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SPOTLIGHT ON CONSUMER INSIGHT

Know Your Customers' "Jobs to Be Done"

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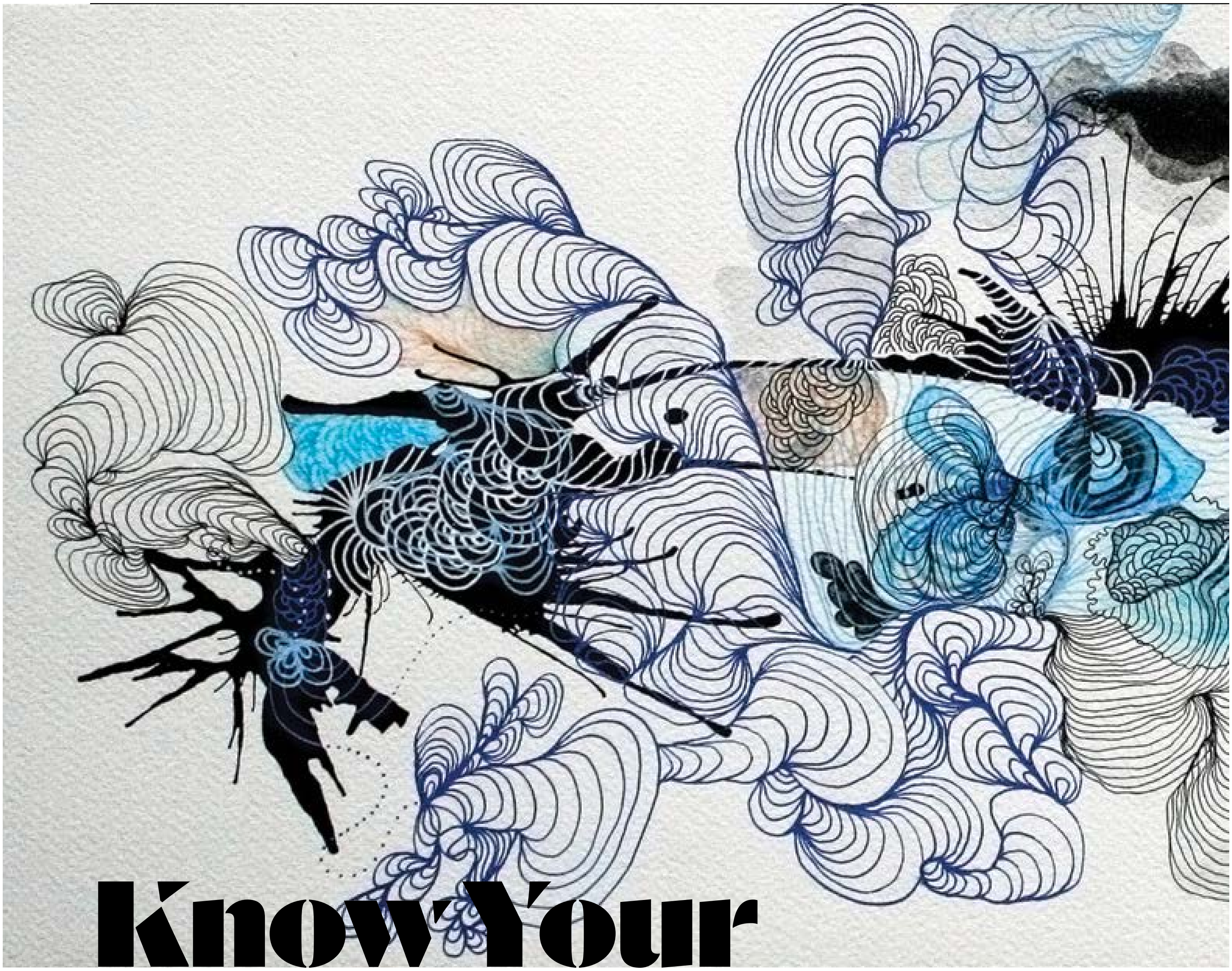
by Clayton M. Christensen, Taddy Hall, Karen Dillon, and David S. Duncan

SPOTLIGHT



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Is innovation inherently a hit-or-miss endeavor? Not if you understand why customers make the choices they do.

