

Session Five

Ideas and Opportunities

Overview:

Don't be afraid to take a big step when one is indicated.
You can't cross a chasm in two small steps.

— David Lloyd George

The past meetings of the *Aspira Business Club* have been dedicated to fulfilling step one of the Entrepreneurial Cycle: “Develop skills that may contribute to entrepreneurial behavior.” The course is now advancing toward the second and third steps in the cycle: “Identifying opportunities” and “evaluating business ideas”. Completing these segments of the cycle will put students on the road to founding their own businesses.

An entrepreneur may see a problem, a need, or a want and work to develop an idea to suit the opportunity (market-driven entrepreneurship). Students should realize that opportunities arise from change but entrepreneurial activity causes changes to occur as well. Entrepreneurs are always on the lookout for opportunities. Students may analyze the trends or fads identified in previous objectives to see if opportunities exist.

Some opportunities may arise from experiences students have had or are currently having. Opportunities may have existed in experiences from a part-time job, an in-school activity, a classroom project, a club, or association. Students may research and find opportunities from print and non-print resources including an electronic database, television, radio, and events such as trade shows. It is recommended that students identify opportunities within familiar scenarios prior to looking at others.

Ideas can come from observing the obvious. This may be done in the classroom. For example, a student recently responded to a contest by suggesting that a “white-out” cartridge become part of the basic ballpoint pen. Whether identified ideas are marketable or not must be explored. Students may make use of an existing infrastructure to come up with ideas. Students are encouraged to keep their eyes and ears open at school, at home or in the community for opportunities and ideas.

Session Goals:

Section activities at a glance:

Suggested Activities	Time	Objective	
 <p>presentation</p>	5.1 Presentation: Ideas v. Opportunities	10	Learn to differentiate between ideas and opportunities, and understand the process of moving from an opportunity to an idea to a business venture.
 <p>presentation</p>	5.2 Presentation: Taking Risks	10	Review the nature of risk taking and its benefits, as well as cautions. Present ways to reduce the risk when taking advantage of an opportunity.
 <p>interaction</p>	5.3 Interaction — Choosing Your Opportunity	20	Engage in a group brainstorming activity where students identify an opportunity, assess various ideas to respond to the need, and select possible business ventures coming out of the opportunity.
 <p>discussion</p>	5.4 Class Discussion: Review background research, current events and case studies	25	Solicit input from students on what they have observed about leadership in entrepreneurship in the news.
 <p>book talk</p>	5.5 Class Discussion: Background Reading	20	Discuss this week's assigned text. Review the major lessons and answer any questions. Determine how students can put the information to use for their own entrepreneurship plans.
 <p>preview</p>	5.6 Session VI Preview and Assignments	5	Provide overview of next session's topic. Clarify time and meeting place of next activity. Assign background reading.



Activity 5.1: Presentation: Ideas v. Opportunities

Time: 10 minutes

Purpose: Learn to differentiate between ideas and opportunities, and understand the process of moving from an opportunity to an idea to a business venture.

Materials Needed: Chalkboard, overhead and transparencies, or flip chart, participant handouts.

Facilitator Presentation — Discussion Notes:

(Encourage students to follow along on their handouts. You may wish to pause frequently to allow note taking and to ask students for examples of each types of business.)

What is an **opportunity**? The dictionary defines opportunity as: **1:** a favorable juncture of circumstances; **2:** a good chance for advancement or progress.¹ Opportunities exist when there is a problem to solve, where there is a need or a want. What is an **idea**? An idea is a plan for action. In entrepreneurship, it is critical to understand how these two concepts are different as well as how they relate.

An innovative idea is of no value if there is no opportunity or market. How is an idea different from an opportunity? Opportunities can be defined as problems or needs, while an idea may be identified as the solution.

Where do ideas come from? Ideas can seem like “a dime a dozen” but good ideas must be simple and must be matched to an opportunity. You may find generating good ideas to be difficult. A good idea matches an identified opportunity and can be economically produced or developed for a proven market. One opportunity and its corresponding idea(s) can lead to others.

Why is innovation important to the economy and society today? Innovation is necessary so that society can respond to changing tastes and preferences. Businesses encourage their employees to generate ideas (intrapreneurship) to increase revenue, increase productivity, to improve the company image, and to become more competitive in a global economy. Training employees to be creative thinkers can be a great asset to companies.

