

## COMM302 – Launching new ventures

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LL150

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### Today's session



- Course introduction
- Assignment details
- Deadlines
- Q&A
- Introduction to entrepreneurship, launching new ventures and what you bring to the table

## Who am I?



- Worked in marketing and innovation for the past 15 years – specializing in corporate intrapreneurship and R&D.
- Was the head of Innovation and Entrepreneurship Strategic Theme and the MSc Program Director for Innovation and Marketing Management at University of Strathclyde, Glasgow, UK.
- Supported 12 Scottish organizations in developing and entrepreneurial mindset and implementing open innovation.
- SCRUM Master and Design Thinker

## My venture mission



*Stories for  
Grandpa*

Your local bookstore, where children can build memories for their grandparents and you can enjoy a relaxing cup of tea!

## Your additional point of contact for COMM302



- **Teaching Assistant**

Anne O'Neill

Email (preferred method of contact): [18aeon@queensu.ca](mailto:18aeon@queensu.ca)

Office Hours by Appointment

Anne will be with us in most sessions, so don't hesitate to ask her questions as well.

## What about you?



- Why are you here?
- Are you an entrepreneur?
- How strong is your current entrepreneurial mindset?
- Do you have your own venture and/or are you thinking of starting one? If you have a business idea, are you willing to build a team in class and work on it?
- How would you like to learn in this class?
- Anything else you want to tell me?

15 minutes

## Our key course objectives



- To outline the key steps in the process of new venture creation and recognize the role of marketing in launching the venture
- To define and describe the different elements of a business plan and position the go-to market strategy within this plan
- To identify the product-market fit of a particular business proposition
- To apply the marketing mix concept to the process of launching new ventures
- To develop and design a launch strategy for a chosen business idea.

## How will we do this?



- Interactive lectures and in-class development of the business idea and go-to market strategy
- Class presentations
- Guest lectures
- Self-directed research and reading
- Individual assignments addressing key venture launch concepts

## What will we do?



Date:	Topic
8.1.2019	Introduction to class and launching new ventures
15.1.2019	The business plan and its go-to market component
22.1.2019	Defining your business idea/venture <small>*last week to drop the class</small>
29.1.2019	Identifying the product-market fit
5.2.2019	Value proposition and Unit economics for your venture - key insights
12.2.2019	In-class presentations
19.2.2019	NO CLASS – reading week
26.2.2019	The marketing mix
5.3.2019	Building your pricing framework
12.3.2019	Integrated marketing communications
19.3.2019	Understanding your distribution channels
26.3.2019	Building your go-to market strategy and next steps
2.4.2019	Wrap-up pitches and celebrating success

## Ground Rules

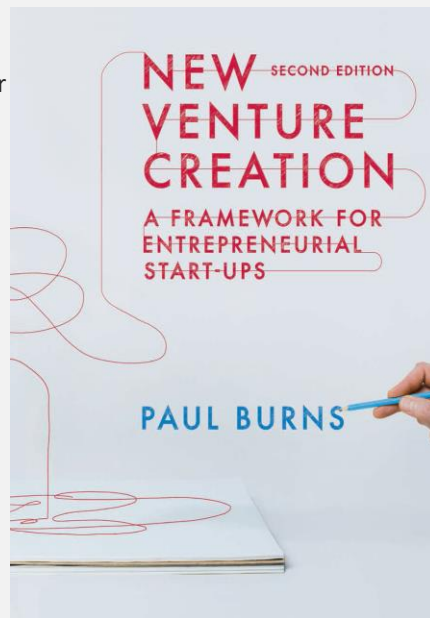


- The work in this class is for academic purposes only. The originator of the idea is the owner of the idea.
- All of the discussions within class and presentations are confidential and stay within the class.
- This is your starting point to launching new ventures. You will need to work on the business plan outside of class to fully develop all the aspects of launching a new venture!
- Supportive and safe environment. Creativity requires a non-judgmental atmosphere.
- Encourage all members of your team to participate. Often those with the best ideas are shy and do not get the opportunity to contribute fully.
- Share your insight – be ready to contribute your own insights and experiences regarding entrepreneurship – It makes the class special!

