



## **REACHING MORE CUSTOMERS, DELVING INTO THE UNKNOWN**

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*Submission: 3/28/2020*

*Revision: 5/13/2020*

*Accept: 6/3/2020*

### **ABSTRACT**

Organizations have ineffective information management practices, and improper analytical methods and tools for innovations. As a consequence, customers are not appropriately reached, decision-making is compromised and –unfortunately– most innovations don’t achieve the desired results. In this sense and through the study of Disruptive Innovation Theory (DIT) and Job To Be Done Theory (JTBDT) –developed by Harvard Professor Clayton Christensen– it is pointed out that a novel universe of value is created for small firms and incumbents in their innovation environments. In other words, “unrevealed” areas of opportunities (or Disrupted Innovation Theory, DIT) and “undisclosed” products (Job-To-Be-Done Theory, JTBDT) take place, allowing a wide range of new organizational and social development, not only a different/better/worse known market or product. This result in an additional distinction between two antagonistic fields that coexist in the current business context: the known field (referred to sustaining innovations) and the unknown one (connected with DI and JTBD). Managers are urged to understand their differences, and theories/tools must be reconsidered to manage those opposite worlds. Therefore, the hypothesis of this investigation –which was corroborated– states that a deep understanding of DIT and JTBDT can help to reach more customers with adapted products, and to wider develop organizations and markets. It was utilized a qualitative methodology, with an exploratory descriptive study. The design was non-experimental and -within them- transversal, since the information was collected at a given moment of time.



**Keywords:** customer; unknown; disruptive innovation; job to be done; Clayton Christensen

## 1. INTRODUCTION

Effective information management and good decision-making are not easy in the current organizational context. Robertson (2020) understands that improving information management practices represent a key factor for many organizations, no matter if they are public or private. But to carry out this job, there must be considered elements like business processes and practices, compliance regulations, new services launch, and –in some cases- new technology solutions deployment. Nevertheless, the author observes a poor track record of success in these projects and a struggling situation to deliver an integrated management environment because there are different systems to integrate, business needs to reply, and complex organizational/cultural issues to address.

But the current organizational context is hardly influenced by innovation. In fact and in established enterprises, managers use analytical methods that make innovation investments hardly to justify. Christensen et al (2010) say that in well-run firms it is impossible to innovate because their executives:

1. Are focused on their most profitable customers, having less-demanding customers at risk.
2. Create new products that don't respond to the job that customers want to do with them.
3. Misguide the application of three financial tools when analyzing future investments: a) discounted cash flow, b) fixed/sunk costs miss consideration, and c) earnings per share excessive emphasis. Generally, these tools distort the value, decisions and possibilities of success in innovation investments.

In addition, they admit that stage-gate innovation with key-decision criteria at each gate, projections that need to look in specific ways to win funding, and a known strategy in incremental innovations are important processes that misguide management to the right direction with innovation investments.

As a result, they assert that managers don't have good tools to develop strategy, understand markets, build brands and find customers, among others.

Going deeper and in the majority of the organizations, information abounds; in most of big firms are used big data, analytics, artificial intelligence and machine learning, but current tools are ineffective to understand why customers are not adequately reached. As a

consequence, decision-making is compromised and most innovations don't achieve the desired results. Supporting this argument, Christensen et al (2016) suggest that:

- The majority of innovations don't respond to ambitions as certain elements are observed which are giving a false perspective on what organizations are doing on the matter, basically: a) the big data revolution and the sophisticated analysis that derive from it, which are giving an enormous amount of customers' information, at a tremendous speed, and b) structured and discipline innovations processes with talented people running them.
- The problem is that managers are comfortable taking decisions on correlations on what customers prefer or look like. As an example, a person may have a lot of characteristics -like being married, having children, and driving a specific car- but none of them has caused him/her to buy a specific newspaper (for instance, that this customer bought it because he/she will have a flight and wants something to read, or that simply he/she would like to read about sports). All these specific reasons are not going to be captured by any marketer. As a result, focusing on knowing more about customers has taken firms to the wrong direction.

In addition and to complicate this matter even more, a prior work<sup>1</sup> asserts that -in globalization- social and identity factors influence buyers' decisions that apparently pertain to the same target market. For instance, it is difficult to say that two customers -that belong to the same market segment- will take the same buying decision as -for instance- they may be influenced by different prior lives' experiences.

