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half

of UK entrepreneurs came up with their business idea in bed



56%

of entrepreneurs believe that serious setbacks contributed to their current success

SOURCES: BUSINESS LINK/HISCOX

Nappy talk

ENTREPRENEURSHIP How unexpected challenges can create new opportunities

Living in Australia, Kim and Jason Graham-Nye discovered the most innovative, sustainable and remarkable high-technology product they could imagine: baby nappies they could safely flush down the loo. As new parents, they were aware of the environmental impact of disposable nappies, and the inconvenience of cloth. Flushable nappies would clearly be a big deal. So the Graham-Nyes licensed global rights to the product from the inventor in Tasmania and set off on their mission of helping other parents care for the environment without the mess of cloth nappies. Their deal excluded the Australia and New Zealand markets, so they moved to eco friendly Portland, Oregon, set up gDiapers and prepared for success.

POTENTIAL BLOCKAGE

But new ventures can prove difficult offspring, and what the Graham-Nyes met instead was surprise. As soon as they launched they began to learn more about the US plumbing system than most might care to know.



Specifications in the US are less robust than those in Australia, raising a question about whether the innovative disposable interior material would indeed be flushable outside its native pipes. This first surprise caused the Graham-Nyes to conduct broad tests and meet with experts in the area. Through the process, they learned that not only would their product pass the US plumbing, it was also eligible to be certified as 100 per cent biodegradable. This gave them an added benefit to sell to ecologically minded parents and helped them bring on retail partners.

CRYING OUT

Once they started selling, their second surprise was the emergence of a group of super users – die-hard customers – loyal champions of their product who would come to be known as gMums. Attentive to their kids, pragmatic about nappies and dying to find a way to avoid plastic disposables, gMums went online without encouragement, compensation or even permission from the Graham-Nyes and began promoting the product. Once the community started, these parents would also actively report stock outs back to the Graham-Nyes, provide other parents with details about the user experience, and even attend events wherever the Graham-Nyes would travel. Today the company has 35,000 active Facebook fans and 6,000 gMums.



FIRST STEPS

The emergence of gMums drove a third big surprise. Online sales. The Graham-Nyes had devoted much of their attention to selling their product through retail stores. Their efforts produced agreements with strong outlets such as Babies R Us, and Whole Foods (a high-end grocery store offering natural and organic products). But direct internet sales make up the majority of their revenue, and with better margins than through retail. This positive financial surprise has generated another surprise in how they set up their website, as well as how they manage inventory and distribution.

Bottom line
gDiapers, created by Jason Graham-Nye (below) has thrived by offering biodegradable nappies

STRONG PERSONALITY

Any of us with children know that they are born with their own personalities – sometimes very strong ones – and gDiapers is no exception. As the firm is a reflection of its founders who ran it for the first five years out of their house with new babies underfoot, the firm today provides employees with onsite daycare, a family atmosphere, and a statement on their website of 'fair dinkum'. Indeed, the Graham-Nyes have turned down investors that do not share their environmental and family perspective, and for similar reasons have elected not to distribute gDiapers through big box retailers.

GROWING UP

The only thing clear about what lies ahead for gDiapers are more surprises. On the agenda are possibilities that include expanding beyond the UK (gNappies.co.uk), considering how they might deal with bigger retail chains, and growing into cloth nappies. With each step, uncertainties are sure to arise. As they do, the Graham-Nyes will continue to be challenged to view each as the basis of a new opportunity, rather than simply as speed bumps and headaches opposing a fixed plan. ●

details

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