

# TACTICS FOR WINNING BUY-IN FOR YOUR INNOVATIVE IDEAS

The key to innovation is having a great idea, but that’s only half the battle. Securing the resources to implement that idea is just as important—and potentially more difficult. Through our research we learned that innovators who succeed in securing resources use some or all of seven tactics that we call “impression amplifiers” to win support for novel ideas. These seven tactics emerged as the most widely used, and effective, methods and are backed by substantial academic research.

Each impression amplifier taps into the power of a fundamental psychological principle. Knowing these seven impression amplifiers, and how to use them, will increase your chances of winning crucial buy-in. While getting buy-in for any strategic initiative is critical, such as investing in a major plant expansion or taking existing products into a new market, these more incremental efforts can be justified by data analysis, financial forecasting, and strategic planning processes. Winning support for radical innovations with high market and technological uncertainty, such as launching completely novel products, or developing groundbreaking technologies, requires the use of very different tactics.

The impression amplifiers fall into three categories: (1) Clarify your idea, (2) demonstrate the belief of others, and (3) demonstrate your belief in yourself and your idea. **This worksheet is designed to help you apply each amplifier to a novel business idea you would like to pursue. Walk through each of the 7 impression amplifiers and apply the amplifier to your idea.**

*For additional guidance or case studies on how to use these amplifiers, see chapter 6 of Innovation Capital.*

NAME

BUSINESS IDEA

### CLARIFY THE IDEA

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#### 1. COMPARING

Comparing involves drawing a relevant analogy or metaphor between your novel idea and a familiar, and successful, concept. This is important because when people encounter something they don't recognize, they make sense of it by associating it with something familiar. For example, if you call your idea “the Air BnB of storage” everyone quickly guesses that you are talking about a business that allows regular people to rent out their extra space for storage.

Comparing works because it draws upon the psychology of mental shortcuts (heuristics), and how humans use analogies to more efficiently learn new concepts, form judgments, and make decisions. Research examining the use of comparisons shows that startups using analogies and metaphors in their prospectus achieve higher valuations during IPOs. Put simply, comparing gives listeners a reason to believe in your idea in light of something they already understand and believe in.

#### How to Use Comparing

- Our research suggests that effective comparisons follow several key principles.
- Great comparisons describe both opportunity and solution. Weak comparisons only convey one.
- Test multiple options to find the right benefit, not the obvious benefit. Most ideas have multiple potential benefits. List these out and select the benefit that will trigger action in your audience because it describes both the opportunity and solution.
- Use simple comparisons for complex ideas.

After reviewing the section on comparing, identify a comparison you can use to describe your idea/solution:



## IMPRESSION AMPLIFIERS WORKSHEET

### 2. MATERIALIZING

Materializing is a technique that involves making an abstract idea visible or tangible. This can mean a physical product or prototype. But ideas can also be made tangible through drawings, videos, graphic representations, or data. Materializing works because our brains are biased to believe in tangible, visible artifacts over abstract ideas. Seeing is believing because we respond more readily to visual objects, and we also remember them longer. Thus, materializing an abstract idea into a tangible format makes the idea not only easier to process and remember, but also more believable. Not surprisingly, research shows that entrepreneurial teams that create visual product concept representations are less likely to fail.

#### How to Use Materializing

- **Radical ideas depend more on materializing.** The more novel the idea, the more misleading customer feedback can be. The more radical the idea, the more critical materializing will be to winning support.
- **Focus on form over function for market/demand uncertainty.** If the key question is, “will customers want it,” ignore making it work and instead materialize the customer experience.
- **Focus on function over form for technology uncertainty.** If the key question is, “will it work,” you can ignore making it look good and focus on materializing the key functionality.
- **Materializing works best when people are afraid.** Although materializing works with all kinds of sponsors and organizations, it is particularly effective in risk-averse organizational environments. The reason is that materializing helps reduce demand or technological uncertainty, thereby reducing the perceived riskiness associated with a novel idea.

After reviewing the section on materializing, describe how you would materialize your idea:

## IMPRESSION AMPLIFIERS WORKSHEET

### 3. STORYTELLING

Storytelling works by creating an emotional connection that helps listeners suspend their disbelief and feel motivated to take action. There are deep psychological and neuroscientific reasons why stories work to persuade. Neuroscience studies show that stories can literally lead the minds of the storyteller and audience to “sync,” or reflect the same brain patterns, and “couple,” or to connect and anticipate each other. This increases listener engagement and the likelihood of a common emotional response. Similarly, research in psychology underscores how stories, when used well, capture our attention, transport us to the world of the storyteller, and release brain chemicals that increase the likelihood of persuasion and action. Stories are so powerful, that they can even transform what could be a losing situation into a winning one.