- Firms must concentrate on customers' JTBD. In other words, on what they want to accomplish or on what they are trying to make in a given circumstance. Some are little, other big; some are regularly and other unpredictable; but buying a product is hiring a JTBD.

Moesta, a Detroit building firm that targeted downsizers-retirees looking to move, is a given example. After not selling their houses as fast as they wanted, they understood the characteristics that were being bought by some customers: a big living room, a large second bedroom for visitors, and a breakfast bar to make entertainment easy and casual.

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<sup>1</sup> For further details see: Viltard, L. A. (2013) Globalización: Entenderla y tomar decisiones, B. S. Lab, Avellino, Italia.

These characteristics meant for different things for their customers: holidays, birthdays and other parties that should be around the dining table. At this point, Moesta owner realized that they weren't in the new-home construction business but in moving lives. As a result, the architect reduced the size of the second bedroom in order to expand the dining room area for a bigger table, and then provided: a) moving services, to reduce the anxiety of moving to the new house, b) two-years worth of storage and c) a sorting room in the condo to give the right time to decide what to discard to the new owners. In this way, they differentiated the offering in order to have a diverse perspective on the customers' JTBD.

As a conclusion, it is possible to observe that it is required: a) an integrated management environment to improve current ineffective management practices, b) to readapt existing tools to develop strategy, understand markets, build brands and find customers, among others, solving improper analytical methods and invalid processes for innovation, and c) to look at customer's JTBD in order to reach more customers, refine decision-making and achieve higher levels of results. This problematic, needs/focus and requirements are studied in this work and summarized in the following Table:

Problem	Needs/Focus	Requirement
Ineffective information management practices.	<ul style="list-style-type: none"> <li>• Business processes and practices.</li> <li>• Compliance regulations.</li> <li>• New services launch.</li> <li>• New technology solutions.</li> </ul>	Integrated management environment
Improper analytical methods for innovations.	<ul style="list-style-type: none"> <li>• Less-demanding customers.</li> <li>• New products must respond to a JTBD.</li> <li>• Right application of three financial tools.</li> </ul>	Tools to develop strategy, understand markets, build brands and find customers, among others
Invalid processes for innovations.	<ul style="list-style-type: none"> <li>• Stage-gate criterias.</li> <li>• Projections.</li> <li>• Kwon strategy.</li> </ul>	
Customers are not adequately reached, decision making is compromised and most innovations don't achieve results.	<ul style="list-style-type: none"> <li>• Huge amount of information processed.</li> <li>• Decisions are taken based on correlations.</li> <li>• Know more about customers.</li> </ul>	Customer's Job To Be Done (JTBD)

Table 1: Problematic, needs/focus and requirements  
 Source: Own

Consequently, this research will make a review of these two theories, deepening on the JTBDT to better understand customers' decisions on products and help organizations to reach more customers.

The following questions allowed guiding the present investigation:

- What are the main precepts of DIT and JTBDT? What they explain and identify?
- What are the main steps in JTBD discovering?
- Are actual theories and tools applicable to every type of firm, market and product?

### **1.1. Hypothesis**

A thorough understanding of Disruption Innovation (DIT) and Job To Be Done Theories (JTBDT) can help to reach more customers with adapted products, and to wider develop organizations and markets.

### **1.2. General Objective**

To study Disruption Innovation (DIT) and Job To Be Done Theories (JTBDT) in order to provide a deeper understanding on customers' decisions on products, and help organizations in their development.

### **1.3. Methodology**

It was utilized a qualitative methodology, with an exploratory descriptive study. The design was non-experimental and -within them- transversal, since the information was collected at a given moment of time.

The analysis unit refers to two important theories (DIT and JTBDT) developed by Harvard Professor Clayton Christensen, deepening on JTBDT.

It was performed a bibliographical work, studying relevant authors, in order to analyze the topic under analysis. It is stated that it was not made a field work.

This research took place in the period November 2019-April 2020, in Buenos Aires, Argentina.

### **1.4. Research limitations/clarifications**

Within the scope of this investigation, were found some limitations /clarifications that are detailed below:

- Although it is difficult to ascertain that all relevant information has been included, the investigation refers to studies obtained from significant secondary sources.

- The present study is complex and multidimensional due to its highly social content. As a result, what is proposed is shown with an open mind and in a professional discussion tone.
- The general conclusions are based on the elements that have been analyzed and that are part of the present study.
- Based on the understanding that this work was qualitative, it is not possible to generalize the findings although it is intended to contribute to the decision-making process regarding the studied topic.

