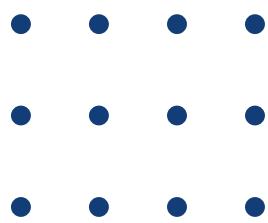
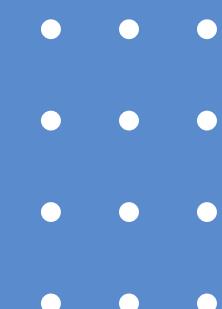
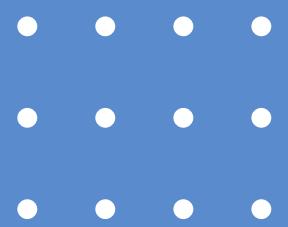


ENT101

UNDERSTANDING STARTUP DECISION



OBJECTIVES

Students will be able to:

1. Apply best practices for determining whether a business should offer products, services, or both
2. Articulate the difference between qualitative and quantitative research and discuss how both methods can be applied to entrepreneurship
3. Select an appropriate business model and structure for the type of business the student wishes to create
4. Identify appropriate primary and secondary target audiences for the product or service students plan to provide

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WHAT TO SELL?

Find out what's missing

- What is something the world needs, but doesn't have?
- Will your idea make life better for a certain group of people?
- Does a similar solution already exist?

Skills to Leverage

- What particular skills or knowledge do you possess?
- What specific groups of people have need of the skills you possess?
