

IDEATION STAGE

The ideation stage is the foundation of a startup's journey. It involves conceptualizing, refining, and validating an idea before moving to execution. At this stage, entrepreneurs need guidance to assess feasibility, identify target markets, and align their vision with market needs.

Key Areas

- Idea Validation
- Business Model Development
- Market Research and Customer Discovery
- Team Building
- Product Development Strategy
- Legal and Regulatory Considerations
- Financial Planning
- Pitching

MILESTONES FOR BECOMING SUCCESSFUL FROM IDEATION STAGE

- ⦿ Well-defined problem statement and solution.
- ⦿ Clear understanding of target customers (Demand Mapping)
- ⦿ Basic business model outline.
- ⦿ MVP concept ready for testing.
- ⦿ Initial customer validation.
- ⦿ Assess the TRL
- ⦿ Defined roadmap for execution.

ENTREPRENEURSHIP PROCESS

Stage-1

- Perceiving, Identifying & Evaluating an Opportunity

Stage-2

- Drawing up a Business Plan

Stage-3

- Consolidation of Resources

Stage-4

- Enterprise Establishment

Stage-5

- Enterprise Management

IDENTIFYING NEW IDEAS

- Personal experience, hobbies and pastimes, personal passions
- Following interesting trends and ideas
- Using brainstorming to generate ideas
- Solving People's Problem
- Doing Market Research

