 Feasible Study: Blue Wave

Abdulrahman M Al-Mayouf ID 202002524

Ahmad A Alasadi ID 201502903

Yahya alyousef ID 202002693

Mahmoud Basri ID 201900059

Abdulrahman Alfifi ID 201900246

Instructor: Dr. Maher Abou Hamad

BUSI 4361: Entrepreneurship

Secton:103

3 / 13 / 2024

Table of Contents

[Abstract: 3](#_Toc161704727)

[Part 1: Strength of Business Idea 4](#_Toc161704728)

[Part 2: Industry-Related Issues 5](#_Toc161704729)

[Part 3: Target Market and Customer-Related Issues 6](#_Toc161704730)

[Part 4: Founder- (or Founders-) Related Issues 7](#_Toc161704731)

[Part 5: Financial Issues 8](#_Toc161704732)

[Overview 9](#_Toc161704733)

# Abstract:

BlueWave is a pioneering startup leveraging AI to revolutionize the way financial analysts predict stock prices. With its innovative forecast system, it offers accurate predictions, risk assessments, and insights into market patterns, all through a user-friendly interface. Already making waves in the financial industry, BlueWave aims to enhance decision-making and operational efficiency for analysts, embodying a future where financial analysis is more transparent and trusted.

# Part 1: Strength of Business Idea

|  |  |  |  |
| --- | --- | --- | --- |
| # | Criteria | Assessment | Reasoning |
| 1. | Extent to which the idea: Takes advantage of an environmental trend, Solves a problem, Addresses an unfilled gap in the marketplace | Strong | BlueWave leverages advanced AI to predict stock prices, indicating it strongly addresses an unfilled gap, solves a significant problem, and takes advantage of the trend towards AI in financial analysis. |
| 2. | Timeliness of entry to market | Very timely | Given the ongoing adoption and interest in AI across industries, especially in financial analysis, entering the market now is highly timely. |
| 3. | Extent to which the idea “adds value” for its buyer or end user | High | BlueWave offers a comprehensive solution for financial analysts, enhancing decision-making with AI-driven insights, which significantly adds value for its users. |
| 4. | Extent to which the customer is satisfied by competing products that are already available | Moderately satisfied | The introduction of a user-friendly, AI-powered tool suggests that there may be room for improvement in customer satisfaction with existing products. |
| 5. | Degree to which the idea requires customers to change their basic practices or behaviors | Moderate changes required | Adopting AI for financial analysis might require some adjustment in current practices but offers enough value to justify this shift. |

# Part 2: Industry-Related Issues

|  |  |  |  |
| --- | --- | --- | --- |
| # | Criteria | Assessment | Reasoning |
| 1. | Number of competitors | Few | While there are competitors in the financial analysis sector, the specific niche of AI-driven forecasting like BlueWave offers is less crowded. |
| 2. | Stage of industry life cycle | Growth phase | The AI and fintech sectors are in a growth phase, with increasing demand and innovation. |
| 3. | Growth rate of industry | Strong growth | The integration of AI into financial services is a rapidly growing area, reflecting a strong growth rate for the industry. |
| 4. | Importance of industry’s products and/or services to customers | “Must have” | Accurate stock predictions are crucial for financial analysts, making a tool like BlueWave essential. |
| 5. | Industry operating margins | High | Advanced technology solutions like AI have the potential for high margins due to their scalability and efficiency. |

# Part 3: Target Market and Customer-Related Issues

|  |  |  |  |
| --- | --- | --- | --- |
| # | Criteria | Assessment | Reasoning |
| 1. | Identification of target market for the proposed new venture | Identified | BlueWave specifically targets financial analysts, a market segment that is well-defined and in clear need of innovative solutions for stock forecasting, facilitating targeted product development and marketing strategies. |
| 2. | Ability to create “barriers to entry” for potential competitors | Can create | The advanced AI technology and unique algorithms developed for BlueWave could serve as significant barriers to entry, protecting its market position against new entrants and providing a competitive advantage. |
| 3. | Purchasing power of customers | High | Financial analysis firms and professionals, who are the primary target market for BlueWave, generally have significant resources and are willing to invest in tools that can enhance their decision-making capabilities and competitive edge. |
| 4. | Ease of making customers aware of the new product or service | Moderate | While the target market is clearly identified, making them aware of a new, innovative product like BlueWave could require significant marketing efforts, given the crowded market and the need to distinguish it from existing solutions. |
| 5. | Growth potential of target market | High | The financial sector, particularly areas involving investment and stock analysis, is continuously growing and evolving. The demand for advanced, AI-driven analytical tools is expected to increase, indicating a high growth potential for BlueWave's target market |

.

