

CHAPTER 4

Generating Business Ideas and Opportunities

Introduction

One of the major aspects of entrepreneurship is the identification of market opportunities and the generation of business ideas to address the opportunities. The two other aspects of entrepreneurship are:

- Gathering and commitment of resources in the face of risk to pursue the opportunities.
- Creation of an operating business venture to implement the opportunity-motivated business idea.

Business opportunities identification is one of the key factors that differentiate an entrepreneur from a non-entrepreneur. It is a key attribute of entrepreneurial skills. It is also part of the learning outcomes of entrepreneurship education. Entrepreneurial skills include the ability to identify and develop creative and innovative business ideas. Entrepreneurship involves commitment of resources in the face of risk to pursue the opportunity. Entrepreneurship education in tertiary institutions should include the discussion of entrepreneurship process which includes identification of business opportunities which also is an important ingredient for starting a business. It is thus imperative that students must know how entrepreneurs identify and generate new business opportunities. The key challenge which most aspiring entrepreneurs face is finding the business opportunity that is right for them.

Entrepreneurs need ideas to start and grow a business and at the end of this chapter, the learning outcome should enable students and learners to:

- (i) identify the various sources to generate potential business ideas for new business ventures;
- (ii) understand the methods for and approaches to generating new business ideas;
- (iii) come up with existing needs which can turn an idea into a business opportunity;

- (iv) assess business ideas and qualify them for business opportunity; and
- (v) prepare an opportunity analysis plan.

What is Business Idea

Generating business ideas is a creative and innovative process. It involves coming up with a worthwhile idea that can be used to set up a business venture. A good business idea could be "an invention, a new product or service, an original idea of solution to an everyday problem". It does not necessarily have to be a unique product or service. Putting into market and/or marketing a product that is similar to an existing one while providing greater value for customers may be a good business idea. For example, selling yam flour which is sold in the open market in a packaged form and marketing principally to female teachers in primary and secondary schools where women constitute the majority of teachers and under favourable terms and conditions can be a good business idea. Therefore, an aspiring entrepreneur can build or develop an already existing offering (product or service) by adding more value. Other ways by which an aspiring entrepreneur can add value to an existing offering are:

- (i) Creating an improved service (e.g. fast delivery of service)
- (ii) Market a product at a lower price (e.g. e-commerce).
- (iii) Market a product to a redefined target market (e.g. marketing yam flour that is being sold in the open market to women teachers and delivering this to their doorsteps at favourable terms and conditions).
- (iv) Adding automation, simplification and convenience.
- (v) Changing the style of delivery, size, packaging, shape, colour, material of the product.

It is thus not surprising that entrepreneurs set up businesses in an industry in which they have experience so that they can identify areas they can introduce new ideas that will add value to the product or service they bring into the market.

What is Business Opportunity

A business opportunity is a favourable set of circumstances that create a need for a new product, service or business. Opportunities occur when

people discover a problem that can be helped with a product or service or when people decide that they have certain needs or wants to satisfy. An opportunity has four essential qualities. These are:

- (i) It must be attractive.
- (ii) It must be timely.
- (iii) It must be durable.
- (iv) It must be anchored on a product, service or business that creates value for the buyer or end user.

An opportunity will become a successful venture only if its products and services satisfy the needs and wants of some people in some ways. The wants and needs of people are sometimes created by availability of the product or service. A business opportunity is different from a business idea. A business idea is a thought, impression or notion and may or may not meet the criteria of an opportunity.

Entrepreneurs do not wait for opportunities to appear; they look for them. They know that:

- (i) One thing could lead to another.
- (ii) They cannot overlook the obvious.
- (iii) They expect the unexpected.
- (iv) They pay attention to small things.

Identification of Business Opportunities and Ideas

Generating ideas is an innovative and creative process and in most cases, it is the most important aspect of starting a business. Many people find it very difficult to come up with business ideas that can be transformed into a viable business venture. Finding good business idea which is the first step in starting a business is usually a problem to many people. There are three ways to identify business opportunities. These are:

- (i) Observing trends
- (ii) Solving a problem
- (iii) Finding gaps in the market place.

