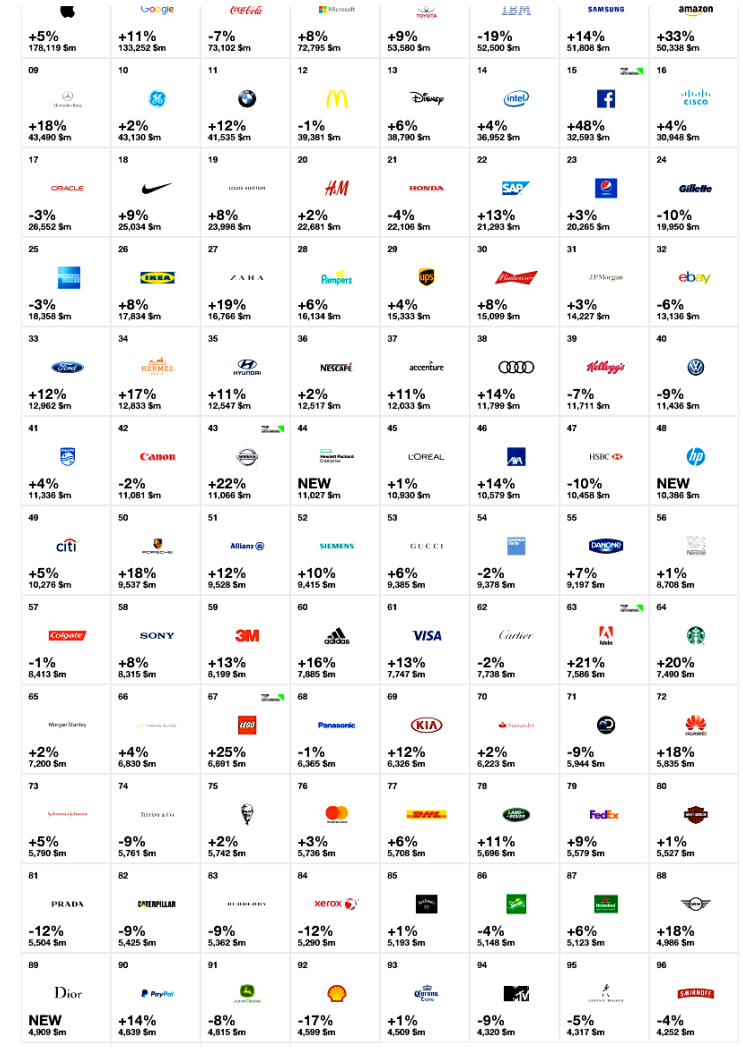
Video Information

Name:	Jobs-to-be-Done Video Transcript/Storyboard, “The Problem with Luck”
Designer:	Bruce Katlin
Purpose	Understand the problem with innovation and the potential solution
Related Course	“Jobs to Be Done” Thinking To Drive Innovation

TIME CODE	VISUAL	TEXT
00:00- 00:05	 Rotating GIF	Most business and organizations rely on sheer luck and antiquated strategies for innovation.

TIME CODE	VISUAL	TEXT
00:00- 00:10	 Brands Image	They focus solely on brands and products and not on the progress that their customers want to make in their lives.

TIME CODE	VISUAL	TEXT
00:10- 00:38	Thinking business leaders/ think tanks; R&D offices/labs Strategic charts/flipcharts/data chart, etc.	Innovation has been a top priority and a top frustration for companies around the world for a vey long time, yet, a staggering number of companies are unsatisfied with their own innovation performance. Most people would agree that the vast majority of innovations fall far short of ambitions, a fact that has remained unchanged for decades. On paper, this makes no sense. Companies have never had more sophisticated tools and techniques at their disposal and there are more resources than ever deployed in reaching innovation goals. So why do they continue to focus on getting better and better at doing the wrong things when it comes to innovation?

