Jobs to be Done

SmartUp Foundations Course - Lecture 6

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So, first of all, thank you all for showing up. We are expanding our audience in here from age perspective. So the youngest one today is three months old, and he promised to be quiet and ask questions only in English. So. So there is a change, a little bit of a change. There was a request for people to mingle and meet one another. So what we're going to do is before the break, we have a half an hour break in the middle, we will have three people introduce themselves for a minute or two minutes short. So those of you who want to come and present for a minute or two minutes, three people. So at the end, I will ask who wants to come. And those of you who want, just raise your hands and we'll pick the first three that.

Okay.

And we will have a little bit of. So we are very fortunate to be in lecture number six. We covered already a lot of ground, and we're going to continue building the concept of how you build successful companies. So, again, what is the Smarter Academy? This is a program to teach the profession. As I've said it many times, that building a company is a profession. There is a lot of stuff that somebody needs to know when they build a company. And I've tried to organize it in a way that can describe and make sense. And with that, we build successful companies. And we have a definition. What is a successful company? So a successful company has three elements. Number one, it is profitable. Profitable profit. A company is not grown up until it generates cash, months after month.

If it's not generating cash, it relies on investors. And investors have the tendency to be when you don't need that and not be when you need them. So, all right, those of you with experience can attest to the validity of this data. So when you are making money, you don't have to worry about it. You are making money by yourself. The best investments ever, called customers. Second, if you build the company correctly, you can grow really fast. We talk about it a lot. Ideas like branding first and other ideas on how to. And the last element is that all of that can be done with modest investment. If you build the company correctly, you don't need a lot of money. What does it mean? Not a lot of money. Raises from a few hundred thousand dollars, two, three, maybe four million dollars. That's symbolic.

What is needed to build a successful company if it is built correctly. We also have workshops in here. So a lot of these ideas I talk in very general terms. Essentially, each company has its own unique problems or challenges. So we also have a program where small number of companies can sit around the table and we discuss their specific needs. Obviously, if we talk about branding or marketing, then all the companies participate in talking about branding and marketing. If, if we talk about cash flow, then all of them talk and the end is the residency program. The reason I put in here, the picture on hospital is obvious. Student finish 6 years in medical school, high degrees established right on the dean's list. And nobody will dare go to their doctor until they spend four or five years hospital.

Because clearly what you learn in school and reality are just not the same. So what we're doing here is not very. I can tell you everything you want to hear and I can explain it and give examples and give homeworks. When it comes to your own company, it just looks different because every company is unique. It's not the same. And you are going to do exactly what I said not to do. Why? Because that's the way we all work. So we have a residency program. We sit with these companies that are in the program for once a week, once every two, three weeks, depending on the situation, and go over all the operations of the company. Strategy. Again, this is just to remind people what we talked before about moving from science to business.

I've talked about Galileo Galilei that says mathematics is the language in which the universe is written. Which means at the end of the day, everything has to be written in equations in numbers. If they don't, then you can't make decisions, you can predict, you can do anything. And the language of business is very simple. And to deal with money, we build spreadsheets. We spend about one lecture for full and another part of the lecture to show how we built this model. Very, very important. We're going to review it from time to time in the following lectures and show how everything we talk about is reflected in those fact sheets. And how can. So we have successful companies in the three pillars of successful companies. How do we measure that? Okay, so how do we measure profitability?

The measure that we put into this model is how long does it take for the company to become profitable? When I say profitable, I mean cash generating, not P and L but cash generating months after months. So it takes you three months, six months, 12 months, three years, 10 years. That's the measure of profitability that we put in place. Modest investment, how much money you need before you can turn profitable. And last but not least, fast growing. The way we calculate fast growing is to think about this as an investor. So if you invest in real estate and you put $2 million in real estate, you ask yourself, when am I going to get my money back?

Right.

So you want your money back. Same should be with all. So when you build a company, if your family puts a half a million dollar in you, they want it better and they want it back fast. So that's a good measure of how successful your company is. So these are the three measurements. This is how we calculate them. So every time you build a very complicated spreadsheet with a lot of assumptions and everything, at the end you calculate just three numbers. How long it took you to come to become profitable, how much money you have to put in the business till you reach profitability, and how long does it take you to return the investment. That's all from all your entire spreadsheet. And that would allow you to compare assumptions. Well, if the price is $2,000 versus $1,000, what difference does it down here?

If I charge, as I showed before, $12,000 a year upfront or $1,000 a month, it's a huge difference in the amount of money you make. Huge difference. So assumptions like that should be confident. In simple terms, business model is basically what, okay, how is your company going to make money? At the end of the day, people say, well, we want to do something disruptive, we're going to change the world, blah, blah. Okay, do the own times in the weekend. When you build a company and people give you money, they want money. It's that simple. When you build a company and you don't have a rich father, you need the company to make money or else your wife might be angry. So it's really simple. But building a company is a very complex combination of parameters.

Product, the service, customer profile, pricing, gazillion things that need to be taken into account. And that's what we're doing here in the lecture. We basically slice each aspect of how you build the company, analyze it, give you some principles, and show you what works and what doesn't work. Really critical. Company gets its DNA very early. And the DNA is obviously the DNA of the founder, but also the DNA of the business model that you choose at every. Doing a pivot two years later is extremely expensive and complicated. So you better think a lot about the business model, do a lot of tests and trials and learning and stuff before you make those decisions because they are very costly if you make a mistake. When you can test them, I will show how you can test them. And it's usually process.

So you make some decision. You go, you test them in the market When I say test them in the market, it's testing with potential customers or customers, because at the end of the day, all you want is a lot of money from your customers. So it's very easy to see, if I charge this, do I get it? If I package it this way, do I get more customers or less customers? So what do you need to know when you build a business model? So you really want to answer all the WH questions. So the first question is, who are your users? And the second question is we're going to talk about today is what problems users try to solve. The language that is used in this presentation today is jobs to be done.

I'll explain later on who coined the term and how it evolved. But really, this is the main thing that we're going to discuss in this video, Jobs to be done. Which basically means what's the problem you're trying to solve, really, to the customers? And even though it sounds like a pretty simple question, as you will see, this is a fairly complicated question of what problems are you trying to solve? Who pays for it? Really critical. And when I say who pays for it? You will realize later on in one of my lectures that actually there are a lot of models of who pays for it? And it might even be as subtle as the employee enjoys. The company pays. It's a very different behavior than the company pays the company insurance. So there are a lot of differences. What exactly do they pay for?

So pretty much in a lot of products, you can parse it in different ways. The most obvious one is the coffee machine over there. The coffee machine costs very little money, but the capsules cost a lot of money. So what do you pay for? You could have said, you know, the machine itself is very expensive and the capsules are cheap. They reimburse it. We all know that there are all of these business models where they pull you in with cheap prices and you pay the cost later on. Where do they pay? It sounds stupid. Well, the question is really, do they pay on the web without you go click a button and pay with a credit card? Or do they talk to a salesperson? Do they do wire transfer? All of these things have a big impact on your ability to sell at microcell.

How much do they pay? Obviously, when do they pay? As I said before, $12,000 upfront or $1,000 a month? Do they pay before they get the product? Do they pay net 60, net 90? All of these questions have huge impact on your cash flow and therefore profitability and so forth and so on. Okay, so I promised you that this time I'm going to talk about somebody else, not just me. So. It's Clayton Christensen. I introduced him last week.

Last time, sorry.

He was a professor at Harvard Business School. Before that he was a businessman. He built a company, then he decided he wanted to do. He did his PhD at Harvard and then he became a professor. And he did some very interesting research on why good companies that are very successful fail many times when a new technology or a new process comes on board and they let competitors take the market away from. And his main insight was they are not idiots. They didn't build a company worth billions of dollars by being idiots. So they are not idiots. They see the threat. They see what's going on in the market, and somehow, stupidly, supposedly, they don't react correctly. They don't do anything about it. Why? What's going on?

