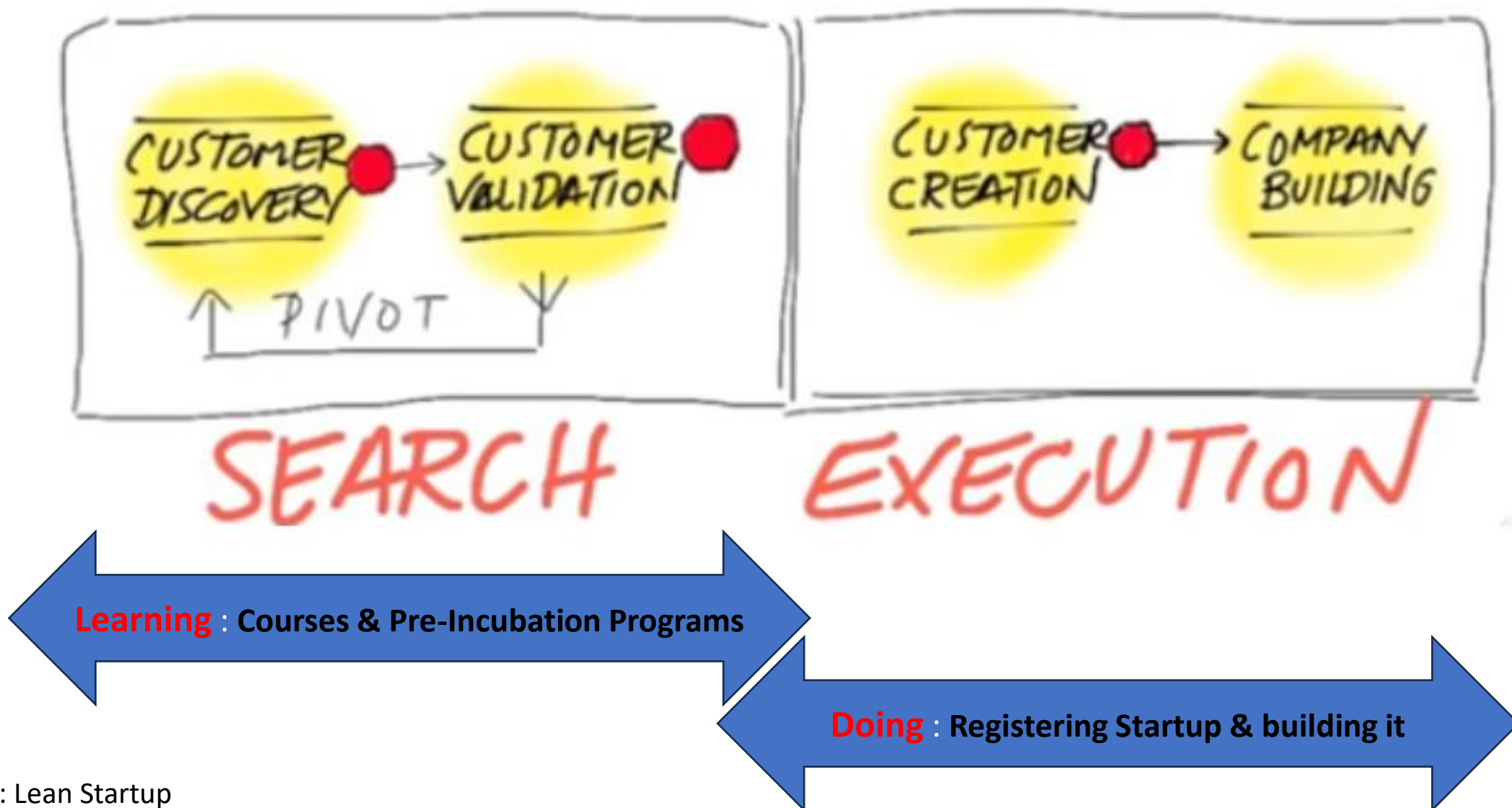


## **Opportunity Identification**

### **1<sup>st</sup> Aug 2024**

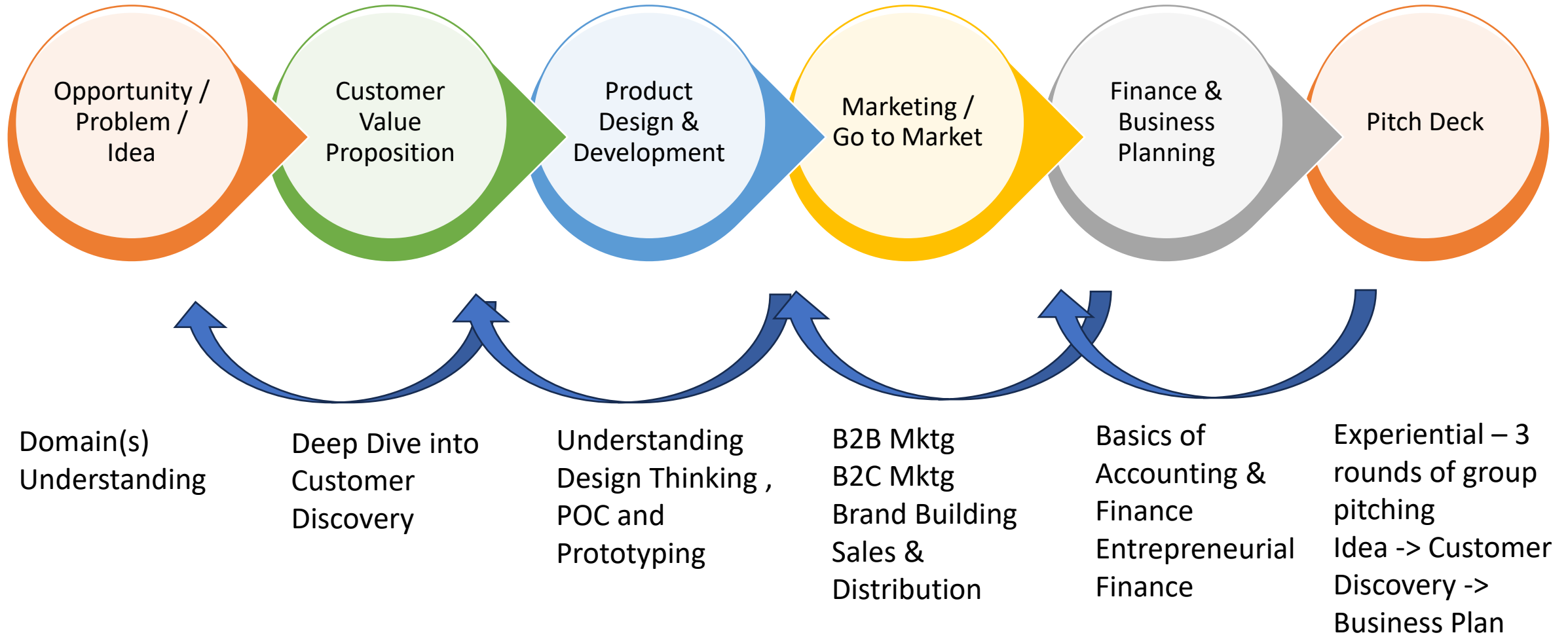
# Process for Start up Creation



Source : Lean Startup

# Process for Start up Creation

## Continuous Learning & Iterative Process



# The Role of Innovation



- Innovation is the combination of
  - ✓ The **Vision** to create a good idea
  - ✓ The **Perseverance** to convert the idea into marketplace products / services / solutions
- Innovation is the combination of
  - **Invention + Adoption**

# What is Entrepreneurship



**‘The Pursuit of Opportunity without regard to Resources controlled’  
Howard Stevenson, Harvard Business School**

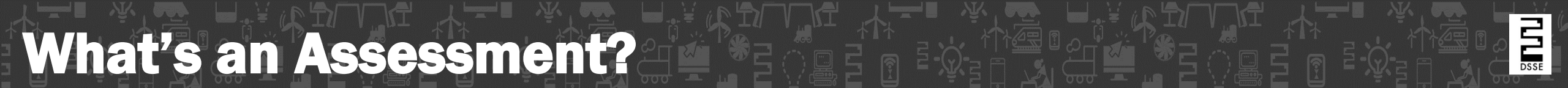
- **Identify a need or opportunity : Problem**
- **Create a solution : Innovation**
- **Implement solution to create Value**
- **Harvest, Exit , or any long-term strategy**