(i) **Observing trends:** The first approach to identifying business opportunities is to observe trends and study how they create opportunities for entrepreneurs to pursue. The economic and social forces in the society can open up opportunities. For instance, the changing demographic pattern can create opportunities in a particular demographic segment of the population. Technological development and advances can create business opportunities and entrepreneurs should observe and study the trend as well as how this creates business opportunities now and in future. Advances in technology always come with economic and social changes to create business opportunities. For example, the introduction of Global System for Mobile Communications (GSM) created opportunities for printing of recharge cards, phone repairs, sales of GSM phones and recharge cards as well as the "under the umbrella" payphone operators. GSM deployments have provided employment for these service intermediaries.

It is also important that entrepreneurs or would-be entrepreneurs must observe trends in political and regulatory issues as changes in these always create opportunities. For example, the Federal Government of Nigeria's policy on composite flour has increased the demand for cassava flour and thus created opportunities for the production of cassava and cassava flour. The ban on the importation of some essential items created business opportunities for the local production of such items.

(ii) **Solving a problem:** Sometimes, identifying opportunities simply involves noticing a problem and finding a way of solving it. The problem can be noticed by observing trend or even by intuition or by chance. Sometimes, the problem can be noticed by someone else who thinks a solution might present an opportunity. For example, an attempt to provide a solution to the difficulty which many households face in getting reliable and trusted artisans to work for them may create an opportunity for setting up a labour squad or office where people who require labour or artisans can easily visit or phone to get required labour and artisans. Also, an attempt to solve the prevalence of malaria in a community can create opportunity for house-to-house and gutter fumigation.

(iii) Finding gaps in the marketplace: The third approach to identifying business opportunities is to recognize the need which consumers have that is not being met or satisfied. For example, the price of a product may make the product unaffordable to a large proportion of the consumers thereby creating opportunity for producing smaller sizes of the product to reduce price and increase its affordability. The poor sanitation and poor performance of government agencies charged with solid waste collection and disposal can create opportunity for independent or private refuse collection and disposal business. There are also gaps in the marketplace that represent consumer needs that are not being met by anyone.

Neeraj Pandey of LM Thapar School of Management, University of India, in his paper "Opportunity Identification and Selection" identified in a diagrammatic format the sources which an aspiring entrepreneur can use in his search for business ideas.