And his conclusion, which is very.

Interesting, I'll not talk about it this time, but maybe in the next lecture. His insight was that they do what they are supposed to do, which is increase profits. So what happens is that as competitors come in, they move upstream to more to products with a higher margin and they kind of drop down the products that don't have a high margin. They just needed to deal with it because customers wanted it. So if a competitor comes in at the low end of the market, they very happily shed off these product lines, leave them for the competitions, and then the competition from below basically fill up. It's a little bit more elaborate. I will talk about it next time on the reason I put all the videos in here. Is there plenty of videos on the web? I strongly recommend to watch them.

He's also funny. So it's kind of British. So he has British jokes. But he's very funny and very creepy. Spend some time with him. So the book I'm going to talk about is called the Innovative Solution because the previous book was called the Innovator's Dilemma. So if you have a dilemma, this is the solution. And what he's talking about is the following. This has the book in Hebrew. I found that it is in Hebrew. I don't know that you can really find it, but there is the book and this is what it says. Understanding customers do not drive innovation success. Understanding customer jobs does. So this entire concept, and we will talk about it in great length later on, is that really this concept that you need to understand what the customer needs is wrong?

You have to look at what are they trying to accomplish, analyze it, and then build Your products to deal with the root cause, not when they say, oh yeah, I like this course. Okay, So I decided that this time I will confess to all my sins and tell you stories from two of my companies and how I experienced these jobs to be done firsthand, because I didn't know that it's called jobs to be done. It was just painful, but I learned the hard way. So I. What he's talking about. So the company was. That's the second company I built, was founded in 1984 and we had investors that are legendary for those of you who are beyond 20 years old. The first one was Uzia Galib, who created Elrond. Eron was the parent of Elbit. So Elbit is two words, Elron and Pitahon.

So it was a joint venture between ERROR and the Ministry of Defense, Athena Ventures. Then he worked with us, with Dan Tolkowski. Dan Tulkowski was the pilot. He was the head of Elavir many years ago. Then he was the CEO of Disconta Scholars. And then he started a venture capital, the first venture capital in Israel, Athena Ventures. And the first fund was $40 million. And were very fortunate to be one of the first companies. But then we raised a lot of money, about $12 million because. So what's the product? At the time we're talking now about 84. There was also AI. So AI came in waves. For those of you who are old enough, you have seen the dunk and go coming have to say that this time the AR is for real or the other time it's not for real.

And this one is really for real. And the time it was called Expert Systems. Expert System is essentially a set of if then rules. If you see this, then do this. If you see this, then do. Basically it's just a list of rules. The same way that you describe to a kid what to do or to a pupil what to do. That's the way you describe. Just give a list of rules on how to do it. The systems were a little bit more sophisticated. So it wasn't. The sequence was not important, it was more interesting. But the idea that we have was there are companies and I'll give you our customers or companies like Xerox Fields Medical 5 Materials variant. Those of you who recognize this about the last three companies that deal with equipment to produce integrated circuits, chips.

So they have very sophisticated, complicated equipment. When it fails, the technician has to come in and fix it. Usually the technician has no clue what the machine really does, but it's very complicated. So he starts swapping

boards. Every board costs about 20, $30,000. It's a very expensive process. Just swap boards and sort them back. And also, many times they don't catch the real problem. So what we decided to do is build an expert system where we work with the client and we take all the knowledge of the best engineers, put it into this expert system, and when a technician goes to the field, they have a tool that gives them guidance and advice how to identify the problem and how to fix it. Great idea.

The interesting thing is, as a condition for getting the funding, the investors did the right thing, which is send us out to the US to meet with potential customers, interview them, write down the summary of the interview and bring them back, showing that customers are really interested, this solution. So went, we talked to these companies and others as well. We, I think, went to about 12 companies and were very encouraged. People said, this is really great. It's a huge solution for us. It's a really expensive problem. Yes, go ahead and do it. Ask, would you be my customer? They said, absolutely, sure. Yes. Okay. So as part of that, founded the company in 84. I moved to the US because most of our customers were in the US in 89. And the company continually grew.

So by 1992, it brought in four and a half million dollars in revenues. Nice. There's only one problem, that were never profitable. So if you think I'm nuts about profitability, this is the reason when you are not profitable, you have to raise money round after round investors. It's very painful. So one day I talked to one of our bigger customers and I asked him a thorny question because parallel to us there was another company that started about the same. And that company, what they built was just a basic CRM for the field service engineers. So if there was a call, they would put it in the CRM. They put also the inventory of the parts in the other thing. The parts were mainly the spare parts were usually in the trunk of the car because the customers were all over.

So GPS would go by car in the trunk. They have a lot of replacement parts. And so they wanted to keep track of where these parts are. And this company started about the same time as us. We were four and a half million, they were 25 million. And that really made really. So I went to a customer that I knew. Can you explain to me why do you spend so much money on them? And so do you want money on us? So he asked me this. He said to me, when you came to Me and you asked, is your product interesting? I said, yeah, very interesting. If you said, when you asked me, are you going to buy my product? I said, yeah, I think so. Yeah, absolutely. So I was as happy as can be. And here's what he says to me.

That was not the right question. So I said, what is the right question? So he said, the right question you should have asked me is the if you only have $100,000 in your budget, would you buy the product of Russian television system or would you buy something else? And I said, why? Why would you buy something else? And he said, very simple. Because in each car of my engineers at the truck, they have hundreds of thousands of dollars worth of spare parts. I had no clue where this is. I have $50 million in spare parts. Where? I don't know where it is because it travels around the country. And so I want to know where everything else and I want to make sure that if somebody, but somebody who is 10 miles away has it, they can switch it.

So it is far more important for me than you're a nice product. A nice product is a future product. But right now I have real problems right now. Jobs to be done. I asked about the wrong job. If I asked, if you only have that amount of money, what would you buy? Chances are we would have developed something else. Not expensive, not artificial intelligence, not disruptive technology, just stupid CRM networks. That's a very important message. Okay, so jobs to be done is look at the situation from the customer's perspective, not yours. My perspective was I'm an engineer. I wasn't sure how time. I'm not going to deal with CRMs, I'm disruptive, blah, blah. I left Clutch intelligence systems in 1992. Swore to God the next company I'm going to do will be profitable as fast. Thank God I did.

But yes, that's the lesson I learned as well astronomy questions. Okay, so I'll go now to the foundational story. If you listen to Christensen, that's the story he's going to tell. It's really interesting story. I didn't write anything on the slide because it's a long story, but it's a very interesting story. So the guys already. Christensen is already a well known author and a well known consultant. And McDonald's hired them to do something interesting. They sell milkshakes at their stores and they try to improve or increase the sales of the milkshakes. And they try to do this, do that, add chocolate, take chocolate and sugar, take sugar. Nothing makes any difference and so they said, here we have this very smart guy, let's have him check it. Okay?

So they go to some stores and they sit there from 7 o'clock in the morning till at 9, 18 hours a day. And they write down every customer that comes in. At what time did they come? Was it a male, a female? At what age? How were they dressed? What did they do with the milkshake? Did they take it and run away? Did they sit there and drink it at the store? What did they do? Literally, customer by customers in a few stores, just write down like spots. And they discovered some interesting patterns. There were actually two very different populations

that took the notion. One population came in the morning from 7 o'clock in the morning till about 9 in the morning. They were all dressed like me, stupid like me, you know, soup and Italian, whatever took the milkshake, paid and went in.

