

International Entrepreneurship Educator's Programme

Entrepreneurial Learning - Pedagogical Note Series

28. Use of Finding Opportunities (Ideas for Business)

1. What is 'Use of Finding Opportunities' (Ideas for business).

This is a process of focusing participant attention on how ideas emerge in the market place to solve problems or grasp opportunities. It can be argued that a key aspect of entrepreneurial behaviour is to see problems as opportunities. The exercise also aims to focus the group on how all products and services can be seen as combinations of meeting needs and that thinking through this process can be a key component of the opportunity identification process.

2. How is the exercise constructed?

The exercise can be divided into three parts.

The first part aims to demonstrate how all products and services meet combinations of needs and that exploration of this process can provide a means for finding new opportunities.

The second part explores the process of identifying opportunities from problems

The third part provides participants with a list of simple ways into business and asks them to explore these.

All Products and Services as combinations of needs.

To demonstrate the point that all products/services are combinations of needs, the participants are asked to brainstorm on the needs met by different products/services. For example they are asked to write down as many needs that they perceive a sofa could meet that might be in the minds of a potential customer (this latter condition rules out the fantasy answers including new kinds of comfort rockets to the moon etc). A prize can be given for the first person to write down 12 needs.

The facilitator then takes up all the answers on a flip chart and will end up with a list as below:

Needs a Sofa can meet

making love
filling space
saving space
storage
non-inflammable
durable
aesthetic
status
seating capacity
convert to bed
orthopedic
easily moved
feels warm/soft

easy to match
can work on it
can eat on it
can drink on it
resists animal fur
can put feet up
room divider
firm or soft?
versatile seating
bespoke
period
innovative
cheap/expensive?

sturdy for kids
change fabric
gets through door
colour coding
easily cleanable
washable fabric
non-fading
?

Participants are then asked to describe the significance of this. What will emerge with good facilitation is that different sofas meet different combinations of needs and are therefore aimed at different sets of customers. Rich newly marrieds/partnered will seek different combinations from poorer people with young families living in confined spaces etc . Retired older persons will also have different sets of needs. Participants can be asked as to where they may see new combinations for new sets of customers.

The same exercise can be undertaken with a whole range of other products and services. The facilitator needs to think about this in advance and prepare for possible responses.

Participants can then be given examples of how new products and services enter the market by processes of

Meeting Previously Unmet needs?

Examples: housewife order a disc while listening - central bath taps - power jet for teeth - wine glass holders -computer car disabling systems - cot alarm - survival aids - graphite tennis racquets - disabled car seats - tel. answering machines - orthopedic furniture- home stair lifts for disabled/elderly – microwave. There can be brainstorming on this process.

Needs being better met?

convenience packaging of soft drinks - wider tennis racquets - carpet home buying/laying service - car spraying body protection packs - adjustable ergonomic chairs.

More needs being met?

yellow tennis balls - calculators into diaries - ‘talk-to’ computers - flip chart pens -print-out white boards -v-shaped key boards-electronic pianos

Different combinations of needs?

adventure holidays - singles holidays - trailers into boats - educational mix vacations for retirees - brief cases with different ‘add-ons etc

All of the above can be brainstormed.

Seeing Problems as Opportunities

To explore this, participants can be grouped and asked to brainstorm/identify recent personal or other observed experiences where there have been problems or opportunities. For example, on holidays, at work, at clubs, in the home, in the community, in leisure pursuits etc and identify opportunities for enterprises that might be set up to solve problems or grasp opportunities. These can then be presented in a ‘sales pitch’ style.

24 Ways into Business

Participants are given lists of ways of getting into business a below and given examples – (see Annex for example as to how this might be expanded)

1. LICENSING visit trade shows-advertise-read trade journals-approach foreign companies-contact agents- approach embassies
2. FRANCHISE--view international franchise magazines-approach foreign banks-find franchise consultants-read business journals

