**IDENTIFICATION AND EVALUATION OF BUSINESS IDEAS AND OPPORTUNITIES**

Business idea generation and opportunity analysis are the foundation building block for launching a new business or venture. The origin of a business idea and the analysis of the opportunity needed to build and grow such idea into a business structure is one necessary marriage in entrepreneurship.

The process of generating business idea could be learned and developed. This is a unique quality that an entrepreneur needs to develop if he wants to generate business ideas that would later become a business structure.

Idea generation (ideation) is an emerging buzzword representing the creative process of generating, developing, and communicating new ideas, while an idea is understood as a basic element of thought that can be visual, concrete, or abstract. Ideation can be contrasted with brainstorming in that brainstorming is a specific instance of ideation. Brainstorming employs specific rules (such as disallowing any contributor to negate any idea offered during a brainstorming session), while ideation encompasses all techniques that can be used to generate ideas.  
Ideation is also critical to the design and marketing of new products, marketing strategy, and to the creation of effective advertising copy. In new product development, for example, idea generation is a key component of the front end of the process, often called the “**fuzzy front end**” and recognized as one of the highest leverage points for a company.

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# SOURCES OF GENERATING NEW BUSINESS IDEAS

The concept of generating a new business idea is not only essential for intending or prospective entrepreneurs, existing business owners also need to understand how new business ideas can change the level of business operation that invariably will lead to greater productivity and success.

It is an established fact that for any existing business to experience growth and expansion, idea generation, creativity and innovation are three necessary factors that must come together in application and practice.

Below are some of the more frequently used sources of ideas for existing and prospective entrepreneurs.

**From consumer or target audience**

Every creative and innovative entrepreneur must pay close attention to potential customers, client or consumers on a continuous basis. This kind of attention can take an informal approach of personally monitoring potential ideas affecting the needs of customers or formally arranging for customers/consumer to have opportunity to express their opinion.

This could be achieved through a comprehensive survey/questionnaire or forum. The ideas or opinion generated from the target audience must be to a large extent represent enough market to support a new business or expand a section of an existing business.

**From existing products and services**

Existing products and services could be carefully monitored and evaluated to uncover ways to improve them. This might result in a new product or service that has more market appeal and better sales and profit potential.

In this period of advancement in information communication technology (ICT), creative and innovative approach of ICT can have far-reaching effect on existing products and services.

Prospective entrepreneurs can therefore take advantage of information communication technology (ICT) to build new variant of old products or services with a more market appeal, better sales and profit potentials.

**From marketing distribution channels**

For a product that involve a marketing distribution channel (sale representative group), members of such distribution channels are also excellent sources for new business ideas, because of their familiarity with the needs of the market.

For example, let’s imagine that a company has ten sales persons in one zone. In each month, every member of the group can itemize why his/her sales is high, low or below average.

Ideas gotten from such analysis could become a source of innovation and creativity that will lead to a better business idea in marketing.

**From research and development**

The greatest source of a new business idea is the entrepreneur’s own effort in research and development. The quest to gather information, ask questions from existing entrepreneurs, analyze economic data and information within the market can lead to a unique business concept. The prospective entrepreneur’s creativity and innovation coupled with foresight and much research can be a source of business idea.

**From the Government of the day**

The national and county governments can be a source of new products or business ideas in two ways. First, basis information about products/services is obtained from government data bank or statistical unit like the National Bureau of Statistics (NBS). A thorough analysis of such data can provide clear guides to new areas of business. Secondly, new product ideas can come in response to government regulations or policies. For example, the current regulations by the government that telecommunication operators/company should register their subscribers. This could be an open door to greater services by their distributors, even though registration is free. An area of local content management system can also evolve as the result of this government policy, thus creating new business opportunity for the operators in the near future.

## METHODS OF GENERATING BUSINESS IDEAS

Having considered a wide variety of sources of ideas available in the last section, coming up with an idea to serve as the basis for a new business can still pose a problem. Hence the need to clearly understand the several methods of generating business ideas.

**Focus Groups**

A focus group is defined as a group of individuals providing information in a structured format. A moderator leads the group of about 8 to 14 participants through an open, in-depth discussion rather than simply asking questions to solicit participants’ responses. For a new product or services area, the moderator focuses the discussion of the group in either a directive or non-directive manner.