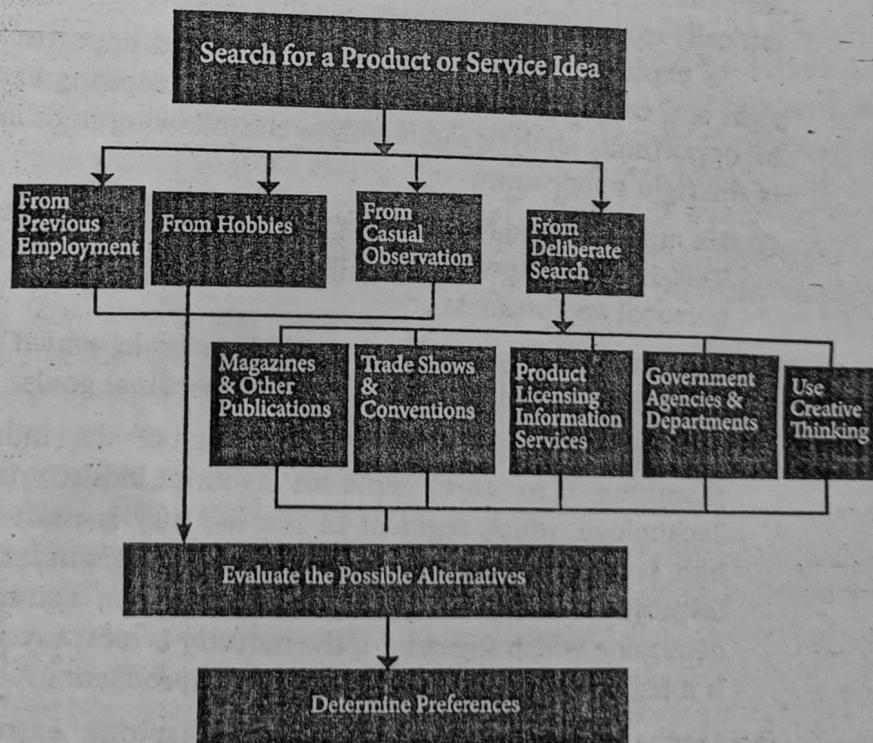


Figure 4.1: Sources of generating business ideas

Opportunity Analysis

Successful entrepreneurs know that a good idea is not necessarily a good opportunity. An opportunity is a favourable circumstance and condition that create the need for a new product or service or business. There is always the need to carry out an opportunity analysis in order to identify the business ideas that have real commercial potential. The role of a well prepared business plan is to explore this potential. This is one of the challenges an entrepreneur will face.

It is one thing to have good ideas, it is another thing to have the ability to turn the ideas into a profitable venture. The ability to take action is more important than the idea itself. At this point, an entrepreneur or an aspiring entrepreneur must start dedicating time and resources for assessment, research, planning and implementation. This will involve critically examining the ideas from all angles.

As explained earlier, it is not all identified opportunities that are right and can be pursued or implemented. An aspiring entrepreneur in his opportunity analysis should follow the following steps in his selection of the right opportunity.

- (i) He must first and foremost identify his business and personal goals. This is very important as the right opportunity must match his personal and business goals.
- (ii) He must identify his favourite industries in which he wants to operate in to achieve his business and personal goals.
- (iii) He should then identify the segments of the industry that is promising. If for an example his favourite industry is Information Technology, which segment of the industry is most promising to him. Is it software development or hardware manufacturing? If the favourite industry is Agriculture, the aspiring entrepreneur must determine which segment of the industry is most promising to him. Is it fisheries, animal husbandry or crop production?
- (iv) Among the promising segments the aspiring entrepreneur has identified, he then identifies the problem areas and brainstorms to find possible solutions to the identified problems.
- (v) Having come up with the possible solutions to the identified problems, the aspiring entrepreneur will then compare the solutions with his objectives and opportunities in the marketplace.

- (vi) Finally, the aspiring entrepreneur focuses on the most promising opportunities that will enable him to achieve his business and personal goals.

An opportunity is therefore right and attractive if it is consistent with the goal and purpose of an entrepreneur or an aspiring entrepreneur and likely to advance his objectives.

Why Some People are Better in Recognizing Opportunities

- (i) **Prior experience:** Prior experience in a particular industry helps an entrepreneur to recognize business opportunities. By working in an industry, an individual may spot a market niche that is underserved. It is also possible that an individual working in an industry builds a network of social contacts which provides insights that lead to recognizing new opportunities.
- (ii) **Cognitive factors:** Opportunity recognition may be an innate skill or a cognitive process. This is like having a "sixth sense" that allows people to see opportunities which others miss. This "sixth sense" is called "entrepreneurial alertness" which is the ability to notice things without engaging in deliberate search.
- (iii) **Social network:** The extent and depth of an individual's social network affects opportunity recognition. People who build substantial network of social and professional contacts will be exposed to more opportunities and ideas than people with sparse networks. It is a known fact that many start-up business founders got their business ideas through social contacts.
- (iv) **Creativity:** This is the process of generating a novel or useful idea. Some people are creative more than others and because of their creativity, they tend to generate novel ideas.

Techniques for Generating New Business Ideas

Several techniques can be used in generating new ideas for product, service or business. These include:

- (i) **Brainstorming:** This is used for generating many ideas quickly. A brainstorming session is held for the sole purpose of producing a lot of ideas. It is targeted at a specific topic which a group of

- (c) Moderator may knowingly or unknowingly introduce bias thus making the results unreliable.
 - (d) The results of focus group may be biased by the presence of a very dominant discussant. More reserved discussants may be hesitant to talk.
 - (e) Focus group takes more time per participant than individual surveys.
- (iii) **Surveys:** A survey is a method of gathering information from a sample of people. The most effective survey sample is "random" and the quality of survey data is to a large extent on how it is conducted. Surveys generate new product, service and business because they ask specific questions and get specific answers. Questionnaire or interview method can be used to collect data on face-to-face basis or sometimes through telephone.
- (iv) **Other techniques:** These include Delphi method and attending trade shows and conferences which may be used to learn what competitors are doing to stimulate new product or service idea. Delphi method is a forecasting method which relies on a panel of experts. Sometimes ideas are generated through observation and attendance to trade shows and association meetings.