The limitations/clarifications detailed above have not been an obstacle to reaching reasonable conclusions regarding the objective and hypothesis of the present study.

Finally, it is indicated that the hypothesis was corroborated and the objective verified.

## **2. THEORETICAL FRAMEWORK**

This section reviews two important theories –DIT and JTBDT- that were coined by Harvard Professor Clayton Christensen and enhanced by other important specialists.

### **2.1. Disruption Innovation Theory (DIT) or why disruption is possible?**

Wunker & Farber (2017) assert that DIT is often misunderstood and misused. It is more than something shaking up an industry; it is about capitalizing potentially game-changing areas of opportunity. Basically, it says that incumbent companies are challenged by new entrants by targeting overlooked customers or usage occasions, with lower prices, other types of performance (generally, lesser product functionalities), and greater convenience. They say that disruption is possible because:

- a) *Incumbents are focused on upper-end consumers*, which are more demanding and profitable. Initially, DI don't satisfy the customers that incumbents serve, and product margins are lower than actual offerings to upper-end customers; these are the basis of what Christensen calls "the innovator's dilemma".
- b) *Less demanding consumers or non-consumers open up opportunities* as incumbents target most demanding customers, over-shooting what a lot of their customers demand. As a consequence, customers vary from the ones that have to pay a lot for a product to the ones that cannot buy at all.
- c) *Inferior new offerings compete asymmetrically*. In fact, lower performances are traded for lower prices and greater accessibility. This is the case of digital cameras that –at the

beginning- traded lower quality photos with no wait or additional costs. These products that compete asymmetrically are often ignored, making it difficult for incumbents to respond.

As an example, General Motors’s investment in Lift made the giant automaker enter in the ride-sharing business. There are benefits like not worrying about parking and avoiding fixed expenses of owing a car, but some inconveniences are seen, too: not having the possibility of jumping into the car, no satisfaction of the driving experience, and no expression of a personal style through transportation.

To understand the DIT it is required to see where there is room for innovation, predicting how incumbents will respond and behave in front of new comers’ threats.

As a result, a summary of this section is shown in the following Table:

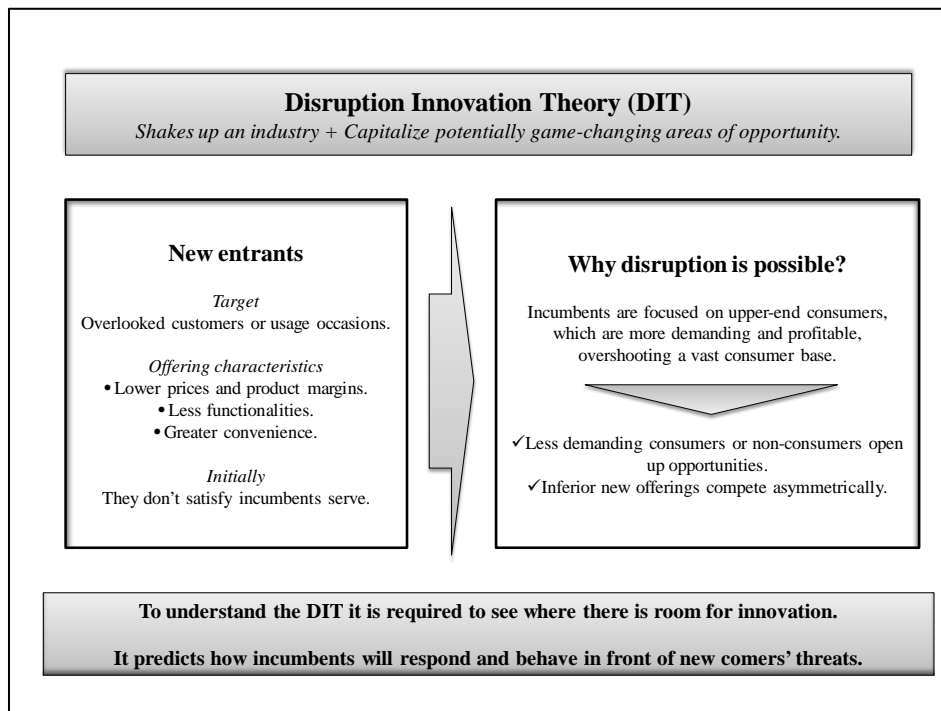


Table 2: Disruption Innovation Theory (DIT)  
 Source: Own

## 2.2. Job-To-Be-Done Theory (JTBDT) or why a product is bought over another?

Chasing the objective to take advantage of market openings, Wunker & Farber (2017) admit that firms must design solutions that respond to real customer needs, being important the JTBDT, a second important theory popularized by Professor Christensen. It explains why a product is preferred and bought over another. In fact, Christensen et al (2016) suggest that the JTBDT was developed as a complement of the DIT, and it predicts the behavior of firms in