**An Entrepreneur is someone who gets something NEW done**

# What's an Opportunity?



**A product or service around which you can build a profitable company and net a positive return to investors.**



# What's an Assessment?

**A quick way for you to evaluate whether your opportunity is worth spending years of time and money on.**

# Characteristics of Opportunities

- **Newness**
  - **That hasn't existed before or been available before**
- **Perceived Desirability**
- **Potential Economic Value**
- **Whose development is consistent with legal / ethical / regulatory standards**



# Finding Opportunities



- **Finding Opportunities**
  - **Technology Shifts**
  - **Moore's Law**
  - **Disruptive Technology**
- **Societal Changes**
  - **Value Change Disruption**
  - **De Regulation**
  - **Market Changes**
  - **Changes in how we live, work, learn**

**To help you think about your idea...**

# Recognising Opportunities & Generating Ideas

- **Recognizing Opportunities**

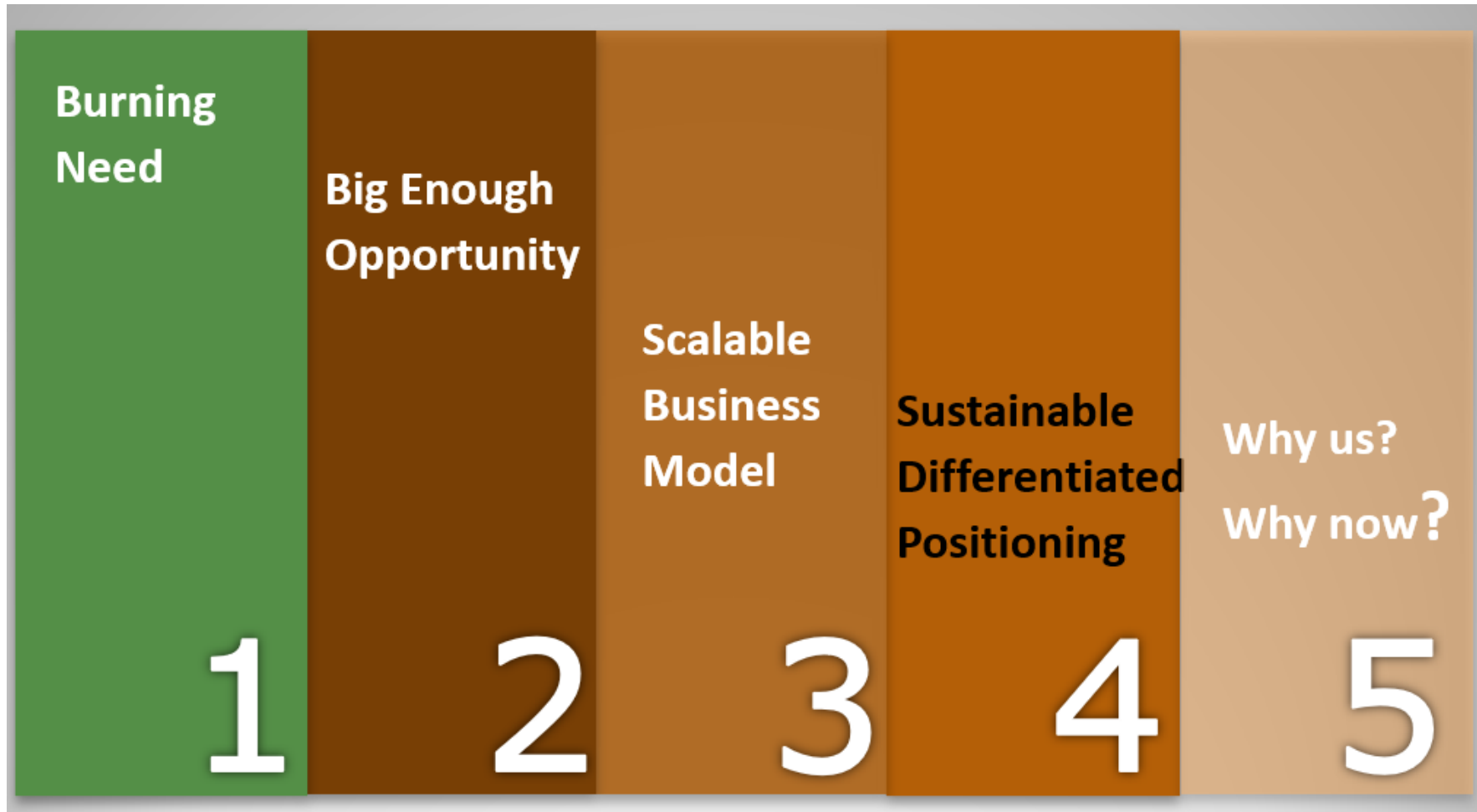
- **Previous experience enables people to see**
- **Fresh eyes shows up link between unconnected things**
- **Changes, Events, Triggers**

