors before getting the funding they needed. For Merit, I spoke to six banks and took the SBA path. I used my house and my accounts receivables as collateral. When identifying your funding sources, rank them.

Once you rank them, pitch the least likely first so that by the time you get to your most likely picks, you'll have refined your

pitch. What's in a pitch? Well, be sure you understand what motivates each money source. Customer money sources will mostly want a product or service that you are providing. Banks like safe, recurring revenue based on the loan interest. Private money sources want a way to get their money back at a five to 10 times return. The good news is that everything you have done to this point will be enough. Moreover, the fact that you are now a student of Market Invention and are following the process ensures a high chance of success with investors.

When you deliver the pitch, your confidence and energy are the two most important qualities. Funding sources want to know you are certain, passionate, and committed. You have to believe fully in what you're doing. If you don't, smart investors will be able to tell. If you have invested your own dollars, be sure they know that.

Eventually, you will be able to self-fund everything. Amazon is a great example of self-funding Market Invention. If Amazon is too profitable in a quarter, Jeff Bezos penalizes the team for not investing enough into its own future. Once you get initial traction and free cash flow, it will be tempting to spend it on stuff. But this is the time to double down, reinvest, and scale your market invention to become number one.

Section IV

Make the Market

The Make the Market Phase is the third of the four Market Invention phases. This is when you build the market invention you designed. My primary goal in the following chapters is to teach you how to exploit the physics of Market Invention.

First, we'll cover how to recruit a world-class Market Invention team and build a culture that ensures your success. Then I'll teach you how to educate and sell to legacy market customers, how to convince them that they want your new market invention and nothing else. I'll show you how to build systems that will take your market invention to a billion-dollar leadership position. Lastly, I'll educate you on how to elicit market feedback and how to use it to improve your chances for success.

The Make the Market Phase is the most exciting of all the phases. You'll be inventing the future of an industry, working with great people, and delivering massive amounts of value. During the first couple months of the Make the Market Phase, you'll know if you have a true market invention because customers will come quickly and the legacy market leader won't even know it's already dead.

19

Recruiting the Team

By now, you have a Make the Market Plan and the money needed to invent. Now it's time to go out and build your team. A top-notch Market Invention team will help you get traction and free cash flow faster than anything. I use the term "team" loosely, because a team can be your direct staff, external advisors, or vendor partners in your network. They can even be family members. So think of your team as the group of people who become your support structure. A group of people who believe in your Market Invention vision and wants to be a big part of its success.

Before you go out hiring, look back on your strengths as an individual, business, or team. You're there to focus on your strengths and build a team around you that covers your weaknesses. In addition to knowing your strengths, you need a clear sense of the Market Invention culture you're creating. Notice how I said Market Invention culture and not company culture? You need to realize that whatever culture you build with your team will become the standard for the market you invent. Look at how many of the tech giants in Silicon Valley influenced the market culture through the markets they invented—Intel, Apple, Google, Facebook. Even companies like Zimmer, which invented the artificial joints market. Eventually, some Zimmer employees joined

competitors. Others created their own multi-billion-dollar companies where they adopted the Zimmer culture. Now the entire artificial joint market shares the same culture.

Remember, whatever culture you create will dominate the entire market you invent—not just your company. So you really need be designing a culture for the entire new market you invent. It's up to you, because nobody else is going to lead and build this culture. You're ground zero; you're the origin of the Market Invention culture.

So, let's talk about designing a culture. Culture is a mix of vision and values. Building a culture will happen whether you plan it or not. You can design a culture, or you can let the culture organically grow. If you let the culture organically grow, it's not going to be the culture you visualized. Chances are, you'll wake up one day and realize you're working in a company you no longer like. Start with the Golden Rule principle: "Do unto others as you would have others do unto you." Use this as a benchmark to building your culture. Every team culture requires values, and values are like an algorithm for how your business functions.

When you think about values, choose values that drive the behaviors you want in the business and market.

Brainstorm your values with team members until you distill them down to a maximum of six. When flushing out and naming your values, don't pick vanilla, cliché terms like accountability, teamwork, and integrity. Those are all good things, but they're blabbed so often that they've lost their meaning. Choose values with names that evoke some emotion. If you're trying to create an innovative culture, don't use "innovation," because there's no teeth, no emotion. Instead, try something like "fail every day."

Use terms that are unexpected, phrases with a twist. When someone reads your values, they should feel exactly what you mean. Think of your business or your market as a human being. How would you want them to act? Always keep the Golden Rule in mind. Don't skip or rush the values process, because if you select the wrong values, it becomes very difficult to change—especially if you recruit your team based on those values.

Now that you know your vision and values, it's time to begin recruiting your partners and your team. The most important team member and the most important decision of your life is your life partner. Don't worry if you don't have one yet—you don't need to rush out and marry someone to make Market Invention work. But I want to emphasize that this one

decision can set you up for success or failure. The majority of the time, it's the most important piece of the puzzle in building a great team in your life. When searching for your life partner, you need to find someone who is better than you. Someone that pushes you and tells you when you're full of crap (while still supporting and loving you). They should expand you, make you more significant, and be a safe place that relieves stress for you. The right life partner is someone you can confide in with your deepest fears and secrets. They build you up when you most need support.