#### How to Use Storytelling

- **Create a narrative arc.** Great stories that win resources have a “narrative arc” with characters, conflict, and resolution (the classic hero’s journey).
- **Integrate your listeners into the story.** Master storytellers often integrate their listeners into their story.
- **Avoid the expectations curse.** Novice storytellers make the mistake of making big promises because they believe it increases their chance of winning support. Although it might work in the short run, in the long run the high expectations they create set them up for failure when they can’t deliver. Instead, master story tellers carefully paint the opportunity in more general terms, making their promises more abstract if the end point is in the distant future.

After reviewing the section on storytelling, craft talking points for a story that will create emotional engagement for your idea:



### DEMONSTRATE THE BELIEF OF OTHERS

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#### 4. SIGNALING

Signaling involves using links, alliances, relationships, or awards that represent an endorsement of the quality of your idea. It works due to the social proof principle, sometimes called herding behavior—our tendency to follow or mimic the actions of others, especially those we admire or see as experts. Subconsciously we associate the positive attributes of an endorser with the target person, idea, or project. Research examining over a thousand startups found that signaling had a dramatic impact on success. If the startup had the endorsement of a startup development organization (such as an incubator), then its chances of funding increased from 5 percent to 44 percent.

#### How to Use Signaling

- **Signaling is particularly valuable in the early stages of a project**, when it is hard to objectively judge the potential of a project.
- **Match the characteristics of the innovation project to the characteristics of the endorser.** If your project faces more technological uncertainty than demand uncertainty, getting an endorsement from an individual or institution considered an “expert” in the technology will be more valuable to potential sponsors.
- **When your venture faces demand uncertainty, an endorser that signals the likelihood of market acceptance is more important.**
- **For those working inside organizations, institutional endorsements are typically more valuable and enduring than individual executive endorsements** because executives are mobile and may disagree as they compete to reach the top of the management pyramid.

After reviewing the section on signaling, identify 2-3 people or organizations you can target to get an endorsement for your idea:



## IMPRESSION AMPLIFIERS WORKSHEET

### 5. BROADCASTING

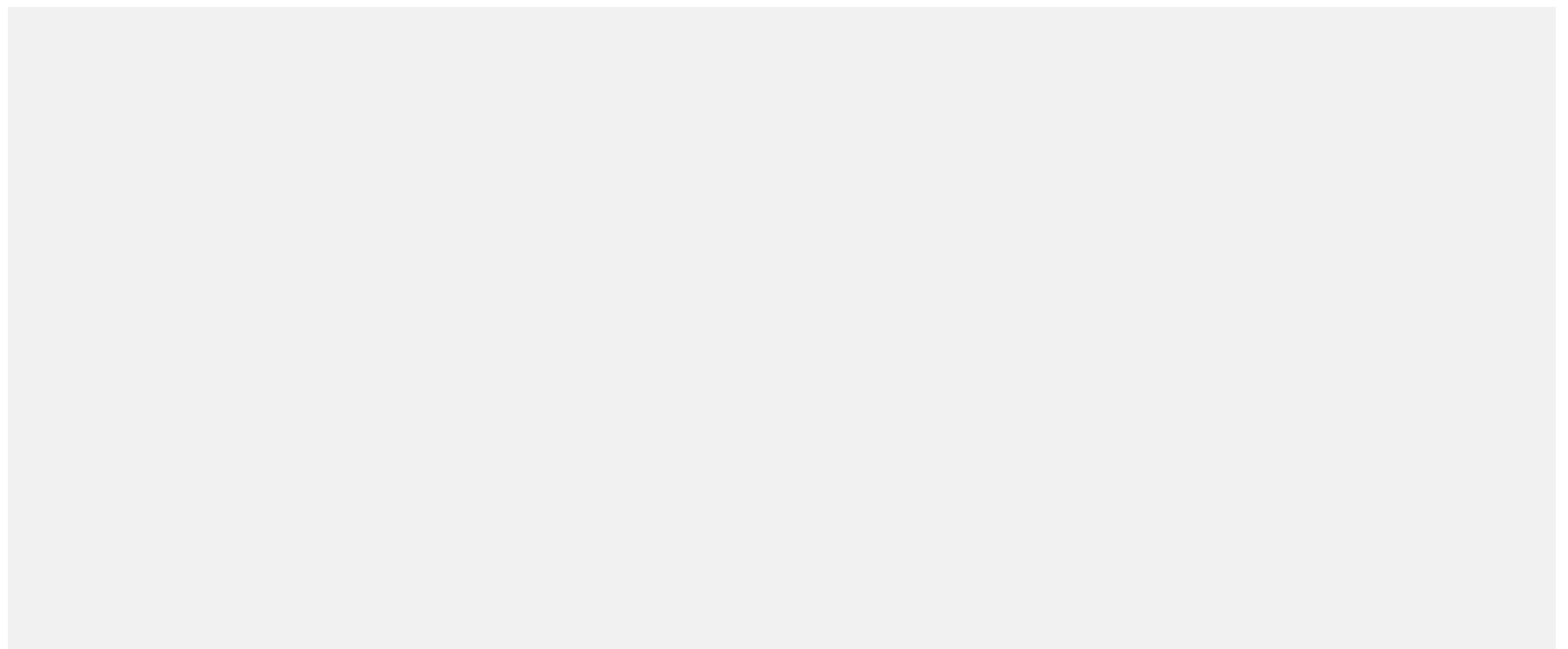
Broadcasting involves finding ways to communicate positive information about you and your idea. Think of it as personal marketing and brand management. It seems obvious, but most of us just don't do it enough. Broadcasting works in large part because of the familiarity principle or "exposure effect"—a psychological phenomenon by which people tend to develop a preference for things merely because they are familiar. Numerous studies have shown that the more people are exposed to something—a person, product, brand, or company—the more they come to like and trust it.