danger of being disrupted and helps to understand which entrants may pose the biggest challenges to incumbents.

Complementing the prior ideas, Dillon (2016) suggests that DIT explains why incumbents are disrupted, but it doesn't tell a startup firm what product/service will disrupt a giant. In this sense, Wunker and Farber (2017) admit that these theories –DIT and JTBDT- constitute a powerful force; the former helps to identify areas of innovation and the latter tells how to do so.

In the following Table, it is found a complementary view of both theories:

	<b>Disruption Innovation Theory (DIT)</b>	<b>Job To Be Done Theory (JTBDT)</b>
<b>Explains</b>	Why incumbents are disrupted.	What product will disrupt giants.
<b>Identifies</b>	Areas of innovation	How to identify areas of innovation

Table 3: DIT and JTBD  
 Source: Own

Moreover and in accordance with Christensen et al (2016), Wunker & Farber (2017), Dillon (2016) and Wunker (2005), they point out the following key elements that must be analyzed in dept:

### 2.3. JTBDT understanding

A customer “hires” a product to satisfy a “job” that must be done, which may satisfy different natures: functional (ex.: a nutritional meal for your children), emotional (ex.: having your partner appreciate the effort you put to make a meal) or social. Emotional and social experiences are more powerful than functional ones.

A job refers to three characteristics: 1) gives a reply to a specific problem, 2) is needed by a particular set of people or businesses, and 3) it applies under certain conditions.



As an example, MinuteClinic -a disruptive retail concept for cold-nasal congestion related problems- makes a diagnostic and properly medicates it in 15 minutes. They narrowed the set of diseases that may be causing the sinus pain or congestion, and -without an appointment- a nurse practitioner (rather than a doctor), with simple equipment, is accessible to anyone.

Innovators must look at the job that consumers want to get done, rather than what a consumer is or the category in which the product fights into. This is a similar argument as the one used by T. Levitt: a customer is not buying a drill, but a tool to make a hole. In this way, they are amplifying the limits of market's needs. So, a drill company should not ignore opportunities of other hole-making technologies. In this sense, a job-based view translates customer behavior into specifications for product development.

The JTBDT helps to create products that customers want to buy, transforming customer understandings and choices. For instance, an Airbnb lodge may be wanted for many reasons, such as somebody doesn't want to feel like a stranger in a city, or may want to revisit places he/she was before. In these cases, Airbnb is competing with friend's rooms, not with hotels. The room is cheaper than a hotel and "good enough" in comparison with friends spare rooms, so knowing what job a customer is hiring is enough to understand what product/service will fit his/hers desires.

To launch Airbnb, their founders identified 45 different emotional moments for hosts and guests. Those storyboards indicated the different JTBD that customers are hiring at Airbnb, and their specific characteristics (sex, age, where do they live, why are they hosting, quantity of bags, and if they are nervous or have other feelings). That is why the experience they live must match with what customers are seeking when they hire Airbnb.

Another case is Uber: its secret success is -as Airbnb- on an experience, which is better than existing alternatives. It is built from customers that are allowed to pay without cash on hand to knowing when their specific driver will turn up.

Successful innovations help customers to solve problems, in B2C and B2B contexts. That is why a JTBD may be understood as follows:

- *Is what a person may want to accomplish in a given circumstance.* It is not the same to buy a house for the first time than buying it as a downsizer-retiree.
- *The circumstances are more important than customer/product characteristics, trends or new technologies.* Seeing the product from the lens of customers' circumstances

gives a different understanding: competitors are not other condos, but the idea of no move at all.

- *Good innovations solve poorly-addressed solutions or no solutions.* Most elder shoppers didn't become buyers because they struggle on things like moving, and finding place enough for their furniture.
- *Jobs are not simple about function, and they have social and emotional powerful dimensions.* Having two years to decide what to do with old furniture, buyers could work emotionally on what to keep and what to discard. Stress reduction was important for the buying decision.