Approaches to Business Opportunity Identification

Entrepreneurs need to generate ideas to start and grow their businesses. This is a creative and innovative process. It is chronically difficult for many people to generate ideas and thus a major problem in starting a new business. There are countless business opportunities available in the economy as long as there are unsatisfied human needs. At present, there are great opportunities to develop new sources of energy, new food products, improved farming methods, improved teaching methods, new forms of leisure and new drugs for addressing budding health challenges. There are also opportunities in refuse collection and disposal, e-business, lawn care and maintenance, food packaging, book publishing, low cost legal services, daycare centres, water purification and bottling, biomedical services, animal husbandry, crop production and farm produce marketing. All these ideas represent opportunities which budding entrepreneurs can consider in their search for new business ventures to create.

One of the major characteristics of an entrepreneur is that of generating, evaluating and selecting attractive business opportunities. Ideas for starting a new business come from various sources, activities, market, and even contacts. A good business idea can lead to the creation of a new product, service or an invention. It can also be a solution to an everyday problem. It does not necessarily have to be a unique product or service or an invention. It may be an existing product or service with added value.

There are various ways or approaches by which a person can generate ideas in order to know which business opportunity to pursue, but such a person must have an entrepreneurial mindset. Some of such approaches which Gibb and Price (2014) identified and referred to as Gateways to Business are:

- (i) **Invention of a new product:** This involves taking innovative steps in business development or business venture creation. It involves introducing an innovative product or service which meets the need of the marketplace. It entails looking for a new product or service which the market needs but does not presently exist. It also involves using creative thinking to develop a new product or service. Most of the technological innovations or products people take for granted today were not present fifty years ago. There seems not to be dearth of ideas for needed new products and services but what is required from entrepreneurs is to develop creative ideas into commercially successful products and services or businesses. For example, knowing full well that many people would like to live long or look younger than their age, an entrepreneur can take an advantage of this by researching and working on introducing ageing postponing drugs or creams. An entrepreneur may discover that Long-Lasting Insecticide-Treated Nets (LLINs) distributed free of charge for protection against malaria are generally not used because of the inconveniences of hanging them on either walls or windows and may thus introduce collapsible and adjustable net hangers, that are presently not in existence, that can be distributed along with the free mosquito nets or available for purchase at reasonable price. There are also a host of other innovations including small flying cars, non-fattening foods, desalination of sea water, and chemical control of mental illness which entrepreneurs can research into and consider introducing into the market as new inventions.

- (ii) **Franchising:** This involves an entrepreneur identifying a business which he can successfully operate on franchise. This will require the entrepreneur or would-be entrepreneur to identify the business he can buy the rights and support systems from another person or organization to operate the business patterned after that of the person or organization in another location. There are a host of this in the economy which aspiring entrepreneurs can explore.
- (iii) **Rebuilding or remanufacturing products:** This involves taking a product that has reached its useful life and rebuilding or remanufacturing it to a newer condition and selling it as reconditioned product. For example, motor parts like plugs, alternators, car batteries and kick-starters, etc. from wrecked cars can be rebuilt or remanufactured and then sold as reconditioned parts. Used engine oil can also be treated or remanufactured for resale.
- (iv) **Adding value to an existing product:** This involves creating a more valuable product or service from an existing product or service for sale. It also involves introducing additional elements such as new product features, packaging or distribution in the marketing of an existing product. Adding value can also be combining the product with other products. For instance, a company that engages in compound cleaning business can add monthly fumigation of the compound or premises as an added value to compound cleaning business the entrepreneur is undertaking before selling the service to customers.
- (v) **Introducing packaging into a product presently unpackaged:** This involves identifying a fast moving product in the open market which can be packaged for easy handling, convenience, better preservation or other factors. It may also aim at creating a new look or impression for the product. The product can be bought in large quantity and packaged in different sizes for sale to a clearly defined target market. E.g "Ofada" rice, plantain and yam flour, condiments, dried fish, cray fish and lobsters etc can be packaged in different sizes for sale to specific target consumers using innovative marketing strategies.