For many reasons, some people pick the wrong life partner. I'm not here to judge you if you did. I'm here to make you aware that it's impacting or will impact you more significantly than any other member of your team. Of course I can't tell you who the best life partner would be for you; I can only caution you to choose wisely. Your life partner won't always understand what you're going through, but they will be your biggest strategist and the inspiration that accelerates your work. Whatever you do, don't rush the process and take your time finding the right life partner.

After your life partner comes your business partners and core team. When you're talking about a business partner, there are lots of duos and tight groups that have invented

major markets. Think of Steve Jobs and Steve Wozniak. Wozniak brought the technical acumen, and Jobs brought the sales, showmanship, and vision. Jobs, in many ways, was not an operational person, but Wozniak was. When the two came together, a market was born. It's important to remember to find people who offset your personal and technical weaknesses. Their strengths should cover your weaknesses, and your strengths cover their weaknesses. It's important you understand the pieces of the puzzle, the skills that you need inside and outside the business.

After partners, you need to build a core team. And the sources of team members may come from former employees or competitors. If you're an established business, it may be employees from another product line or business unit. It may just be calling up old colleagues from past lives and asking them, or finding out if they have people that they think would be good for your team and share in your vision.

When you're recruiting your core team, don't think about budget. Think about what you need. Think creatively about ways to bring them on. If you don't have money to pay them, maybe you give them equity. Maybe there's a bonus that you offer to get you to different stages of the business. Be inventive here, and treat them as partners in figuring out

their compensation. It does not have to be a traditional salary. Try your best to work something out with them, and you might be pleasantly surprised. Just don't hold yourself back based on early financial limitations. The same strength and weaknesses thinking applies here: You want to build the core team like you selected your partners. If you're a start-up, your core team could be your partners. If you're an established business, you may already have your partners and core team. Finding your partners and core team is like finding the edges of the puzzle. Getting those in place makes the whole process simpler (but still not easy).

Beyond your core team, you should also begin recruiting your market team. A market team goes beyond your employees to include customers, associations, advisors, industry analysts, journalists, and vendor partners. These are the people who you identified when you mapped out your Market Invention ecosystem in your Make the Market Plan. Think of the market team as the broader team that believes in this market you're inventing and can help develop the market as if they were a part of your core team. Only pick market team members if they are influencers who will validate the market you're inventing. Also, be sure you know how they are viewed in the industry and community.

You don't want to tie your market to someone with a bad reputation.

Let's talk about communicating with the team. I have always believed in full transparency whenever possible. But sometimes, full transparency can hurt you and your team. Full transparency only works if everyone on the team is mature enough or experienced enough to handle the facts. And frankly, some team members are just not up to hearing the truth. They may need a filtered version to stay motivated. I try to err on the side of overcommunication, information, and transparency, but this approach has backfired on me before.

We humans tend to assume that other people operate with the same basic assumptions as we do. Fight this fallacy in yourself. As a leader, you can never assume that your team has all of your experiences to understand the big picture. You always need to put information into context, and you need to relate it to their world, not yours. If you're in an office environment, every morning you come in you should go around and talk to every team member, or at least as many as you can. Walk by and say hello. Be approachable, because approachability is one of the most important aspects of communicating with your team, and that comes from continu-

ous face time, transparency, and most of all, mutual trust.

Give your employees or team members the ability to give you continuous feedback. You should be accountable to your team. If you're screwing up and someone addresses it, don't be upset at that person for giving feedback.

Whether they're wrong or right, listen to what they have to say. Maybe that individual is mistaken. Maybe they're dead-on. Either way, they perceive that something isn't right. Address their concern to the best of your ability, and work to fix whatever isn't working.

Set up regular team meetings. Set up a collaborative cadence. Set up one-on-ones with your direct team. Reserve time to understand what your employees have in their personal lives. This is your team, and they support your mission. You need to support them.

Put communication systems in place that allow you to have a direct stream of bidirectional feedback. Your team's success is what's going to expand the market for you. They are going to compound your efforts as an individual. You cannot do this yourself—Market Invention takes a community.

Markets require massive groups of people to purchase, buy, and work together to create something bigger than

themselves. That starts with your team. Think about the broader market team when you communicate. Think about ways to communicate with your industry relations: partners, journalists, and above all, your customers. Whenever you communicate, strike the appropriate balance of reality and Market Invention vision. Keep your team informed and engaged, and you'll be amazed what they give you in return.

20

Educating the Market

Now that you have your team, you're going to need to educate the legacy market through a combination of business development, marketing, and sales. The reality is that when you are inventing a new market, it requires educating the customers and the broader ecosystem you are connecting. A lot of people will tell you that educating customers is an expensive process and you shouldn't be first, that you should be second and then surpass, cashing in on the founder's hard work. If you come in late to a market someone else invented, you have very slight odds of ever becoming first. The only time you might have a chance is when two or three competitors invent the same market at the same time—then it becomes an arms race. Today, if you are the first to educate the market, particularly because of the internet, you become the de facto leader in everyone's eye. Customers will research the market and find you, because you own the content and conversation around your market. You've created a market on your terms.

When I talk about educating the market, you need to have two elements: a compelling story behind your market invention and a group of influencers. Your story is an elaboration of the market statements you developed earlier. How well your market statements resonate with influencers is the key here. Influencers can help you or hurt you, and if partnered

with in the right way, they will validate what you're doing and spread the word.