In the following Table, it is shown a summary of JTBD understanding:

JTBD	Description
<b>What is it?</b>	<ul style="list-style-type: none"> <li>• A customer "hires" a product to satisfy a JTBD.</li> <li>• It is referred to what a person may want to accomplish in a given circumstance, seen from customer's lens. Also, it gives a different perspective of competitors.</li> </ul>
<b>Characteristics</b>	<ol style="list-style-type: none"> <li>1) Gives a reply to a specific problem.</li> <li>2) Is needed by a particular set of people or businesses.</li> <li>3) It applies under certain conditions.</li> </ol>
<b>Dimensions</b>	Creates functional, emotional and social experiences. Jobs are not simple about function, and have also social and emotional powerful dimensions.
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• A job-based view translates customer behavior into specifications for product development and amplify the limits of market needs. Ex.: a customer doesn't buy a drill, but a tool to make a hole.</li> <li>• The JTBDT helps to create products that customers want to buy, transforming customer understandings and choices.</li> <li>• Successful innovations work out problems in B2B and B2C contexts, and solve poorly-addressed solutions or no solutions.</li> </ul>

Table 4: JTBD understanding  
 Source: Own

#### 2.4. JTBD discovering

Jobs are important to be understood, but also how they are discovered. In this regard, it is necessary to go in depth into two important factors: 1) actual customer's job, for which it is critical to define the scope of analysis (are we finding the origin of cold like symptoms or sinus pain?), and 2) who is trying to accomplish the job and what are the hassles that are faced.

Simply put, offerings must be design around jobs. So, the first step is to define the JTBD, for which it is necessary to ask the following five questions: 1) do you have a job that needs to be done?, 2) where do you see non-consumption?, 3) what works-around have people

invented?, 4) what tasks do people want to avoid?, and 5) what surprising uses have customers invented for existing products?.

Then, uncovering the job generally derives in ethnographic research to look at everyday users' activities to understand the jobs that they are trying to accomplish. After selecting different jobs, it is necessary to begin focus-groups conversations that will help product development.

To guide the research it is necessary to ask the following questions: 1) what are users doing instead of getting a difficult job done?, 2) can a new product simplify a process?, and 3) what is driving products' non-consumption?

Those looking to new product development should consider the vast gap between the best way of doing the job and the current way people are using. A DI may begin on poor performance, inconvenience, unreliability and other situations. Thus, the main criteria that it must accomplish is to get a particular job or various jobs done at a "good enough" level, having room to evolve with team's learning of the market.

At this stage, there are other questions that may be asked: 1) are competitors motivated to ignore jobs?, 2) are there partnerships that may help customer to get the job done?, and 3) can this opportunity exploit trends in the industry?

Also, it is fundamental to understand competition, which means looking at products that may give a reply to customers' jobs. In fact, the competition of a museum may not be another museum, but another entertainment alternative as Candy Crush or Netflix. Accordingly, it is important to understand the value of accomplishing those jobs for customers.

As a summary, jobs-based approach is different from other market segmentation methods, which are very useful, but jobs define what an actual product should be.

The second step refers to creating the right customer experiences. As an example, it is referred American Girl dolls' case, which -directed to preteen girls and coming in a variety of styles and ethnicities- customers pay one hundred dollars for a doll and hundreds more for clothing, books, and accessories. When a competitive advantage lasts for more than 30 years like American Girls, rarely it comes from the product itself. They are not selling dolls, they sell experiences. Each doll has a relation with a moment in US history and it is backed up with a book, giving the opportunity to engage with girl's imagination, connect with friends and create unforgettable memories with other doll's owners. For parents –the buyers- the dolls help to connect with prior generations, their values and traditions. The experiences they are boosting

are connected with articulating girls' feelings and validating who they are. Different dolls speak about leadership, compassion, courage, loyalty, immigration, challenges, success, and other strong feelings from ancestors.

These dolls are available only through mail order or in American Girl stores located in specific metropolitan areas, which have dolls' hospitals for repair and some have thematic restaurants for parents, children and their dolls in which can enjoy a pleasant kids meal or can host birthday parties.

The secret of their success and why this model is difficult to be copied by competitors like Disney, Wal-Mart and Toys R Us is that American Girl is focused on experiences, connections and stories; they are not in the doll business.