The group is stimulated by comments from other group members in creatively conceptualizing and developing a new product or service to fill a market need. The focus group is an excellent approach for initially screening ideas and concepts. Existing companies can use this method to expand a section or department to be able to achieve greater productivity in its services.

**Brainstorming**

The brainstorming method allows a group of individual to be stimulated to greater creativity by interacting with each other and participating in organized group experience. Most of the ideas generated from the group have no basis for further development, yet there are times that a good idea emerges. This has a greater frequency of occurrence when the brainstorming effort focuses on a specific product or market area. For this approach to be successful there should be no negative comment or criticism, quantity of ideas should be encouraged, the wider the idea, the better and combinations and improvements of ideas are encouraged. Many modern commercial banks successfully use

**Problem Inventory Analysis**

Problem inventory analysis is a method for obtaining new ideas and solutions by focusing on existing problems. In this approach, the customers or consumers are provided with a list of problems in a general product category.

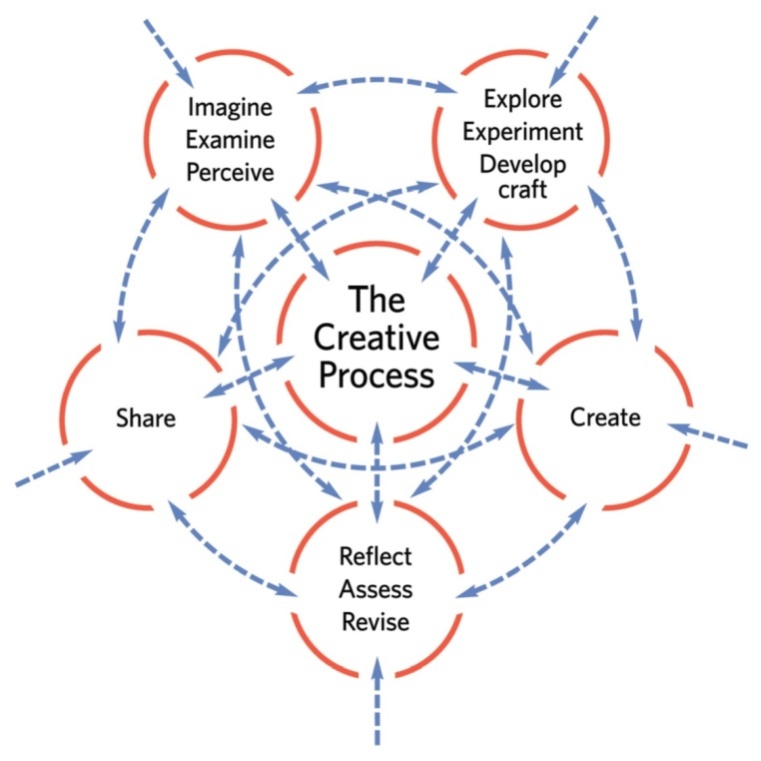
Thereafter, they are asked to identify and discuss products in each category that have a particular problem. This method is effective when an improved service/product is desired.

When known products or services are related to suggested problems, a new product idea emerges. Result from product inventory analysis must be carefully evaluated as they may actually reflect a new business opportunity.

For maximal result, it is advisable that problem inventory analysis should be used primarily to identify new product ideas from existing product before further evaluation.

## CREATIVE PROBLEM SOLVING TECHNIQUES FOR BUSINESS ORGANIZATIONS

Creativity is an essential attributes of any successful entrepreneur. With creativity the entrepreneur has different understanding of a situation due to varied form of ideas being generated.

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Creativity can be unlocked and creative innovative ideas generated using any of the techniques below

**Brainstorming**

This is probably the most well-known and widely used techniques for both creative problem solving and idea generation. Brainstorming can generate ideas about a problem within a limited time frame through the spontaneous contribution of participants.

An effective approach to brainstorming is to start with a problem statement that is neither too broad nor too narrow. Once the problem statement is clear, a minimum of six and a maximum of twelve individuals are selected to participate.

As a guiding rule, no group member should be recognized as expert in the field of the problem. Every idea, no matter how illogical must be recorded and analyzed.

**Reverse Brainstorming**

This is a group method for obtaining new ideas while focusing on the negatives. In reverse brainstorming criticism is allowed as against the brainstorming approach.

The technique is based on finding fault by asking the question “in how many ways can this idea fail”. With the fact that it focuses on the negative aspects of a product or service, the group’s morale must be maintained in the right direction.

This approach can be effectively used before other creative techniques to stimulate innovative thinking.