# Part 4: Founder- (or Founders-) Related Issues

|  |  |  |  |
| --- | --- | --- | --- |
| # | Criteria | Assessment | Reasoning |
| 1. | Founder or founders experience in the industry | Moderate experience | Founders from MIS and Finance backgrounds bring a balanced mix of technical and industry-specific knowledge, indicating a moderate level of experience relevant to the venture. |
| 2. | Founder or founders skills as they relate to the proposed new venture’s product or service | Skilled | The technical and financial acumen from their studies equips the founders with a strong foundational skill set for developing and managing BlueWave. |
| 3. | Extent of the founder or founders professional and social networks in the relevant industry | Moderate | Being students may limit the extent of their professional networks; however, academic connections and emerging professional contacts provide a moderate level of networking capability. |
| 4. | Extent to which the proposed new venture meets the founder or founders personal goals and aspirations | Strong | The alignment of BlueWave with the founders' fields of study and apparent interests suggests a strong connection to their personal goals and aspirations. |
| 5. | Likelihood that a team can be put together to launch and grow the new venture | Moderately likely | The founders' position within academic institutions could facilitate team building with like-minded peers, though real-world experience and broader industry connections could enhance this further. |

# Part 5: Financial Issues

|  |  |  |  |
| --- | --- | --- | --- |
| # | Criteria | Assessment | Reasoning |
| 1. | Initial capital investment | High | The founders' current lack of personal funds to finance the project necessitates seeking external investors, indicating a high initial capital requirement. |
| 2. | Number of revenue drivers (ways in which the company makes money) | Two to three | Assuming BlueWave plans to offer subscriptions and consulting services, it has multiple potential revenue streams, though these are yet to be fully developed. |
| 3. | Time to break even | More than two years | The reliance on external funding and the developmental stage of the product suggest a longer path to break-even, compounded by the high initial investment needed. |
| 4. | Financial performance of similar businesses | Modest | While AI-driven financial tools have shown promise, the varying success across the sector and the startup nature of BlueWave suggest a modest outlook until proven otherwise. |
| 5. | Ability to fund initial product (or service) development and/or initial startup expenses from personal funds or via bootstrapping | Low | The explicit need to seek investors reflects a low capacity for self-funding the initial development and startup phase, highlighting financial vulnerability. |

# Overview

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Aspect | Score (-5 to +1) | Overall Potential of the Business Idea Based on Each Part | Suggestions for Improving the Potential | Reasoning |
| Part 1: Strength of Business Idea | +1 | High potential | Continue innovating and leveraging AI advancements. | BlueWave's innovative use of AI addresses a clear market need, indicating strong potential. |
| Part 2: Industry-Related Issues | +1 | High potential | Stay ahead of market trends and regulatory changes. | The growing demand for AI in finance suggests BlueWave is well-positioned for success. |
| Part 3: Target Market and Customer-Related Issues | +1 | High potential | Enhance customer engagement and feedback mechanisms. | Direct feedback can drive improvements and increase market penetration. |
| Part 4: Founder- (or Founders-) Related Issues | +1 | High potential | Expand professional networks and gain industry experience. | The founders' current stage limits network and experience, impacting potential. |
| Part 5: Financial Issues | -1 | Low potential | Secure funding through investors and explore strategic partnerships. | Limited initial funding and reliance on investors create financial uncertainty. |
| Overall Assessment | - | High potential | Focus on financial stability, market engagement, and continuous innovation. | Balancing innovation with financial and operational sustainability is key to maximizing potential. |