3. REBUILDING AND RE MANUFACTURING PRODUCTS--find products that you can rob for others, for example, bicycle frames to make trailers or making go carts out of lawn mowers.
4. PURCHASING OR ASSEMBLING FOR OTHERS--find products where assembly is expensive-put out parts and assemble[dolls in Russia], look for items that are bulky to transport and can be transported in a collapsed form and assembled.
5. TAKING A LITTLE BIT OF A LARGE MARKET--find a growing market such as jeans, stationary and air conditioning or computer parts.
6. CATERING FOR LEFT BEHIND MARKETS--look for good companies changing products rapidly and see what are leaving behind and look for industries that are going for up- to -dateness.
- 7' ADDING VALUE TO EXISTING PRODUCTS--brainstorm on products, for example holidays, tennis balls , tennis racquets, bespoke clothing...
8. SUBSTITUTING MATERIAL IN EXISTING PRODUCTS--find materials that much change because of environment protection, for example; flame proof fabrics and furnishing materials, plastic pipes.
9. BECOMING A SUPPLIER TO A PRODUCER--approach existing producers to identify supply problems, look at tender lists, approach purchasing agent
10. IMPORT REPLACEMENT--examine import catalogues, go shopping for foreign goods, ,contact purchasing agents for stores. look at import stats., identify expensive imported goods.
11. INVENTING A PRODUCT TO MEET A NEED IN THE MARKET PLACE--examine closely products that you know, brainstorm on problems and needs
12. SECOND TRY SITUATIONS--find failures and look for reasons. look for magazines, run adverts and watch press for failures
13. IMITATING SUCCESSFUL PRODUCTS--look at what is selling well, look abroad[Hong Kong] for successful products and services,
14. TRANSFERRING CONCEPTS FROM ONE INDUSTRY TO ANOTHER--find a problem that has been solved elsewhere, for example customised credit cards.
15. MARKETING SOMEONE ELSE'S PRODUCT--look for poorly marketed products, contact embassies and trade associations, look at venture magazines.
16. TAKING A PATENT OPPORTUNITY--go to a patent office, look for a patent consultant, advertise
17. IMPORT DISTRIBUTION AND AGENT--read trade journals, contact foreign embassies, talk to JVs, join associations
18. EXPORT DISTRIBUTION --contact associations and producers, contact -external chambers and consulates
- 19.BECOMING A DISTRIBUTOR OR AGENT FOR SOMEONE ELSE'S PRODUCT.---look for companies keen to expand but without a sales force, look for products that are distributed to a wide variety of small outlets, join associations. look at trade journals and newspaper adds
20. DISCOUNT SELLING--look for bankrupt companies, companies with excess stock, manufactures with 'seconds'. contact sales agents, liquidators, stockists and distributors
21. FIND A UNIQUE OR NICHE GROUP AND TAILOR A PRODUCT TO THEM-- identify special groups within a large batch of purchasers of a product or service and segment[vacation groups], upper class new tastes
22. TAKING EXISTING PRODUCTS TO A NEW MARKET--look abroad for things that people buy and might buy in your own country and not yet available, identify locally made products that have potential in wider markets

23. **TAKING ADVANTAGE OF MARKET SWITCHES**--look for problems with new products and services, analyse changes in consumer spending and tastes
24. **PACKAGING**--look for unpackaged products. look for poorly packaged products, look for packaging that is unfriendly to the environment

Participants may then be divided into small groups and given (or select) one or more of the above. They may brainstorm on their selection or, as a longer project exercise they can be asked to go out and investigate the potential and return with ideas. These are then presented in a persuasive manner to the rest of the group. The best – most convincing - presentation can then be rewarded.

3. Relevance to Entrepreneurial Learning

The exercise is focused substantially on discovery and exploratory learning processes involving idea generation and evaluation as well as presentation. It builds upon the personal experience of participants and it also can induce high levels of humour.

4. Outcomes

The central desired outcome – which can be tested –is that participants have an enhanced capacity to see problems as opportunities and have frames of reference available for appraising them.

ANNEX

Ways into Business – Finding Business Ideas?