- (vi) **Catering for market that is not adequately served or improperly served:** This involves identifying a section or segment of the market that is not properly or adequately served, and see how the market can be better served without constituting a threat to major producers of the product in the market. This may require focusing on limited segment of the market with specialised product. For example, Operating a restaurant that focuses principally on serving traditional puddings to cater for the needs of those who love eating traditional foods which are generally not available in the modern restaurants.
- (vii) **Improving existing product or service:** This involves identifying an existing product or service an entrepreneur wants to compete with in the market and identifying the factors that can improve the product or service as well as ways he can provide the improvement. The focus of the entrepreneur will be on how to improve the existing product or service to make it better and more marketable than the existing product or service. The improvement can be in terms of developing new product features or contents, convenience, attractiveness, quality, aesthetic value, durability or cost efficiency. E.g A photographic film processing used to take days but with improvement, it now takes less than one hour for film processing.
- (viii) **Marketing someone else's product:** This involves identifying a product or service which has not been marketed at all or which has been marketed poorly and which needs marketing services. An entrepreneur can then take on the full responsibility for all aspects of marketing the product or service. For example, an entrepreneur can approach the manufacturer of an innovative educational game, software or material not properly marketed to serve as the sole agent for marketing the product in a specific market. The market could be the whole country, a region, state, secondary schools or tertiary institutions. The entrepreneur thus arranges for its packaging, promotion, advertising, distribution and general management of the marketing activities. Also, a management consultant can design a training programme and an entrepreneur can seek the opportunity to assist in marketing the training programme. An author can publish a book on

entrepreneurship education and an entrepreneur can take the advantage of the poor marketing skill of the author to assist in exclusively marketing the book.

- (ix) **Assembling a product:** This involves identifying all parts of a product and assembling them to produce finished products. For example, computer, printer, electronics, etc. An entrepreneur can use this approach in identifying business opportunity to pursue.
- (x) **Substituting materials in existing products:** This involves changing the type of materials used in making an existing product in order to either make the product more valuable, lighter, attractive, stronger or cheaper. For an example, substituting metal with plastic or leather in a metal-based product.
- (xi) **Identifying unique customer group and tailoring product or service for them:** This involves finding a unique customer group based on certain factors such as age, life style, geographical location etc and adapting a product/service to the special need of the consumer group. Eg. Organizing events such as entertainment, recreation, educational programme etc tailored to the select customer group such as retirees, children, teenagers, single mothers etc.
- (xii) **Taking existing local product to a new market:** This involves marketing a successful product or service which is produced in a particular locality or region to a new geographical area or market. A successful product which is produced say in the North-East or South-East geo-political zone can be taken to another area like South-West to market. For example, a company or an entrepreneur can promote entertainment event such as folks festival and touring theatre in another geographical area.
- (xiii) **Taking advantage of a market shift:** This involves analysing major changes in customer buying habits and finding out which products or services are involved, then fill the gap. This shift can be as a result of people's incomes change which may have a pronounced shift in the relative demand for a particular product or service. The shift can also be as a result of change in cultural values. For example, recently, many young people particularly in the urban towns develop long beard. They draw widespread media

coverage and this has led to many young people adopting this style. An entrepreneur can take advantage of this shift in cultural values to develop products or services which match this shift. Changes in fashion or tastes lead to customer shift or migration, and an entrepreneur can capitalise on this shift by considering to put into the market product or service to fill the shift gap.