Customers are watching, listening, and learning from these influencers. You already identified some influencers when you were discovering your market invention. If not, look for people who are driving a lot of conversation, are quoted frequently, and have a large subscriber base. "Large subscriber base" may mean 1,000,000 followers on Twitter or Instagram, or it may mean 50,000 subscribers on YouTube. It all depends on the market size, because the number of people following an influencer does not directly equate to importance of the influencer—especially for industry influencers.

In some big markets, like aerospace, there are four or five major global players. And there are probably half a dozen industry influencers. These industry influencers may not have a large number of people following them, because there are only around 50 people who could buy from you in that market. But there are billions of dollars associated with these individuals.

The other end of the spectrum is a large consumer market following a celebrity like Oprah. Millions of people look up to her, and she's notorious for inventing markets through her

endorsement. In both cases, influencers enable very large market opportunities.

Try to uncover influencers that legacy market competitors don't know exist. One of the great things about today's world is that there are thousands of bloggers, vloggers, and subject matter experts who are not going through the established industry channels. You can do research on YouTube, LinkedIn, Twitter, or Instagram. As you identify your influencers, you need to have a compelling Market Invention story to bring them in.

Beyond the one-pager you developed earlier, you need to begin building content around your market invention. The content you develop is designed to get influencers and customers to realize the big problem with the legacy market you're replacing. You want them to realize that you have the solution, service, or product that solves the pain not being addressed. When done successfully, this becomes a key element in making your market.

Speaking engagements at industry events can be a critical piece to this.

Wait, you have to speak? I get it, not everybody wants to be on stage. We've all heard that public speaking is more feared

than death.

Unfortunately, you really have no choice. If it's not you, maybe your work partner or one of your team members can do it. But ideally, it's you. So make sure you get training and lots of practice with your Market Invention story. Even Tony Robbins was scared during his first speaking engagements. But through repetition, he became great. While everybody was doing one speaking engagement a month, he did four, five, six, 10 speaking engagements a month, until he became one of the best. Think of speaking engagements as just another part of your approach. Look at event calendars, reach out to the trade associations and industry events, or even host an event. Align your speaking topics to the topics of the industry and the buzz terms of the industry today.

Remember, we're trying to get people to notice and shift from today's problem to tomorrow's solution, which is your market invention. People are not searching for your market invention yet. People don't know what's coming, so use relatable terms to start.

On your website, have a page dedicated to the definition of your market invention. Explain what it is in straightforward terms. This will help you in many ways, and it will start

building up your search engine capability. Over time, once influencers start to validate and discuss your market invention, customers start to search for it by name and you want to own the search results.

Training is also an excellent content approach. Training comes in multiple forms. You can do webinars or online videos and post them on channels like YouTube. It might be a how-to guide for your product. If you're in the professional services industry, your customers may require training to keep their certifications relevant. That may become a great business development source as well.

I highly recommend that no matter what kind of content you develop, it should always be available on video. If you were GoPro, you could create videos on how to get the best shot, how to mount your GoPro to a surfboard, or how to tell a great story through video. Every helpful video you post is one more straw on the back of the legacy market. Writing a book is also a great way of getting exposure for your market. Books are especially impactful in the professional services industry. And the process of writing a book will also help you to flush out your Market Invention idea in further detail. If you're GoPro, you may want to write a book on traveling around the world and making adventure films.

You should also consider writing articles for your own website, for industry publications, and for popular media outlets. When talking to your influencers, don't be afraid to ask what kind of articles they need help with. You would be surprised how many journalists welcome great stories aligned to the topics they are covering. Everyone has more work than time these days.

A key theme to remember when educating the market is that we live in a time of 24/7 access to real-time content and endless information. You want to build up content every day for the market you are inventing. When competitors start to invade your market and advertise within it, you want to have a moat of content around you, your product, and your business.

Be creative, don't limit yourself and your approach when educating the market. Remember Salesforce.com's staged protest during the Siebel user conference. Try to generate massive amounts of content. Content is cheap to write for yourself, and if you're a true Market Inventor, you'll want to tell the world that there is a better way. Content today only takes a cellphone with a camera. Maybe a stabilizer and a microphone as well. You can start building content right away.

As you build your content, you can't forget what paid media

channels you need to syndicate your content. Let's start with advertising.

First a reminder: if you're advertising and you're not the market leader, you're promoting the market leader. It goes back to the Wonder Bread story. I'm not saying that advertising is bad. What I'm saying is that it's counterproductive if you're not using it to invent a new market or defend your current market leadership position. If you are using an advertising agency and they are not using advertising to invent a new market that makes you number one, then you are wasting your money by sending customers to the market leader.

So how does advertising fit in here? There are so many kinds of advertising today, with new opportunities emerging every day. I don't want to focus on the advertising channels because, frankly, some of them will be obsolete by the time you read this.

But I do want to talk about the message in the advertising. Today, advertising has become short entertainment meant to interrupt you with exposure. It's not typically driving real revenue or inventing markets. Most advertising agencies today are not equipped to help you invent a market because most don't understand the physics of Market Invention.

How do you use advertising when inventing a market? First, advertising needs to connect the analytical side of the brain with the emotional side of the brain. You need to create an interesting story. Second, your messaging needs to change the way customers think about the legacy market you are disrupting with your market invention. Politicians do a very bad job of this by calling out their competitor and what they do wrong. Coke and Pepsi also tried this—it didn't work.

This isn't a smear campaign. You're not calling out competitors here—you're playing a bigger game, and you don't want to do free marketing for them anyway.

