

YOUR IDEA MAY BE DUMB. OR IT MAY NOT BE. ONLY THE MARKET KNOWS.

Another story from Daneil Isenberg's book on Entrepreneurship

Retold by Susan Hall



Will Dean worked in British counter-terrorism for five years and then entered Harvard Business School. He loved outdoor athletic events and dreamed up an idea for an event that would test a person's mettle without being competitive. It would be an event in which you would be heartless if you did not reach out to the neighbor. It would also be an event that was more physically tough than a marathon, boring because it is long and repetitive, or a Triathlon, which is competitive. He called his event "Tough Mudder."

At Harvard he submitted the idea in an annual business plan competition. The judges unanimously thought it was a bad idea. It was niche; it was difficult to scale and hard to find value in.

When Dean, and a high school friend who was bored as a corporate attorney decided to launch the business, everyone thought they were crazy. Dean's fiancé thought she would have to support him for at least five years.

The two young men started out with \$20,000 they had saved. In organizing their first event, they hoped for 500 people who would pay \$70 a piece out front. They got 5000 and enough money to fund the event.

What exactly did they have in mind? The stupider and crazier the event the better. By using the social media, they could operate in out of the way, relatively inexpensive places instead of expensive urban areas with liability problems. Getting participants or 'Mudders' was not difficult. Getting the location was. With no business history they had to pay office space in advance, a thousand dollar telephone deposit. In the beginning, Dean had 14,000 warming blankets delivered to his event location, but the delivery man had to go to the bottom of the mountain to check with his supervisor to see if Den could sign for Mr. Mudder to whom the package was addressed. But sponsors have been attracted, Degree deodorant and Bic razors among them. Can Apple be far behind?

In the age of reality TV, or lives that often seem physically hum drum when they are consumed by electronic devices that make any movement at all unnecessary, this kind of event has great viral. That's what the Harvard business school professors did not see.



Other companies have been started in imitation of the Tough Mudders. But most of them are three to five-mile events running in the Mud. Tough Mudders is still considered the gold standard of the form. And why not? In a ten to twelve mile obstacle course you crawl, slide and run through thick mud. You dash through fire and hurl yourself into icy water. You get 10,000 volt shocks from hanging wires. The Harvard professors must have been out of their minds. Who wouldn't want to do this?

No one is smirking at the idea now. Instead people who looked at the first plan report that they knew it would be successful all along.

We are not suggesting that any crazy idea can fly. Clearly entrepreneurs need to test market a concept before they ask for lots of venture capital. But what Dean did was to start up and create a model in which people paid for his event up front and he could use THEIR money to finance the event. Now that's a good business model.