- (xiv) **Capitalizing on growth trend:** This involves offering products or services to meet the growth trend in an activity, industry or market. For instance, the proportion of the population growing grey hair can provide an opportunity for an entrepreneur to consider the production of hair darkening cream. Also there is a growth trend in people giving more time to leisure. An entrepreneur can take advantage of this trend by establishing an advisory internet site funded by advertisers. There is also a growth trend in entrepreneurship education without adequate teaching and learning materials including textbooks. An entrepreneur can take advantage of this opportunity by coming out with relevant textbooks and other relevant teaching and learning materials.
- (xv) **Drawing upon the resources of under-used people:** This involves identifying and using the skills, talents and energy of under-used people to provide useful services. Eg. An unemployed accountant can design computer based training package to teach accounting to high school students. Tradesmen can be brought together and be used in renovating old and rundown houses for resale.
- (xvi) **Second-try opportunity:** This involves identifying a good product or service that has failed for a variety of reasons in the past, particularly due to poor management, and devising a new and innovative strategy for making it succeed. This will involve looking at the reasons for its failure and looking for second-try opportunities by solving the original problems to succeed. E.g. A restaurant can fail due to poor management. A second-try through a new management or by effectively addressing the issues of its failure can make it successful.
- (xvii) **Identifying market gaps or shortages and filling them:**
This involves finding out if there are situations in which

customers want a product or service and are unable to obtain it due to shortages. Such shortages may be seasonal. In such a situation, an entrepreneur can identify the product or service in which the demand outstrips supply. The entrepreneur can then take advantage of the opportunity by exploring the possibility of producing and marketing the product/service. E.g. Because there is no well developed source of second-hand computer for people who cannot afford or do not need a new one, an entrepreneur can set up a second-hand computer store business.

(xviii) **Becoming an exclusive distributor for someone's product or service:** This involves identifying a producer or manufacturer who would want to offer an entrepreneur an exclusive right to distribute its product in return of advanced financial support for orders or because of the buying power of the entrepreneur. For example, Mail or courier service in a particular location or region. Also, buying farm produce and reselling this in towns and cities. An entrepreneur can also serve as an exclusive distributor for a manufactured product (e.g. packaged plantain flour) in a particular market segment.

(xix) **Becoming a supplier to another producer:** This involves identifying the basic raw materials needed by a manufacturer and those he may be finding difficult to source in the required quantity and at reasonable price, and then becoming the supplier of the material. Eg. Supplying cassava flakes to manufacturers of cassava-based animal feeds.

(xx) **Imitating successful product or service:** This involves looking for what is selling well and after assessing its future potential and success factors, then an entrepreneur can consider producing and marketing the product through imitation. This is what many of the shoe and T-shirt manufacturers in Aba, South-East Nigeria do and they offer their products at lower prices. This is also the strategy used by many entrepreneurs in China and many Asian countries.

(xxi) **Discount selling:** This involves obtaining products from low cost sources and reselling them at a lower than market price. The sources can be from bankrupt companies, companies that need

immediate cash, companies with over-supply of goods which they cannot sell, companies with custom orders not sold or farm produce from farmers. Eg. An entrepreneur can be buying office furniture and fittings from bankrupt companies and companies closing down operation for resale.

(xxii) Import replacement: This involves identifying imported product or service that can be produced locally as a replacement of the imported one of similar nature and at lower cost. E.g Tooth pick using bamboo which is in abundance in the country. The Federal Government of Nigeria has put a number of items which can conveniently be produced in the country on import ban. An entrepreneur can take advantage of the ban to identify which of the items he can conveniently produce locally.

(xxiii) Taking advantage of a fashion opportunity: This involves producing a product or service that caters for an up-to-date or prevailing style or fashion. Such new style or fashion can be identified through magazines, attendance to fashion and trade shows. Then an entrepreneur may think of how to take advantage of the opportunity to create a new business.

Students should attempt to have examples of each of the opportunity identification approaches either individually or in their groups through brainstorming sessions. This will give students a large number of entry points into business creation or start-ups which they can explore as practice firms while in school or in setting up their own businesses after graduation.

How to Encourage and Protect New Business Ideas

New business ideas can be classified as an intellectual property, because it is a product of human intellect that is intangible but has value in the marketplace. It can be protected through:

- (i) Patent**
- (ii) Trademark**
- (iii) Copyright**
- (iv) Trade secrets.**

To protect your idea from being lost or stolen, the following steps must be taken:

- (i) Put the idea into tangible form and save in a computer.
- (ii) The saved idea should be secured, i.e. the computer disk in which the idea is saved should be secured.
- (iii) The new ideas should not be voluntarily disclosed to forfeit a claim to its exclusive right.