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00:38- 00:43	 Rotating GIF	One reason is that old habits are hard to change that is until now…

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00:43- 00:53	  	Let's take a look at the outcomes using two different approaches towards innovation and you make the decision on which methodology you think is more effective. After ten years of design and research, Bell Labs had high hopes in 1964 when they launched the Picturephone at the World's Fair in Queens, NY. Thousands queued up to experience a 10-minute visual talk with a stranger who was located at similar Picturephone exhibit in California.

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	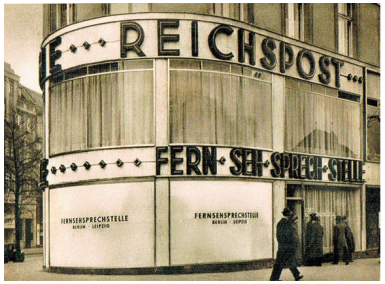 	This wasn't the first public video phone service to be demonstrated. In 1936, German developer Georg Schubert unveiled his videophone at the local post office. Schubert's design was based on the Gunter Krawinkel's earlier research of the late-1920s that he displayed at the 1929 Berlin International Radio Exposition.
		But what prompted Ma' Bell to try and innovate and improve on the Picturephone's predecessors? Considering the time and circumstance, post WWII, the space age, and higher consumer earning potential, they thought that people would want to see each who they were speaking with on the videophone. Bearing in mind the long lines and excitement at both the New York and California exhibits, Bell had good reasons to be proud of their new-aged product for communicating.
		The engineers at Bell must have been pretty excited at the conclusion of the World's Fair. They had worked hard for more than a decade and now had 'proof' that consumers would purchase their invention. But, had Bell asked the right questions when they conducted their research?

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	FO black	At the time, a three minute talk and see time cost $16 and a 15-minute video call could cost as much as $80 which, is the equivalent of $612 in 2016 dollars. In addition to usage costs, if you wanted to own your own Picturephone you'd shell out well over a thousand dollars plus, you'd have to buy one for the person on the other end of your call. Sadly to say, the Picturephone did not meet it's developer's expectations. But that didn't stop Bell from trying to make their product work and sell it to consumers. For the next 30 years, despite failure after failure, Bell now AT&T produced devices and expensive services based on the Picturephone. On February 5, 1969, AT&T started selling the Mod II a 5 x 5.5-inch screen to corporate clients. But by mid-1971, once again faced with spectacular Picturephone apathy, AT&T ended the service. Customers could rent public rooms to use the new service or build conferencing rooms on site. Charges for customers using public rooms in Washington and a public room in New York would cost $1,340 to conduct a one-hour meeting. A meeting between New York and Los Angeles would cost $2,380. Costs were slightly lower for customers using their own rooms with their own equipment. In 1970, AT&T tried a different approach. Instead of having to go to a public videophone booth, they made the technology installable at your home or office. AT&T offered their Picturephone service for $160 a month for 30 minutes of call time plus $0.25 for each additional minute. AT&T thought the system would be a huge success, but by the mid-1970s, only 500 systems had been installed. According to AT&T, the system failed due to the large size of the system, problems with the telephone infrastructure, the expense of using it, and its clunky, obtuse controls. Determined, AT&T tried again in July 1982, launching its very expensive corporate Picturephone Meeting Service. A one-hour video conference call between New York and LA could cost $2,380, which did not include the approximate cost of $117,500 to buy the equipment of $17,760 to lease it. After a year or so, this version of video calling didn't take off, either. A well-intentioned idea flopped and Bell Labs spent half-billion dollars to create it. You would rightly think that after Bell's experiences that innovators would start asking different questions. But in a nod to getting better and better at the wrong things, between 1966 and 1973, AT&T spent half a billion dollars on Picturephone research and development with nothing to show for it. AT&T's former corporate historian, called the videophone ''the most famous failure in the history of the Bell system.'' There's a better way and it starts with how to think, not what to think.