That was. It took, it went in. Then in the afternoon there was a different audience, different clientele that came. Usually mothers with kids, after they took them from school, they come, they buy food, they buy milkshake and they sit with the kid and they eat the meal. And two different audiences, two different finances. So the following day or two days, they decide they're going to track these people and find out what's going on here. So they start with the morning and when this nice gentleman or lady run out of the store, they say, give me a moment to talk to me, please. Yeah, why did you buy the milkshake? So he had to drink. Yeah, what else? Why did you buy it? And they said, what does it do for you?

And they said, well, you know, I'm going in the car, I drive to work. So I needed something to keep myself busy and I need something. And if you didn't have milkshake, what would you do? Oh, well, I tried bananas, but, you know, they don't feel you. And what else? So I tried to buy donuts, but, you know, it's. I'm not diet, I think donuts. And it also leaves crumbs on my suit. It's not good. What else did you try? Gradually, when they started asking a lot of questions, stupid questions, what happens if you don't have it? What do you do? And so forth. They realize that the job of this job student was. I have now a half an hour commute.

I'm not hungry yet, but I know I'm going to be hungry about 10 o'clock in the morning, so I want to eat something that would fill me up. I don't Want something that is not healthy but full of sugar. And most of all, I only have one hand. That's all what I have in the car I'm driving, I have one hand, and I can get myself with crumbs and slips just. And the milkshake is just the perfect solution to all of those gravity. I can have it with one hand. It's kind of healthy. A little bit beef. Wonderful. Okay. In the afternoon, they call the mothers with the kids. They said, why do you buy the milkshake? They said, because we want a kid to eat something real and they want something sweet. So we have to buy them this stupid milkshake.

It's too big. They spend too much time on it. I'm stuck in here with them. I want to go home already. And they keep sucking the stupid thing. You know, they get this big cup of meat. So what do you want? Something a lot smaller.

Okay.

That will, you know, the kids will finish it quickly. A little bit more sugar, but small. Give it to me small. Okay. So they go back to McDonald's and they say you have to have two different parts. The morning breakfast, you add a lot of fruits into it. You know, just chop fruit, but make it small so they go through the straw. Make the straw bigger so that they can have the foods. And the fruit chunks are important because it makes them feel that this is healthy. Exactly. Healthy. Take the sugar down, okay. Make it more filling and more substantive. And make sure that they can take it in and out quickly. So they come in. Maybe you'll use them like coupons or something. They can come, pick it up, leave something, and go.

Okay.

So they run. They want to get out in the afternoon. You make a very different notion. Small snow straw. They need to finish it quickly. A little bit more sugar, and that's it. You can charge whatever you want. So their sales grew significantly at McDonald's. And that's the foundational story of jobs to be. So now you're as smart as I. Any questions until now? Was it funny? All right. Zoom info. I promised you two favors. So this area number two. This time I didn't leave the company. Okay. Founded in 2000. AI technology. The dog knows one trick. So one trick, boy. But this time it was really much deeper. Dealt with language, understanding. Dealt a lot of stuff. You had to accept, extract information from the web. And so we needed to understand the structure of website and services.

But this time, I was already two companies later. Harsh Intelligence Systems. And afterwards was Car Scan. I won't talk about car skin now. And so Profitability was number one. And so we started selling. Company was started in 2000. We started selling at the end of 2001. The product was crummy. It didn't work, but I made money. So you sell what you have. And the question was, of course, what do you sell? I'll take in a moment. Million in 2000, 3. Million in 2003. We became profitable towards the end of the year and 6 million in 2004. The company continues growing until it hit the wall. Okay, so profitability first. The market for Zoom Info was, by the way, that time it wasn't called Zoom Info, it was called. But in 2000, by 2004, it was close to being formed.

And that name remained even though it was bought by discover early 2019. And then they adopted Zoom in for me because we had a much stronger brand and much better product. So we sold to recruiters, headhunters and HR companies. I remember I told you that the product was Kramer. Let me explain what these people needed and why the Krampit product was good enough for them. So what they did. Let's talk about headhunters. The client comes in and says, I need a CFO for $50 million software company. So I want somebody with experience in software in the Boston area. Find me a good candidate. We're talking now about the year 2001. No LinkedIn, no data about that. So how do you build a link of the software companies in the Boston area? $50 million and half. And they're CFOs. You stop. That's it.

So you start calling your friends. You start building your network. That's what makes you great. Right? I'm connected. I know everybody. No, you don't. Doesn't matter. That's what you say. Come Zoom Info and says, I can give you the list. Here's the list. Here are the software companies in Boston. Here's our estimate for sales, and here's the list of their CFOs. Done bang. And they took it. And they paid $1,000 a month. That was our charge at the time. And they were very happy, very excited. You see our revenue is growing. They kept growing, but really fast. But big eyes. We said the market of executive recruiters and head hunters is just not big enough. There's a huge market right around the corner from you called Data for Sales and Marketing. Right.

Salespeople needed a lot more data, so they will pay a lot of money. And great. So we started selling to salespeople and they were unhappy to say the Least very unhappy. So I started asking them, why are you not happy? They say, your product is crumb. It just doesn't work. I said, what? Well, so many happy customers, and you tell me it doesn't work. It doesn't work. And then after a lot of conversations with our salespeople on the one hand, and our head hunters and recruiters on the other hand, we started realizing that these two markets were really totally different. Recruiters were looking for a middle in a haste. They needed at the end to get one good candidates. That's it.

And in order to satisfy their clients, they needed a list of 20 that they would tell, these are the best 20 out of the 500. I looked at, blah. So all they needed is a list. They couldn't care less about phone numbers and email address because headhunters know how to get to people. That's not a problem. And people answered their phone calls, so that's not a problem. And so all they needed is to run the query, Give me the CFO of software companies in the Boston area, bigger than 50 million. The list was in good times. 50% correct. The other 50% were bogus people. Bogus companies. Doesn't matter why, because they look at, that's not a softer company. That's stupid. They threw away all the stupid stuff, and they still stayed with enough names to make them happy.

The fact that there were no phone numbers didn't bother them, and they were as happy as they could be. We gave it to salespeople, and salespeople said, I have to make 100 phone calls a day. I call AB and a man answers me and he says, that's the wrong number. How did you get there? Okay, you call this company and they say, no, we are not that company. So after about five, 10 phone calls, they say, this product is stupid. Why did we bring. So there was a little problem. The little problem was that there were no phone numbers on the Internet. There were no email addresses on the Internet. So if we wanted phone numbers and Internet and email addresses of people, we needed a very different source.

So one day I talked to one of my sales people, and he says, yes, you have to see. Okay. He shows me a product and he says, well, I wanted to talk to Eyal. So I put Eyal, and look, here is the phone number and here's the email address. I said, wow, that's really cool. How do they get this? I had to share with them Maya, this book and Maya email box. You did it. And they said, what do I care? You Know I said companies email address, I don't care but I get. Look at all the data I get. He said, I'm not worried about sharing all of this information with other people that you don't know who they are. So we built what's called the swapper. It's a long story, I won't bore you with that.

It took us a few years to get enough people to adopt it so that we get enough data. And that's basically what all of our competitors afterwards, whether it's Apollo or Lucia or people numbers, I don't know. There are about 10 different competitors, part of them doing the same. Show me yours and I'll show you mine. That's about it. Okay, so but it took us years to do and meanwhile the company was in big trouble. Literally in big trouble. We didn't lose money because I made sure we never lose money. But were not growing and were not making money. Once we solved that problem Back in 2001, 2011, 2012, the company went through the roof and the rest of history. What is jobs to be done?

