

UNIT 2

Entrepreneurial Opportunity Evaluation: Identifying Market Opportunities and Trends, Integration of Engineering Principles in Ideation Process, Cross-Disciplinary Collaboration for Technological Innovation, Assessing Market Feasibility and Demand Analysis, Evaluating Technical Feasibility: Prototype Development, Proof of Concept, Financial Feasibility Analysis: Cost Estimation, Revenue Projection, Break-Even Analysis.

Business Planning and Strategy Development: Elements of a Business Plan, Executive Summary, Company Description, Market Analysis, writing a Business Plan: Structure and Components, Strategic Planning: Vision, Mission, Goals, Objectives, SWOC Analysis, Competitive Strategy: Porter's Generic Strategies, Differentiation, Cost Leadership, Focus Strategy, Growth Strategies: Organic Growth, Mergers and Acquisitions, Strategic Alliances

Activities: Writing a Business Plan on given templates, Developing Business Models and Prototypes Based on Generated Ideas

Identifying Market Opportunities and Trends

There is a plethora of opportunities available in the world of business. How the right opportunity is picked up by a successful entrepreneur has always remained a mystery. It may result from an intuition, imagination, creative thinking, knowledge, expertise or just a simple selection from a list of opportunities mentioned in a document issued by the Department of Industries. However, two things are certain about a business opportunity—First, it is visible only to an enterprising person and second, it does not occur to him by chance or because of his good luck, but an entrepreneur has to struggle to identify it. He has to collect information, analyse it in the light of business environment and ascertain its marketability and profit earning capacity. An entrepreneur can be described as an opportunity seeker who is constantly in search of attractive business opportunities. Before launching an enterprise, he has to study all possible factors which may influence selection of business.

Profit earning is the prime objective of any entrepreneurial activity and tapping of right business opportunity is a pre-condition for profit-making. Thus, business opportunity is about selecting an 'attractive' business idea that can be translated into profit earning. The word 'attractive' does not mean a fancy, impulsive or imaginary idea. Rather, it has to be stable, mature, logical and realistic. It means two things:

- i) Market potential of business opportunity
- ii) Return on investment of business opportunity

These two attributes decide whether the opportunity will be converted into actual business. The entrepreneur will work on the business opportunity only after assessing its: Market potential, i.e., how much market demand the product can generate. For this, he assesses present scenario of the market with respect to existing demand and supply and compares it with a self-developed future demand and supply scenario. The gap between the two indicates "need" for the product. There are evidences when the opportunity is developed by creating a new need which is going unnoticed by the market. Need for health drinks, energy supplements, mineral water and instant foods are examples of "created" needs. It is quite possible that there is a need in the market, but the opportunity is not profitable and indicates insufficient returns. In this case, it is not possible to launch the enterprise. The return on investment of a business opportunity is revealed by a commercial feasibility study that takes into account the technical, economic, social and environmental viability of the project. Thus, business opportunity study implies all these considerations.

The key to successful domestic and international entrepreneurship is to develop a new product/service idea that has a large market that is reachable. An entrepreneur can perceive market trends, analyse the available information and understand emerging opportunities that escape attention of other people. These opportunities exist in the form of needs, deficiencies and social problems. He is a visionary and possesses immense convincing power to persuade customers, employees, suppliers and investors to stand in support of the venture. Once opportunity is carved out, he engages himself in finding creative solution to the problem.

One way to evaluate the market opportunity of an idea is through developing an opportunity assessment plan. An opportunity assessment plan is not a business plan. It replaces at this time in the venture creation process a lengthier more time-consuming business plan to see if the ideal/ opportunity is worth pursuing. Compared to a business plan, the opportunity analysis plan:

- i) Is shorter
- ii) Focuses on the opportunity, not the venture
- iii) Has no proforma financial statement
- iv) Is the basis for making the decision to either act on an opportunity or wait until another better opportunity comes along. An opportunity assessment plan has four sections—two major sections and two minor sections.

The first major section discusses and develops the product/service idea, analyzes the competitive products and companies, and identifies the uniqueness of the idea in terms of its unique selling propositions.

This section includes:

- i) The market need for the product/service.
- ii) A description of the product/service.
- iii) The specific aspects of the product/service
- iv) The competitive products presently available filling this need and their features and prices.
- v) The companies in this product/service market space.
- vi) The unique selling propositions of this product/service.

The second major section of the opportunity assessment plan focuses on the market—its size, trends, characteristics, and growth rate. It includes:

- i) The market need filled.
- ii) The social condition underlining this market need.
- iii) Any data available to describe this market need.
- iv) The size, trends, and characteristics of the domestic and/or international market.
- v) The growth rate of the market.

Integration of Engineering Principles in Ideation Process

The ideation process is a structured framework for generating and refining ideas that can solve business challenges or lead to new opportunities. It acts as a methodical approach to innovation, helping organizations ensure that ideas are not only plentiful but also aligned with strategic goals and practically feasible.

At its core, the ideation process consists of several stages: identifying the problem or opportunity, generating ideas through creative brainstorming, evaluating and filtering those ideas, and finally planning for implementation. The process is collaborative by nature, often involving diverse teams to tap into different perspectives and areas of expertise.

Unlike spontaneous brainstorming, a formal ideation process ensures that ideas are captured, organized, and systematically reviewed. This structure is critical for making innovation an ongoing effort, rather than a one-off initiative. Whether applied internally with employees or externally through crowdsourcing, the ideation process helps organizations turn creativity into meaningful outcomes, positioning them for long-term success.