- Do others have the same, or similar skills? If so, how do they use those skills?

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WHAT TO SELL?

Available Resources

- Do you know anyone with whom you could partner, or who would be willing to provide funding?
- How much time can you devote to developing your solution?
- What physical resources would be required to create your solution? (Think materials, equipment, space, etc.)

Your Interests and Passions

- What types of things are you good at?
- What types of things do you ENJOY doing?
- What types of things interest you most?

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WHAT TO SELL?

Costs & Potential Profits

- What are some potential barriers to entry in your industry?
- How much will it take to get your first product or service order started?
- What type of margins can you expect to make on the sale of your product or service?

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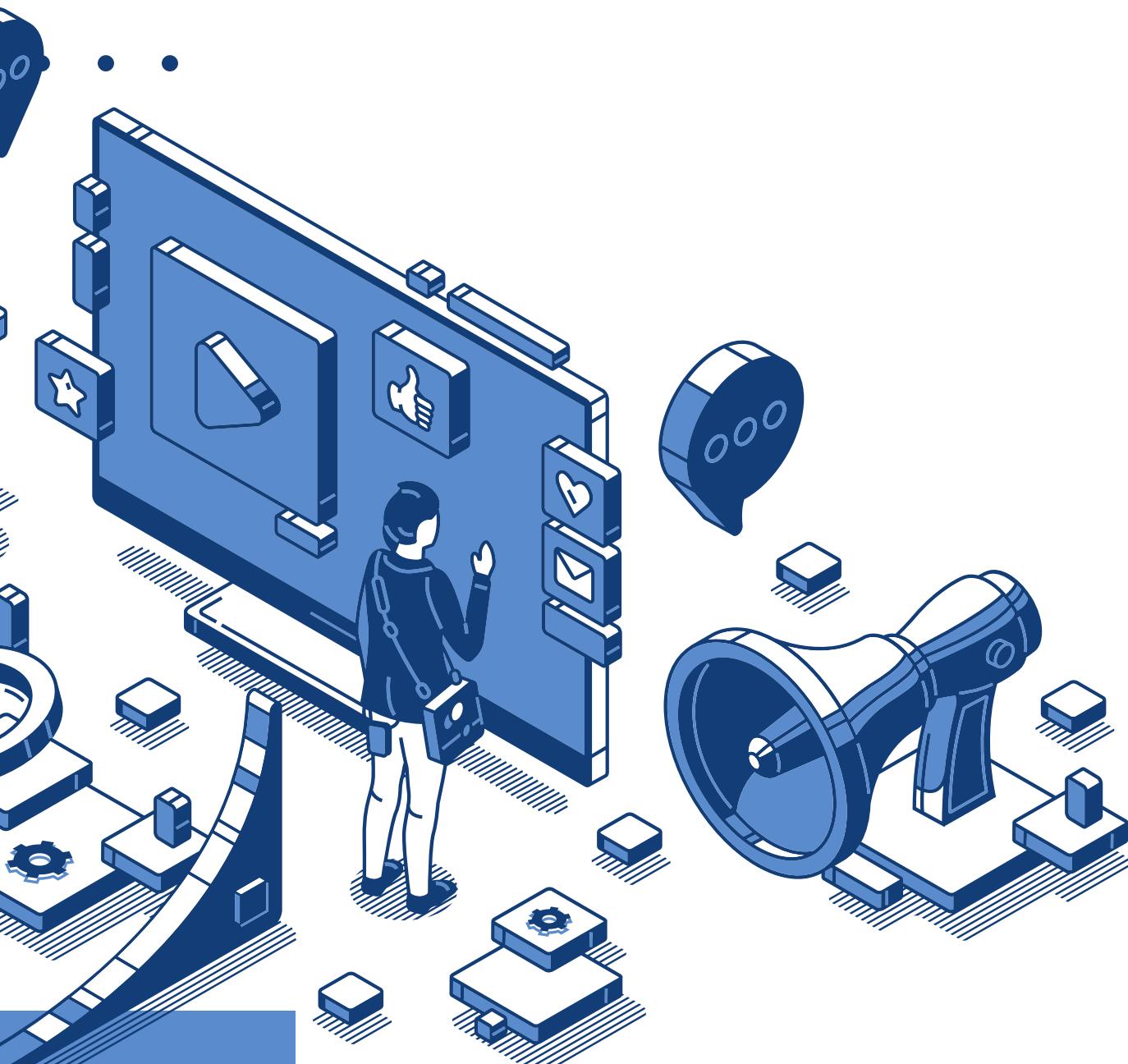
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Business Model