The theory is based on the idea that people buy products and services to accomplish specific jobs in their lives. So remember the stories I gave. So you need to understand why do they buy the product, what is really the

reason want and what are the alternatives they have with washing was the alternative resume was we didn't understand what they're going to do with it and they had totally two different uses of it. Now these jobs can be defined in many terms. There's problem solving like car got stuck, I have a back pain, I want to increase sales, blah, functional tasks. So things that have a function in their life like house cleaning, we all love house cleaning. Or managing inventory like our customers at Roche can be emotional needs.

I want to gain respect, you know, walking with decent beers so that when we make a video it looks nice. There are social respects, okay, I want to dress for a party, I want to show that I'm successful. Successful, their goals, very broad range of reasons or jobs that I'm trying to do. So instead of focusing on the product or the customers, which is usually how people look at the world, okay, you look at the demographics of your customers or the demographic of the customer product and you try to measure what jobs to be done. Said is don't do that. Shift the perspective to the job itself. What are they trying to accomplish. And it's about understanding what they try to do. So and here is an insight that I came up with last week.

When I was working on that, because all of this is very nice, but what do I do? And really what you need to do is start thinking in the context of market settings. If you remember, I was talking about it in the early. One of the early lectures that you can't conquer the world. So you have to choose a picture that will be the easiest for you to penetrate and where you can become comfortable on that P. To become comfortable in the P. Obviously you would like to have high prices in that beach, right? Because selling for $1,000 is better than selling for $100 and selling for $100 is better than selling for $10. So you really want to find a place where people will pay you much more.

So with this process that I'm going to show you have a tool that you can start thinking about how to segment the market to patients. Basically the same problem. Basically you should see the differences and that's very powerful. So what I wanted to do is put this into four dimensions. So essentially you look at the market that you are trying to address by four different dimensions. Number one is functional, which is what we talk about. What is a specific job customers want to do. But surprisingly that's just one dimension. The other is contextual. In what context do they need? We obviously don't need a product all the time. So there is a context, a specific context. Like the people who drove to work, that was the contrast.

They usually don't drink milkshakes, but when they need to go to work for half an hour, that's what they want to do. So the context is very important. Emotional, you will see in a moment. Why is that important? What are the emotional aspects involving? And even in B2B, there are a lot of emotions. And the last item is social, which is what are the social aspects of fulfilling? So these are the four dimensions. And what we're going to do from now till the end of the lecture is use these four dimensions to analyze a lot of situations and see how it works. Because it's very powerful in figuring out the market. So I'll start with the most obvious of examples that you didn't even think about, right?

It is kind of so stupid, but it will immediately show you that's what we do in day to day. We use these four dimensions in day to day life all the time. So functional. Talk about garments. So you have shirts, pants, skirts, dresses, underwear, bikini, pajamas, you name it, right? So we have names for garments. They're very different from one another. In art, the T shirt Is not like a dress down. Different things. That's number one contextual. Obviously, you don't dress at work like you dress on the beach or when you go to a gala event, or you do skiing. Right? Or when you exercise or you're at a wedding. In each context, our garments look very different. I said it's a stupid example, but it just shows you how these four dimensions play with one another.

And if you think there's only four garments, I'll show you later on that it works everywhere. Emotional. Some people, their clothing is simple. I only go with green. I only go with pink. Somebody you all admire. Steve Jobs only goes with black. No, purple. That's who they are. Does it hide my. Whatever. Does it go well with my eyes? I have four girls. I know that what goes with their eyes is very important. That's emotion, social. Do I look interested in important? Do I look overdressed, feel like an idiot? And everybody is coming with a T shirt on this. I look at all of you, and really, I can't believe. So you start seeing these four dimensions on the most obvious of examples that you all don't even think about. It's just so obvious. But use that example as kind of your guiding principle.

If you think about what I was just talking about to show you the complexity or the subject of these decisions. Okay, so let's go to real business. What is the job to be done for the. I. This is a question I want to answer. Play music. Music. What Function of music. Music. What? What music? Listen, Michael. You want to listen to music? What kind of music? My music. Whatever your music. Whatever you like. Custom, right? So obviously. So if I give them music, they should be very happy. Okay, so let's look at the history, because like everything

else, there's always first movers. The first movies are usually not the people you know. There's another lesson that I will talk about many times during these lectures. The first movers usually use. Why? Because they figure out the jobs to be done for the other people.

That's why they do it. So the first one that came out and was a commercial success is this one. An NPC player with 6 great songs on the flash drive. And despite questionable reception and CB, anybody here wasn't Sibyl. Interesting. So they sold 50,000 units at $200 each. Really great success. But this is really interesting. No matter how the Korean staff tried to explain what an MP3 player was, people didn't understand why they needed such a device. Because they could listen to music with CDs or cassettes, as simple as can be. If you are the innovator. Nobody really knows understands why I can do why. All right, let's move on. So here are other first movers. In 98, there was a diamond rear. That's the first picture on the top. Price $200.99 compact personal jukebox and re port.

And by 2001, the market, you don't know any of these. They're all dead. So I put king and look at the numbers. Okay, 2001, I put those on sale and they sold, I think millions of iPods. So 50 million iPhones by 2000. What's the difference what jobs to be done in this one? Can you guys figure out what's the job to be done that I saw Getting your music. Okay, what else? What else? Organizing all of your music. Great. None of you said the audience, they had to download that music. You're getting close. That's why I asked, what does the iPhone do? He said, listening to music. And all of you assume that it's possible, give you an easy stuff to double through. Where did they get the music before everybody?

You know, they exchanged, they stole, they, you know, I still remember people were stealing Napster and all of that stuff. But most people wanted a simple solution. I just want to go to a store, click a button and buy the song. That's it. What I want. The innovation and the genius of Steve Jobs was that he understood the jobs to be done. He went and negotiated the impossible. It was literally being possible to get all the music publishers, or most of them, and the rest of them joined very quickly to agree that every song is being sold for 99 cents. 98, 9 cents. You go to itune, pick the key, your credit card is charged with 99 cents. It was easy peasy, no questions asked, really simple. Nothing with technology. It is the negotiation with all the music publishers, because that was the job.

Because people want, they wanted the music not to. It would be more smaller or whatever. That's what they want. And you saw the difference. The moment you could get any music you wanted, it took off. And that's called, and you will hear about it a lot later on, the concept of an alias. So what happens in the market, and I'll later on give a lot of examples, the moment something becomes possible, then it opens up the door to many simple innovations. Simple in the sense everything is there. You just have to package it slightly different and solve a different problem. That's all you need. Sometimes the enabler is a Business decision. And sometimes the enabler is the technology and sometimes it is foundation, whatever it is. But enablers always allow you to take what became available and develop solutions that were impossible until deadline.

So what was the next logical step after the iq? Nice, I guess. What's the next Spotify? Spotify, Exactly. You know, why do I need to buy anything? I don't listen. I don't need to own it, I don't listen to it. Right. Remember, jobs to be done. There's nothing for me to own a piece of music. What am I going to do with it? Eat it, Just don't listen to it. Right. Spot. So wait a minute. If we already understand streaming, why only that? Why don't we stream movies, why don't we stream books so you can start seeing the logic, jobs to be done. And step by step, people start to understand, wait a minute, I don't really want to own music. I don't want to fill my house with books. I just want to read. That's all I want.

And usually what you have there are business decisions. Spotify had to negotiate hard with the music industry. Netflix is still fighting with the movie industry. Right. These are the business decisions they do. So the enablers are not always technology or disruptive staff. Sometimes the disruption is negotiations with the players. So I promised you that sweet people will be able to come in here and entertain the public for minutes or two. Who wants to come? I think Kyle sun, by the way, I'm going to talk about. Seriously? Seriously. I would like to introduce himself. Anybody wants to introduce. I'm not going to be the only one, huh? Doesn't matter. So you probably do it in one minute. One minute. So my name is Ol Parkstein and I'm here thanks to Veer.