BY CLAYTON M. CHRISTENSEN, TADDY HALL, KAREN DILLON, AND DAVID S. DUNCAN

ARTWORK Marijah Bac Cam, *Blue Landscape*
Charcoal, ink, marker, and pencil on paper

For as long as we can remember, innovation has been a top priority—and a top frustration—for leaders. In a recent McKinsey poll, 84% of global executives reported that innovation was extremely important to their growth strategies, but a staggering 94% were dissatisfied with their organizations' innovation performance. Most people would agree that the vast majority of innovations fall far short of ambitions.

On paper, this makes no sense. Never have businesses known more about their customers. Thanks to the big data revolution, companies now can collect an enormous variety and volume of customer information, at unprecedented speed, and perform sophisticated analyses of it. Many firms have established structured, disciplined innovation processes and brought in highly skilled talent to run them. Most firms carefully calculate and mitigate innovations' risks. From the outside, it looks as if companies have mastered a precise, scientific process. But for most of them, innovation is still painfully hit-or-miss.

What has gone so wrong?

The fundamental problem is, most of the masses of customer data companies create is structured to show correlations: *This customer looks like that one,* or *68% of customers say they prefer version A to version B.* While it's exciting to find patterns in the numbers, they don't mean that one thing actually caused another. And though it's no surprise that correlation isn't causality, we suspect that most managers have grown comfortable basing decisions on correlations.

Why is this misguided? Consider the case of one of this article's coauthors, Clayton Christensen. He's 64 years old. He's six feet eight inches tall. His shoe size is 16. He and his wife have sent all their children off to college. He drives a Honda minivan to work. He has a lot of characteristics, but none of them has caused him to go out and buy the *New York Times.* His reasons for buying the paper are much more specific. He might buy it because he needs something to read on a plane or because he's a basketball fan and it's March Madness time. Marketers who collect demographic or psychographic information about him—and look for correlations with other buyer segments—are not going to capture those reasons.

After decades of watching great companies fail, we've come to the conclusion that the focus on correlation—and on knowing more and more about customers—is taking firms in the wrong direction. What they really need to home in on is the progress that the customer is trying to make in a given circumstance—what the customer hopes to accomplish. This is what we've come to call the *job to be done.*

We all have many jobs to be done in our lives. Some are little (pass the time while waiting in line); some are big (find a more fulfilling career). Some surface unpredictably (dress for an out-of-town business meeting after the airline lost my suitcase); some regularly (pack a healthful lunch for my daughter to take to school). When we buy a product, we essentially "hire" it to help us do a job. If it does the job well, the next time we're confronted with the same job, we tend to hire that product again. And if it does a crummy job, we "fire" it and look for an alternative. (We're using the word "product" here as shorthand for any solution that companies can sell; of course, the full set of "candidates" we consider hiring can often go well beyond just offerings from companies.)

This insight emerged over the past two decades in a course taught by Clay at Harvard Business School. (See "Marketing Malpractice," HBR, December 2005.) The theory of jobs to be done was developed in part as a complement to the theory of disruptive innovation—which at its core is about competitive responses to innovation: It explains and predicts the behavior of companies in danger of being disrupted and helps them understand which new entrants pose the greatest threats.

But disruption theory doesn't tell you how to create products and services that customers want to buy. Jobs-to-be-done theory does. It transforms our understanding of customer choice in a way that no amount of data ever could, because it gets at the causal driver behind a purchase.

The focus on knowing more and more about customers has taken firms in the wrong direction.

The Business of Moving Lives

A decade ago, Bob Moesta, an innovation consultant and a friend of ours, was charged with helping bolster sales of new condominiums for a Detroit-area building company. The company had targeted downsizers—retirees looking to move out of the family home and

Idea in Brief

WHAT'S WRONG
Innovation success rates are shockingly low worldwide, and have been for decades.

WHAT'S NEEDED
Marketers and product developers focus too much on customer profiles and on correlations unearthed in data, and not enough on what customers are trying to achieve in a particular circumstance.

WHAT'S EFFECTIVE
Successful innovators identify poorly performed "jobs" in customers' lives—and then design products, experiences, and processes around those jobs.

divorced single parents. Its units were priced to appeal to that segment—$120,000 to $200,000—with high-end touches to give a sense of luxury. "Squeakless" floors. Triple-waterproof basements. Granite counters and stainless steel appliances. A well-staffed sales team was available six days a week for any prospective buyer who walked in the door. A generous marketing campaign splashed ads across the relevant Sunday real estate sections.

