1 Opportunities

1.1 What is an Opportunity?

According to...

Schumpeter

The possibility for an opportunity comes about through macro-economic / social / political /... change.
The entrepreneur uses newly available information to create an opportunity.

Kirzner

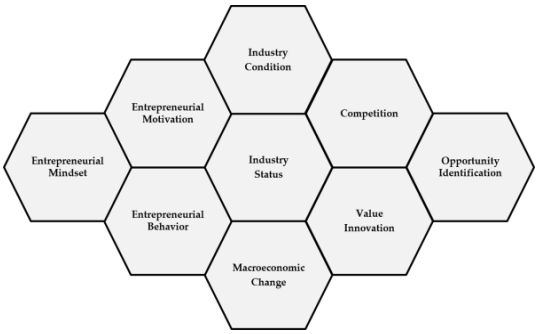
An opportunity exists because of information asymmetry in an economy.The entrepreneur could for instance be the first to see,that an item can be sold at a profit.
Opportunities are already exist and can be discovered by the entrepreneur.

1.2 How to identify Opportunities?

1. Opportunity Analysis Canvas
2. Business Model Canvas
3. Business Plan

1.3 Opportunity Analysis Canvas

The Opportunity Analysis Canvas can be split up into the parts
Think, See and Act going from left to right



1.3.1 Macro-economic changes

Macro-economic changes are changes like

- demographic & social changes
  for example people becoming more health conscious
- technological changes
  for example smartphones
- political & regulatory changes
  for example ACTA

All these changes bring opportunities

1.3.2 Competition

You have to assess your competition by looking at their and your

1. learning curve
   - how long will it take for you to catch up to each other
   - how fast can you each react to new markets/products
2. complementary assets
   - money, knowledge and relationships to share
   - how can you feed of each others reputation (reputation effect)

1.3.3 Industry condition

- how much knowledge is required in the industry?
- how much demand is there?
- is the industry growing?
- is the industry focused on capital and/or advertising?
- in what stage of development is the industry? (industry life cycle)

2 Entrepreneurship

Why?
- money
- independence
- freedom
- creating something
- helping others

Why not?
- risk
- failure
- pressure

3 Pattern of development and diffusion

We have an **Invention** → What now?

Model1

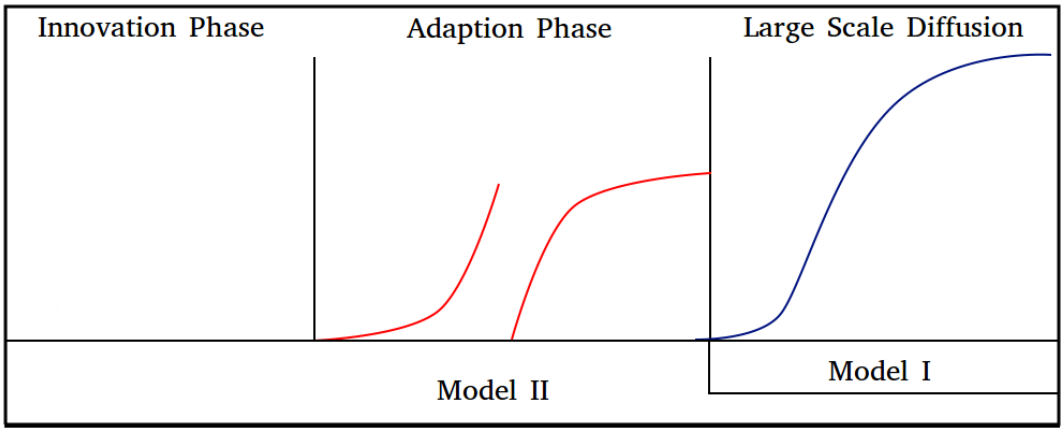
Life Cycle Model

- develop product out of invention
- after introduction people slowly adapt
- the initial boom eventually slows down
- boom happens in s-curve pattern which is called "pattern of diffusion"
- innovation is seen as a managing competence

Model2

Evolution Model

- after the invention it takes on average **a decade** until the product is released
- it takes many trial and error attempts before the final product
- the Life Cycle Model comes in once the product is succesfully released
- innovation is seen as proces of trial and error



Special points:

- Model1 is a special case of Model2 (20% of cases are Model1)
- Model1 works if there **is already a market** for the product and the **problem for the product to solve is known**

Life Cycle Model

- success == defusion
- success is predictable
- new technology is better than old technology
- innovation can be seen as a project

Evolution Model

- success comes through well timed and entrepreneurial action
- innovation cannot be seen as a project (it is not plannable)