I'm a consulting Veer and helping him to finish the design and helping him finish the design of the Kylus project. Except of that I was a yacht captain for many years for Big Bose and when I left the yachting industry I opened my own company and started developing and selling a unique machine for the yachting industry which is a reverse osmosis water purification system that designed for this specific industry. And since then the

company is going quite well and today it's a profitable company and we wouldn't let him talk in here if it wasn't. Thanks so much. Number two.

Come on.

Anybody wants to introduce themselves? Hi, my name is Danny, I'm together with my partner here, entrepreneur of a few companies. Last one failed and I'm here to explore the Reasons it failed and make the next one succeed. I'm originally an engineer. My businesses were ranging from hired kits for kids or weddings to warehouse logistics projects. Right now I'm in Iot in the logistics domain and I like creating stuff. Hopefully this time it will be very profitable. After hearing your question. Thank you.

So what I want to do now is give a few examples, take you through some interesting stories about jobs to be done. So IBM, the most venerated computer companies in the world. So back in the 40s, 1940s, there's a famous quote of who was the president at the time? Thomas Watson. I think there's a world market for maybe five computers, right? Why? Very easy. Nobody used computers before, so why do we need computers, right? So maybe five computers will do all the calculations we ever want. So we're all done, right? So jobs to be done. There wasn't. So if there's no job to be done, no need. Then came the mainframes and IBM is flying high from the 60s to the 80s. And what I want to do is analyze along the four dimension that I talked before, okay? Functional.

So IBM positioned itself mainly where the money was. Forget about the scientific side as business administrative functions, okay? So whether it is accounting, whether it is inventory, anything that has to do with running a business, the numbers of running the business, that's what they did. And therefore the contextual, which is who are your customers were big companies, mainly banks and Fortune 500. That was the market for IBM. Emotional, interesting. IBM really understood the emotional dimension. So their salespeople showed up like me. Blue shirt, right? Blue suit, right? Blue. It's called, you know, big blue because everything was blue like the logo. And really they made very clear about their dress code very important. Second, they are blamed with inventing fud. Fear, uncertainty and doubt.

It turns out I checked on the Internet and at not them who invented it, but probably they brought it to perfection. What does it mean? Fear, uncertainty and doubt. They would sit with the CIO of the company and the CIO would say, well, you know, IBM is good, but you are twice as expensive as Amdahl or cdc. And you know, I think you should give me a discount. And what would the salesman say? Yeah, but then just think about what would happen if this Amdal machine that you never heard about breaks down. And the CEO asks how come my customers cannot do any transaction in the last week? What would you answer him? I preferred Amdal over IBM to save some money. Fear, uncertainty and doubt worked phenomenally well for them.

They controlled the market because it's not that IBM think about what they did. It's not that IBM guarantees there will be no failure. That wasn't what they were saying. It is, are you going to be blamed for that? And if you are not going to be blamed for it, that's an easy decision, right? Genius. When I talk about the four dimensions and we talk about B2B, people think IBM is buying the product. No. In every one of your customers you deal with a team and they have emotions and they have an ass to cover and they have a job. The CFO or the purchasing agent, his or her job is to cut the price. That's their job. That's the only reason they negotiate with you. They are not responsible that the product will work. They are not responsible for everything.

So if you understand the jobs to be done of every person in the company, you can be much more successful. I heard the trick of somebody, one salesman said when he sits with the CFO or the purchasing agent, and purchasing agent says, well, you know, you can do better than that. He says, show me how. And he says, well, you have to cut the price by $20,000. He says, Absolutely, no problem. We deliver five things, which of the five you don't need. Now the purchasing obviously has no idea what the five things are because he's not responsible for it. And he says, well, no, just reduce the prices. I can't. If you don't have the budget, tell me what you don't want to buy. So the conversation goes in circles for about 10 minutes until the purchasing agent says, okay, fine, right.

Because he has no power, but his job is to cut the price. That's his job. So that's the emotional social. That's really interesting what they did. Also IBM was all the time telling people that this is such a strong competitive advantage to have a mainframe and their mainframe that if they don't buy then their competitors already bought it and they're going to eat their lunch. So IBM was a highly emotional, social, smart group of people. That's why they were so successful. By the way. The company that copied a lot of these things was Microsoft. Similar tactics and what happened afterwards? History continues. So IBM 1993 posted the largest loss until then, $8

billion loss. And what did they do? They hired a new CEO and huge surprise. Lou Gerstner come from RGR Nabisco selling cigarettes and cookies and biscuits.

And before that he was at American Express. His connection to computers was probably that he saw one in a movie or something like that. Okay, And I remember I was in the US at the time. There were gazillion articles everywhere. Are they these guys out of their mind? Why are they bringing a CEO who has no knowledge, no experience about this very complicated technology? What do they think? So he turned IBM from a computer manufacturer to professional and managed services. What he did was. I remember that because there were interviews with him. And obviously I remember IDIL today because I was so amused by the whole thing. He was asked, I saw it on tv. He was asked. He was sitting there and he was asked, so what's your vision for the company? Right.

Analysts like to ask that, what's your vision for the company? And he said, my vision for the company is to go and visit all my customers and ask them what they want. And they said, yeah, but vision? He says, I thought I said it. I'm going to go to all my customers and ask them what they need and what they want. And that's what he did for a few months. He was traveling from customer to customer, and he realized that they wanted essentially what they wanted before. They just wanted their operations to run smoothly. Couldn't care less whether it was an IBM computer, an Amdal computer, or no computer. They just wanted their business to run smoothly. That's what they wanted. So he made a change.

Instead of focusing on hardware and computers and mainframes and whatever, he says, we will take responsibility for running your operations. So IBM became the largest consulting operations group that still. And in 2023, they made seven and a half billion net profit on sales of 62 billion. So this is really a great example at a very large scale of jobs to be done. He took what the customers wanted to accomplish and stripped completely how to do it. So he separated between the how and the what. Says, we don't need to do mainframes, we don't need to compete in the mainframes. They still do them, but their message to the market is, we will take over your operations and we will run them smoothly. We will do that job for you. We will be your IT department. That's what they do today.

Okay, so let's look at a similar example and see how well that worked. Okay, So I did it just because it was funny. So don't expect any great insights in here, except that it's funny. So in 1983, a decade before Steve Jobs, who was a young kid at the time and very successful, hires, John Sculley from PepsiCo. Right? Real computer company, PepsiCo, where John served as president from 77 to 83, similar story, right? Let's bring somebody who really knows how to sell, bring them in here and let's do some business. So he did. He increased the sales tenfold in 10 years, from 800 million to $8 billion in 1993. So he did the job. There are a lot of controversy whether he did the job or just that Apple was successful despite him. I won't go into that.

Anybody who want gossip is welcome to go and look at it. But he had major disagreements with Steve Jobs, so much so that he ousted him two years after he joined the company. So here's the founder bringing in a professional CEO and being kicked out of his own company. Huge, huge issue. So everything goes well until he was ousted. John Sculley was ousted in 1993. And why? Because the company performance wasn't good. By 1996, the company was about to declare bankruptcy and the board went back to Steve Jobs, who at the time built two or three companies, including Pixar, and said, maybe you would like to come back in here. And he said, absolutely, but I control everything. And that's it. So why did I bring that story? Just because it's funny.

It's kind of the mirror image of the previous story and I thought you would like to hear it. I talked about Jobs to be done. Jobs to be done, Jobs to be done. You are tired of me. The question is fine. How do you understand what is the job to be done? And I have to tell you, this is a really difficult problem. It has two very big challenges. If you have a product or an idea that doesn't exist today, potential users don't really grasp what you want to say. Regardless of how long you're going to talk and your hand waving and everything, it's just not clear to them what it is and why it should be done. I'll give you a very simple example. CRM, obvious product to everybody here in this room. So I talk about washing intelligence system, 1985.