The units got lots of traffic, but few visits ended up converting to sales. Maybe bay windows would be better? Focus group participants thought that sounded good. So the architect scrambled to add bay windows (and any other details that the focus group suggested) to a few showcase units. Still sales did not improve.

Although the company had done a cost-benefit analysis of all the details in each unit, it actually had very little idea what made the difference between a tire kicker and a serious buyer. It was easy to speculate about reasons for poor sales: bad weather, underperforming salespeople, the looming recession, holiday slowdowns, the condos' location. But instead of examining those factors, Moesta took an unusual approach: He set out to learn from the people who had bought units what job they were hiring the condominiums to do. "I asked people to draw a timeline of how they got here," he recalls. The first thing he learned, piecing together patterns in scores of interviews, was what did *not* explain who was most likely to buy. There wasn't a clear demographic or psychographic profile of the new-home buyers, even though all were downsizers. Nor was there a definitive set of features that buyers valued so much that it tipped their decisions.

But the conversations revealed an unusual clue: the dining room table. Prospective customers repeatedly told the company they wanted a big living room, a large second bedroom for visitors, and a breakfast bar to make entertaining easy and casual; on the other hand, they didn't need a formal dining room. And yet, in Moesta's conversations with actual buyers, the dining room table came up repeatedly. "People kept saying, 'As soon as I figured out what to do with my dining room table, then I was free to move,'" reports Moesta. He and his colleagues couldn't understand why the dining room table was such a big deal. In most cases people were referring to well-used, out-of-date furniture that might best be given to charity—or relegated to the local dump.

But as Moesta sat at his own dining room table with his family over Christmas, he suddenly understood. Every birthday was spent around that table. Every holiday. Homework was spread out on it. The table represented family.

What was stopping buyers from making the decision to move, he hypothesized, was not a feature that the construction company had failed to offer but rather the anxiety that came with giving up something that had profound meaning. The decision to buy a six-figure condo, it turned out, often hinged on a family member's willingness to take custody of a clunky piece of used furniture.

That realization helped Moesta and his team begin to grasp the struggle potential home buyers faced. "I went in thinking we were in the business of new-home construction," he recalls. "But I realized we were in the business of moving lives."

With this understanding of the job to be done, dozens of small but important changes were made to the offering. For example, the architect managed to create space in the units for a dining room table by reducing the size of the second bedroom. The company also focused on easing the anxiety of the move itself: It provided moving services, two years' worth of storage, and a sorting room within the condo development where new owners could take their time making decisions about what to discard.

The insight into the job the customers needed done allowed the company to differentiate its offering in ways competitors weren't likely to copy—or even comprehend. The new perspective changed everything. The company actually raised prices by $3,500, which included (profitably) covering the cost of moving and storage. By 2007, when industry sales were off by 49% and the market was plummeting, the developers had actually grown business by 25%.

Getting a Handle on the Job to Be Done

Successful innovations help consumers to solve problems—to make the progress they need to, while addressing any anxieties or inertia that might be holding them back. But we need to be clear: "Job to be done" is not an all-purpose catchphrase. Jobs are complex and multifaceted; they require precise definition. Here are some principles to keep in mind:

"Job" is shorthand for what an individual really seeks to accomplish in a given circumstance. But this goal usually involves more than just a straightforward task; consider the experience a person is trying to create. What the condo buyers sought was to transition into a new life, in the specific circumstance of downsizing—which is completely different from the circumstance of buying a first home.

The *circumstances* are more important than customer characteristics, product attributes, new technologies, or trends. Before they understood the underlying job, the developers focused on trying to make the condo units ideal. But when they saw innovation through the lens of the customers' circumstances, the competitive playing field looked totally different. For example, the new condos were competing not against other new condos but against the idea of no move at all.

Good innovations solve problems that formerly had only inadequate solutions—or no solution. Prospective condo buyers were looking for simpler lives without the hassles of home ownership. But to get that, they thought, they had to endure the stress of selling their current homes, wading through exhausting choices about what to keep. Or they could stay where they were, even though that solution would become increasingly imperfect as they aged. It was only when given a third option that addressed all the relevant criteria that shoppers became buyers.

