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SMALL BUSINESS

3 Reasons Why Even the Best Business Ideas Can Fail

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and sometimes the businesses themselves – died untimely deaths anyway.

“People often don’t realize that a product can be smart and work well, and still fail when it hits the marketplace,” says Mayur Ramgir (www.mayurramgir.com), president and CEO of Zonopact Inc., a software development firm that specializes in innovative business solutions. Ramgir is an award-winning author, speaker, innovator and entrepreneur. Educated at Georgia Tech, MIT, Oxford and the University of Sussex, he currently serves as president and CEO of Boston-based Zonopact Inc. Ramgir’s book, *Unbarred Innovation: A Pathway to Greatest Discoveries*, was published in 2016.

Don’t get him wrong. Businesses that encourage employees to innovate have the right idea, says Ramgir, who also is the author of *Unbarred Innovation: A Pathway to Greatest Discoveries*. But they can’t assume their breakthroughs will succeed on merit alone. The development process must take even the tiniest possible customer pushback into consideration.

He says mistakes companies make include:

- **Not caring about price.** Many innovative companies neglect to do a cost-benefit analysis from the customer’s point of view, Ramgir says. Even if a product has more benefits than what is currently on the market, people won’t buy it if the price is too high.

For example, a thermostat with built-in Wi-Fi that can be programmed remotely and saves energy is fantastic. But if it costs \$300, and you can get a programmable thermostat with fewer bells and whistles for less than \$50, the customer base could be limited.

- **Ignoring optics.** An idea may be wonderful and beneficial, but still look bad to consumers, Ramgir says. Remember the Segway, the two-wheeled electric vehicle for scooting down city sidewalks? As nifty as it was, the Segway never took off. There were several reasons, Ramgir says, but one of those is that in a time of obesity worries, health-conscious people didn’t want to be viewed as lazy by riding a device that eliminates the need for walking.
- **Disregarding social norms.** A product will fail if it makes people feel uncomfortable. A good example is Google Glass, the head-mounted computer system that arrived with a huge splash in 2012 – and then belly flopped. Turns out, the possibility that someone could discreetly take photos or videos of you during a private moment – even in a public restroom – was too creepy. And the product was

banned from venues that didn't want any recording going on, including movie theaters, private clubs and casinos.

Ramgir urges innovators to think of their ideas like “a piece of a puzzle that has to be just the right shape – on all sides – to fit into people's lives.”

“If your idea is too expensive, makes the user feel uncomfortable or makes others uncomfortable,” he says, “it may never succeed.”

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