We started the company and we wanted to have. Because were computer people, we said, okay, you know, we need to understand what we're doing. There was no CRM at the time, but there was a product called act. No Symantec. Body later was acquired by Symantec. You can tell the layers of aging here. When I say a name and somebody smiles, you know, well, he's at least that age, right? So, yes, ACT was very successful at the time. There was a single computer running on a PC. Basically Outlook, what you would today call Outlook, but that Was at the time the product. And there was one big company at the time called Siebel, and nobody understood

what they're doing. It was like, what? Why? Who took years, 20, 30 years before the market understood why CRM is important for your business.

I'm just showing you how long it takes for a new concept to sink in and becomes an obvious and a must have in the business. So that's the problem with products that don't exist. So when I went to, you know, with Russian intelligence systems to my clients and show them what we do, they said, yeah, great. But they didn't feel it's a must have. They did feel it's a must have to figure out their inventory in the chunks of people for existing products. The problem is the opposite. It's not so simple to differentiate between the product and the job to be done. So the story of the milkshake is really interesting, mainly because Christensen was able to show it so clearly the difference between, yeah, it's just a milkshake to the job that people wanted it to fulfill.

But honestly, for most normal people, like you and me, it's not that simple to differentiate. It's just not because customers, most times don't think in those terms. So how do you handle that? So what we need to do is ask all kinds of questions. What I'm going to give you now are the questions that I use and I ask many times. And again, this is not simple. Remember the intro? I said, this is a very difficult thing to figure out, really figure out the job to be done. So the questions you want to ask are one. And the most important thing is don't talk about the problem, which is virtually impossible for entrepreneurs. I want it to sink in. Don't talk about your product. Virtually impossible for an entrepreneur. They're in love with what they do.

It's great.

It solves all the problem in the world and you just have to buy it because it's so good. So to separate yourself from this grand admiration you have towards your product and just ask stupid questions. Like at Roche, you know, if you only have $100,000, would you buy me? And they say, no, need guts. It needs guts. But you better learn about it before you invest a penny in your product. Because if you are not the most important thing that they're going to spend money on, you won't know that. And there's a benefit to it, because if you ask about this and you understand their needs, in most cases you will come up with some interesting solutions for their Needs. Okay, so how do they fulfill their needs today? What do they like about the current solutions? Again, another interesting psychological thing.

When you ask people what you don't like, they feel that they're going to say bad things. So they don't say. But if you ask them what do you like about what you do now? They will tell you, oh, it's great. You know, I get in the morning, the first thing I do is clean my desk. I sit there, I have a whole stack of paper I need to move from here to there. I feel like I'm going to fulfill all of that. This is a day's job. It's wonderful. It's just boring like hell. Honestly, it's so boring I'm falling asleep by 9 o'clock. But they start with the positive and that gives me permission to start telling you the trouble. So I always ask the positive questions first. Invariably they get to what bothers them. What else? What else?

They get to what they don't like and then they tell you what they don't like in big ways. But you have to really ask the question and show you're really interested. Okay, why don't they like the current situation? So you say, why is it boring? She will explain why it's boring, you know, or why it's tiring or why it's error prone or whatever it is that she's going to say. So the second set of questions is really important because many times when you ask about alternatives that they use or consider or tested, you will get a much better understanding of what they are trying to do. Because then they already spent time thinking about the job to be done because they're now trying something else, right?

So you get two angles at your problem and where they intersect is probably what the job to be done. So that's why it's so important. Try to really squeeze out of them. So did you try anything else? What else would you do? Many times they didn't even think about. But when you ask them what you think about, you will get more information. Keep asking why? Why? Why? Most of you have kids, right? So it sounds familiar. And after, you know, you go through the first few days of the yyy, you realize the kid is not trying to bother you. But every answer raises the next question of why? Well, why does the sun rise? Well darling, the sun doesn't rise. The earth is spinning. Why? Because it spins all the time. Why does it spin all the time?

They keep asking questions, do the same, just keep asking why. And when you ask the why go backwards in the chain of reasons and objectives. So that will allow you. I mean, I know it's gruesome, it's horrible, but it's very difficult to get definition of the job to be done in ways that will be meaningful. People don't think like that. They just don't. And for each step do essentially the same questions I said before. What do they do today? You know, what they like about the current situation. Alternatives, yada. Every time you go one step backward, keep asking

the questions, not all customers will answer you, but it's important to do. And last but not least, all of you sit there and say, this guy is nuts. I'm not going to do that. It's impossible. Nobody will answer me. You're right.

So this is not a multiple answer test. This is not an American test, as we call them. It's just a concept and a guidance. The moment you understand that the product and the job are not identical, they're two different things, start figuring out what they're trying to accomplish and ask many questions until they throw you out or until it becomes awkward or whatever it is. So you don't have to do this the way I described, but you really want to make sure that you separate the product from the job. What I'm going to show you soon is a lot of examples of what happens. A few more things before I go to the examples that are important about jobs to be done in many companies, they already have customers, they sell them something else. So they talk to them.

So they can just talk to them easy. That's what happened to me at Roche, okay? I already had customer. I asked this question and I got answer I didn't like, but I got answer. Okay. Second is when you already have an idea that you can show, like Kimso so you have something to show, people can understand, people can start with responding. Third, I keep talking about branding first, right? So you want to start talking about something in the area of the problem you think you're trying to solve. You start getting people interested and you have a chance to talk to them. So once you have a chance to talk to them, you start hearing a lot of things. And actually, in reality, people like to talk. That's the funny thing.

If they don't feel you're trying to sell them something and you give them a real chance to kill something else, they really enjoy that. What you say is stupid. You don't understand what you're doing. They really like saying that because they make them important. So you will hear. If you are willing to listen, you will hear. When as much as I try to simplify business, you know, give you a recipe, you know, two cups of sugar, a little bit of oil and mix and put it in the oven, it's not, it doesn't work like that, but the concepts are the same. So juries are stable over time. That's really interesting. So what this methodology does, it says the solution might evolve or might change over time, but the problem remains the same. Computers is a great example, was mainframes. That was the solution.

Then came mini computers. And minicomputers were basically mini mainframes, right? So they did about the same thing. Then came client server and workstations. Basically did the same thing. Then came PCs and changed the world. When did the PCs change the world? When they started to have a local area network and suddenly everybody in the company had a computer on their desk. They did a lot of things. So the job remained the same. It just as technology evolved and changed, the solutions evolved and changed. But the problem was the same problem. How do I use computing in order to improve my business? So I'll give you another example. When I came to the US back in 1989, it was in the middle of one of those slowdowns in the economy. And this one was very different than the previous ones.

Because the previous one when there was a slowdown, the people who paid the price were the blue collar workers. They lost the job. Middle management and top management remained in place, kept their nice salaries and everything. But the blue collar workers who usually worked on a daily and hourly basis, they lost their job. 1989, around that area was very different. Mid level management lost their job. And the answer to that, why did that happen? Was actually very surprising. Remember, I'm talking Now about late 80s, early 90s, okay? That's 40 years after computers were introduced. And they looked at the efficiency gains in the industry with these billions and billions of dollars of investment and they didn't see any efficiency. So it was the same cost to produce something as it was 40 years before. But they had computers, they had software. What's going on?

So this question was looming very hard over the computer industry. Why don't you can't measure the efficiencies. But when the PCs and the local area networks started penetrating big businesses, suddenly there was a whole layer of people that was totally irrelevant anymore. The CEO can send an email to the entire company with a push of a button. Why do I need people shuffling paper back and forth? There's no need for them. So the pieces almost in one swoop liberated your organization, really liberated the organization. And the efficiencies jumped. That means people lost their job. So you can see here a good example of that. The job is solution agnostic, as I said before. So you don't really care whether it's a mainframe, a mini computer, client server or whatever it is. It does the same job at the end of the day.