Jobs are never simply about function—they have powerful social and emotional dimensions. Creating space in the condo for a dining room table reduced a very real anxiety that prospective buyers had. They could take the table with them if they couldn't find a home for it. And having two years' worth of storage and a sorting room on the premises gave condo buyers permission to work slowly through the emotions involved in deciding what to keep and what to discard. Reducing their stress made a catalytic difference.

These principles are described here in a business-to-consumer context, but jobs are just as important in B2B settings. For an example, see the sidebar "Doing Jobs for B2B Customers."

Designing Offerings Around Jobs

A deep understanding of a job allows you to innovate without guessing what trade-offs your customers are willing to make. It's a kind of job spec.

Of the more than 20,000 new products evaluated in Nielsen's 2012–2016 Breakthrough Innovation report, only 92 had sales of more than $50 million in year one and sustained sales in year two, excluding close-in line extensions. (Coauthor Taddy Hall is the lead author of Nielsen's report.) On the surface the list of hits might seem random—International Delight Iced Coffee, Hershey's Reese's Minis, and Tidy Cats LightWeight, to name just a few—but they have one thing in common. According to Nielsen, every one of them nailed a poorly performed and very specific job to be done. International Delight Iced Coffee let people enjoy in their homes the taste of coffeehouse iced drinks they'd come to love. And

Jobs are never simply about function—they have powerful social and emotional dimensions.

Identifying Jobs to Be Done

Jobs analysis doesn't require you to throw out the data and research you've already gathered. Personas, ethnographic research, focus groups, customer panels, competitive analysis, and so on can all be perfectly valid starting points for surfacing important insights. Here are five questions for uncovering jobs your customers need help with.

Do you have a job that needs to be done? In a data-obsessed world, it might be a surprise that some of the greatest innovators have succeeded with little more than intuition to guide their efforts. Pleasant Rowland saw the opportunity for American Girl dolls when searching for gifts that would help her connect with her nieces. Sheila Marcelo started Care.com, the online "matchmaking" service for child care, senior care, and pet care, after struggling with her family's own care needs. Now, less than 10 years later, it boasts more than 19 million members across 16 countries and revenues approaching $140 million.

Where do you see nonconsumption? You can learn as much from people who aren't hiring any product as from those who are. Nonconsumption is often where the most fertile opportunities lie, as SNHU found when it reached out to older learners.

What work-arounds have people invented? If you see consumers struggling to get something done by cobbling together work-arounds, pay attention. They're probably deeply unhappy with the available solutions—and a promising base of new business. When Intuit noticed that small-business owners were using Quicken—designed for individuals—to do accounting for their firms, it realized small firms represented a major new market.

What tasks do people want to avoid? There are plenty of jobs in daily life that we'd just as soon get out of. We call these "negative jobs." Harvard Business School alum Rick Krieger and some partners decided to start QuickMedx, the forerunner of CVS MinuteClinics, after Krieger spent a frustrating few hours waiting in an emergency room for his son to get a strep-throat test. MinuteClinics can see walk-in patients instantly, and their nurse practitioners can prescribe medicines for routine ailments, such as conjunctivitis, ear infections, and strep throat.

What surprising uses have customers invented for existing products? Recently, some of the biggest successes in consumer packaged goods have resulted from a job identified through unusual uses of established products. For example, NyQuil had been sold for decades as a cold remedy, but it turned out that some consumers were knocking back a couple of spoonfuls to help them sleep, even when they weren't sick. Hence, ZzzQuil was born, offering consumers the good night's rest they wanted without the other active ingredients they didn't need.

thanks to Tidy Cats LightWeight litter, millions of cat owners no longer had to struggle with getting heavy, bulky boxes off store shelves, into car trunks, and up the stairs into their homes.

How did Hershey's achieve a breakout success with what might seem to be just another version of the decades-old peanut butter cup? Its researchers began by exploring the circumstances in which Reese's enthusiasts were "firing" the current product formats. They discovered an array of situations—driving the car, standing in a crowded subway, playing a video game—in which the original large format was too big and messy, while the smaller, individually wrapped cups were a hassle (opening them required two hands). In addition, the accumulation of the cups' foil wrappers created a guilt-inducing tally of consumption: *I had* that *many?* When the company focused on the job that smaller versions of Reese's were being hired to do, it created Reese's Minis. They have no foil wrapping to leave a telltale trail, and they come in a resealable flat-bottom bag that a consumer can easily dip a single hand into. The results were astounding: $235 million in the first two years' sales and the birth of a breakthrough category extension.