## Your key textbook



- Use the book to build your business plan beyond the launch piece we cover in class
- All exercises are available online and help you build on your business idea
- [www.macmillanihe.com/burns-nvc-2e](http://www.macmillanihe.com/burns-nvc-2e)



## Attendance



- Use your name cards to record attendance and provide feedback on the course.
- If there is no card with your name currently available, please email me and I will arrange for one to be made for you.
- I will not penalize non-attendance, but your teammates will, as the majority of the work will be done in-class. We have two GRASP surveys in this term to hold you accountable.
- If you are just at the border of a grade bracket, the attendance record will decide, if the grade gets bumped or not.

## Assessment



### Group Assignment 50%

- In-class presentation of your value proposition for your customer **12<sup>th</sup> February 2019**
- In-class presentation of your go-to market strategy **2<sup>nd</sup> April 2019**

### Individual assignment 50%

- Peer assessment of team work (GRASP) **9<sup>th</sup> April 2019** /o
- 1-page infographic of the industry attractiveness and your key segment **5<sup>th</sup> February 2019** /o
- IMC promotional piece for your product **19<sup>th</sup> March 2019** /o
- A reflection on “What does it take to launch a new venture and do I want to do it?” **9<sup>th</sup> April 2019** zo-



- Detailed guidelines on all assessments will be provided online next week!

## Questions?



**Don't forget:  
You can always  
ask**

- In class
- Before or after class
- Over email
- On the course discussion page
- Over Skype etc.

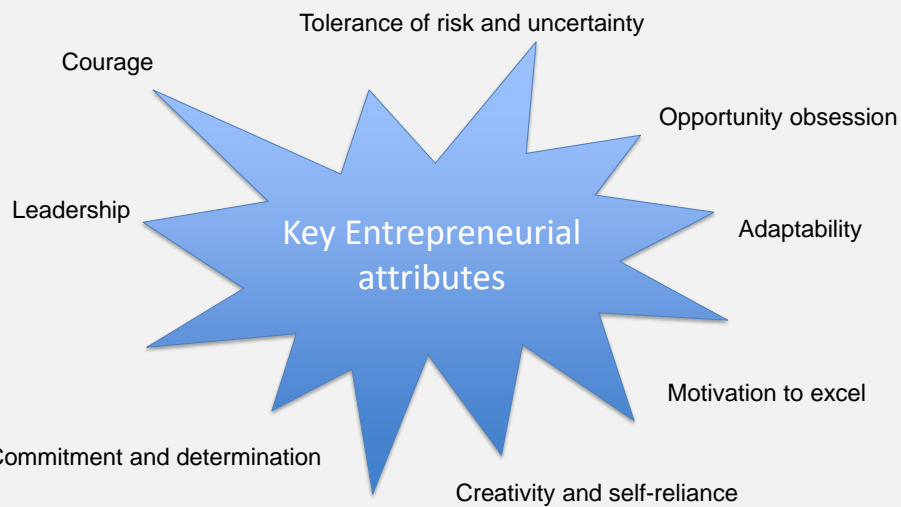
**What is entrepreneurship to you and where do  
new ventures fit in ?**



## Who are entrepreneurs and what do they do?



- Entrepreneurs discover and/or create opportunities to create new value.
- Have or acquire the necessary resources.
- Take action where others take no action.
- Make and learn from mistakes.
- Are flexible and not fixed on one solution.



Adapted from: Spinelli Jr. S and Adams JR. R.J. (2016): New venture creation – Entrepreneurship for the 21<sup>st</sup> Century. McGraw-Hill, New York.