- **Generating Ideas**

- **Trendspotting, Brainstorming**
- **All ideas are welcome , there are no 'dumb' ideas**
- **Each idea gets deeply explored, tossed or morphed**
- **Analyze strengths, weaknesses, opportunities, competitive threats**

**To help you think about your idea...**

# Opportunity Identification Framework



# Are Ideas = Opportunities



## **An Idea is only an Opportunity when**

- **Adds value to customers**
- **Solves a problem**
- **Has the potential to make some money**
- **Is a good fit with the entrepreneurship team**

# Types of Ideas spawning Startups

- **Original Idea**
- **Scientific Discovery**
- **Technology Breakthrough**
- **Insight**
- **Passion**
- **Problem Description**
- **Better Mousetrap**

# What is a New Innovation

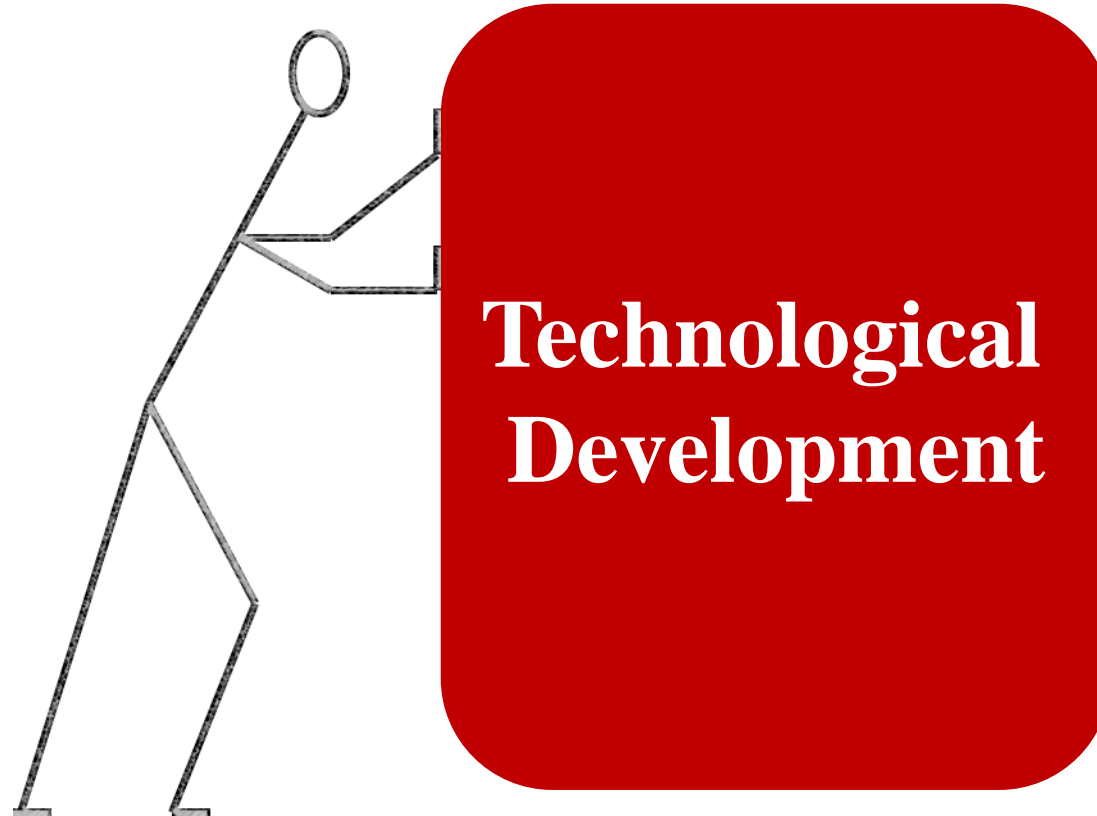
- **What do you define as new?**
  - ✓ **New to the world (10%)**
  - ✓ **New to the firms (20%)**
- **Additions to existing products/process (~25%)**
- **Improvement and revisions to existing products/process (~25%)**
- **Repositioning (with different purposes) (~10%)**
  - ✓ **New to the market (geography + segments)**
  - ✓ **New to the season**
- **Cost reduction (~10%)**