It must, however, be noted that a mere idea or concept does not qualify for intellectual property protection until it is translated into more concrete form. It must also be understood that it is usually easier and cheaper to set up a service business than manufacturing, noting that market for a service is more likely to be local, less equipment is needed, and less money is required for a start-up. In fact, the risk of starting a service business is also much lower than manufacturing.

Problem Solving and Team Work

Problem solving refers to the process of working through details of a problem with the objective of finding a solution. Problem will also come in the course of starting and running a business. Every organization or business will always have a goal or goals. Such a goal may be to maximize profit. Normally, there are barriers in the way of achieving a goal. These barriers are problems because if there are no barriers, there are no problems.

Problems are at the centre of what people do at work every day. Fundamental to the role of managers and entrepreneurs is finding ways to solve problems. Being a confident problem solver is important to business success. The process of solving problems is important and therefore an entrepreneur or a would-be entrepreneur must adopt a good process of problem solving.

There are four basic steps in solving a problem. These are:

- (i) Defining the problem
- (ii) Generating alternatives
- (iii) Evaluating and selecting alternatives
- (iv) Implementing solutions.

It is important that students acquire good problem solving skills that are needed not only in business but in all areas of human activities.

Problem Solving Skills

Problem solving requires two distinct types of mental skills viz: analytical and creative skills.

- (i) **Analytical skill:** It involves a thorough analysis, drawing logical framework of the problem. This includes skills such as ordering, comparing, contrasting, evaluating and selecting. It provides a logical framework for solving and helps to select the best alternatives from those available by narrowing down the range of possibilities.
- (ii) **Creative skill:** This uses imagination to create a large range of ideas for solution. It involves looking beyond the obvious. Creative thinking skills include fluency, flexibility and elaboration.

Effective problem solving requires a controlled mixture of analytical and creative thinking.

Ways to Enhance Problem Solving Skills

Everyone is constantly faced with problems to solve. The problem can be social, economic or even business in nature. The better one is at it, the easier life becomes. Therefore, it is important that young people and of course would-be entrepreneurs endeavour to enhance their problem solving skills. The ways people can enhance their problem solving skills include:

- (i) Focusing on the solution rather than the problem.
- (ii) Having an open mind by entertaining all possible solutions even if they seem ridiculous.
- (iii) Viewing problems without bias.
- (iv) Thinking laterally by changing the direction of thoughts.
- (v) Using language that creates possibility.
- (vi) Simplifying things.
- (vii) Listening and thinking calmly.
- (viii) Respecting other people's opinions and needs.
- (ix) Sometimes, working towards compromises.

All the above attributes are highly valued in both social and work situations. They are skills for life. Students must be taught the skills

and strategies for problem solving because they are becoming more independent and are expected to make good decisions on their own.

Putting Business Idea Together: Writing a Business Plan
After an idea has been tested and found viable, the next step is to put the idea together in usable format in form of a business plan. The testing will involve finding out among other things whether the idea will sell and pay; and whether the idea can be funded and be profitable. The preparation of a business plan presupposes that the would-be entrepreneur has examined all critical issues, investigated and complied with all legal issues. The business plan can be put together by the entrepreneur if he has the capability or by an expert who the entrepreneur will thoroughly brief to carry out the business plan.

Revision Questions

1. The process of starting a new business starts with business opportunity identification. What is business opportunity? How is this different from business idea?
2. How does an entrepreneur identify business opportunities? Explain each of the ways to identify business opportunities.
3. What techniques can be used by an entrepreneur to generate new business ideas?
4. Business ideas generated must be protected so that other people do not steal the ideas. How can such business ideas be protected?
5. Many people have defined the food industry as a major area of business opportunity. List out the different opportunities that characterised the food industry.
6. What do you understand by the concept of Problem-Solving? In case an entrepreneur has a business problem, what steps does he have to take in solving the problem?