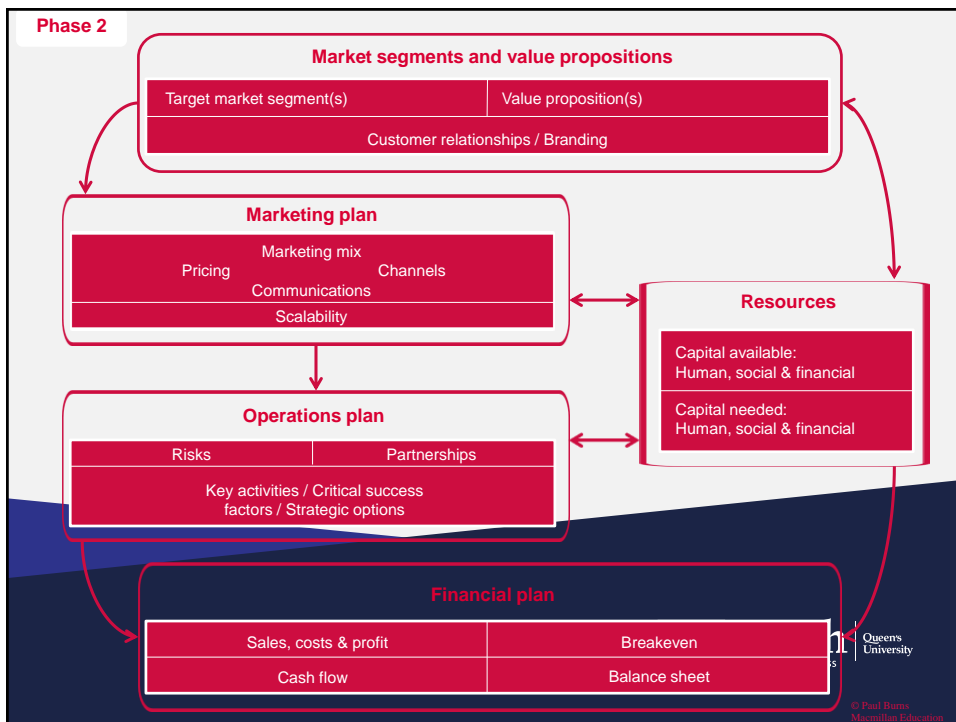
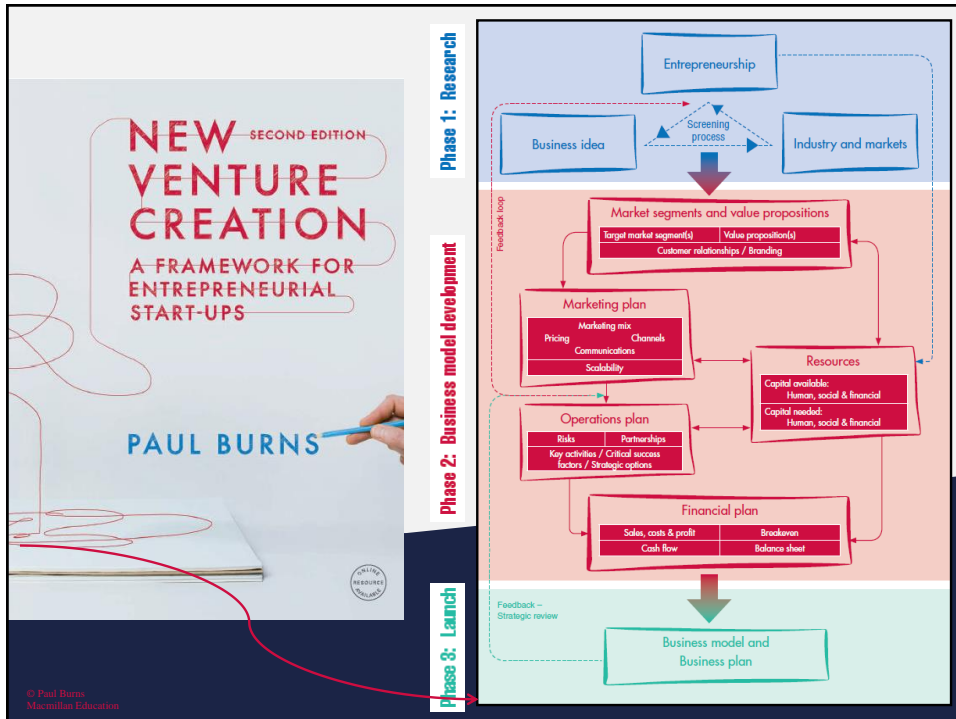
## Myths and realities about Entrepreneurs