And because of that, actually the PCs became more and more sophisticated because they were taking the jobs of the mainframe and became more sophisticated that we talked about. Understand the job deeply to create better solution. We talked about that. But the last point is really critical. What we see in here, we talk to a lot of entrepreneurs and you see a lot of them coming with a solution, looking for a problem. Literally, oh, I have this great technology. I have this great thing, you know, everybody will want it. No, they're a little bit more

sophisticated. They don't say this way, they come with some bogus idea. But the reality of it's a solution looking for a problem. The reason is they assume that's what investors want to hear. So they invented.

But in reality, a problem looking for a solution is far more stable and profitable and doable than that. And the interesting thing, many times to solve the problem is fairly easy. And people feel that unless they have some disruptive technology, then they are not worth anything, which is total bullshit. Find a problem, write a piece of code in 10 minutes, create the emotions you need to create and make money. And we'll talk about it in a moment. Okay? Don't look for complicated solutions to problems that don't exist. Take problems that exist. Find simple solutions. Much more profitable. Okay, you saw that in the last presentation. My favorite examples about watches. So what's the market segmentation in here? So we'll use the four dimensions we talked before. So Rolex clearly status symbol.

You can go to the Knesset and see how it works there in status symbol. Okay. Emotional. It's fashion. I want to show style. I'm sophisticated. Gadget lovers. Maybe some functionality. And this is me. I want to know what time it is. That's the only thing I care about. It's very functional. It's time keeping. That's what it does. Solve my problem. A job to be done. What time is it? Five. Done. Okay. Now the question is, how do you make a Rolex into a status symbol? Any ideas? How do you make a Rolex into a status symbol? Waiting list. Great. What else? High price. What else? Unique. What else? What influences what else? Okay, so you answered most of it high price, right? Limited availability. This is really critical. If everybody can buy it's not a status symbol.

So limited availability and high bars to be accepted to the waiting list. You can't just go to a store and say I want to buy a Rolex. What's your name? Who are you? I haven't seen you before. I don't know who you are. Why don't you buy something for $500 and next month buy something for $1,000 and I'll see you are serious. Then I'll put you on the waiting list. Side effects. Really interesting because what I want to show you and that's why I'm doing this exercise, the product changes completely. You see what they sell now? They don't sell watches anymore. They sell something else and they sell something else. It's a product.

What, what do they say? Placing the line?

Yes. It's an emotional purchase. So you need to create the emotion. Okay, you need to create the emotion. It doesn't come from nowhere. They work hard on it. And I'll show you in a moment. Okay, what are the side effects? Well, if I can't buy the watch from the official resellers, then I'll buy it anyway because I need to have a Rolex. So there's a second hand market. Now I have an official Rolex, I have two because I'm a good client. I was twice. And by the way, I know people who have three of them because they bought it. And now I can sell it in the second hand market for twice the price. But if it is twice the price, then it's an investment. So people start looking at Rolex and other high end watches as an investment that appreciates in time.

Okay, and the last item is, this is collector items because it's hard to get, it's expensive, it becomes collector item. Okay? So you see the transition from a watch to something else completely and the something else completely is very carefully created. It's not a mistake. So I want you to understand when I talk about jobs to be done, it changes the product. And we will see it in a moment. The product changes based on that. It's not the same product anymore. So if you want to have limited supply, I found the source that these are all high end watches. Honest to God, I have no idea what they are and how much they cost, but I found this list of how much they produce. So actually Rolex produces relatively a large number of them compared to Patek. Philippe, which is 68,000.

Breitling with 170, Omega with 500 and so forth. So you see, they keep. They keep production low to create a shortage in the market and waiting lists. Remember last time I showed you this horrible thing that you can rent a TV and pay, you know, instead of paying $600, you will pay $2,400. And I came up with one use at the time, which was very poor neighborhoods. But last night when I was working on it, I thought that actually there are some, let's call it fair uses of this thing. And I'm challenging you. What do you think? Who else might want to rent a TV instead of buying a tv?

Businesses.

Businesses. Most of them. The CFO will say, you're out of your mind. But there are some cases. Remember the contextual. In some context, it makes sense to rent. You said cbit, right? You went to CBIT and you wanted to bring your tv and they said, no, you can't. You have to rent it from us. And it's going to cost you $100 a day to rent a TV. So, yes, when you go to trade shows, they will figure out already that anything you want to put into the showroom is highly monitored. So people do rent TVs when they go on tour and they need a TV in every

city they arrive, they're not going to schlep a TV with them. It's too expensive. They rent them and other people. So that's what I came up with. Maybe there are more, I don't know.

But let's move on. Airline tickets, segmentation. Remember what I'm trying to tell you now. The same product package differently. So we all know business class is two to three times the price of coach. I'm now not talking about overseas. I'm talking about coast to coast or a lot of the. You know, most of the traffic is in the US So you're not having this reclining that you can sleep. It's just business class still cost about two to three times. Why? So let's analyze it. Functional. You have to go from city A to city B on the same plane. They're going to get live at the same moment and arrive at the same moment. I can assure you that. So that's not the difference. Contextual. Most of business class is business travel. Business travel, who pays? Not me. Not me. Company pays.

If the company pays, then I get better service, better seats. I stand at the front of the line. I get the flight attendant to call me by my name. Extra suitcase, everything right So I don't pay. That's good. And social. All right, zoom. Right. If you are a VP level, you can go business. Yes, It's a status symbol in companies. You have to be at a certain level to get the business class. And who is making money? The airlines. You see here how jobs to be done becomes a lot more interesting. Because functional is the same. You live on the same plane, same minute, and arrive at the same city at the same minute, same exact flight. But by creating all of these artificial things, they were able to get a lot more money. And the artificial things are.

Some of it is pleasure, and some of it is just status symbol. And some of it is I don't pay for it. So give it to me. Let's give you more examples. Chemos, Remember we talked about it. Hi. I'm abusing. Not just using you, I'm abusing you. Okay, so here it is. It's basically a thermos with batteries that can heat the water in three minutes and boil them to 100 degrees. That's what it is. That's the product. So when were talking about it, we said, let's analyze it by these four dimensions, right? Contextual, functional, emotional and social. So let's look at it. So let's pick a market segment. Mothers to small babies. I'll explain to you why in a moment and you will realize that I'm right. Okay?

Contextual mothers outside of their homes who need to prepare a bottle of formula for their babies. Okay? So remember, she's not at home, she's somewhere else. She's with the baby. She needs to prepare a formula. You want to boil the water to 100 degrees. You sterilize the water fast, right? So that's the function. You want to sterilize the water. You don't want hot water. You want to sterilize the water. Emotional. Aha. That's why he's the mother, see? Oh, I can't infect my baby with unsterilized water. The father says, what? But the mother says, don't even think about doing it with non sterilized water. Right? You know, you don't get to the second without the first. So there are plenty of first ones. Social. Well, you can get boiled water somewhere else, but it's uncomfortable to ask strangers for boiled water. Right?

So the social code says, you know, you want to be in a position where you can get boiled water by yourself without going to anybody else. So you start seeing the differences. Okay? So were not the only smart people. As we showed you Before. And look at several things that happened in here. This Chemos one was transformed. It doesn't look like it used to. Look, suddenly we see these nipples and the bottles, right? And it's called the Amber Baby Bottle System. It has a different name, same product, basically. Okay. But metamorphosed to something else. It's now the Baby Bottle System.