The way an entrepreneur positions their solution for the market, who they target, and how they deliver their solution

Most Common Business Models

- Business to Business (B2B): A business that sells strictly to other businesses
- Business to Consumer (B2C): A business that sells primarily to consumers



BUSINESS MODELS

TYPES OF BUSINESS MODELS



B2B



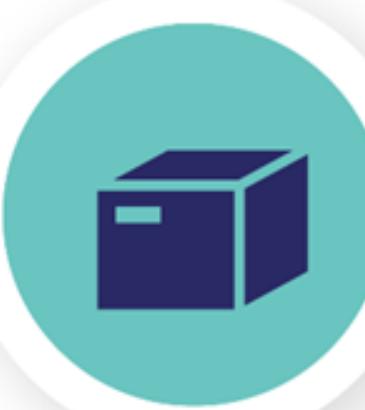
B2C



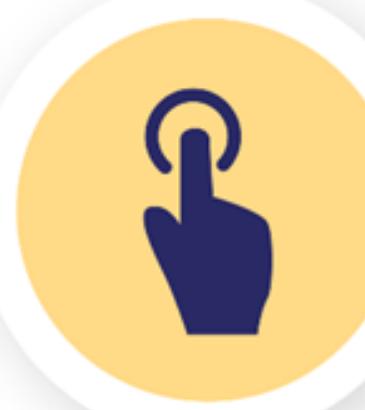
FRANCHISE



E-COMMERCE



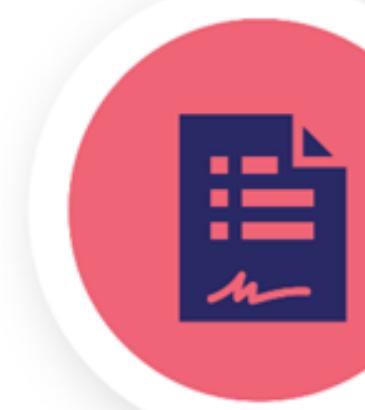
DROPSHIPPING



SUBSCRIPTION
- BASED



BRICK & MORTAR



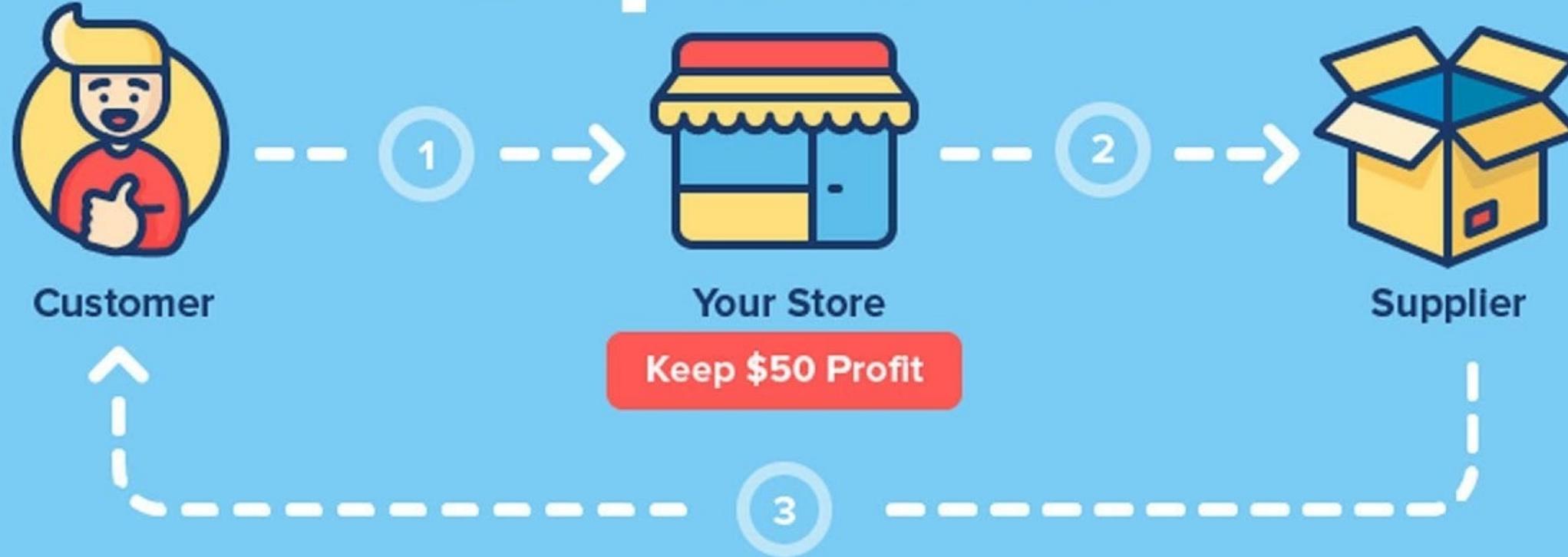
GIG-ECONOMY

Franchise - a business that can be duplicated in other locations, offering other people the opportunity to run a business using the parent business model and structure