The ultimate goal of your advertising is to get people informed and excited about the opportunity of the new market. Customers will know when they've found something that's truly unique. Think about showing them how your market invention works in a way that nobody's ever done before. Think about different aspects that get people excited and inspired. Think about advertising as a recruiting video for your Market Invention cause. Try pulling on human emotion, because people typically buy on emotion. Don't fall into the trap of getting interruptive attention, but rather focus on the real benefit of the Market Invention and why it's truly unique. Recruit believers.

For now, social media is probably more important than traditional advertising. And while this is a Market Invention book—not a social media book—social media is still worth discussing. Social media will be a very, very powerful channel for you.

Sometimes a market invention is as simple as creating a large audience on an emerging social media channel before the competition knows it exists. At the time of writing this book and according to the Pew Research Center, 68% of the U.S. population is actively using Facebook. That's significant. It's a bit scary, but it's significant. Millennials and Gen Zs are even using social media as a primary source of information for making purchasing decisions in business-to-business products or services.

When it comes to social media, I strongly recommend that you either become or hire an expert. Leverage social media as a primary education channel. Be sure you understand the customer and which social media channels they use to inform their purchase decisions.

Let's talk about search engines and voice search. For search engines, I really only care about Google. For voice search, focus on Alexa, Google Home, and Siri.

You need to understand what customers are looking for from the legacy market that you want to replace. For example, although HubSpot's market invention was inbound marketing, they understood that early on that customers weren't looking for inbound marketing. In fact, they had never heard of it. Customers were looking for the legacy market solution called marketing automation. HubSpot had two choices to leverage search. They could pay for search ranking, or they could develop content and a search landing page for search ranking. They chose both, and you should, too.

The search landing page would be written specifically to intercept customers looking for marketing automation and say something like, "Looking for marketing automation? That's old outbound marketing; the future is inbound marketing, and research shows a 75% increase in response rate when switching to an inbound marketing platform." Or, it could be something around digital cameras: "Looking for a durable, high-definition, waterproof camera? Well, what you need to be looking for is a GoPro, because a GoPro is the first digital action camera."

For your paid ad, you want to follow a similar approach to the search landing page—just much more condensed. Use the legacy market term, make it sound old, and introduce your

market invention. You may focus on a product or even a video. That's up to you.

Again, this isn't a book about SEO. It's a book on Market Invention, but I just wanted to give some basic context on how search works within the physics of Market Invention. But just like advertising, if you're using paid or organic search and not driving Market Invention, then you're driving revenue to the market itself and growing the market leader.

If you're an established business or a start-up, you need to examine how your sales is helping educate the market and capture customers from the legacy market. When I say sales, I mean anyone on your team working directly with customers, vendors, retail partners, associations, influencers, and even current and future employees. Sales is about building value-based relationships and the exchange of time, services, products, money, and business connections. I believe you should always strive to give more than you take. You and your team are all responsible for selling the market invention all the time. The way you sell it is by asking questions, listening, and then using your market statements to connect customer pain to your market invention.

You've heard this before, I'm sure. But, before reading this

book, why were your sales flat, declining, slow? Why were you not in first place? It's not because you don't have the right training or sales team in place. It's because you were selling into the market leader's market.

While you were selling on your benefits (not the Market Invention ones), everyone else was selling on the same basic value. There isn't a good enough reason to switch to your product or service. In the mind of the customer, you're all the same. Every legacy market has this problem. Fortunately, if you choose the path of Market Inventor, you'll no longer face this problem.

During the Make the Market Phase, you'll have to retrain your sales organization—not on process, but on the language they use. This can actually be more difficult than adopting some sales training methodology. First, your sales team may not believe Market Invention will work, because the new way of thinking they are selling will be very foreign and untested. Second, it will require that they reengage their existing prospective customer pipeline with a completely new conversation. Third, customers who buy in the legacy market are conditioned to search for the legacy market solution.

Merit is a great example of this. Early on, many of our

relationships were at the marketing director level (now we work at the CEO level). They'd say, "No thanks, we already have an agency." Because we did advertising, they thought we were another agency. They were trying to fit us into a legacy market definition.

Don't fall into the trap. Yes, it's easier to sell a familiar product or service than disrupt what the customer expects. Most people are afraid of what they don't know. Early on, you'll have turnover on your sales team. They won't understand and won't want to change their language. And you shouldn't blame them, because until you begin getting new Market Invention customers, the sales team will be worried about their compensation. I've seen Market Inventors give sales teams a grace period, exactly as if they just started with the company. The good news is that once your market invention gets traction, your sales team will no longer compete for the market leader's.

Beyond preparing your sales team, you need to start networking. Networking is important when you're trying to educate a market, and by networking, I mean with other CEOs, the investor community, trade groups, industry groups, and customer groups

Networking is important whether you're product-based, services-based, or a channel-based. It can give you access to influencers, money, important connections, media, and customers. It's a fight to get out of obscurity.

Networking is a one-on-one battle. It's not very scalable, unless you hire a sales team to expand your networking. It's a great way to get feedback and share your ideas. Be sure to listen carefully to what people are saying about the legacy market and your market invention—this will give you leads to follow, develop, and evolve.

If you are having problems finding good networking events, speak to other CEOs and your existing network. They will help you identify networking opportunities, and maybe clue you in as to where they've seen success and where they haven't.