Because it's a mother, you can pay $400. If it's a father, it's just wear.

Exactly. Thank you so much. What do you mean my baby is not worth $400? Are you nuts? So if we want to now promote this product. Okay, so I'm taking you now. We saw the packaging, right? The packaging completely changed. The price completely changed. But a lot of other things start to change as well. So we want to create content on the dangers of iron boiled water. God forbid if you made the formula. What are you laughing? Talk to your wife. That's the third one. You are not married to my wife. So you really want to start creating fud, fear, uncertainty and doubt, right? That's what you want to create. That mothers would not even dare thinking about putting their babies at risk.

So if you collect all the cases where babies were hospitalized because they got some infection and whatever, doesn't matter that they got out of the hospital after two hours, you have the case, you want to publish it in groups of new mothers. So suddenly, where you put this information is very different. You want to position the product as the ideal present for the birth of a new baby. Remember, there's a new baby, you have to buy a present, and how many times can you buy the garments? So $400. And that's just the right price for this present. So what I wanted to show you in here is by doing, you know, jobs to be done and thinking about it not as a term

that can boil water, but as a solution to something, as a job, the whole thing changes. Completely changes. Okay?

All right. So let's look at travelers to exotic countries. Same issue, right? Same bottle, same everything. But this time we're going to position it differently. So we have travelers to go to India, Congo, Mozambique, and they need to boil the drinking water. But their problem is slightly different. Okay? They want to still do the same thing, boil the water, but the emotion is different. They don't want to get sick in a foreign country, because a foreign country, you don't know their medical system. You don't want to run to a doctor india. You're afraid he might take your kidney, so you want to avoid any contact with them. And you don't always trust the bottled water because the fact that it's in a bottle and it has screw doesn't matter. And in general, it's not always available in social.

You're uncomfortable to ask strangers who might not even speak English for boiled water. So you have different set of issues, same solution, same product. But how are we going to package it? Not with nipples, right? Hopefully. So you want probably to add to it a travel bag. Okay. You want to put an international power adapter. Okay. And you might even want to add a battery. Outside battery. Why? Because they are traveling. They might not have access to electricity on that day. So you start seeing again, it's the same stupid product. Sorry, it didn't mean anything. Okay. All right. But you see that the moment you look at a different job, you look at a different product, you package it differently, you price it differently. I don't think that people will pay $400 for that one, but maybe. Okay, so there are other things.

This is your homework. It's fun. Think about other markets and try to build the products around it. All right, I have 10 more minutes to percolate. You boil you nine. So I put a question. Does a company need to develop a new disruptive technology in order to build fast growing, profitable, successful company? You know my answer, right? So this is. But let's look at it differently. What made the following companies successful? Don't trust me. Microsoft, can you mention, isn't some big technological advancement that they did until they became big? No, they did something even smarter. They didn't have an operating system. They didn't have an operating system. But they had a really smart businessman. No, they got a very smart businessman who understood that IBM doesn't know what they're doing. And he offered them a solution called dos.

And he bought it from this guy, I don't know, $20,000 or whatever. I don't remember the story. And this was a lousy operating system. But IBM couldn't care because they thought this whole thing is a toy. The rest is history. Remember again when I talked about Steve Jobs negotiating to get all the songs for 99 cents? The innovation was the deal. The innovation was the job to be done. The innovation was not a technology. Apple as described, the ipod, Right. The innovation was 99 cents per song. And you can have any song you want. Facebook, any great technology that you think about. Twitter, great technologies, you know, disruptive, whatever. I'll give you one after the other. Amazon, I haven't heard anybody jumping yet. Nvidia. Now let's take Nvidia, okay? Technology, right?

But if you look back a few years, then every screen has an Nvidia processor because all the screen work with vector processing. Those of you who don't know what vector processing, come to me after Albert, I'll explain to you. Basically, multiplying two sets of numbers very quickly, that's it. So they built a processor that does that. Turns out that AI does exactly that. So suddenly, some obscure technology that was in every scene screen on earth became very hot. And they wanted to build servers with the same technology and they had the chip. So their success is actually more luck than anything. And they were there and they knew what to do with it. So kudos to them, right? Same vector processor, basically. I used it in the army, God knows when, many years ago. Salesforce.

Any technologies you think about now, Oracle, LinkedIn, Airbnb, Waze. Just look at the list of all the companies you know, and none of them have any disruptive technology. None. None make you think, okay, jobs to be done combined with so many new technologies offer plenty of opportunities to improve existing processes. So let me show you. Yeah, yeah, I know. So I call these new technologies enablers. Because suddenly when it exists and it's available, it's kind of a waste not to use it to create a new solution for something. Speech to text. I said that this time the AI revolution works, right? So speech to text was an unsolved problem. It's now right here. We do it. I'll even show you more translation.

So we combined speech to text with translation, and these people there get my speech in Hebrew in real time, literally at this moment, okay, they hear my speech in Hebrew. So here it is, translation down on the spot, available today for no money. Now this is a technology, this is a job to be done. So if you find the area where they need this translation and are willing to pay for, and you package it for mothers who care about, with the

doctors in China and whatever, you know, suddenly it worth a lot of money. So that's where the smarts is. Can you use all of these technologies in areas where you can make money? Face recognition, I think I told you this story about the guy. There was a guy who decided that face recognition is now fairly mature.

So he basically canvassed from LinkedIn and Facebook pictures of people, and he knew their name and he knew all the information that was on Facebook and LinkedIn. And suddenly he had a face recognition system of hundreds of millions of people around the world. So if I walk into his store, he can tell the store owner, who I am and what do I do and everything right on the spot, simple. That didn't have to do anything. Basically just scrape LinkedIn, scrape Facebook and some others. Twitter also has. And that's it. Done. So he started getting a lot of heat from privacy and so they sold it. He sold mainly to police and more reputable uses. But I'm just showing you how simple the technology is. Picture recognition.

You use your Google Photos and you type in, well, I don't remember the name, the number of my car. For whatever reason, I can't remember it. So whenever people ask me what number, I go to Google Photos and I write Lexus and I get my car that I took a picture. So I see the number. It works. It just works.

ChatGPT.

So we all think about ChatGPT as something that gives us answers, but we missed the point. ChatGPT understands your question, which is far more important than giving you the answer. Far more important because I can start talking to my TV and say, remember the movie we saw yesterday? I don't remember the name of the main actors. Do you have movies with the same main actors? And he will give me movies with the same main actors. Right? I can talk to him. Nothing that I just said is complicated. We have speech to text, we have chatgpt understanding. Everything is done. Okay. I'm working with a company that they work with customers who have many retail locations.

Each location has a different rental agreement and they need to manage, I don't know, hundreds of retail locations, each with a different rental policy, a rental agreement, and they want to extract a lot of information from the rental agreements, like the space, the dates, the price per meter, whatever it is, they do it manually. So they do only three or four parameters, but there are maybe 20 of them. They developed a system that would take all of these 20, put them in a database and allow a few queries and so forth. Here's a great example. 3D printing, you're all aware of it. How many people build jobs to be done around it? I know of one, but it wasn't for business. He built like gloves for people with a problem in their hand.

So each glove was specially done for each hand and did it with a 3D drones. I think drones are underused today. So here's an example. I just come out of my mind. You know, if you are a city, you want to control all the building permits. People build on their roof, close balconies, build a shed in the garden. You want to catch all of that. What's easier than having a drone once a week going around the city, comparing last week with this week and telling you who is doing what. So right on the time you have to so again, this is what we do and you're all welcome to join us. We take off for August, for July. And so this is what the lectures will August 11, so you can rest.

Meanwhile, I want you to solve a lot of jobs to be done. And if you are bored, we have work at my home, gardening, cleaning, everything. Thank you so much.