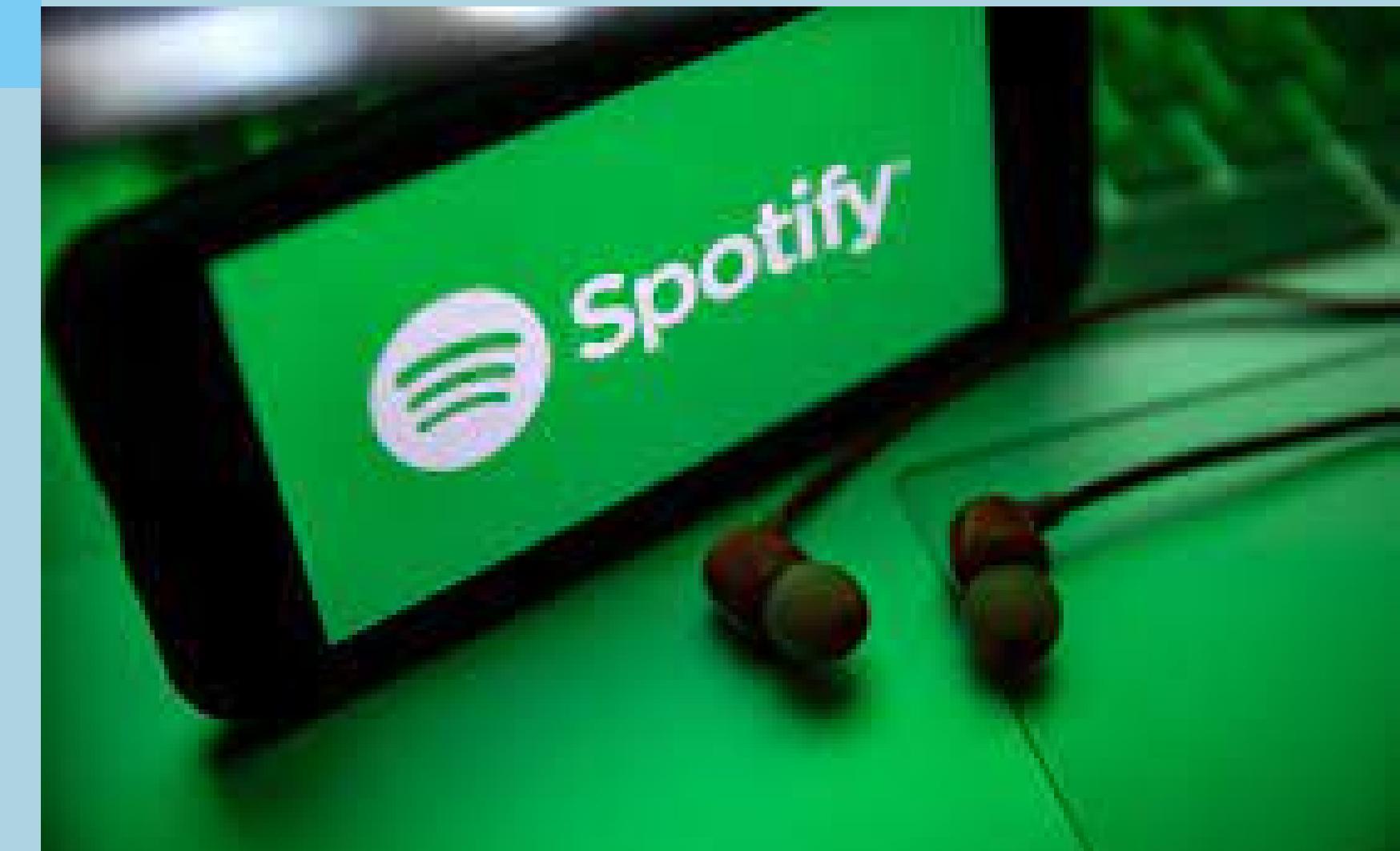
E-commerce - a business that exists entirely online via a company's website (or third party like Facebook Marketplace)

Dropshipping Explained



Subscription - give subscribers access to information or products on a schedule. The beauty of subscriptions is that the possibilities are endless and each model is a little different

Dropshipping - when a company markets a product, but the orders are fulfilled by a third-party supplier. This model limits the amount of inventory, overhead and general hassle of order fulfillments that the business must manage





Vending and Pop-Up Shops -
businesses that offer temporary
brick-and-mortar locations for a
limited amount of time in order to
drive sales or support a specific
event without incurring the
consistent and overhead costs

Brick and Mortar - businesses that
have a physical location where
customers go to purchase and
interact with the business



Gig Economy - a more recent emerging model that features a larger business structure that limits the business' liability and responsibility toward workers by hiring contractors rather than full-time employees



Wholesaler - Businesses that resells bulk purchases to others (B2B, B2C) at a discounted rate,

Resellers - individuals who acquire or curate hard-to-find products that are of interest to a specific segment of consumers and resell them for profit

Direct-to-consumer - a manufacturer who sells directly to consumers

Private label / White label - third-party manufacturers that create a generic product and apply another company's brand to it based on a negotiated agreement between the entrepreneur and manufacturer

BUSINESS PLAN

- A business plan outlines how you intend to contact customers and grow the business.'
- Although a business plan is typically an internal document, it will be required if you plan to seek external funding.