You may be getting the same feeling you had when you learned that you'll need to do speaking engagements. Don't worry if you feel like you're a bad networker. You may not want to be out there meeting people. You may be an extreme introvert. That's okay.

Know that networking, even for the biggest extroverts, can be a challenge. Just make sure you get out there, meet people, and ask questions. Don't rattle off your pitch and talk about

yourself. This is a time to ask questions and listen to people.

There is a ton of great advice on the internet on how to be a good networker, but the thing that I've found that works best is being genuine. Genuinely care about the person's background, make eye contact, and ask a lot of questions. Ask more questions than you give answers.

The best networking icebreakers I've heard are simple: Are you from the area originally? Have you always lived here? What brought you back here? What do you do? Do you do this event regularly? How can I help you in your business? You'll be amazed how many people don't ask those questions. If you just stick with those basic questions, you'll be surprised how many answers you get.

While this chapter hit some key areas to focus on when you're educating the legacy market, I'm sure you are able to go well beyond what's outlined in this book. I strongly recommend you stick with the foundational elements I showed you. Once you feel good about where you are with market education, then you can add more complexity—but for now, keep it simple.

TOOTHFISH

21

Business Systems

Once you get your first customer and begin to prove your market invention, you are going to need business systems to scale to the billion-dollar market. Business systems are the crossroads of strategy, people, processes, and technology. I like to call it 1x3x3x1. The “1” is your desired result of your market invention. The first “3” is your top three measures that will predict you hitting your desired Market Invention result, such as customer satisfaction. The second “3” represents the three measures and goals for each team that drive the first “3.” The last “1” represents the measures and goals for an individual team member that support the team measures and goals. Once you have your team, goals, and measures aligned, you need to think about the systems that will drive the measures and goals.

There are a lot of systems to consider as you scale, but here are the five big ones.

1. Culture. This goes beyond recruiting and values—you need to consider how you are going to nurture your culture.
2. Sales and marketing system.
3. Financial systems, such as accounts receivable, accounts payable, and taxes.

4. Market Invention system. How do you ensure you make the market and are continuously evolving your business to the next iteration?

5. Customer experience. Consider the complete customer relationship, from ordering a product to unpacking it to servicing it.

Building strong systems is a critical part in this journey, and it's one that many businesses never overcome. It's a key difference in making a million-dollar market versus a billion-dollar market. It's about scaling. Many Market Inventors make the mistake by trying to do all the work or micromanage everything. Don't fall into that trap. Your job right now is about bringing in cash flow and revenue so you can afford to hire teams into systems that can scale. Then you can shift your focus to long-term strategic moves for your business.

Now, if process isn't your thing and you're stronger in other areas, then you need to find someone who can help you with your business systems. Maybe it's an advisor, maybe it's someone you bring on as a temporary team member, or maybe you find a long-term partner. But whatever the arrangement, you need to think about systems.

Consultants fall into this trap all the time. They focus on

selling, but when they win the work, they get focused on servicing the client. What happens is they sell and then they deliver, and then while they're delivering, they stop selling. Or, they sell and they deliver together, and then eventually they get burnt out. They never get to hiring a team and building systems that they can trust to deliver and execute.

So you need to ask yourself what your strengths are and where you want to play—and then build systems around you so you're not doing all the work. Everything you do should be focused on putting systems in place, because Market Invention isn't about having a job. It's about managing a movement.

You can use business systems and operating models to invent a new market. Process can be a market invention that separates you and makes you number one. Market Invention is about creating something massive, and anything big requires systems to run. The beautiful thing about a business system is that once you develop and connect the processes, teams, and key performance indicators, it will start to compound itself. It starts to scale itself. And once you've broken through systemizing your business, you're at a major tipping point in your Market Invention evolution.

22

Market Feedback

Let's talk about the feedback you'll receive as you make the market. Feedback is going to be the most important tool to leverage throughout the process. It's going to allow you to adjust and adapt. Feedback is going to come from your sales presentation, your investor pitches, your informal conversations with friends, colleagues, and family members. It's going to come from online forums. It may even come from direct chats and reviews about your product or service. Channels for feedback vary. Whatever it is, you need to pay attention because it's important to keep a finger on the pulse as it allows you to pivot and adjust. You'll need to understand when it's good feedback or bad feedback by identifying patterns. If there is consistently good or bad feedback on the same aspect of your offering, there's something there.

Sometimes, the feedback and actions don't align. Don't always trust the feedback, but always trust the actions. Be sensitive to people who give compliments but never buy—they're not being honest with you. Other times feedback comes in the form of sales objections. They may say the price is too high or just don't understand. These kinds of objections are telling you that your market invention is not worth switching to.

So get feedback early and often. Don't react to everything,

especially just one person's opinion. Instead, read between the lines and see what people are doing, not just what they're saying. Look for the patterns, and then incorporate that into whatever you do. If you want to take feedback to an even higher level, create a feedback database or your own customer-facing forum.

Ultimately, feedback either validates your market, tells you to pivot, or tells you to quit. The worst thing you can do is ignore feedback that could enhance your market invention. As you get traction, don't let the positive or negative feedback get to your head. Acknowledge it and double down on what is working, while making improvements on yourself, the business, your plan, and your new market.