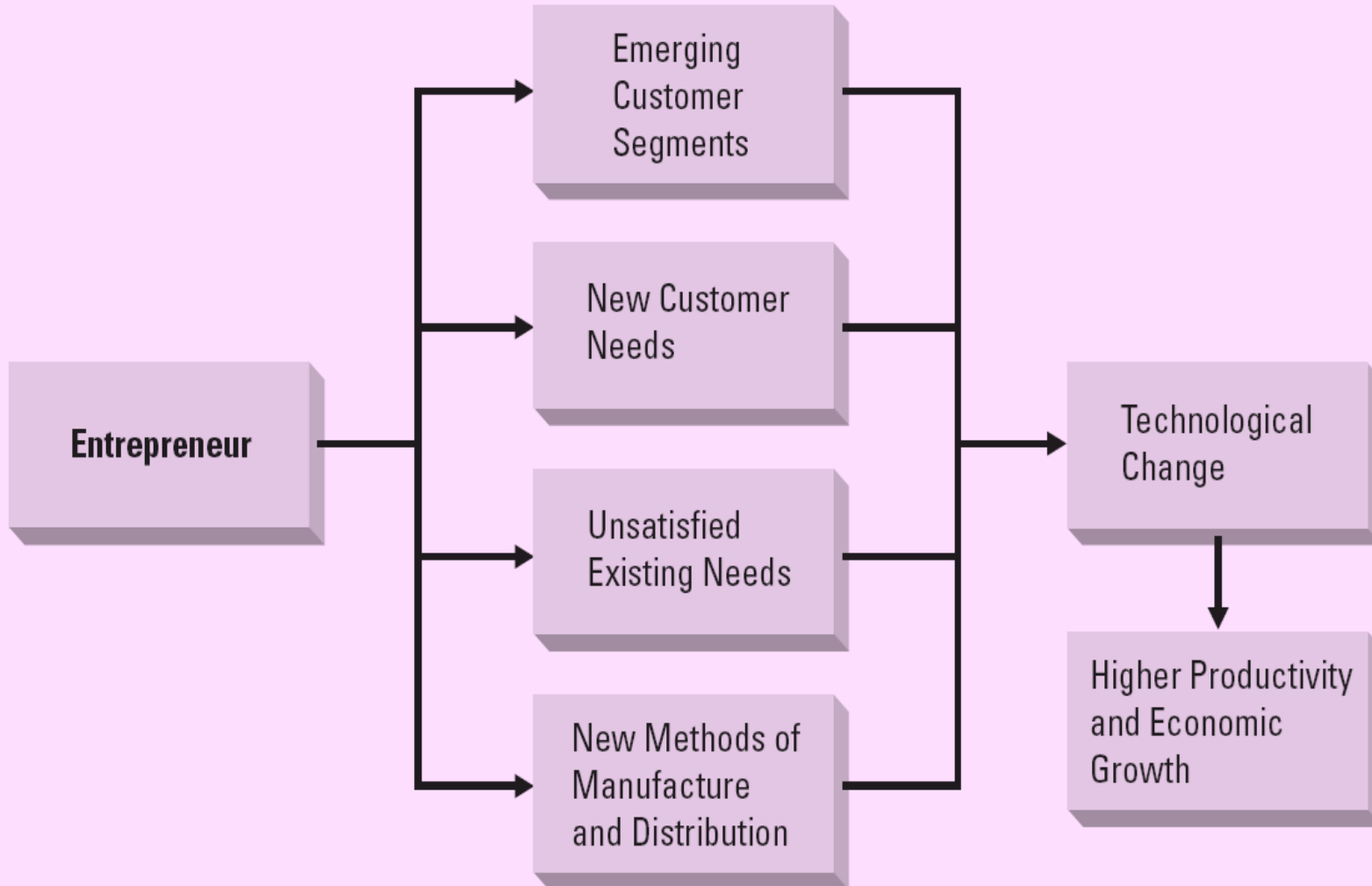
IDENTIFY AND EVALUATE THE OPPORTUNITY

- Opportunity identification: the process by which an individual comes up with an opportunity for a new venture
- The opportunity can be identified by using input from consumers, business associates, channel members, or “technical people”
- Entrepreneur must understand the cause of the opportunity – is it technological change, market shift, government regulation, or competition?

OPPORTUNITY ASSESSMENT

- What market need does it fill?
- What personal observations have you experienced or recorded with regard to that market need?
- What social conditions underlie the market need?
- What market research data can be marshaled to describe this market need?
- What patents might be available to fulfill this need?
- What competition exists in this market?
- What does the international market/competition look like?
- Where is the money to be made in this activity?

ENTREPRENEURSHIP AND TECHNOLOGICAL CHANGE



EVALUATING NEW IDEAS

- ◉ **Original?**
- ◉ **Feasible?**
- ◉ **Marketable?**
- ◉ **Profitable?**

ASSESSING FEASIBILITY OF A NEW VENTURE

KEY AREAS FOR ASSESSING THE FEASIBILITY OF A NEW VENTURE



EVALUATE TECHNICAL FEASIBILITY

- Ease of processing and manufacturing
- Functional design and attractiveness
- Flexibility, durability, reliability
- Product safety
- Ease and low cost of maintenance
- User friendliness

EVALUATE MARKETABILITY

- ④ Who are my target customers?
- ④ How big are these markets?
- ④ To which extent the potential market can be exploited?
- ④ Where do my target customers normally gather?
- ④ What will be good channels to reach them?
- ④ How should I validate my assumptions with them?

EVALUATE FINANCIAL FEASIBILITY

For the purpose of establishing a business or attracting investors, a prospective entrepreneur should include at least three key things in the comprehensive financial feasibility study:

1. Start-Up Capital Requirements
2. Start-Up Capital Sources
3. Potential Returns for Investors.

ANALYSIS OF ORGANIZATIONAL CAPABILITIES/ PRODUCT / SOLUTION VALIDATION

- ⦿ Do I understand my target customers enough to come up with potential solutions to solve their problems?
- ⦿ What are some of the potential solutions that might be able to solve their problems?
- ⦿ Which is the best solution to solve this pain/problem?
- ⦿ How to build Minimum Viable Products?
- ⦿ Are the initial production costs realistic?
- ⦿ Are the initial marketing costs realistic?
- ⦿ Does the product have potential for high margins?
- ⦿ Is the time required to get to the market and to reach the break-even point realistic?