Finally, the third step is to integrate the experiences into company's processes to support the JTBD. As MIT's Edgar Schein has discussed, processes "are a critical part of organization's unspoken culture"; they tell what most matters. As an example, it is mentioned Southern New Hampshire University (SNHU) whose authorities decided to target online students, realizing that they were competing with nothing: non-consumption. So, the market suddenly became massive and untapped.

Their target, 30 years old online-higher education students, need convenience, customer service, credentials and speedy completion times, not social activities or campus scenes. But to accomplish this job, policies, structures and policies should be changed, and online learning should not be treated as a second-class citizen. Some questions that SNHU team worked were: 1) what experiences will help customers to progress in a given circumstance? (Replies at night with a chat or in minutes after a phone call are the essence in this case), 2) what obstacles must be removed? (Aid packages and prior college courses recognition counts to be resolved in days, nor weeks or months), 3) what are the social, emotional, and functional dimensions of the job? (Ads must be oriented to the target market specifically, calling for emotions and personal objectives).

Enrolling students was only a first step, and then it was very important to have a personal adviser for the whole career to surmount student's everyday obstacles. Basically, SNHU is focused on students and on their path to the final completion of their studies; processes are tailored in the interest of the job they hired.

Summarizing, successful innovators identify poorly performed jobs in customers' lives, and then design processes, products and experiences around those jobs.



As a result and in order to create a disruptive strategy and launch a new product successfully, it is of most value to understand the JTBD that the customer is hiring and what competitors are offering.

In the following Table, it is shown a summary of this section:

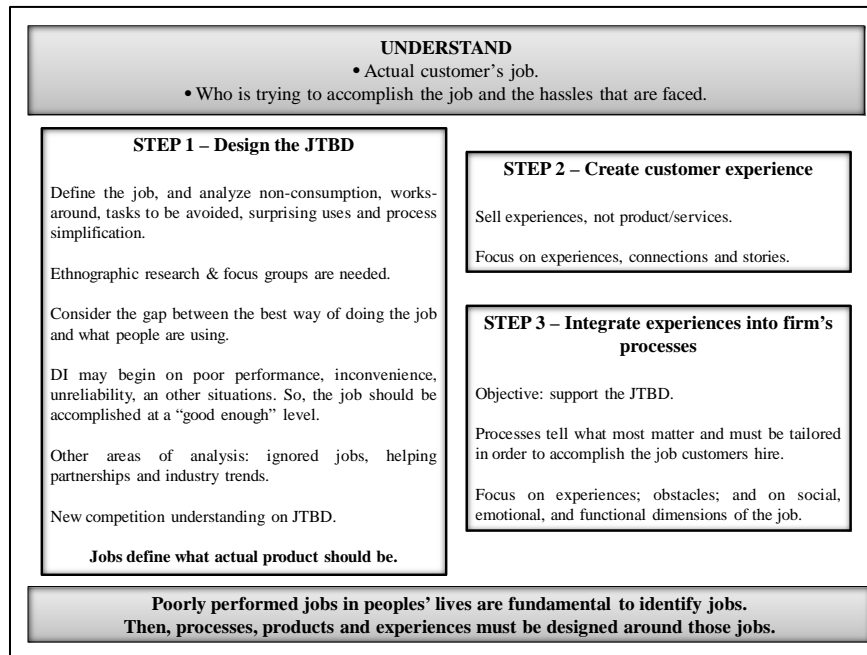


Table 4: JTBD discovering  
 Source: Own

## 2.5. Why these two theories are needed?

DIT and JTBDT offer a wide explanation about opportunities/new solutions and threads/vulnerabilities, which abound in the current business environment. In this respect, authors like Wunker & Farber (2017) agree that:

- These two theories are natural complements, being useful when firms are seeking for opportunities or are looking to avoid threads. Also, they show where incumbents are vulnerable and how customers are in search of new solutions.
- Jobs that are over-served are candidates for disruption. Thereby, ride-sharing services can disrupt automakers on jobs like short commutes.
- These low-end alternatives are possible because: a) the access to the solution is quick, b) they don't need any special skill to use it, c) they are used in a temporary situation, and d) they save money.
- The key to find DI products is to look at the jobs that people are trying to get done which are cumbersome or frustrating, even if people take those limitations for granted.

- Planning for the future means to break industry movements and customer behaviors down into identifiable parts, with a view to rebuild value chains for disruption.