TOOTHFISH

Section V

Iterate & Expand

You're now drawing customers from the legacy market to your market invention. Eventually, the old guard is going to notice. When the market leader from the legacy market tries to commit to your new market, you know you're in the final phase of the process. At this point, you're most likely getting offers to buy your business. Some of your original team members may be starting competing businesses. A large number of influencers are covering the market you invented. These are all good problems. Competitors, influencers, and customers are now rapidly growing your market and you are getting big with it.

Before you started this journey, you were in last place and everything you did fed the market leader. Now the same physics that were once working against you are working for you. In the Iterate & Expand Phase, I'll first show you how to shift your tactics from educating the market to defending your leadership position. Next, I'll show you how to expand your market to include capturing the remaining legacy market. Finally, I'll walk you through how to ensure one of your last-place competitors doesn't invent a new market that topples your market invention.

23

Defending the Market

Once you've made the market and have early competitors, you will need to shift from educating the market to defending and scaling with the market. The legacy market and customers are already well educated, and you need to move from educator to recognized market leader.

To defend the market, you need ask yourself a few simple questions. When you were educating the market, did you build a content moat around your market so that all online searches lead to you? Are there patents and trademarks in place that protect your product, service, process, or unique market language? Have you protected yourself in other countries? China and Germany are perfect examples of why you need to try to protect yourself globally, with Alibaba copying Amazon or Baidu copying Google. Use patents, trademarks, and other laws to protect yourself early on. Do you need to consider changing some laws, like Uber did with taxi licenses or Airbnb did with hospitality and zoning laws?

Once you answer these basic questions, how you leverage the market ecosystem needs to change. This can happen in multiple ways and is limited only by your creativity. Maybe you launch a big market conference like HubSpot's INBOUND conference. Maybe you establish an association that enables

the growth of the market. Maybe it's ensuring that any speaking engagements about your market invention are conducted by your team and not the competition.

The market is now much bigger than it was in the Make the Market Phase. The market is big enough to grow without you: It has vendors, industry analysts, and an entire network of organizations making a living on the market you invented. It's at this stage, for example, that Microsoft launched its Certified Partner program to further strengthen its position. Salesforce.com did something similar with its AppExchange. Apple did it with the iTunes and App stores. What moves will you make to block competition from influencing the original ecosystem you nurtured?

You will also need to adjust your market statements. The market statements you deployed during the Make the Market Phase should now shift from exposing the legacy market pain to claiming the leadership position. SAP arguably invented the Enterprise Resource Planning (ERP) software market. They are now in the Iterate & Expand Phase, and their message is "The best run on SAP." If you keep using your initial Make the Market statements, you will end up like LifeLock.

Finally, you need to assess your team. The team that got you

here may not be the team to help you defend and expand your leadership position. There will be some team members who did not scale their ability with the market invention. You need to assess and quickly make changes where needed, because idling team members will limit your ability to keep up with the growing the market.

As your market invention matures, the number of available new customers eventually shrinks. At this point your growth begins to slow down, and there will be hundreds of competitors. Once this has happened, you need to think about how your market invention needs to evolve and expand into other markets with complimentary products and services.

Look at what Netflix did. They successfully made the market of mail order video rentals, putting Blockbuster out of business. After they invented that market, they saw on-demand content as an even bigger opportunity. They shifted their entire market invention before the competition realized the potential.

At this point of the Iterate & Expand Phase, you should be ready to take one of two paths: another large market invention, or multiple small Market Invention processes at the same time. This is the type of move Amazon made when they

decided to sell more than just books.

If you're Richard Branson, you invent a new record label market with Virgin Media, and then go on to disrupt with Virgin Mobile, Virgin Money, Virgin Atlantic, and Virgin Galaxy. If you're John Paul DeJoria, you invent a new professional hair care market with Paul Mitchell systems, and then do it again by popularizing the premium Tequila market with Patrón. What if you're Coca-Cola and you still own 51% of the cola market? You get into bottled water—another market invention. What if you're Hershey Chocolate? You get into savory snack foods, like beef jerky. Both Coke and Hershey used the physics of Market Invention to buy emerging market inventions instead of making them.

Iterating and expanding your market invention is an exciting place to be because you're no longer the underdog. You are now defending, and you have all the leverage.

And as hard as it is to win a Super Bowl, it's even harder to be back-to-back Super Bowl champions. At this point, everyone who plays against you is trying to play their best game. They will rise to the challenge of taking on the best, of knocking you off the throne. And if they read this book, they'll be trying to use Market Invention against you.

24

Overcoming Obstacles

The process of inventing a market is going to be a roller-coaster. It's going to have its highs and its lows. There will be points when you're not sure, and you'll be looking for signs that you're getting traction and breaking through.

The good news is that everyone has this challenge, no matter what. You need to be steady. You cannot show your team members that you are stressed or anxious. You need to stay positive at all costs: you set the tone. So how do you keep the team motivated during the wins and the losses? During the wins, it's easy. Everyone is at their best when you're winning and you're getting traction. And that's really just about rewarding and celebrating. But when it's not going right, everyone is tested. Tempers rise. Teams stress out.

It's your job as leader to set an example of unwavering, positive confidence. Stay consistent and engaged with your team, no matter what. Don't disconnect and don't disappear. When there's a challenge, go straight into that challenge and assure the team that "the obstacle is the way." Get the team ready for challenges by preparing them with small obstacles, allowing them to gain confidence and experience as you gradually introduce them to more serious challenges.