# Forms of Innovation

- **A product innovation** is the introduction of a good or service that is new or significantly improved with respect to its characteristics or intended uses. *This includes significant improvements in technical specifications, components and materials, incorporated software, user friendliness or other functional characteristics.*
- **A process innovation** is the implementation of a new or significantly improved production or delivery method. *This includes significant changes in techniques, equipment and/or software.*
- **A marketing innovation** is the implementation of a new marketing method involving significant changes in *product design or packaging, product placement, product promotion or pricing.*
- **An organisational innovation** is the implementation of a new organisational method in the firm's *business practices, workplace organisation or external relations.*

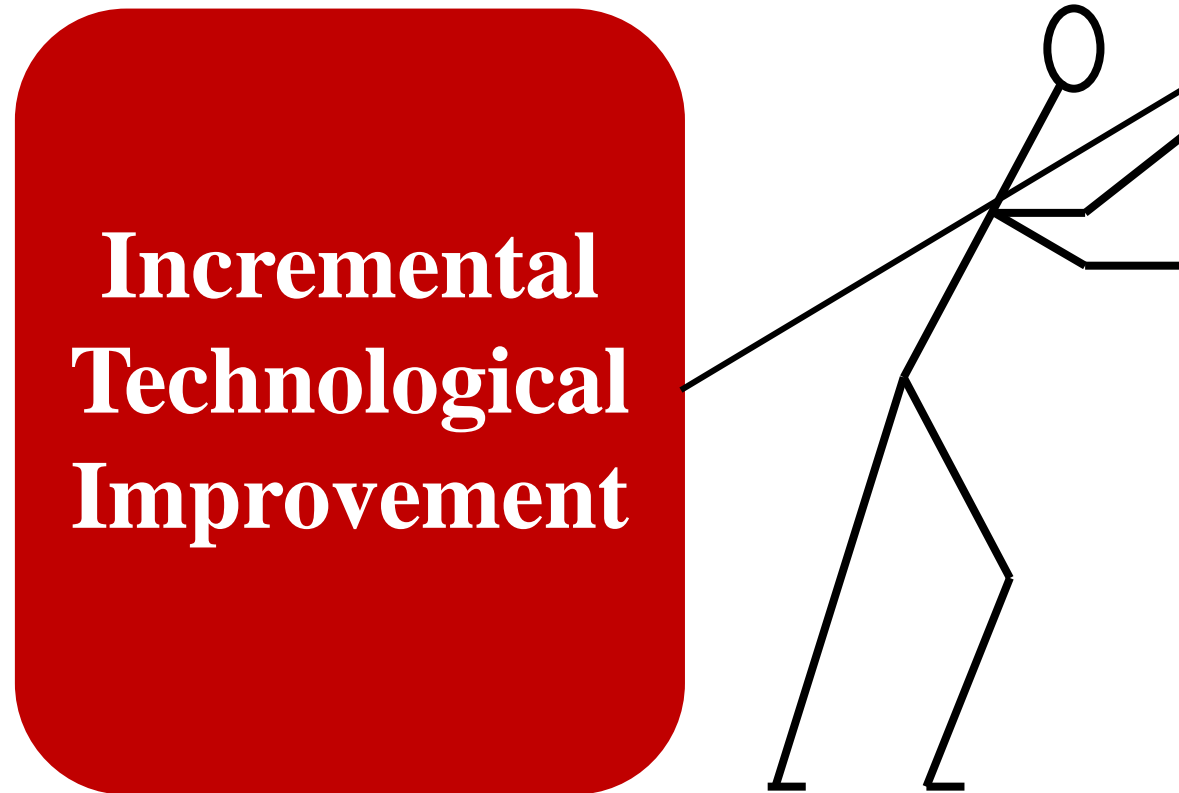
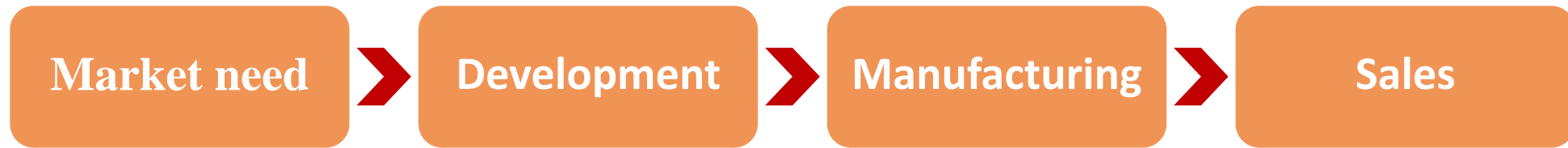
# Science-Push Innovation