This method produces some worthwhile results as it is easier for an individual to be critical about an idea than to come up with a new idea.

**Brain writing**

This is a form of written brainstorming. Brain writing differs from the classical brainstorming by giving participants more time to think than in brainstorming session, where ideas are expressed spontaneously.

It is a silent, written generation of ideas by a group of people. The participants write their ideas on a special card, which circulates within the group (usually six members).

Each group member generates and writes down three ideas during a five-minute period. The card is passed on to the adjacent person, who writes down three new ideas and so on, until each form has passed all participants.

A moderator or group leader monitors the time intervals and can reduce or increase the time given to participants with respect to the needs of the group.

A variation of this idea-generation method is that participants are located at their respective work-place, separated by distance and the card is rotated by e-mail, in this case the interval can be longer.

**Checklist Method**

In this method, a new idea is developed through a list of related issues or suggestions. The entrepreneur uses a list of questions or statements to guide the direction of developing entirely new ideas or focusing on specific idea areas.

**Collective Notebook Method**

In the collective notebook method, a small notebook that easily fits in a pocket containing a statement of the problem, blank pages and any pertinent background data is distributed to participants. Participants are expected to consider the problem and its possible solutions recording ideas at least once or three times daily. At the end of the week, a list of the best ideas is developed, together with any suggestions.

Each participant now submits their notebooks to a central coordinator who summarizes all the materials and lists the ideas in order of frequency of mention.

The summary thereafter becomes the topic of a final creative focus group discussion by the group participants.

**Free Association**

Free association is a method of developing new ideas through a chain of word association. This technique is helpful in developing an entirely new angle to a problem.

The process involves a word or phrase relating to the problem being written down, then another and another, with each new word attempting to add a new idea to the ongoing thought processes, finally creating a chain of ideas ending with the new product idea merging. This is the simplest yet most effective method that an entrepreneur can employ.

**The Gordon Method**

The Gordon method involves developing new ideas when the individuals are unaware of the problem. This implies that group members do not know the exact nature of the problem.

The entrepreneur begins by mentioning a general concept associated with the problem. The group thereafter responds by expressing a number of ideas. This can then lead to a concept being developed, followed by related concept through guidance by the entrepreneur.

At last the actual problem is revealed, enabling the group to make suggestion for the implementation or refinement of the final solution.

**Forced Relationship**

This is a process of forcing relationship among some product combinations and their features. It is a technique that asks questions about objects or ideas in an effort to develop a new idea.

The new combination and eventual concept emerged through a five step process given below

-      Isolation of elements of the problem.

-      Establish relationships between these elements.

-      Record the relationships in an orderly manner.

-      Analyze the emerging relationship to find ideas or pattern.

-      Develop new idea from these patterns.

**Big-Dream Approach**

Here the entrepreneur dreams about the problem and its solution. He or she thinks big. In this approach, every possibility is recorded and investigated or the resources required documented.

To the entrepreneur, ideas are conceptualized without any constraint until an idea is developed into a workable form.

**Attribute Listing**

Attribute listing is an idea-finding technique that requires entrepreneurs to list the attributes of an item or problem and then look at each from different perspectives.

Through this method, originally unrelated objects can be brought together to form a new combination and possible new uses that better satisfy a need.

In summary, attribute listing refers to a method of developing a new idea by looking at the positives and negatives.

**Parameter Analysis**

This is a method of developing new ideas by focusing on parameter identification and creative synthesis.

Parameter identification involves the analysis of variables contained in the situation to determine their relative importance. These variables thereafter become the focus of the investigation with other Variables Being Set Aside.

**Techniques of Evaluating a Business Opportunity**

**1. The size of the Market.**

An entrepreneur should conduct thorough market research to gauge the potential opportunities that the market holds. The entrepreneur should also gauge the buying behavior and price charge by competitors.

**2. Cash Flow Management**

Cash flow is the life – blood of an organization. An entrepreneur should scout for the business financiers / angels and venture capitalist, who could be useful in bankrolling your business in case an opportunity arises.

**3. A splitting eye of opportunity/ Skillsets**

An entrepreneur with a splitting eye of opportunity stands a better chance of evaluating existing opportunities in the market with greater accuracy. An entrepreneur should surround himself/ herself with a team endowed with the right skillsets to utilize the opportunities in an environment.