¹ <http://www.m-w.com>

Discussion questions:

Finding opportunities is the second step of the cycle. Students may discuss the fact that Steps 1–5 in the entrepreneurial cycle must be completed but not necessarily in the identified sequence. (See *The Entrepreneurial Cycle: Handout 5 in Session 1*)

Ask students to discuss examples of opportunities and ideas from history lessons. What are some of the major inventions that have changed the way we live? The final chapter of *Rules for Revolutionaries* provides some excellent examples of innovation. One major point of this exercise is to see how frequently experts, and even the entrepreneurs themselves, underestimate or miscalculate the affect of their inventions. What are some recent examples of innovation? Ask students to put their own business concepts into this context: what is the opportunity? What is the idea or ideas?



Activity 5.2: Presentation: Taking Risks

Time: 10 minutes

Purpose: Review the nature of risk taking and its benefits, as well as cautions. Present ways to reduce the risk when taking advantage of an opportunity.

Materials Needed: Chalkboard, overhead and transparencies, or flip chart, participant handouts.

Facilitator Presentation — Discussion Notes:

I. WHY TALK ABOUT RISK?

Responding to an opportunity with new ideas always involves some risk. Often, entrepreneurs evaluate the level and type of risk when deciding how and when to launch their business. Common risks that entrepreneurs encounter are:

- **Financial Risk** to personal savings, community money, student funds, family savings, loans from financial institutions, and others;
- **Career Risk** may include risking the security of a job or career;
- **Family or Social Risk.** It takes many hours to make a venture succeed. Are family or friends supportive?
- **Emotional Risk** may occur if a venture fails. Can the psychological price paid be endured?

Note: An **emotional block** may be overcome with greater self-confidence and self esteem. Fear, distrust, desire for security, and the inability to change may prevent you from generating creative ideas. Staying flexible is a great method for overcoming an emotional block.

II. RISK ASSESSMENT

Things to consider when assessing the risks of launching your own business:

- **Cost:** investment requirements, initial startup and continuance funds (marketing, labor). Are new people or new expertise required?
- **Opportunity Cost:** cost versus benefit. Are there resources available to support the idea? Can a successful pilot translate into a successful enterprise/project? To what degree is the risk worth the benefit?

- **Time:** When can the results be expected? How long will it take to get the product/service in place?
- **Purpose:** Does the idea involve a product or service that supports and need or want? How does this influence the short-term? long-term?
- **Your own skills:** What are your strengths and what weaknesses can you identify? What is your plan to gain the skills you will require? Can you team up with others to bring the necessary professional skills to your business?
- **Your Entrepreneurial personality:** Think back to the last session. How well does your personality line up with the profiles of successful entrepreneurs? What will you need to work on before launching your business plan?

III. WHAT CAN CAUSE VENTURES TO FAIL?

It is important to look a failure in entrepreneurial ventures and use them as valuable learning experiences. The purpose of reading case studies is so that you can pull tips from successful businesses, but also learn from failures. Remember to note the specific reasons why business ventures fail. Reasons for venture failures that you may see include:

- Lack of management skills;
- Bad financial decisions;
- Failure to plan;
- Insufficient profits;
- Difficulty marketing the product/service;
- Too much competition;
- Over and underestimating sales;
- Poor employer/employee relations;
- Personal factors (stress);
- Inefficient time management;
- Insufficient grasp of emerging threats and opportunities;
- Not being able to adapt to changes in the business environment.



Activity 5.3: Interaction — Choosing Your Opportunity

Time: 20 minutes

Purpose: Consider the various roles within a business and experiment with ways to determine which fields fit with your skills and interests.

Materials Needed: Chalkboard, overhead slides, or flip chart.

Introduction:

Why evaluate opportunities? Because it is easier to evaluate an opportunity before launching a business than to find out later that your venture was not a solid one. Is there reliable information available about the opportunity? Is the timing of the opportunity right? What are the advantages and disadvantages of the opportunity? You need to ask yourself all of these questions. It cannot be stressed enough that planning and evaluating opportunities provides valuable information to determine whether your venture has the potential for success.

Steps to complete:

As an initial exercise to get students to generate opportunities, consider the following:

- Give students an item and ask them generate business opportunities that could be used in conjunction with an item. For example, used car oil. Suggested opportunities may be: a device for protecting the environment from the used oil, a permanent storage unit, or a process to recycle it.
- “What if” exercises for students to discuss. Some examples that may be used to search for opportunities may be: What if people stopped aging? What if there was no gasoline? What if students had to learn on their own?
- Throughout the identification process, you may “throw in” an unexpected suggestion to encourage the students to search even further. For example, if a group of students were looking at an opportunity where they could provide local yard care service, you may present a “what if” situation such as a city bylaw that was passed forbidding local residents to water their lawns.
- Put students into groups and ask them to brainstorm the particular advantages and disadvantages of an opportunity. The group should assemble a common list to be shared with the entire class.

