

Opportunity Identification

Entrepreneurial opportunities become *real* when:

- You have a **solution**...
- that leverages your **advantages**...
- to **solve** an important problem for others.

Translate approaches and tools into identifying and acting on real entrepreneurial opportunities.

- The key elements of opportunity identification are
 - defining the problem,
 - crafting a competitive solution,
 - building your advantage, and
 - forming the right team.

Is the problem real?

- Who is your customer?
- Why do they need your product?
- What benefits will they gain?
- Can they make money or save money with your product?

Is the problem real?

- How many people experience these problems now? In the future?
- How many buyers are there?
- Are there enough people who care about this problem for you to be successful by solving the problem?

Does your solution create value for your stakeholders?

- What are the fundamentals of your solution?
- What are the key values realized by customers?
 - Requires an understanding of the customers' perceptions of value

Solutions are not about the technology or the features.

- Solutions focus on **customer value**.
- Features, functions, and technologies are simply vehicles for value creation.
- Competitors influence your relative value for customers.

To validate your ideas and solutions

- Talk with prospective customers very early in the product development process
 - Provides you with insights on what features, values, and price are important to customers (before your first prototype).

Is your advantage superior and sustainable?

- Consider the *degree* of the advantage and the *sustainability* of that advantage.

Degree of advantage

- Better features or functions
- Lower price for the value delivered
 - Due to your operations or strategies
- Rareness
 - Competitors cannot offer the same set of values to this customer

Sustainability of advantage

- How easily can a competitor copy or exceed your resources, know-how, relationships, etc.?
- Determines the likelihood of competitors
 - replicating or
 - surpassing your venture

Build the team with attention to understanding:

- What are their **motivations**?
- How **committed** are they to this venture?
- How **realistic** are they about the venture's risks and rewards?
- What **skills, abilities, and knowledge** do they have?
- What is their **reputation**?
- Where have they **worked**?
- Where have they been **educated**?
- What have they **accomplished**?
- Who else **needs** to be on the team?

Summary

- What evidence can you provide that your proposed problem is real?
- What key customer values does your solution offer?
- How will you make your company and product advantage superior and sustainable?
- What steps will you take to build the right team at the right time?