**4. Relationships.**

Business is about creating relationship. Some business communities have a very tight neat groups that are hard to penetrate particularly if you do not ascribe to their norms. This is common with societies with developed norms and long held cultures, for instance Asians - Japanese. Keiretsu is a Japanese term referring to a business network made up of different companies, including manufacturers, supply chain partners, distributors, and occasionally financiers. They work together, have close relationships, and sometimes take small equity stakes in each other, all the while remaining operationally independent. Translated literally, keiretsu means “headless combine."

5. **Should solve real problem in a community.**

An entrepreneur should endeavor to understand the pain point in the community and address a normative question; does the potential opportunity have a solution to the existing problem?

**6. Scalability of the business opportunity.**

A good opportunity should be scalable in order to cater for changes which may be brought about by market forces/ technology or even competition.

RECOGNITION OF BUSINESS OPPORTUNITIES

A business opportunity represents a possibility for the entrepreneur to successfully fill a large enough unsatisfied need that can result to enough sales and profits. The ability to recognize a business opportunity is one fundamental quality of a successful entrepreneur and for a growing business.The primary origin of opportunity evolution is from the knowledge and experience of the individual entrepreneur and the knowledge of the business itself. This knowledge is a combination of education and relevant experience. These experiences could be related or unrelated or could result from a variety of personal experience or event. As an entrepreneur the desire to use those experiences is crucial.

Other factors responsible for the recognition of a business opportunity are entrepreneurial alertness, entrepreneur’s prior knowledge of markets and customer problems and entrepreneur’s networks.

## TYPES OF BUSINESS OPPORTUNITIES FOR ENTREPRENEURS

There are many business opportunities open out there within and around you if you are creative enough to discover them. Opportunities in them need to be discovered not merely at the surface but in-depth. Opportunities could also be created originally from one’s idea, creativity and innovation. There are many entrepreneur opportunities you could choose. Here is a brief look at different types of business opportunities available:

**Buy a Franchise**

This involves having an opportunity to start your business from already set-up business. It is expected that such entrepreneurs buy a franchise opportunity. A franchise is an existing business with a solid business plan and process already in place.

An entrepreneur can operate a new business under a recognized business name and receive support from the franchise headquarters with marketing, promotional materials, new business products or services, etc. Good examples of popular franchises are McDonalds and Subway restaurants, home cleaning businesses, 100 bob Store, or fitness centers.

**Distributorship or Dealership**

An important business opportunity is with distributorships and dealerships. A distributor is a person or business agent that has an agreement to sell products or services produced by another company.A dealer is much like a distributor, but gives more focus to a single/specific product or service. As an Auto dealership, he may sell only Toyotas or as an insurance agent, he might consider only life insurance.

**Network Marketing**

In addition to distributing the product or services offered by the parent company, a network marketer also endeavors to recruit other distributors, hence creating a network of distributors and earning considerable income through residual commission. This approach is also called Multilevel Marketing.

**Licensing**

Licensing is another business opportunity. Opportunity through licensing offers an entrepreneur the right to be creative and invent a product or service, but retaining the name brand, icon or trademark of the widely recognized business.

**Finding and Filling a Niche**

Tv-Another area where opportunities find attraction to the entrepreneur is in finding or filling a small niche. A niche is small area where a business opportunity is likely to bring profit. The superior idea does not always win. A well-timed product or service has a greater likelihood of success. Marketing the right idea into the right niche at the right time is an awesome combination.

# OPPORTUNITIES ANALYSIS PLAN

Opportunity analysis is very important to both the prospective entrepreneur and the existing business owner. Every innovative idea and opportunity should be carefully researched into.This can be done by developing an opportunity analysis plan. An opportunity analysis plan is not the same as a business plan. Its main focus is on the idea and the opportunity for the idea (i.e. market). In layout and presentation, opportunity analysis plan is much shorter than the business plan.

The primary objective of an opportunity analysis plan is to serve as a basis for the decision to either act on the opportunity or wait until another better opportunity comes. Generally, an opportunity analysis plan consists of four sections as described below:

**The Idea and its competition**

In this section, the product or service needs to be described in as much detail as possible. There is also the need to have a prototype or schematic of the product so that a full understanding of all aspect and features of the product is attained.

There is also the need to identify and list all competitive product and competitive companies in the market. Finally, the new product/service idea should be compared with at least three competitive products/services that are most similar in filling the market needs.