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	FU Cross Blur  **Image to be inserted**	When President Paul LeBlanc started working at Southern New Hampshire University in 2003 SNHU was deep in a financial crisis. By his own admission he was looking for a method other than luck and conventional methods for innovating to develop a solution to the University's fiscal woes. All around the country, similar colleges were facing deep financial troubles, closing or merging just to stay alive. The onset of the recession five years later made things look even worse. Enrollment began to drop along with budget pressures and SNHU was doing everything it could just to stay afloat. Like most higher educational institutions, SNHU essentially treated all students the same. The University had relied on appealing to a traditional student body: eighteen-year-olds, fresh out of high school. The marketing and outreach were generic for everyone, regardless of their circumstances, and the policies and delivery models that served the school were designed to appeal to a "typical" student that really didn't exist. They were trying to design a one-size-fits-all education for the "average" student. Sound familiar?

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	Image to be inserted	So Leblanc and his team approached their challenge in a completely new way by asking themselves the question, "What job are students actually hiring SNHU to do?" Asking themselves that question led them to a very important insight. Not only was there one answer to that question, there were two.
	Image to be inserted	Almost nothing had changed in SNHU's approach to recruiting high school graduates in decades. It relied on traditional marketing and word of mouth to get prospects to the campus, where SNHU would wax poetic about the academics or financial aid or future career prospects. But through a jobs lens, LeBlanc says, the school realized that when these prospective students toured the campus, there were actually very few questions about these subjects. The students themselves focused on something entirely different. Their questions centered on the *experiences* they hoped to have in college, experiences they'd been anticipating for years. The prospective students in the circumstance of graduating from high school and being away from home for the first time *were not focused* on the *functional dimensions* of their education; *they were hiring SNHU for the coming-of-age experience*.
	Image to be inserted	SNHU had plenty of competitors for the roughly three thousand coming-of-age students it expected to enroll each year. There are a handful of established local colleges that compete every year for more or less the same pool of applicants. In that competition, SNHU would win some, lose some. It was hard to see much potential for growth however; SNHU had an online academic program, known as distance learning. It was "a sleepy operation on a nondescript corner of the main campus," as LeBlanc described it, but it had been able to attract a steady stream of students who wanted to resume an abandoned education at a later stage of their lives.

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	Image to be inserted	The online program had been launched ten years before, but it was treated as a side project, and the University put almost no resources into it. On paper, all the students might have looked similar, rolling up into one category based on where they were in terms of course completion. A thirty-five-year-old working toward an accounting degree needs the same courses as an eighteen-year-old working toward the same degree, right? Don't they both need quality education at affordable prices? But with the lens of Jobs-to-Be-Done, LeBlanc and his team saw that the job these nontraditional students were hiring SNHU to do had almost nothing in common with the job coming-of-age undergraduates were hiring it for, and that it was framed by a very different circumstance. The average online student is thirty years old, juggling work and family while trying to squeeze in an education. Many of them have some college credits, but stopped their education for a myriad of reasons but life told them it's time to go back to school to further their academic credentials in order to improve their career prospects and thus to improve their family's lives. They've already had all the coming-of-age experiences they can handle. They need higher education to provide just four things: convenience, customer service, credentials, and speedy completion times.

	Image to be inserted **Image to be inserted**	*This, LeBlanc's team realized, was an enormous opportunity*. SNHU's online program wasn't in competition with the same set of local competitors at all. It was competing with other national online programs that were created and designed to provide students with training and credentials that might help them get a better job. But even more significantly, SNHU was also competing with nothing, something we in the Jobs-to-Be-Done world call, Non-consumption. And the competition that was competing for nothing was in this case: people you were choosing to do nothing to further their education at that stage of life. With that perspective, the size of the market suddenly went from seeming finite to one with *enormous untapped potential*! Who wouldn't want to be competing with nothing? But LeBlanc and his team quickly realized that very little about SNHU's existing policies, structures, and procedures were set up to support the actual job of online learners. Take, for example, the way that SNHU, and many other universities for that matter, typically discussed financial aid with prospective students. For a typical high school student, a conversation began sometime in their junior year, during which time SNHU would provide some basic information about financial aid. Neither student nor university expected to have to offer any more specifics for at least a year, after formal application and financial disclosure by the student's parents when a college admissions offer was made. The financial-aid process at SNHU was structured around the ability to have a leisurely, low-level-of-urgency conversation with prospective students. Responding to a query could reasonably be expected to take weeks. When prospective students made an online query, they would receive a boilerplate response within twenty-four hours. Then a week or so later, a packet of information, the same for everyone who inquired would arrive in the mail. Then SNHU, like many universities, would just wait for the prospective students to call or follow up in some way. For many undergraduate candidates, particularly for the coming-of-age segment, that system worked fine. Because as they realized, the decision about financial aid might be important to their parents, but it wasn't critical to the students themselves and what they were hiring the university to do for them.