### 3. DISCUSSION AND CONSEQUENCES

The studied theories open new avenues of thought and action in organizations.

An important matter that can be highlighted is that they connect with the unknown field: “unrevealed” areas of opportunities (DIT) and “undisclosed” products (JTBDT), not only to a different/better/worse known product or market.

In fact authors, like Kotler and Armstrong (2016), speak about customer needs, desires and demands, implying already known products/markets and referred to human needs that come from a perceived lack. This lack can be physical (food, heat, and security), social (affection, belonging, and acceptance) and/or individual (knowledge and self-expression). For them, these human needs can be molded culturally or according to the personality of each individual, and build up demand when these desires are accompanied by a purchasing power that allows obtaining the greatest satisfaction in exchange for the least possible money. On the contrary, JTBDT work out problems in B2B and B2C contexts, and solve poorly-addressed solutions or no solutions, opening alternatives for unknown markets and products at that precise moment.

Additionally, these needs, desires and demands derive in sustaining innovations, understood as incremental innovations that improve or sustains existing products in actual markets; they sustain current needs and are based on sustaining technologies. In confront, DI creates disruptive products that open opportunities to new markets and value networks, and are supported by disruptive technologies, which evolve to meet customers’ future needs better. These two types of innovations are at the core of the innovator’s dilemma, expressed in Christensen (2015).

Moreover, the tools that are applied to the known and unknown fields must be different, and most of them should be reconsidered because they are ineffective in the unknown. For example, Christensen et al (2010) say that there is a misguided application of three financial tools when considering innovation possibilities: 1) Discounted Cash Flow (DCF), 2) Sunk/Fixed Costs (SFC), and 3) Earnings Per Share (EPS). It is admitted that are good tools for sustaining innovations but they create a systematic bias when evaluating innovation investments.

For instance, the DCF don't consider the "doing nothing scenario" and errors in estimations on new markets and products. These errors may come from: a) disruptive investments are difficult to predict, and b) it is not known if the present health of the firm will persist in the future if innovation is not implemented.

In terms of SFC, they admit that are referred to capabilities that are required for yesterday's success but not necessarily for the future, and managers privilege assets and capabilities that may become obsolete in the near term. For incumbents, an investment in a new low-cost production facility makes no sense when compared to marginal costs of a current facility. That is why, fixed and sunk costs make it difficult for firms that actually invest in new capabilities; in fact, the authors recommend not considering those costs to evaluate investments in new ventures. Put another way, the problem for the incumbent is to rely on the capabilities that had been built to success in the past; in confront, the attackers have no fixed or sunk costs. As a consequence, managers should not ignore competences that are required for the future and/or destroy a firm by leveraging those of the past.

Addressing the issue of EPS, they say that is utilized as a primary driver of shareholder's value creation, and that interests of shareholders and managers are not aligned, because executives pursue other agendas. They are rewarded per EPS and EPS growth short term, but important traditional shareholders look after a long-term company posture, and indicators like market position, intellectual capital and long term capabilities are not being considered. Also, the investment flow in disruptive products and business models may be narrowed in confront of sustaining innovation environments.

As a summary, they recognize that managers in established firms don't have good market tools; so, the analytical methods that are utilized make innovation investments extremely difficult to validate. Also and as it was said in the Introduction of this study, key-decision criteria when analyzing projects, projections and strategies in incremental innovations are important processes but misguide management in innovation investments.

Additionally and in a prior work<sup>2</sup>, it is suggested that when managing existing markets and products it is possible to consider business plans, but in new markets and products learning

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<sup>2</sup> Viltard, L. A. (2015) The death of the business plan, more than ever learning plans and not business plans are meant to analyze most of business growth alternatives, **Independent Journal of Management & Production (IJM&P)**, Oct-Dec 2015, v6, n4.

plans are needed. In this case, the importance of experience and learning in the market becomes fundamental not to incur in extra costs and expenses.

Finally, DIT and JTBDT create an uncontested area of opportunity and a new universe of value for every kind of firms, as follows:

- *For small firms:* not having all the required resources may not be seen as a weakness, but as a wide avenue to develop future alternatives, based on the idea that new comers don't have assets and capabilities dedicated to the past. In this sense, traditional financial tools -like marginal contribution- destroy the incumbents' capacity to do new things. In Christensen et al (2010) words: "When new capabilities are required, managers are bias toward leveraging assets and capabilities that are likely to become obsolete".
- *For incumbents:* they must work on DI/JTBD, but in a separate business unit, with different processes, procedures and indicators (Christensen, 2015).