Creating customer experiences. Identifying and understanding the job to be done are only the first steps in creating products that customers want—especially ones they will pay premium prices for. It's also essential to create the right set of experiences for the purchase and use of the product and then integrate those experiences into a company's processes.

When a company does that, it's hard for competitors to catch up. Take American Girl dolls. If you don't have a preteen girl in your life, you may not understand how anyone could pay more than a hundred dollars for a doll and shell out hundreds more for clothing, books, and accessories. Yet to date the business has sold 29 million dolls, and it racks up more than $500 million in sales annually.

What's so special about American Girls? Well, it's not the dolls themselves. They come in a variety of styles and ethnicities and are lovely, sturdy dolls. They're *nice,* but they aren't *amazing*. Yet for nearly 30 years they have dominated their market. When you see a product or service that no one has successfully copied, the product itself is rarely the source of the long-term competitive advantage.

American Girl has prevailed for so long because it's not really selling dolls: It's selling an experience. Individual dolls represent different times and places in U.S. history and come with books that relate each doll's backstory. For girls, the dolls provide a rich opportunity to engage their imaginations, connect with friends who also own the dolls, and create unforgettable memories with their mothers and grandmothers. For parents—the buyers—the dolls help engage their daughters in a conversation about the generations of women that came before them—about their struggles, their strength, their values and traditions.

American Girl founder Pleasant Rowland came up with the idea when shopping for Christmas presents for her nieces. She didn't want to give them hypersexualized Barbies or goofy Cabbage Patch Kids aimed at younger children. The dolls—and their worlds—reflect Rowland's nuanced understanding of the job preteen girls hire the dolls to do: help articulate their feelings and validate who they are—their identity, their sense of self, and their cultural and racial background—and make them feel they can surmount the challenges in their lives.

There are dozens of American Girl dolls representing a broad cross section of profiles. Kaya, for example, is a young girl from a Northwest Native American tribe in the late 18th century. Her backstory tells of her leadership, compassion, courage, and loyalty. There's Kirsten Larson, a Swedish immigrant who settles in the Minnesota territory and faces hardships and challenges but triumphs in the end. And so on. A significant part of the allure is the well-written, historically accurate books about each character's life.

Rowland and her team thought through every aspect of the experience required to perform the job. The dolls were never sold in traditional toy stores. They were available only through mail order or at American Girl stores, which were initially located in just a few major metropolitan areas. The stores have doll hospitals that can repair tangled hair or fix broken parts. Some have restaurants in which parents, children, and their dolls can enjoy a kid-friendly menu—or where parents can host birthday parties. A trip to the American Girl store has become a special day out, making the dolls a catalyst for family experiences that will be remembered forever.

No detail was too small to consider. Take the sturdy red-and-pink boxes the dolls come in. Rowland remembers the debate over whether to wrap them with narrow cardboard strips, known as "belly bands." Because the bands each added 2 cents and 27 seconds to the packaging process, the designers suggested skipping them. Rowland says she rejected the idea out of hand: "I said, 'You're not getting it. What has to happen to make this special to the child? I don't want her to see some shrink-wrapped thing coming out of the box. The fact that she has to wait just a split second to get the band off and open the tissue under the lid makes it exciting to open the box. It's not the same as walking down the aisle in the toy store and picking a Barbie off the shelf.'"

In recent years Toys "R" Us, Walmart, and even Disney have all tried to challenge American Girl's success with similar dolls—at a small fraction of the price. Though American Girl, which was acquired by Mattel, has experienced some sales declines in the past two years, to date no competitor has managed to make a dent in its market dominance. Why? Rowland thinks that competitors saw themselves in the "doll business," whereas she never lost sight of why the dolls were cherished: the experiences and stories and connections that they enable.

Aligning processes. The final piece of the puzzle is processes—how the company integrates across functions to support the job to be done. Processes are often hard to see, but they matter profoundly. As MIT's Edgar Schein has discussed, processes are a critical part of an organization's unspoken culture. They tell people inside the company, "This is what matters most to us." Focusing processes on the job to be done provides clear guidance to everyone on the team. It's a simple but powerful way of making sure a company doesn't unintentionally abandon the insights that brought it success in the first place.