**Science Push**

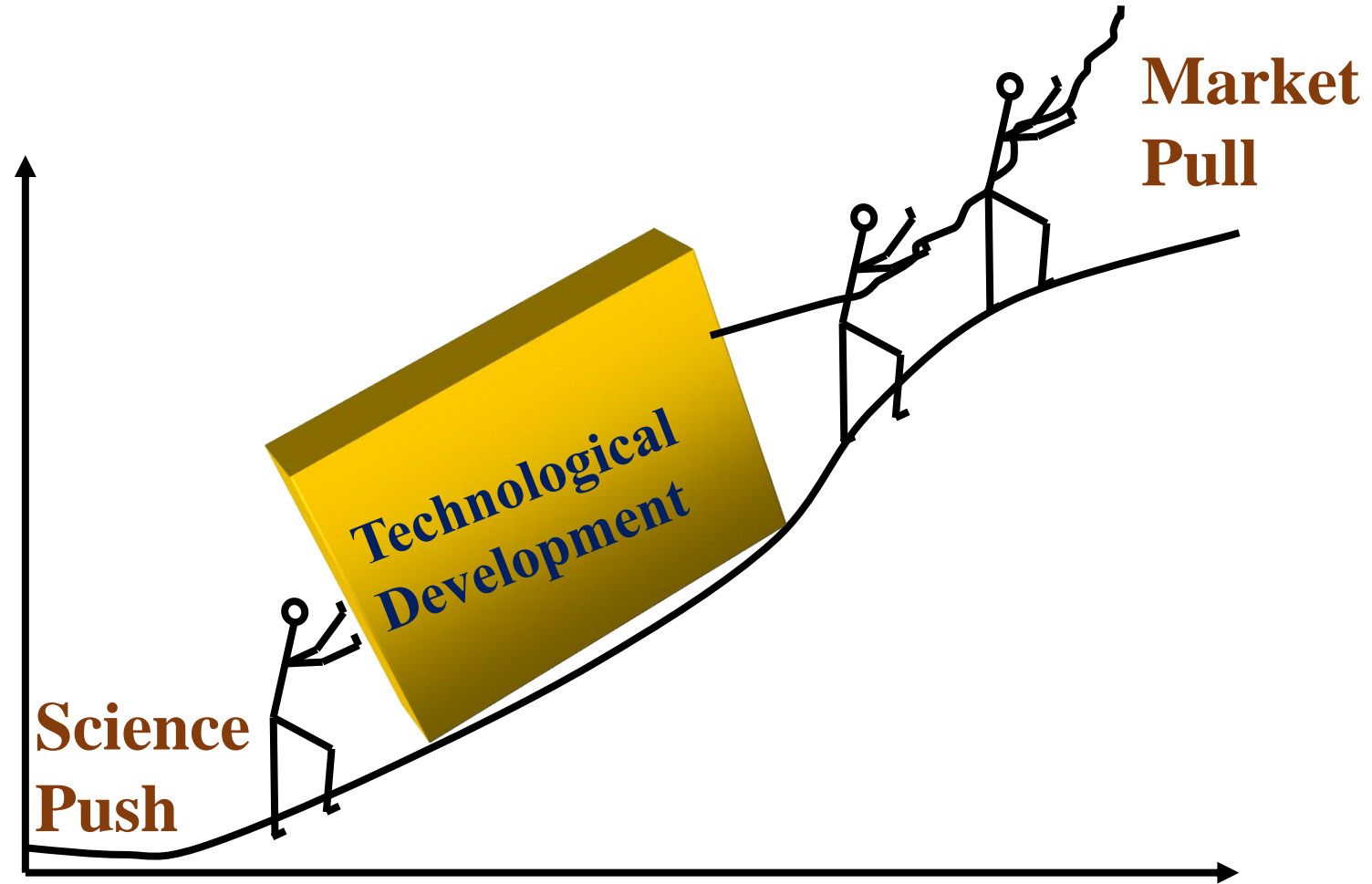


# Demand-Pull Innovation

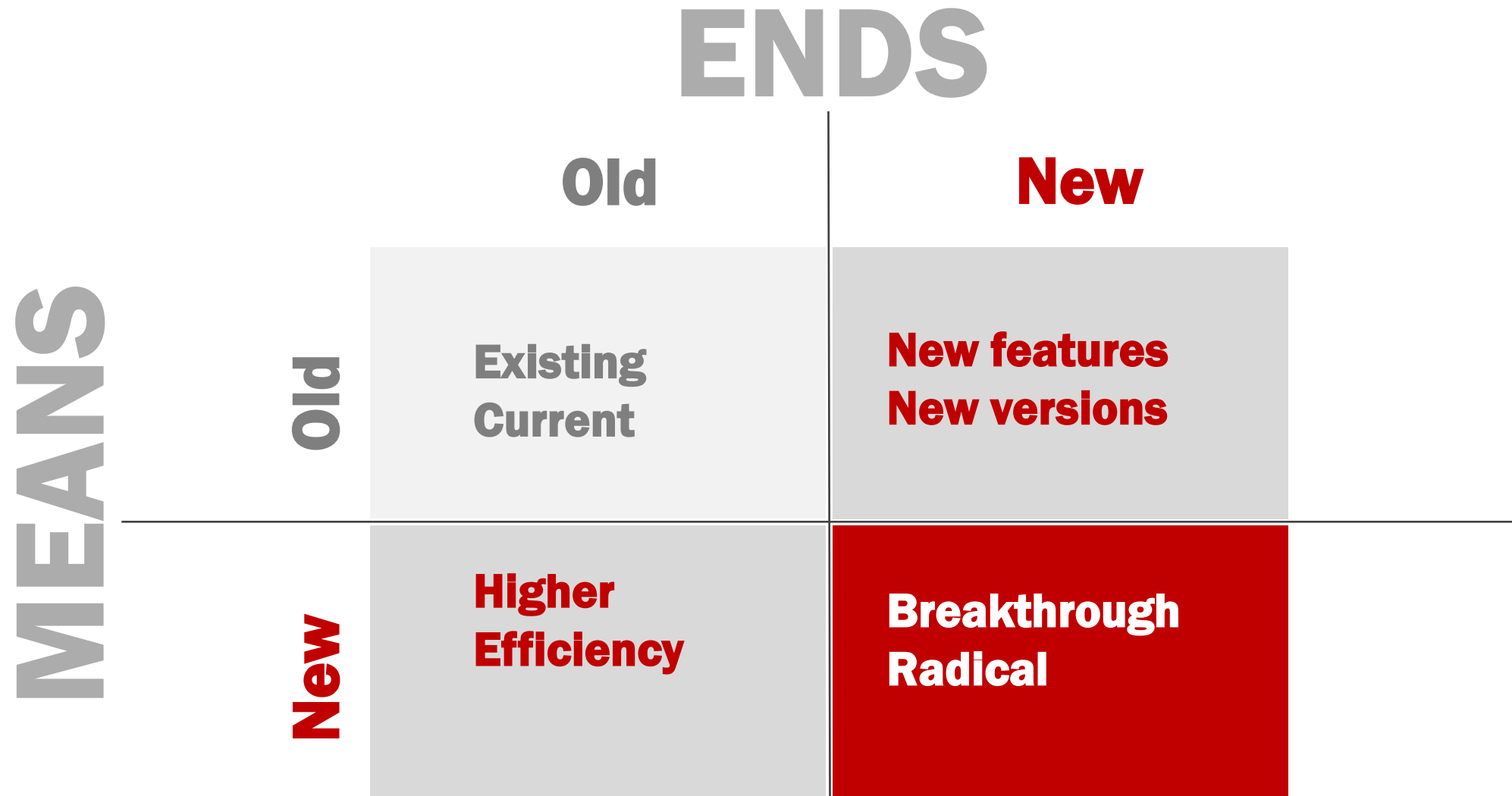


**Market Pull**

# Combined Effect of Technology Push & Market Pull



# Means-Ends Framework



Credit : Anand Kusre

# Means-Ends Framework | Music Industry



## ENDS

## MEANS

**Old**

**New**

**Old**

**New**

**Commodity**



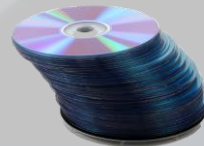
**CDs**

**Product Improvement**



**Audiobooks**

**Process Improvement**



**Polymers/Layers**

**Breakthrough Innovation**



**iTunes**



# How Innovation works : Categories of Innovation



- **New product or service – Innovation**
- **New raw material – Cost Reduction / Process**
- **New market – Expansion**
- **New method of production – Process Innovation**
- **New way of organizing – Business Model Innovation**

