



## 15.390 New Enterprises Mini Case Study #2: Idea Generation

By Howard Anderson and Bill Aulet

Three graduate students converge on a prestigious Northeastern school known for its ability to create new companies (MIT) with the same goal – to explore the possibilities of becoming an entrepreneur themselves while furthering their education.

Despite being in different programs at MIT, they find themselves – Susie S, Tommy T and Bonnie B – drawn together by their common interest a month into the school year and sitting at the school pub, “The Muddy Charles”, to discuss their plans.

Susie S, who graduated magna cum laude from an Ivy League school and then worked for 4 years in Brooklyn, New York working her way up to report to the Vice President of Operations at KeySpan (a major gas utility in the Northeast) and is now enrolled in the 2 year MBA program, speaks first, “I have succeeded in everything I have done and I really know how to motivate people. It doesn’t matter to me what I do; business is business. I could move dirt from A to B, I just want to do something where I can make a lot of money. Give me sand and I will make a diamond. Hewlett and Packard after all didn’t know what they were going to do when they started a company and they succeed. I am having a hard time figuring out what to do and wondering how much it really matters.”

Tommy T, who graduated with an honors degree from Purdue in material science and came directly to MIT and is enrolled in the highly prestigious smart materials PhD program, spoke next. “That seems peculiar to me Susie. I have some breakthrough technology that is 10x better than what is currently the gold standard for Optical Nano Oscillators. I would like to make a company out of this and capitalize on my expertise in this area and change the world like Sergey Brin and Larry Page did at Google based on their academic work at Stanford or Rodney Brooks at MIT with iRobot. Now that would be living the dream!”

“Wow, I have a different perspective than either of you,” Bonnie responded. Bonnie had gone to another local engineering school for her undergraduate degree in engineering (WPI) and then worked in a few companies before catching on at Gillette. She was back at school for a Masters degree in a joint program between business school and the school of engineering (the SDM program) so she could learn more about business and also refine her engineering skills. “I worked for 4 years in the engineering group at Gillette and saw the need for new engineering design tools that the current vendors are completely missing because they are wedded to their existing products which are now long in the tooth. I have a good sense of what the product should be but not sure yet how to build it, sell it and basically build a business. I am also not sure if that is the best opportunity. I have a number of different areas of expertise from my 8 years working in industries both at consumer goods and in product development



but I am also intrigued by what is going on in clean energy and the web now. I want to do something I am passionate about. Maybe it is time to change fields, what do you all think? Google just bought a travel company for hundreds of millions right here in Cambridge, maybe we should do that. I am also thinking that I was always told that process matter more than the result in most cases and maybe there is a process to generate ideas before we jump in and waste our precious time here at the university?"

As the group was thinking of how to respond to Bonnie's questions, Freddy P – a well know 2<sup>nd</sup> year leader in the entrepreneurial community – walked by and said to the group of them, "You guys are still talking to each other? Be careful you don't become a bunch of losers. JFDI – Just Freaking Do It. Entrepreneurship is not a spectator sport." And then he walked away.

**Questions:**

1. What are the strengths and weakness (if there are any) from each person's perspective?
2. How would you proceed?
3. Be ready to role play in class the scenario above and discuss how to move forward.