A good case in point is Southern New Hampshire University, which has been lauded by *U.S. News & World Report* (and other publications) as one of the most innovative colleges in America. After enjoying a 34% compounded annual growth rate for six years, SNHU was closing in on $535 million in annual revenues at the end of fiscal 2016.

Like many similar academic institutions, SNHU once struggled to find a way to distinguish itself and survive. The university's longtime bread-and-butter strategy had relied on appealing to a traditional student body: 18-year-olds, fresh out of high school, continuing their education. Marketing and outreach were generic, targeting everyone, and so were the policies and delivery models that served the school.

SNHU had an online "distance learning" academic program that was "a sleepy operation on a nondescript corner of the main campus," as president Paul LeBlanc describes it. Yet it had attracted a steady stream of students who wanted to resume an aborted run at a college education. Though the online program was a decade old, it was treated as a side project, and the university put almost no resources into it.

Doing Jobs for B2B Customers

Des Traynor is a cofounder of Intercom, which makes software that helps companies stay in touch with customers via their websites, mobile apps, e-mail, and Facebook Messenger.

Intercom, which now has more than 10,000 customers and grew fourfold in 2015, adopted a jobs-to-be-done perspective to clarify its strategy in 2011, when it was still an early-stage start-up. Traynor spoke about that experience with Derek van Bever and Laura Day of Harvard Business School's Forum for Growth & Innovation. Here is an edited version of their conversation.

FORUM: How did you come across the "jobs" approach to innovation and strategy?
TRAYNOR: Somewhat by accident! In 2011 Intercom had just four engineers and some modest VC backing. I was asked to speak about managing a start-up at a conference. Clay Christensen opened the conference and mentioned "jobs to be done."

And that made an impression because...? We were searching for direction at the time. We knew we wanted to help internet companies talk to their customers—and to make that personal. We knew that the features we shipped were valuable—but we didn't really know who was using us. Customer support? Marketing? Market research? Nor did we know exactly what they were using us for.

How had you approached those questions until then? We were using a personas-based approach to segmentation, but it wasn't working. We had too many "typical users" who had little in common, going by traits like demographics or job titles. Because we didn't really understand why people were coming to the platform—what they were using it for—we charged a single price for access to the entire platform.

As soon as I grasped the distinction between "customers" and "problems people need help with," a lightbulb went off. I called my cofounder Eoghan McCabe and said, "We're going to build a company that is focused on doing a job."

And how did you figure out what the relevant job was? We got in touch with innovation consultant Bob Moesta, who has a lot of practical experience with this approach. Bob and his team conducted individual interviews with two types of customers: people who had recently signed on with us, and people who had dropped the service or changed their usage significantly.

He wanted to understand the timeline of events that led up to a purchasing decision and the "forces" that ultimately pushed people into that decision. Bob has a theory that customers always experience conflict when considering a new purchase—what he calls "the struggling moment." There are pressures pushing them to act—to solve a problem by "hiring" a solution—and forces like inertia, fear of change, and anxiety holding them back. His overall objective was to explain, in the customers' words, what caused people to resolve the conflict and "hire" Intercom, and then how well Intercom performed.

I listened in on four interviews live—and tried not to jump to judgment. Two things stood out. One, prospective clients who sampled our services were usually flailing. Their growth had flattened, and they were ready to try something new. And two, the words they described our product with were really different from the words we used. People using it to sign up new customers kept using the word "engage," for example. We used the term "outbound messaging," which has a very different feel.

According to Bob, this is really common: Companies fall in love with their own jargon. They focus on the technology being offered rather than the value being delivered.

What did you learn about the jobs you were being hired to do? It turned out that people had four distinct jobs: First, help me observe. Show me the people who use my product and what they do with it. Second, help me engage—to convert sign-ups into active users. Third, help me learn—give me rich feedback from the right people. And finally, help me support—to fix my customers' problems.

How much did you change the business once you understood the different jobs your customers had? A lot. We now offer four distinct services, each designed to support one of those jobs. Our R&D group—120 people—has four teams, one for each job, and we've gone deeper and deeper on each job.

Essentially, we realized that we'd been offering a one-size-fits-none service. The initial price felt high because no customer needed everything we were selling.

How did that change work out? Our conversion rate has increased, since prospects can now buy just the piece of the site that suits their initial job, and we're able to establish multiple points of sale across client organizations, since there is now a logical path for relationship growth.