**To help you think about your idea...**

# How Innovation Works : Continuum of Innovation

## Continuum of Innovation



**Imitative:** copies something well-known and accepted

**Incremental:** small improvements; faster, better, cheaper

**Evolutionary:** new to firm but not to world (i.e., technologies in new places)

**Radical:** technologies that give large performance improvements or lower costs

**Revolutionary:** new to individual, firm, and the world

The secret to innovation is uncovering an unmet consumer need and the filling it in an innovative, creative way.

Best Opportunities between Incremental and Radical

Credit : Anand Kusre

# To help you think about your idea...

# Sailing in Uncharted Waters

- Exploitation of opportunity is, by definition, **uncertain**
- Information necessary to determine whether a particular effort to exploit an opportunity will be profitable **cannot be known with certainty at the time that the opportunity is identified because**
  - ✓ that information does not come into existence
  - ✓ until the entrepreneur pursues the opportunity
- The pursuit of opportunity, itself, determines
  - ✓ whether the **demand** exists,
  - ✓ whether the entrepreneur can **compete** with others, and
  - ✓ whether a **New Value Equation** is created?

# Essence of Entrepreneurship

## Valuable Opportunities



## Enterprising Individuals

**A situation in which a person can exploit a new business idea that has the potential to generate profit**

- **Mindset**
  - **Creative & Innovative**
  - **Opportunity Focused**
- **Passionate**
- **Persistent**

**Creating Wealth & Gaining Independence**