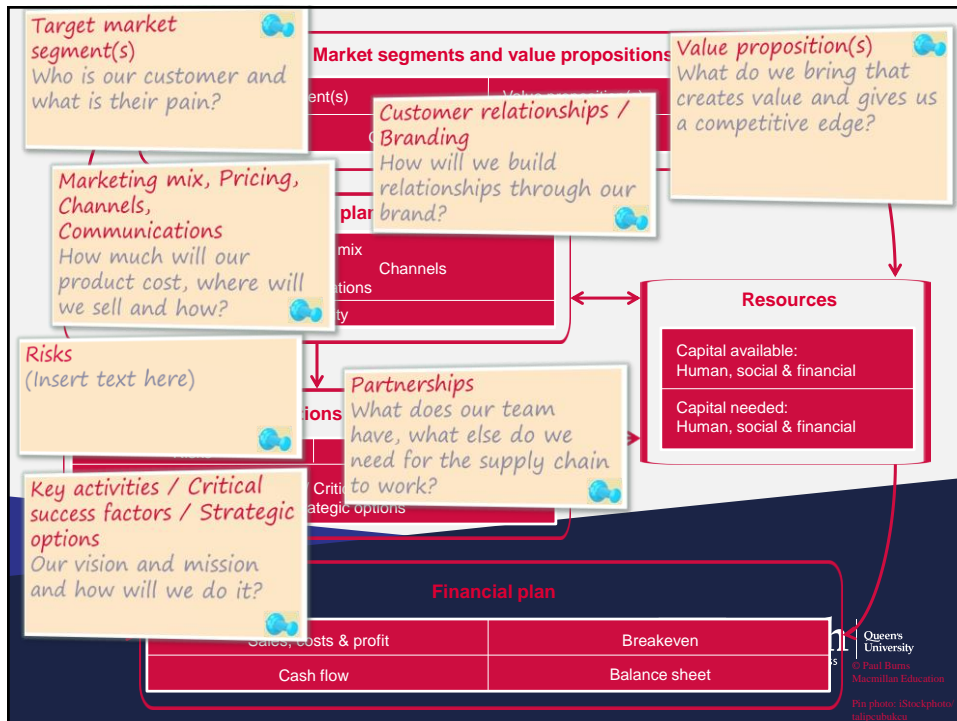
- Entrepreneurs are born, not made.
- Anyone can start a business.
- Entrepreneurs are gamblers.
- Entrepreneurs want the whole world for themselves.
- Entrepreneurs are the only ones who are completely independent.
- Entrepreneurs work longer hours than managers in big companies.
- Entrepreneurs experience more stress and pay a high price.
- Start a business and fail and you will never raise money again.
- Money is the most important startup ingredient.
- Entrepreneurs should be young and energetic.
- Entrepreneurs are motivated only by dollar signs.

FALSE!

Adapted from: Spinelli Jr. S and Adams JR. R.J. (2016): New venture creation – Entrepreneurship for the 21<sup>st</sup> Century. McGraw-Hill, New York.







## So, where do we start?



- We need a viable business idea that we can turn into an opportunity...
- So, what makes an idea different from an opportunity?