On paper, both traditional and online students might look similar. A 35-year-old and an 18-year-old working toward an accounting degree need the same courses, right? But LeBlanc and his team saw that the job the online students were hiring SNHU to do had almost nothing in common with the job that "coming of age" undergraduates hired the school to do. On average, online students are 30 years old, juggling work and family, and trying to squeeze in an education. Often they still carry debt from an earlier college experience. They're not looking for social activities or a campus scene. They need higher education to provide just four things: convenience, customer service, credentials, and speedy completion times. That, the team realized, presented an enormous opportunity.

SNHU's online program was in competition not with local colleges but with other national online programs, including those offered by both traditional colleges and for-profit schools like the University of Phoenix and ITT Technical Institute. Even more significantly, SNHU was competing with *nothing*. Nonconsumption. Suddenly, the market that had seemed finite and hardly worth fighting for became one with massive untapped potential.

But very few of SNHU's existing policies, structures, and processes were set up to support the actual job that online students needed done. What had to change? "Pretty much everything," LeBlanc recalls. Instead of treating online learning as a second-class citizen, he and his team made it their focus. During a session with about 20 faculty members and administrators, they charted the entire admissions process on a whiteboard. "It looked like a schematic from a nuclear submarine!" he says. The team members circled all the hurdles that SNHU was throwing up—or not helping people overcome—in that process. And then, one by one, they eliminated those hurdles and replaced them with experiences that would satisfy the job that online students needed to get done. Dozens of decisions came out of this new focus.

Here are some key questions the team worked through as it redesigned SNHU's processes:

What experiences will help customers make the progress they're seeking in a given circumstance? For older students, information about financial aid is critical; they need to find out if continuing their education is even possible, and time is of the essence. Often they're researching options late at night, after a long day, when the kids have finally gone to sleep. So responding to a prospective student's inquiry with a generic e-mail 24 hours later would often miss the window of opportunity. Understanding the context, SNHU set an internal goal of a follow-up phone call within eight and a half minutes. The swift personal response makes prospective students much more likely to choose SNHU.

What obstacles must be removed? Decisions about a prospect's financial aid package and how much previous college courses would count toward an SNHU degree were resolved within days instead of weeks or months.

What are the social, emotional, and functional dimensions of the job? Ads for the online program were completely reoriented toward later-life learners. They attempted to resonate not just with the functional dimensions of the job, such as getting the training needed to advance in a career, but also with the emotional and social ones, such as the pride people feel in earning their degrees. One ad featured an SNHU bus roaming the country handing out large framed diplomas to online students who couldn't be on campus for graduation. "Who did you get this degree for?" the voice-over asks, as the commercial captures glowing graduates in their homes. "I got it for me," one woman says, hugging her diploma. "I did this for my mom," beams a 30-something man. "I did it for you, bud," one father says, holding back tears as his young son chirps, "Congratulations, Daddy!"

But perhaps most important, SNHU realized that enrolling prospects in their first class was only the beginning of doing the job. The school sets up each new online student with a personal adviser, who stays in constant contact—and notices red flags even before the students might. This support is far more critical to continuing education students than traditional ones, because so many obstacles in their everyday lives conspire against them. Haven't checked out this week's assignment by Wednesday or Thursday? Your adviser will touch base with you. The unit test went badly? You can count on a call from your adviser to see not only what's going on with the class but what's going on in your life. Your laptop is causing you problems? An adviser might just send you a new one. This unusual level of assistance is a key reason that SNHU's online programs have extremely high Net Promoter Scores (9.6 out of 10) and a graduation rate—about 50%—topping that of virtually every community college (and far above that of costlier, for-profit rivals, which have come under fire for low graduation rates).

SNHU has been open with would-be competitors, offering tours and visits to executives from other educational institutions. But the experiences and processes the university has created for online students would be difficult to copy. SNHU did not invent all its tactics. But what it has done, with laser focus, is ensure that its hundreds and hundreds of processes are tailored to the job students are hiring the school for.

MANY ORGANIZATIONS have unwittingly designed innovation processes that produce inconsistent and disappointing outcomes. They spend time and money compiling data-rich models that make them masters of description but failures at prediction. But firms don't have to continue down that path. Innovation can be far more predictable—and far more profitable—if you start by identifying jobs that customers are struggling to get done. Without that lens, you're doomed to hit-or-miss innovation. With it, you can leave relying on luck to your competitors.

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