Ask students to think about their own business venture and reflect on a set of criteria to judge the opportunity. The following items may be used as a checklist: (Students should use Handout 4):

- Has the opportunity been considered by others?
- If yes, have others selected or acted upon it?
- Can I determine how long the opportunity may last?
- Am I satisfied that I have accurate and sufficient information about the opportunity?
- Have I specifically defined the opportunity?

- Will people care about the opportunity?
- Is this the best opportunity I can envision?
- Can I generate a good idea to match the opportunity?
- Does the opportunity suit my personal goals?
- Are there any regulatory systems that may restrict or limit the opportunity I envision? (Regulatory systems may include laws, bylaws, school rules, or others.)
- What is the target market? (For example: Have I studied the lifestyle and created a customer profile of the type of consumers that would take interest in this opportunity.)



Activity 5.4: Class Discussion—Research, current events and case studies

Time: 10 minutes

Purpose: Solicit input from students on what they have observed about business structure and skills, leadership and entrepreneurship over the past week.

Materials Needed: Chalkboard, overhead and transparencies, or flip chart; current events articles; journals.

DISCUSSION IDEAS:

During a typical *Aspira Business Club* session, a portion of the time should be dedicated to discussing current events. You may have elected to assign a topic based on an upcoming session, or may leave this session open to students' interests. You may wish you use this portion of class to assess the students' current knowledge and opinions about entrepreneurship and business practices in general. Using the feedback, consider ways to tailor the course further to students' interests.



Activity 5.5: Discussion of Background Reading

Time: 20 minutes

Purpose: Discuss this week's assigned text. Review the major lessons and answer any questions. Determine how students can put the information to use for their own entrepreneurship plans.

Materials Needed: "Book Discussion Notes" found in the *Teaching Entrepreneurship* Guide for whatever text has been assigned as the pre-course reading. Copies of participant handouts.



Activity 5.6: Assignments & Session 6 Preview

Time: 5 minutes

Purpose: Provide overview of next session's topic. Clarify time and meeting place of next activity. Assign background reading, journal entry and research topics.

Materials Needed: None

Steps to Cover:

Using the Objectives section of the Session 5 Facilitator's Guide, preview the topics that will be discussed during the next session.

Assign students a topic for next week's journal entry.

Assign the pages or chapters for the next session's book discussion.

Make sure that students are clear on the next meeting time and place of the *Aspira Business Club*. Indicate how any schedule changes will be communicated and decide if you or a student will send a reminder.

Thank the students for contributing to a successful meeting of the *Aspira Business Club*. Remind them that the process should be participatory and you look forward to their comments and suggestions for the next session.

Handout 1:

If you are stuck for an idea....

Think about conditions that may give rise to an opportunity. Here are a few examples:

- increasing population in the United States and the world;
- a multicultural society: increased Latino population and Spanish-speakers;
- immigration reform;
- fears about terrorism;
- improved (but equal?) access to technology: computers, cell phones, wireless internet;
- gender equity with women assuming positions of power;
- two-career families;
- violence in neighborhoods and schools;
- obesity epidemic;
- trends in health consciousness: special diets, use of gyms;
- increased need for lifelong learning;
- increasing school choice (vouchers, charter schools);
- Environmental concerns

Think about the implications of each type of change. How do these implications affect opportunities that may arise? What new needs, wants, problems may arise out of a change?

Other possible areas for opportunity searches may include the following:

- **Unexpected Successes** — Is there opportunity to build upon a success? For example, the invention and development of computer hardware and software has been successfully received. Continual changes to improving the performance of software and hardware in the computer field and the ways computers are used may be considered opportunities that have resulted from the introduction of computers. Think about recent venture successes and their geographic and demographic features. What customers could utilize the product/service?
- **Unexpected Failures** — On the other hand, look for venture failures or declines that were not anticipated. For example, what do you think will happen to traditional phone companies given the growth of cell phones and internet phones? Can you think of examples of well-publicized inventions that flopped? Examine venture failures and their geographic and demographic features. What traditional market groups have unexpectedly declined?
- **Unexpected Events** — Unexpected events may occur at home, at school, in the community, state, country, or internationally. For example, if the United States' President visits your town, what new product, service, or improvement of ideas can be developed from this opportunity?