## What is an opportunity?



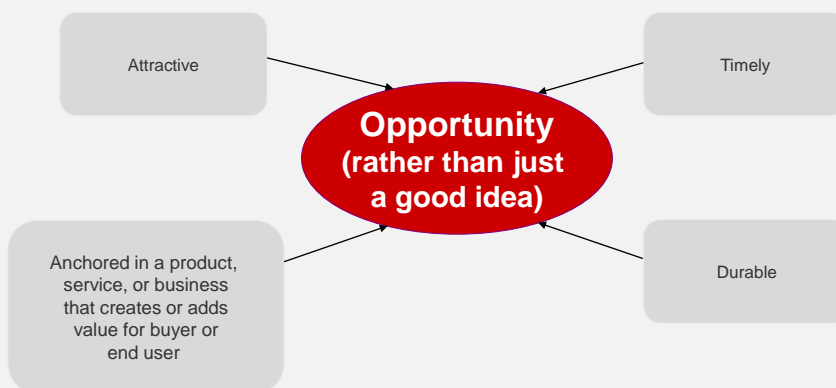
- A new product
- A new service
- A new means of production
- A new way of distributing the product or service



- Or a radical improvement!
- Or new combinations!
- Or a hybrid of the above!



## What is an *good* opportunity?



## Opportunity Screening

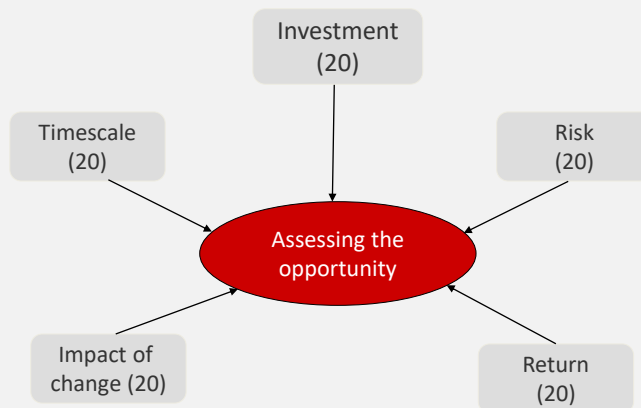


- Purpose of opportunity screening is to
  - assemble all known information about the opportunity and
  - use it to investigate essential, strategic decisions
- Aims to
  - reduce risk of project failure
  - to ensure opportunity offers attractive rewards
- So, how do we screen opportunities?

## Critical Screening Factors



- Reasons for perceived opportunity
  - solving a problem
  - meeting a need
- Market opportunity for business
  - size, value, duration
- Key market segments and customer groups
- Barriers to entry and protecting the opportunity
- Industry structure, driving forces and competition
- Routes to market and distribution channels
- Who may support or invest in the business
- Options, resources and key success factors
- Dynamic effects of change on the industry



The pentagon model of opportunity assessment (Rae, 2007)

## Investment

- Resources are a key dimension of any opportunity. Key issues include:
  - How much is required and over what period? Is staged investment required?
  - What proportion of the entrepreneur's own resources does this represent and what additional resources are required?
  - If so, who will contribute them and on what terms?
  - What does the investment actually buy?
  - Is it tangible assets that have disposal value or it is intangible resources such as knowledge, information, expertise, networks, IPR?

## Risk and uncertainty



- Essential to evaluate risks involved arising from uncertainty surrounding the opportunity. These may include:
  - **Knowledge:** Lack of information about market factors and likely demand
  - **The economy:** Fluctuations in macro-economic conditions such as market stability, currency exchange and interest rates
  - **Technology:** Will the technology work as planned?
  - **Financial factors:** Are the financial costings realistic and achievable?
  - **Competition:** How will they respond?
  - **Customers:** Will they buy and pay as expected?
  - **Supply chain:** Will supplier and distributors deliver as expected?
  - **Human elements:** Does the venture team have the management skills, experience, credibility and expertise to manage the venture?