In the following Table, it is shown a summary of this section:

	<b>Known</b>	<b>Unknown</b>
<b>Theories/disciplines that apply</b>	Strategy, Marketing & Finance should be reconsidered.	DI & JTDD
<b>Opportunities &amp; Products/services</b>	Revealed & disclosed. <i>(Based on needs, desires and demands)</i>	Unrevealed & undisclosed. <i>(Problem-based. Solve poorly-addressed solutions or no solutions)</i>
<b>Type of innovation /technology</b>	Sustaining <i>(sustain current needs)</i>	Disruptive <i>(evolve to meet customer needs better)</i>
<b>Tools</b>	<ul style="list-style-type: none"> <li>• DCF, SFC &amp; EPS are good tools, but must be reconsidered for innovations.</li> <li>• Business plans. <i>(manage existing markets and products)</i></li> </ul>	<ul style="list-style-type: none"> <li>• DCF: examine the "doing nothing scenario" &amp; errors in estimations.</li> <li>• SFC: take into account sunk/fixed costs, and obsolete/future capabilities.</li> <li>• EPS: consider: 1) long term indicators like capabilities, market position and intellectual capital, 2) restriction in innovation investments. 3) key decision criteria.</li> <li>• Learning plans. <i>(manage novel markets and products)</i></li> </ul>
<b>Small/Incumbent firms' context and assets/capabilities</b>	<ul style="list-style-type: none"> <li>• Struggling/difficult (small).</li> <li>• Assets/capabilities dedicated to the past (Incumbent).</li> </ul>	<ul style="list-style-type: none"> <li>• Access to more resources (small).</li> <li>• Benefit: not having assets/capabilities dedicated to the past (small) + separate business unit (incumbent).</li> </ul>

Table 5: The known and the unknown fields

Source: Own

#### 4. CONCLUSION

In this work, it is noted that organizations have ineffective information management practices, and improper analytical methods and tools for innovations. That is the reason why



customers are not appropriately reached, decision-making is compromised and –unfortunately– most innovations don't achieve the desired results.

In order to solve these inconveniences, it is required an integrated management environment and to reconsider market tools to help in reaching more customers and provide the solutions that they need.

In this sense, there were studied two theories that help on this matter:

1. DIT: explains how new comers shake up an industry and capitalize potentially game-changing areas of opportunity. From incumbents' perspective, predicts how they will respond and behave in front of new comers' threats. In other words, it describes why incumbents are disrupted, identifying areas of innovation.
2. JTBDT: helps to create products that customers want to buy. The product is observed as a JTBD which is hired by a customer and/or what a person wants to accomplish in a given circumstance, working out problems in B2B and B2C contexts and solving poorly-addressed solutions or no solutions. In this environment, competition is seen from a different perspective.

To discover a JTBD it is necessary to design it, create customer experiences and integrate those experiences into firms' processes. Poorly performed jobs in peoples' lives are fundamental to identify jobs; then, processes, products and experiences must be designed around those jobs.

Finally, it is made a distinction between the fields of the known (referred to sustaining innovations) and the unknown (connected with DI/JTBD). In the unknown, unrevealed and undisclosed alternatives will appear as disruptive environments disclose new ways to solve actual problems, and evolve to meet customer needs better. Therefore, theories and tools must be reconsidered to work on innovation solutions.

Besides, small firms can challenge incumbents, accessing to more resources and benefiting from not having assets/capabilities dedicated to the past; incumbents must separate innovation projects into independent business units, reconsidering the processes, procedures and key indicators that may apply.

The field of the unknown has nothing to do with the known; they are antagonistic. The unknown is uncertain and risky but drives to immense sets of undisclosed value added

opportunities, to a wide unserved or poorly served population of the world<sup>3</sup>. Managers are urged to understand their differences, and theories/tools must be reconsidered to manage those opposite worlds. In small firms, this approach should be seen as a huge development opportunity; on the incumbents' side, as an environment to rethink and to be included in their daily decision processes and strategies.

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<sup>3</sup> For more information see: Viltard, L. A. (2018) The Growth Imperative, an approach to alleviate/eradicate poverty, **Independent Journal of Management & Production (IJM&P)**, Oct-Dec, 2018, v9, n4