In summary this analysis will result in a description of how the product/service is different and unique and will indicate its unique selling proposition (USP). A **u**nique **s**elling **p**roposition (USP) is your business marketing language that sells your product/services in a statement or sentence.

If the idea does not have at least three to five unique selling propositions (USP) versus competitive products/services on the market, the entrepreneur will need to more carefully examine whether or not the idea is really unique enough to compete and be successful in the market

**The Market and the Opportunity**

The next section of an opportunity analysis plan addresses the size and the nature of the market. There will be need to collect market data (i.e. secondary data – published) for at least the past three years so that a trend is identified for the overall industry, overall market, the market segment and the target market.

For example if you had an idea for a mathematics software tutor for secondary school students, you would get market statistics on the education industry (overall industry); computers (overall market), computer software application (market segment) and secondary school students (target market)

The size for these markets should not only be determined, but their characteristics should be clearly understood and stated. The following questions need to be given careful attention: Is the market made up of a few large companies or many small ones? Does the market respond quickly or slowly to any new entrants? How many (if any) new products are introduced each year in the market? How geographically dispersed is the market? What market need is being filled? What social conditions underlie this market? What other products might the company also introduce into this market? What is the nature and size of the international market?

With the above in mind the entrepreneur should be able to determine both the size and the characteristics of the market and whether it is large enough and suitable enough to warrant the time and effort required to further develop a business plan and actually enter the market.

**Entrepreneur and Team Assessment**

The entrepreneur together with a team should be involved in the opportunity analysis process. It is advisable that at least one person on the team must have enough experience in the industry area of the new idea. This is one factor that correlates with the probability of success of the business. In this section, the following questions need to be answered:

Why does this idea and opportunity excite you?

Will this idea and opportunity sustain you once the initial excitement has worn off?

How does the idea and opportunity fit your personal background and experience?

How does it fit your entrepreneurial team?

This section of the opportunity analysis plan is usually short and assists the entrepreneur to determine if indeed he is really suited to successfully move his idea into the market.

**The Next steps (How to achieve and implement)**

The last section of an opportunity analysis plan delineates the crucial steps that must be taken to make the idea a reality in the marketplace. The steps must be clearly identified and stated in sequential order, together with the time frame and money needed for each

# BUSINESS OPPORTUNITIES GUIDE

Below are business opportunities guide for prospective and existing entrepreneur.

**Create a Business/Service from your passion, talents, skills & natural endowment**

You do not need to go far, thinking on what your business will provide. Your God-given talent, passion, gifts, skills or natural endowments are already the place to start from. Are you good in a particular subject? Then provide a solution or services in that area.

Do you have a talent or are you inclined in one natural skill or the other. That could be the answer. What are your unique skills, talent or natural endowment? Remember your life purpose does not necessarily mean what you do. This is true because what you do is not what you are. So don’t just limit yourself to your certificate or what course you read in school or your current job.

You are unique in yourself. Find out what is unique with you and that might be your place of business. Don’t be in bondage. You are free to be your natural self. Appreciate your uniqueness and give God praise. The world is waiting for just you. You have something to offer and until you manifest in God’s design you cannot find true happiness.

**An Example**

The outgoing sanguine individual who is outspoken can create a website with the aim of teaching and coaching people on how to speak publicly.  All he or she needs to do is to gather relevant information on the subject, together with past experiences and create a content website for prospective website visitors needing help in such area.

**Create a Business/Service solving peoples’ problems.**

Here is the crux of the matter. When you solve a problem or provide for a need, you are creating a business – and of course you will be paid. This could be online or offline. There are problems everywhere, around you waiting for someone to proffer a solution. You can be the one that will provide such a solution. Why not **BELIEVE** in yourself to be the problem solver. Problems among men are not to be solved by angels, rather by men. Look around and when you see problems, approach it with faith in your inner self to be the one who has the solution. Different categories of God’s creatures, including the environment have problems. Youths, children, women, men – all in their varying environment do have problems that demand solution. When your business provides solutions, then it is indeed a business.

**An Example:**

Think through to the problems people have and come up with an idea that leads to the solution? For example people are looking for solution to high failure rate of students in a particular course unit.You can have an online tutorial solution, where your website provides additional, simplified notes, revision questions and sample answers to the identified problem areas of the course unit.

You can be assisted to start and create such website and you can start making money, because students will subscribe monthly or quarterly or yearly. Parents and guardian will come to know about it. By doing this you will be solving a problem that is national.