Keeping a team motivated throughout the Market Invention

process takes progressive conditioning, just like coaching a sports team. With a sports team, you don't just go out and run 12 miles on day one. Instead, you methodically build up your team's ability to take the stress and hard work. Give them small challenges so they're able to slowly build confidence, learning how to win and handle adversity at the same time.

Motivating your team is important. Why should they stay motivated through this process of ups and downs? More importantly, how do you stay motivated? What is your why? Are you doing this for your children? Are you doing this for a fast car? Are you doing this because you want to make your mark on an industry? Think about these things and visualize them. Create references like a poster of the beach house you want or a photo of your family for yourself so that when you do hit obstacles, you have something to reignite that original fire. These are anchor points that you need to succeed, because I promise you, you'll be coming back to them regularly.

It's not going to be easy, but it's going to be very rewarding. Don't think small with your rewards. Dream big. That is what's going to carry you through the worst days. If you don't have the motivation, that thing to anchor yourself to, it will be very difficult to continue forward and face the obstacles that are yet to come. And once you break through that obstacle,

be sure to celebrate the win. Whether it's large or small, celebrate. If you don't, you'll eventually forget what you're fighting for. Celebrate the wins; welcome the obstacles. Obstacles are the way to massive success.

TOOTHFISH

25

The Market Inventor

Let's talk about you, the Market Inventor. You are going to be the determining factor in your market's success. It's up to you, your habits, your behaviors, and your abilities.

If you've read to this point, you've learned how to invent a market and why it's the only way to be first. But now, it's about choosing. You can choose the red pill or the blue pill. Do you want to go back to fighting for the market leader's scraps? Or do you want to be first, to live a life full of real purpose that adds value to society and billions to your pocket?

I hope you make the right choice. If you choose to be a Market Inventor, you need to strip away the behaviors holding you back. You are your limiting factor. One of the biggest challenges I have in my own Market Invention journey is identifying and removing the things that are holding me and my team back.

Let's talk about changing behaviors. Again, what are the things that are holding you back from getting to the next level? Past experiences? Not having the right mentors? Is it the people that you surround yourself with? The old saying that you are the average of the five people you spend the most time with is absolutely true. And that impacts how you think as well as how much money you're able to make.

What are you eating? What are you drinking? Are you exercising? Are you reading? Are you learning? What time do you get up in the morning? What time do you go to sleep? How do you act when things don't go your way? How do you act when things do go your way? All these questions are things that will hold you back or help you thrive.

Now, don't try to change them all at once. You'll go insane, and you'll never get any traction. Instead, start small by picking one. What's the one that bothers you the most? Where do you think you have the most opportunity to adjust? Have you gotten feedback from people continuously around one area of your life? Do you habitually go out and party late, ending up too tired in the morning to get to work? Do you micromanage your people, stunting their growth? Ask your friends, partners, teammates, customers, and advisors. What are some of the behaviors they like and don't like about you? We are not talking about focusing on your weaknesses—we are talking about changing behaviors.

So let's talk about how to overcome those things that are holding you back and staying healthy through the Market Invention process. The number one habit is living by the Golden Rule. Just like we discussed with culture earlier, you need to learn how to treat people how you'd want to be treated.

The Golden Rule benefits both parties. I've found that the majority of people want to treat you as you treat them—so if you treat them great, they will do the same.

The next habit is selling. As Mark Cuban would say, “Sales cures all.” You need to focus your efforts on embracing high-performance selling habits. Which means you, as the leader, need to be the best in the world at selling your market invention. Selling is something that nobody teaches you in school. But it's probably the most important life skill you can have, because you're selling all the time. If you don't think you are, you're not looking at the big picture.

If you have a girlfriend or a boyfriend, a wife or a husband, mom or dad, business partner or investor, you're selling ideas to them. I want to go to this movie over that movie. I want to go to this restaurant over that restaurant. I think we need to spend our money on this car versus that car. I want two kids, not four. This is all selling. There are tons of good sales education out there—go out and learn and practice.

After you master selling habits, you need to get your mind right. Your thoughts absolutely become reality. Every man- and woman-made thing you see around you started with an idea or a thought. Napoleon Hill's *Think and Grow Rich* is a

great book for this topic. It's about pushing out your doubt, holding to a positive vision, and really believing that it's already done. It's about closing your eyes and visualizing your goals, seeing into your hands, seeing it done, and keeping that constant positive mindset.

Your mind is your most powerful asset, and you need to keep it healthy. That's why you need to keep a positive mindset and overcome imaginary fears. Just about every fear you have is self-inflicted. If you agree that what you think becomes a reality, then don't dwell on fears or negative thoughts.

You have to be aware that whatever you focus on is what you move toward. If you're focused on debt, you're going to accumulate more debt. If you're focused on failure, you're going to fail. If you're focused on love, you'll find love. If you're focused on being grateful for the market you invent, you'll invent that market. Be aware of your thoughts because they absolutely create reality. Self-doubt is one of the negative thoughts that can create Market Invention failure. It doesn't matter if you're Bill Gates or a friend down the street. The difference is that Market Inventors are able to train their brains so they're not thinking about the doubt. I can't promise you that self-doubt goes away. I can promise you that you'll get better and better at silencing self-doubt and recognizing it when it happens.

Overcoming your fears through the power of thought is a habit you need to embrace.