- **Weakness in a Process** — What is the missing link from a system, process, or procedure at school, home, or in a business? Why do processes work better at some particular times than others?
- **Changes in Potential Markets** — What major changes are occurring to customers (aging), to markets (free trade), to the structure of business (technology or the green revolution), to the legislation/regulatory system (laws, bylaws), to suppliers, or to financing?
- **Changes in High Growth Areas** — Examples may include the introduction of compact disc players, the wellness model, and health foods.
- **Changes in Technology** — For example in the area of electronic communication: computers, voice input, scanners, and virtual reality have changed the venture context.
- **Changes in Demographics** — Examples: age, education, income.
- **Changes in Perception** — How are the products/services perceived by the target population? Is there an opportunity? Consider values, lifestyles, new purposes for products/services, normative pressures (for example, wellness, being physically fit, or the return to the preservation of the family unit).
- **New Knowledge** — What new discoveries or sources of information regarding the service or product or what new combinations of knowledge create new insight (opportunity)? For example: the impact of the laser, nuclear power, increased awareness of environmental conditions, or the impact of second-hand smoke.

Entrepreneurs view change as an opportunity to employ the entrepreneurial process. To become an entrepreneur, you must look for opportunities to pursue rather than wait for them.

Handout 2: Tips for Planning a Successful Venture

Ask yourself:

- Is there a problem/need?
- What is the opportunity? What is the idea?
- Is there a special group to reach? (Latinos, young people, seniors)
- Is there an over-utilization or under-utilization of something?
- Can an existing product be used in a different way? (i.e. don't "reinvent the wheel")
- What could be done more efficiently?
- What tools could be developed to help?

Entrepreneurs never wait for opportunities to happen; they look for them.

- Match an opportunity to an idea
- One thing could lead to another (rely on input from you team).
- Expect the unexpected.
- Don't overlook the obvious.
- Pay attention to small things.

Handout 3: Ideas and Opportunities

What is an idea?

Give an example of an idea.

What is an opportunity?

How is an opportunity different from an idea?

Describe your business idea and the opportunity it addresses. How will you move from business idea to business opportunity?

Handout 4: Rate Your Opportunity

On Handout 2, you described your business opportunity. Now answer the following questions:

- Has the opportunity been considered by others?
Yes / No
- If yes, have others selected or acted upon it?
Yes / No
- Can I determine how long the opportunity may last?
Yes / No
- Am I satisfied that I have accurate and sufficient information about the opportunity?
Yes / No
- Have I specifically defined the opportunity?
Yes / No
- Will people care about the opportunity?
Yes / No
- Is this the best opportunity I can envision?
Yes / No
- Can I generate a good idea to match the opportunity?
Yes / No
- Does the opportunity suit my personal goals?
Yes / No
- Are there any regulatory systems that may restrict or limit the opportunity I envision? (Regulatory systems may include laws, bylaws, school rules, or others.)
Yes / No
- What is the target market? (For example: I have studied the lifestyle and created a customer profile of the type of consumers that would take interest in this opportunity)
Yes / No

Handout 5:

Business Selection Checklist

Here's a look at each of the categories and some of the things you should consider when rating them:

Your knowledge of the business: How much do you know about the area? Will you have to spend extra time and money teaching yourself the business? Will you have to take on a partner because you don't know the business well enough?

Rating: **0** — no knowledge of the business; **1** — some indirect knowledge of the business; **2** — limited knowledge; **3** — working knowledge.

Your experience in the field: In some cases, you may have a lot of knowledge about the subject, but not much experience. Have you ever worked in this type of business before? Will any of your partners have this experience? To what extent is hands-on experience crucial to the business?

Rating: **0** — no experience; **1** — indirect experience; **2** — limited experience; **3** — familiar with the business.

Your skills: Ignore, for now, those skills that might be common to each of your ideas, and try to concentrate on skills that are unique to that business. To what extent do you possess those skills? If you lack them, how difficult will it be to acquire them?

Rating: **0** — none; **1** — limited skills; **2** — some skills; **3** — extensive skills.

Ease of Entry: Think both of the costs of entering the business and of the competitive barriers that might exist. For example, a service business that you can run from your home might be relatively inexpensive to start, but if several others are already providing that service, entry in the field may be difficult.

Rating: **0** — crowded field, very difficult to enter; **1** — limited entry available; **2** — mix of large and small competitors; **3** — virtually unrestricted entry for any size business.

Uniqueness: Uniqueness does not necessarily mean that literally no one else is providing the same product or service. It can mean that no one else is providing the product or service in the same way that you intend to provide it, or it can mean that no one is providing it in your area. You are looking for some way to distinguish your product or service from others who are already in business.

Rating: **0** — your product or service is widely available; **1** — a few to several others are offering your product or service; **2** — only one or two others; **3** — no others are providing your product or service.