#### How to Use Broadcasting

- **Broadcast your innovation project instead of yourself.** If you broadcast yourself, you risk raising people's hackles. You can shine enough in the light of the project.
- **Get others talking about you.** Whenever possible, get other people (surrogates) to talk positively about you and your project behind your back. This is one form of communication that people don't tune out—the genuine, spontaneous story about you or your project that they hear from a peer.
- **Data first over vision first.** We are all tempted to broadcast a grand vision, but that sets you up for failure if you don't achieve it. If you have results, focus on that. If you don't have results, be specific about the problem to be solved and abstract about the solution so you leave yourself room to change.
- **Give a date for something to happen, or details about what will happen, but not both.** If you pin yourself down too narrowly, inevitably something will go wrong.

**Don't be afraid to use non-traditional media.** Blogs, posts, videos, talks, presentations, annual reports, company newsletters, etc. can generate visibility and credibility for you and your ideas (and are the first step to getting attention from more traditional media).

After reviewing the section on broadcasting, brainstorm 3-5 new ways you can broadcast your idea:





## IMPRESSION AMPLIFIERS WORKSHEET

### 6. CREATING FOMO

Creating a fear of missing out (FOMO) helps you get commitment from sponsors by creating a sense of urgency, scarcity, or exclusivity—if they don't act quickly, they might miss out on the opportunity. It works because of the social proof principle and a psychological principle based on the law of scarcity: People desire things that other people have or want; and they also desire things that are scarce or difficult to obtain.

#### How to Use FOMO

- **Work in parallel.** FOMO works best when you create competition. So talk to potential sponsors, employees, or partners in parallel (rather than sequentially). It is critical to let potential sponsors know that there are others considering this rare opportunity.
- **Create the right circle of competition.** Is it best to mix the same type of people or different people when creating a competition? That depends on the level of collusion. Unpredictability increases the sense of FOMO. For employees, knowing that someone like them might take their spot tends to increase the uncertainty and the sense of FOMO. But for investors, often the same type of investors in a region (e.g., angel investors in San Francisco) engage in tacit collusion ... everyone just agrees to take it slow. But if you mix types of investors, or investors from different regions, the implicit cooperation breaks down and they move faster.
- **Prep your candidates in advance.** No one likes to commit right away. It helps to prep those you want to persuade, whether potential partners or investors, by casually getting to know them, asking for feedback, or creating other positive impressions. When the moment is right, you can start the competition!
- **Don't fake it.** Remember that FOMO isn't about creating false expectations, or misrepresentation, that will backfire. Instead it's about creating a parallel competition so people get moving.

After reviewing the section on creating FOMO, list 3 tactics you can use to create FOMO for your idea:



### DEMONSTRATING BELIEF IN YOURSELF AND YOUR IDEA

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#### 7. COMMITTING

Committing involves making an irreversible commitment to an idea or project that sends a signal to potential supporters that you believe in an idea or a project so much that you are willing to put your own skin in the game. Examples include investing your own money or foregoing an attractive employment option. Someone making an irreversible commitment to a project gets our attention and increases our likelihood of sponsorship. Why? Because due to the psychological principle of loss aversion (our tendency to prefer avoiding losses to acquiring equivalent gains) we don't expect people to take actions that might lead to large losses. Taking those risks signals their high confidence in success—perhaps they know something we don't that will increase their odds of success.

#### How to Use Committing

- **Committing works particularly well when there is asymmetric information between you and the target sponsors.** In some instances an innovator cannot reveal all information about an innovation to sponsors (for example, to protect trade secrets) or the knowledge relevant to the innovation is so complex that sponsors cannot easily understand it.
- **Create credible commitments with your abundance rather than your scarcity.**
- **Committing is risky and should typically only be used as a last resort.** But often there are clever ways to build an escape option or Plan B. We don't advocate risking it all without having a thoughtful plan B.

After reviewing the section on committing, write down one irreversible commitment you could make to signal your belief in your idea/project. Then, write down your plan B/escape option:

Commitment

Plan B / Escape Option