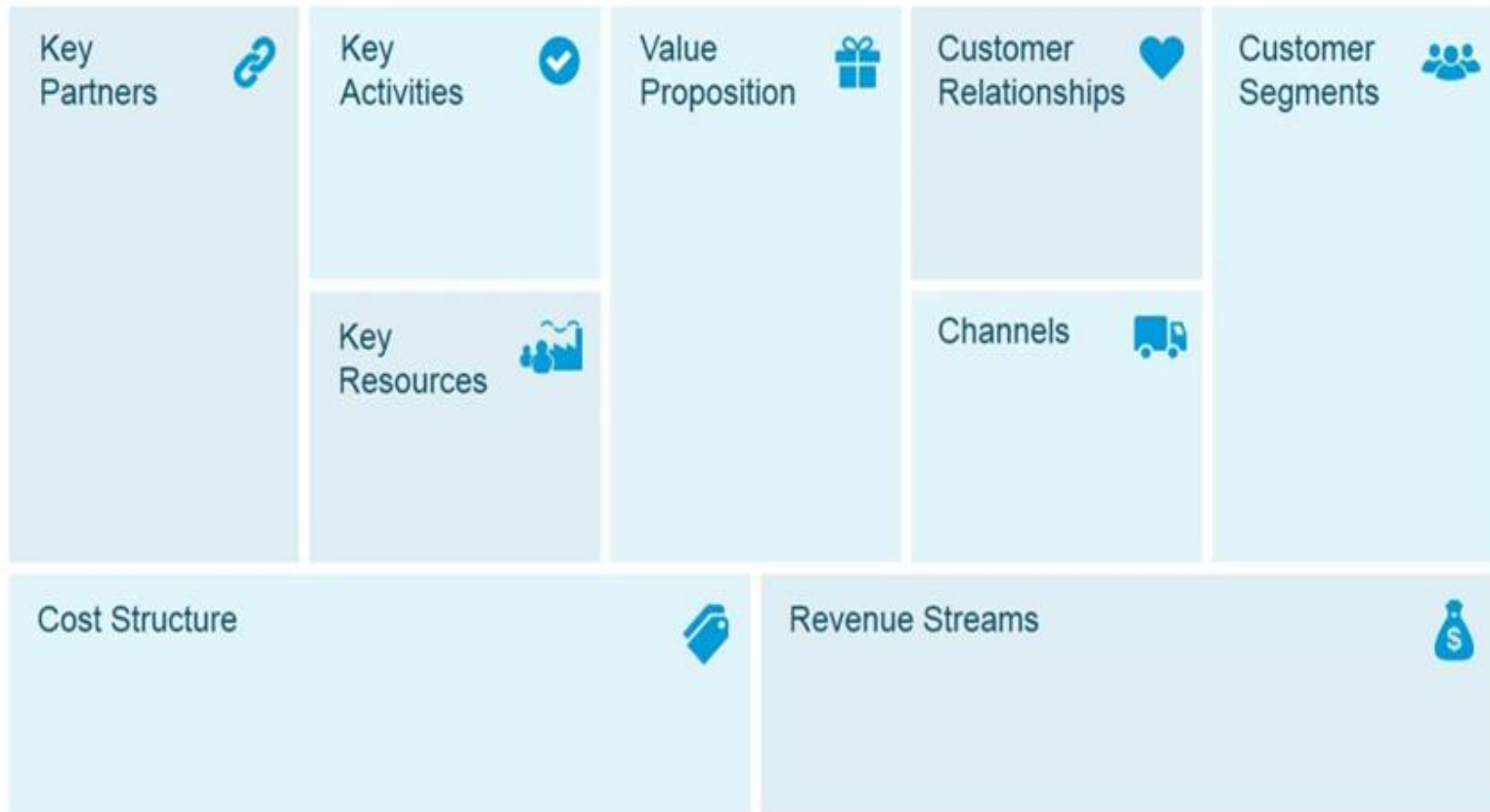
ANALYSIS OF COMPETITION

- ◉ Product description
- ◉ Market positioning (relative strength and weaknesses, as seen by customers)
- ◉ Market practices: channels, pricing, promotion, service
- ◉ Estimated market share (if relevant)
- ◉ Reactions to competition
- ◉ Implications for opportunity

BUSINESS PLAN



BUSINESS MODEL CANVAS



<http://www.businessmodelgeneration.com>

Designed by: Business Model Foundry AG

The makers of Business Model Generation and Strategyze

BUSINESS MODEL CANVAS

This blank canvas is divided graphically into nine building blocks, which must be filled in as follows:

- ◎ **Customer Segments:** “Who is my primary customer?” or “What kind of customer can I generate value for”?
- ◎ **Value Propositions:** “What value do I deliver to my consumer?”
Basically, try to highlight what differentiates your product or service from the competition.
- ◎ **Channels:** “What are the best ways for me to reach my customer?”.
All the ways through which your business can deliver value to your customer, whether sales channels, distribution or even communication and marketing.
- ◎ **Customer Relationships:** the purpose of this block is to bring together all the service, communication and after-sales strategies that your business will use to create a relationship with the customer, in order to guarantee the retention of your audience, preventing them from migrating to the competition.

BUSINESS MODEL CANVAS

- **Revenue Streams:** “How and how much will my customer pay for the value proposition I will be delivering?” This block outlines how your business will make money. You can have more than one revenue stream also, and it is important that all of them are included here. For example, sales, subscription, licensing, etc.
- **Key Resources:** to fill this block, you first need to ask yourself “What resources are essential for my business to be able to deliver value to the customer?”. Then, you must also include the necessary resources to keep your channels and relationship strategies working. In short, they are all fundamental assets for the maintenance of the business, such as software, human resources, machines, among others.
- **Key Activities:** the purpose of this building block is very similar to the previous one. Indicate here all the essential activities for your business to work out and deliver value to the customer. They can be development and maintenance of technologies, production line, logistics and distribution etc.
- **Key Partners:** inform in this block who your business partners are, observing the motivation of each one, whether they are suppliers, service providers, outsourced companies, among others.
- **Cost Structure:** it is interesting to let this as the last block of the Business Model Canvas to be completed. By doing so, you will have already defined what the main activities and resources are so that your business can deliver value to the customer. Therefore, you will be able to define the costs that these and the other blocks may involve and, thus, explain them finally.

BUSINESS MODEL CANVAS

9 Building Blocks



1 Customer Segment



2 Value Proposition



3 Channels



4 Customer Relationships



5 Revenue Streams



6 Key Resources



7 Key Activities



8 Key Partnerships



9 Cost Structure

STARTUP DEVELOPMENT PHASES



Ideation

Potential scalable product/service idea for big enough target market. Some initial revenue models for how it would make money. One person OR only vague team; no confirmed commitment and/or no right skills balance in the team structure yet

Concepting

Having clear and meaningful target with clear direction for min. 3 years with milestones to get there, -> 3, 6, 12, 24, 36 months... Having team of two or three core founding people with balanced ownership. Can also already have some extended team with lighter commitment (stock options and/or cash compensation)

Commitment

Committed & skills balanced founding team. Able to develop the product/service (Minimum Viable Product) without dependency of uncommitted external resources OR already have initial product/service developed. Have signed shareholder agreement between founders, with milestones, committed time and money usage, for min. 2+ years with vesting etc.

Validation

Can already show some user growth and/or revenue (initial traction). AND/OR continue to attract additional resources (money or sweat equity) for equity or future revenues. Looking for clear market validation (Product Market Fit), to be able to move into scaling.

Scaling

Showing clear, growing and measurable user/market traction in big or rapidly growing target market. Can and want to scale fast. AND/OR is able to attract significant funding.

Establishing

Achieved great growth, that can expected to continue strong. No longer need to "try" get resources and can get those easily. Continue to grow and often wants to culturally continue behaving like a "startup" for as long as possible. Founders make exit or continue biz as usual.

BREAK-EVEN ANALYSIS FOR STARTUPS

What is break-even analysis?

- Determines the point where revenue = expenses

Why is it important?

- Helps in pricing strategy
- Assists in securing funding
- Identifies cost-cutting opportunities

ASSESSING SCALING UP POSSIBILITIES

Growth Strategies for Startups:

- **Market Expansion** - Entering new geographical locations
- **Product Diversification** - Introducing new products/services
- **Strategic Partnerships** - Collaborating with key industry players
- **Automation and Process Optimization** - Improving efficiency
- **Franchising and Licensing** - Leveraging business models for expansion