## Return and Value Added



- Also vital to assess the acceptability of the return which should take into account the following factors:
  - **The amount invested:** It may be acceptable to lose a small amount completely
  - **Return in relation to risk:** The higher the risk, the higher the return will normally be
  - **Timescale over which return will come:** Risk tends to increase further ahead in time
  - **The form of return:** e.g. As capital growth in the investment or as a flow of income
  - **The exit strategy:** e.g. As liquidation of assets, sale as a going concern, flotation, value anticipated and timescale
  - **The size of return:** What profits will be generated? What are the costs? What prices can be set? What will be the margin?



## Impact of innovation and change



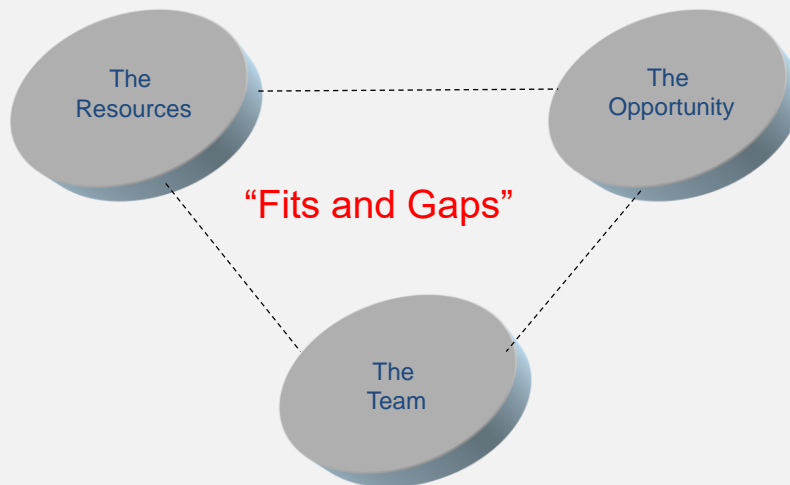
- Assessing the impact of change caused by the opportunity
  - to what extent will either drive and lead a change process?
- Strategic and disruptive innovations can reduce competitor's power and create new markets.
- The following key factors are vital to assess:
  - How far does the opportunity create or develop a new market, identify unmet demand, or meet customer requirements in a new way?
  - Does the opportunity apply innovation to offer customers new benefits or meet their needs more effectively?
  - Does the opportunity use a new distribution method to communicate and sell to customers?
  - Will the opportunity lead to significant change in the structure of the industry e.g. for competitors and suppliers?

## Timescale



- The right timing is crucial in the viability of an opportunity.
- Creating an entirely new market or product can create high rewards but also high risks
- Some opportunities can be ahead of their time or take too long to establish customer acceptance.
- Key issues to consider include:
  - Is the timing of entry 'leading' the rest of the market, which may give an advantage but also require greater time and investment?
  - Is it entering the market at the same time as competitors, or trailing behind in a mature or declining market?
  - What is the duration of the opportunity – from short to long term?
  - What is the lead time needed to enter the market?
  - When will the investment achieve a return?

## Assessing the opportunity (entrepreneur's perspective): Timmons Model of New Venture Creation



## Your job for the following weeks



- Find a team (5 people) you want to work with throughout this course – you will do the team assignments and class exercises together!
  - If you can't find a team by the 22<sup>nd</sup> January, you will be assigned to a team in class.
- Identify and agree with your team a business idea you want to develop into a workable business case throughout this course.
  - If you can't think of one, we will develop one for you during the business idea/venture session in class – will you be passionate enough about it to deliver?
  - If you already have one that you are willing to share and develop, you will have a chance to pitch it in class on 22<sup>nd</sup> January and build a team around it – email me for details regarding this.

## Quick recap and next steps



- The aim is to have a very interactive class, with a fully developed go-to market strategy for your business idea as an outcome
- We can all learn to be entrepreneurs; it takes bravery, motivation, tolerance to risk and creativity to go from doing nothing to building up your venture!
- We will take a systematic approach based on Burns' new venture creation framework – we will focus on the customer and the market aspect of this.
- Starting with identifying if an idea is an opportunity is key to successful venture creation.
- Next week: details of a business plan and where marketing fits in.