14 Ideas out of 24

1. Import Replacement – replacing an imported product/service with domestic

Examples – flip charts/boards and pens

- transparencies
- post its?
- plastic folders
- printer cartridges

How to do it? - walk around a shop or wholesalers

- examine import publications and catalogues
- contact purchasing agents
- look at statistics of imports
- look at your own expertise and find which goods services you personally could replicate
- identify high tariff barrier goods

2. Rebuild or remanufacture a product

Example – reconditioning household appliances

- reconditions parts from old cars and sells them

How to do it? – find expensive products that are worth rebuilding/re-furbishing

- find out where there are problems in getting parts or expense great
- find products that wear out but can be reconstituted
- find products that enable you to skim the market

3. Assemble a product/service – purchasing all parts or assembling it for others

Example – assembling playground equipment

- assembly of garden furniture
- car or motor bike kits
- kitchen furniture
- conference organisation
- executive welfare

How to do it? – find products/services where customer is inconvenienced

- products where transport costs high and are better sold in parts
- bulky products
- product parts come from widely separate places

4. Supplying a producer – where there is a problem in getting parts, components or services

Examples: - Brake harnesses to Trucks

- editing and proof reading services
- language services

How to do it? – ask purchasing agents which parts/services are difficult to obtain

- look for request to supply in the press
- read trade journals to identify problems in supply
- have your name added to tender lists
- look at business opportunities publications
- look at government tender lists
- look at your contacts and skills and think whether this could solve a service problem

5. Take a small slice of a growing market

Examples – fast food

- specialised software
- specialised print for computers
- household services

How to do it? – identify the booming consumer goods and services markets

- look for locational niches
- look for needs of inward investors

6. Catering for a left behind market

Examples – gaps in air ticketing left by big agencies

- antiques – old stoves

- small parts as opposed to assemblies for cars

How to do it? – look at the areas of new technologies and see what is being left behind

- look for fast areas of product service growth and see if there are ‘left behind’ opportunities
- look for products and services that are obsolete but have a long life
- recognise where you can skim the market eg old people

7. Improving existing products and services

Examples – hard wearing tennis balls

- flower packaging and delivery to local shops
- buying knock down furniture, painting and assembly

How to do it ? – find products/services that need good packaging

- find products that would benefit from packaging
- find services or products where services or after-sales service poor
- find products services that do not work well
- look at tourist needs and how you might add value to their package
- look at your own skill and brainstorm on where it could add value

8. Using under-utilised people

Examples – secretarial/word processing by using people at home

- using academics for educational holidays
- teachers for translation services
- using retirees for packaging goods

How to do it? – check those not working regularly

- check women on pregnancy leave
- identify those in cyclical employment
- identify areas where consumers or companies have difficulties in getting simple services

9. Combining one or more assets into a new one

Example – hair dressing plus massage plus pedicure services

- coffee bar at launderette
- general home maintenance services by adding tradesmen together
- garage/car wash/ car sales/ shop/ fax service

How to do it? – start with business area you know and think what might be added

- look for services or products where you could use an extra service
- look at business directory and brainstorm on what businesses might go together
- look at different customer groups and think what extra needs you could meet in one of the areas where they are big consumers eg. young people and discos

10. Packaging –improving it for consumer convenience and added value

Example – strawberries and other fruit and veg

- cosmetics
- airline food services
- soft drinks

How to do it? – brainstorm on poorly packaged products and services

- consider unpackaged products and how they might benefit from packaging
- look for bulk products that can be broken up into small quantities
- look at products that people buy together and whether they could be jointly packaged

11. Taking advantage of a ‘fashion’ or fad

Examples – T – shirt messages

- stickers
- car toys
- football shirts

How to do it? – watch what young people are up to

- watch trends abroad
- skim fashion magazines
- attend fashion shows and toy exhibitions
- watch the movies

12. Imitating successful products and services

Examples: - imitating ‘class’ brand products

- fast print services
- takeaways
- fast food ideas

How to do it? – look for what is selling well currently

- look for what can be moved from area to another
- look for high class fashion that can be copied and skimmed
- watch for copyright and patent issues

13. Solving problems by inventing a solution

Example – car body shop painting kits

- grass cutting cable holder
- plastic wine glass holders to attach to plate
- answer phones

How to do it? – take products and services familiar to you and look for problems and unmet needs

- brainstorm on products that fall short of international standards
- ask businesses that are growing about their problems in obtaining

products and services

14. Adding benefits to an existing product or service

Examples: - fast fit picture framing

- attaché cases
- airline catering etc.
- all electronic goods – calculators
- car warning systems
- large head tennis rackets

How to do it ? – brainstorm on everyday products and services to which you can add benefits – meeting new needs

- look at where ‘convenience’ will be important to customers in the future
- look at products services where the quality issue is important and explore up grading
- look for making things more economical or more comprehensive