A CLEAR OVERVIEW OF YOUR BUSINESS PLAN

- Your Mission: Why does your business exist? What problem is it trying to solve, and for whom?
- Your Vision: What do you believe your business could become?
- Your Objectives: How will you evaluate success?
- Your Strategies: How will you bring your vision to life in the long term?
- Your Plan: What are your exact steps for achieving your vision? What specific actions are you taking to support your vision?
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Draft Your Business Plan

- Take a few moments to write a 2-3 sentence response to each of the following questions
- This is just a DRAFT! Your business plan will need to be carefully honed and shaped as your business ideas continue to evolve

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- • • • 1.What service or product will you provide?
- • • • 2. What problem or desire are you solving?
Why should people choose your option over the competition?
- 3. Who are your competitors?
●Are they direct or indirect competitors?
What is your competitive advantage over them?
- 5. Who will be your primary and secondary customers?
- 6. What will the financial side of the business look like?
How will you fund your business expenses?
- 7. How will you price your solution?
●How does that compare to your competition's pricing?
What's your expected profit margin?
- 8. How will you market and communicate to your potential customers?
Who will do the sales for your business and what does that process look like?
- 9. How will you evaluate your success?
What reports and numerical calculations will help you evaluate progress?
- 10. What will the next stages of the business look like?
Do you have a plan for what the next 1, 3, 5, and 10 years of the business might look like?

Creating your Business!

- Think of 5 types of business ideas you might want to start
- Based on those ideas, choose your top two and answer the following questions:

1. Is there a need for this type of business?
2. Do you know of any other businesses like this on the market?
3. What skills or materials would you need to start your business?
4. Who would you want to work with or hire, either as a partner or as an employee who has a particular skill set needed to help the business?
5. What hurdles or barriers might bar entry to the market of this idea?

Empathetic Design Thinking

- Design Thinking is a non-linear model that helps you test your ideas

- Think about it, but also act on it!

DESIGN THINKING PROCESS



Source: <https://empathizeit.com/design-thinking-models-stanford-d-school/>

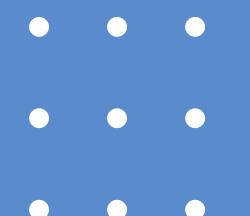
Empathetic Design Thinking

Empathize: Make sure you are considering your potential customers and the challenges they are potentially facing



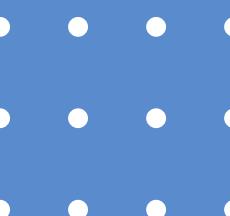
Empathetic Design Thinking

Define: To ensure you are thinking about the problem holistically from multiple perspectives, consider alternative vantage points to the challenge you face



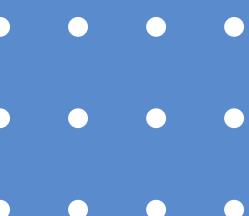
Empathetic Design Thinking

Ideate: Think outside the box for a solution



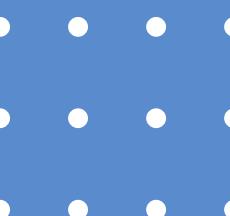
Empathetic Design Thinking

Prototype: Create a rough draft of the solution



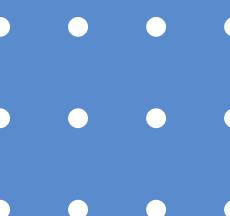
Empathetic Design Thinking

Test: Try out the prototype and let some of your potential customer group try as well to get feedback



Empathetic Design Thinking

Assess: Consider the other steps and evaluate if there are any changes needed



REFERENCES

- **Entrepreneurship: How to Start, Grow, and Scale a Business**
By Jen Riley, Ph.D. and Stuart Draper
- **Entrepreneurship: Practice and Mindset** by Heidi Neck,
Christopher Neck and Emma Murray