With the internet, you will get students who will be interested and will eventually get involved and you will make money in a long run. With just few students, when they get the best from your online services, they will inform others. Parents and guardians are also your secondary target audience.

All you need is an internet connection in your home or a visit to a cyber café thrice a week to view your website and email from those who have subscribe to your services. Then your reply will be needed. We can assist you to build a business structure around this online business opportunity.

The Information technology has taken over as an effective learning tool in all aspect of our education. Creating a business outfit that both has an offline and online presence providing solutions to our varying educational problems/needs will of course be rewarding in long-term. Your step today is important.

**Create a Business/Service from the questions people ask**

Every question asked demand answers. Providing answers to questions could lead to a business service.

Questions are asked every day in every situation, in families, schools, religious organization like churches or mosques, and virtually where men/women, young or old congregates. Be ready to provide answers to the yearning and aspiration of different categories of people in your environment and in the world in general.

**An Example:**

**How can I avoid carryovers during my stay in the university?**

Every student knows how a failed course in whatever level can affect his overall academic performance and final grade before graduation. Every student wants practical solutions to the problem of carryovers. You can be the solution as you proffer a complete guide from your website.

You know why students have one or more carryovers, and such factors are not just from one angle, they could be from other causes. When you have a website that settles more on solving students’ academic problem, then you are in business.

Your target audience will be higher institution students. In such a website you can even provide a way of assisting your prospective customers in solving other problems that are not necessarily academic.

**Create a Business/Service from your personal experiences**

Personal experience involves all our first hand experiences in any area of our lives. Personal experience is the best teacher, they say.

Your personal life experiences can become a business if you want it to be so. Our personal experiences bring us face to face with life challenges and can be so unique that it could make us experts.

From your experience you can write or provide an avenue for those coming behind to learn from.

**For Example:**

Your personal experience from a failed friendship or relationship can be the place to start. You can have a website that tries to offer solution(s) to heart breaking/failed relationship experience among youths or young people. This concept can be used to generate solutions to others via providing a service.

Your personal experience from an armed robbery attack could also lead you to have a website that provides security advice and tips to its audience on different scenarios and situation in life.

This concept of generating business solution could be applied to other areas where our experiences become very useful information for a specific audience.

**Create a Business/Service from seasonal** **opportunities, economic opportunities, crisis opportunities etc.**

Opportunities abound around us that can be harness to a money-making venture. This is true for creative minds, innovative minds and action taken individual.

There are several forms of opportunities presenting themselves on a daily basis as man interacts with his environment. No matter how the opportunity presents itself, whether friendly or not, a creative thinker and an innovative person will always have the good and constructive attitude to turn such opportunities into a business structure.

**For Example:**

The incessant power shortage problem in Kenya has caused many problems to small and medium businesses in Kenya. One could use such opportunity to create a service that provides the Kenyan households, individuals and businesses with alternative power supply.

For example you can provide a service that provides genuine information on solar energy to Kenyans. You merely state the importance of **solar energy** as the lasting solution to the problem and provide practical solution.

You can also provide a consultancy service on this regard as well. Offer to install a power solution at moderate charges. I bet you, you will have prospect that will visit your physical office address and even find you online.

Remember your involvement is to source for the installation to be done, not necessarily by you, but by a company. You will need to do some surveys, know all the materials needed for installation and the price range of products from those companies and a host of others.

**Create a Business/Service to improve on an existing business/service.**

It is possible you were in an office requiring a service. The way you were treated was not as expected and with the help of your creative and innovative mind you spot some lapses, observing the complaint of other customers and you decided to offer an improve business/service to cater for such lapses.

This can invariably lead to a real business, because you have found out that those who were not satisfied now are being satisfied by the way you do business. Forget about competition, with creativity and innovation, your business idea would stand the test of time.

## BASIC FOUNDATION FOR A SUCCESSFUL BUSINESS

The basic foundation of every endeavor is very important and cannot be overemphasized. You desire the much-needed assistance for all the information you need to start your own business;

To start a new business, there are basic foundations that must be laid. Becoming self-reliant and be self-employed is not as very difficult as you might think, or as your friends and environment might want you to think. Your dream to become a business owner or an entrepreneur can be achieved if you follow the right path. All depends on the concept of hard work, brain work, persistence, perseverance, creativity and innovation.

These ingredients are part of the basic foundation for successful entrepreneurship. If you are ready to play the game according to rules and do what successful people do, you can achieve your financial freedom.