Staying healthy is directly linked to your mind's health. If your body isn't healthy, your mind is cloudy and your mind can't be at its best. Market Invention is not a sprint—it's an endurance race. You're not inventing a market in a month, you're doing it over a sustained period time. Make time to exercise. Make time to get your body healthy. Be aware of what you're putting in your stomach. It will have a big impact on your overall performance and your ability to invent a market. Go to the doctor and get regular checkups. Take your vitamins.

Another habit you need to master is learning from mentors. Mentors can come from anywhere: online, TV personalities, famous athletes, your parents, your life partner, colleagues, or peers. Executive coaches can be powerful as well. YouTube can be an incredible channel of mentors. There are millions of hours of free content out there by some incredible business people. Just choose your mentors wisely and have multiple mentors for multiple things. You may have a mentor for being in physical shape, you may have a mentor for your business, you may have a spiritual mentor. Your church, mosque, or temple may be a great source for mentorship. But choose your mentors wisely, because they will influence what you

do. Don't be afraid if you outgrow mentors. When this happens, you know you've leveled up.

Be sure not to limit your own definition of a mentor, because mentorship comes from anywhere. It could even come from your children reminding you to look at things with open eyes and no prejudices. They encourage you and hold you accountable. What's important is that your mentors help develop and inspire you.

Another habit to pursue is reading. If you don't read today, you need to start. The average CEO reads 60 books a year. How much do you read? Those CEOs are your competition. If they are reading 60, how do you read 70? 80? What about 100? Start off with one book that helps you on your journey. Maybe *Toothfish* is where it starts. Then pick up another book. What interests you? What questions do you have? Find books that answer your questions and build your knowledge, because a lack of knowledge is ultimately what's holding you back.

The billionaire experience is another habit you have to embrace. Go test drive a Bentley or Ferrari. Go drive around a neighborhood where multi-millionaires and billionaires live. Immerse yourself. Get used to being in that environment. Find those experiences, visualize them until they become

very common to you, until you begin to expect them. If you don't know what it looks and feels like, how do you visualize it?

And lastly, you have to have faith. You have to believe that the universe, God, or whatever you believe in is looking after you. You have to believe in doing the right thing, in having your vision and putting massive action behind it. You have to believe that it will happen. And by making this choice, there is no going back. There's only moving forward.

You may need to adjust your vision and how you thought you'd get there, but just have faith that you're taking the steps to realize your market invention. We're all creators on this planet, and we have a gift that no other species has. We can take ideas from out of the universe and make them a reality.

Selling, a healthy mind and body, mentors, reading, experiences, and faith are some of the most powerful habits of the Market Inventor. And ultimately, the habits are about doing the right things consistently, even when they're the hardest, staying focused and taking the iterative steps until your Market Invention vision becomes a reality.

There will be distractions. There will be people that have other agendas. There will be things that try to take you from your path. It's easy to end up in Phoenix when your Market

Invention point of view is San Francisco. Maybe you're working on your business while everybody else is going on vacation. While everybody else is out in the pool, you're sitting inside working on your market invention. Having good habits means making the right sacrifices to reach your goal. In a world where everyone wants short-term returns, you must understand that those short-term returns are the sacrifices you're going to make for the long-term life that you want to build for yourself and your family.

If you have a family, you can invent a market and still have a successful and happy household. Ideally you have that life partner that supports you. Hopefully you communicate well to your children so they understand what you're doing. Set an example of working hard for what you care about. I refused to miss my daughters' sports games and activities. But that's choice. I understood that this meant sacrificing other things. But for me, inventing a market wasn't worth it if my family was not there to share it.

Choose your habits wisely, and understand that your habits hold you back or set you free.

TOOTHFISH

26

Pay it Forward

Thank you for reading Toothfish and opening your mind to the process of Market Invention. Market Invention is as real as gravity, and I've tried to share a roadmap to empower coming Market Inventors to build something that changes the world. I hope this book and process helps you in your journey. And if it does, I believe it is our responsibility as Market Inventors to share our journey, to inspire other great trailblazers to move forward as Market Inventors.

We need to show people that if you work hard, have a vision, and follow the process, you can achieve great things. I believe it's our mission as a group of entrepreneurs, CEOs, and business leaders to inspire greatness in others.

If not for Market Inventors before me, I wouldn't have had the courage to do this. I wouldn't have the courage to make the

next billion-dollar market. I wouldn't have the courage to write a book, to lay it all out there for the critics to like or hate. It requires us to take the first step, so that the next generation can learn from us and do something bigger and better.

So I encourage you to pay it forward. Don't forget where you came from. Share this book and your journey with someone you believe is the next Market Inventor. And send me a note—I'd love to hear from you.

Thank you, and good luck!

A handwritten signature in black ink, appearing to read "Adam" followed by a stylized flourish.

Adam

Resources

Visit adamtvasquez.com/resources for:

- Customer Pain grid worksheet
- Pro Forma template
- Business Systems template
- Market POV template

Follow Market Invention:

adamtvasquez.com

YouTube: [youtube.com/adamtvasquez](https://www.youtube.com/adamtvasquez)

Twitter: [@avasquez_vasquez](https://twitter.com/avasquez_vasquez)

Facebook: [@AdamThomasVasquez](https://www.facebook.com/AdamThomasVasquez)

LinkedIn: [linkedin.com/in/adamvasquez/](https://www.linkedin.com/in/adamvasquez/)

Instagram: [@adam.t.vasquez](https://www.instagram.com/adam.t.vasquez)

Instagram: [@madewithmerit](https://www.instagram.com/madewithmerit)