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	Image to be inserted	By contrast, financial considerations were enormously important for adult online learners. The job they were hiring a university to do was to provide them with credentials that would improve their professional prospects as quickly and efficiently as possible. When the leaders of SNHU thought about these students, it became clear how flawed the school's generic response to all prospects was. When adult learners are actively online seeking information about a continuing education program, he or she was ripe, right then, to make a decision about what to do next. Starting the inquiry process was very close to the moment of making a decision. SNHU knew that its students were often working parents and for SNHU to wait twenty-four hours to send a generic response and then weeks later to provide candidates with any specific information about their own financial aid options was tantamount to not responding at all. These learners required something completely different from what traditional students out of high school required. And then LeBlanc and his team, had an "aha!" moment. The key was finally asking the right question that led them to better answers.
	Image to be inserted	They were frustrated and struggling with their inability to grow; everything had to change on two different tracks corresponding to the two distinct jobs. Instead of the second-class-citizen status the online portion of the university had been given since its inception, LeBlanc and his leadership team made it their focus. They moved the small online recruitment and administration team two miles away to new offices in a former mill yard that allowed the online team to grow unfettered by the physical and structural limitations of the traditional university policies and procedures. Then LeBlanc and his team led a session of the top online faculty and administrators and charted out the entire admissions process; from first inquiry to first class putting them on a whiteboard. The team then circled all the hurdles that SNHU was throwing up or not helping to overcome. And then, they focused on the unique job of online learners; their unique circumstances, and the functional, social, and emotional dimensions of the job that were important to them. After which, one by one, the team eliminated those hurdles and replaced them with experiences that would perfectly satisfy this job. There were literally dozens and dozens of decisions that came out of this new jobs focus.

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	Image to be inserted	They asked, "What are the experiences customers seek in order to make progress?" "What are the social, emotional, and functional dimensions?" But perhaps most important, SNHU realized that enrolling prospects in a first class was only the beginning of doing the job for them. To truly fulfill the job that those applicants were hiring continuing education to do for them, SNHU had to make sure it succeeded in meeting their own goals. So they set up each new online student with a personal adviser, who stays in constant contact and notices red flags even before the students might in order to help them continue to make the progress they want to make.

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	Image to be inserted **Image to be inserted**	And if at this point you're thinking about your own challenges of how to make progress in your organization and are wondering if Jobs-to-Be-Done can pay off for you, consider SNHU's staggering growth due to their deep understand of their students' Jobs to Be Done needs. There are now more than seventy-five thousand students in thirty-six states and countries around the world. In fact, so many students have chosen SNHU that by the end of fiscal 2016, SNHU was closing in on $535 million in revenues, a 34 percent compounded annual growth rate for the past six years. They have be routinely lauded by U.S. News & World Report (and other publications) as one of the most innovative colleges in America. In 2012, Fast Company magazine named SNHU as one of the most innovative organizations in the world, ahead of LinkedIn, Starbucks, and the National Football League. So, if you are tired of throwing yourself and your organization into well-intended innovation efforts that routinely underwhelm; if you want to create products and services that you know, in advance, customers will not only be eager to buy, but willing to pay a premium price for; if you want to compete and win against those relying on luck to successfully innovate, then it's time to make a 360 degree change in the way you think about innovation.