



Opportunity and the Concept Summary


In the field of observation, chance only favors minds which are prepared.

Louis Pasteur

Summary

How can an entrepreneur identify and select a valuable opportunity?

The choice of an opportunity and the decision to act is a critical juncture in the life of an entrepreneur. With the decision to act, the entrepreneur prepares a business summary for the venture that is used to test the new venture with potential investors, employees, and customers.



Concept

Types of Opportunity:

Opportunity Pull:


the size of the opportunity attracts opportunity seekers to attempt to exploit it.

Example:

A drug to mitigate the effect of Alzheimer's disease.

A photograph of several white wind turbines against a clear blue sky. The turbines are slightly out of focus, creating a sense of depth.

Opportunity and the Concept Summary

A close-up photograph of the word "Concept" written in a serif font on a light-colored surface. The word is partially obscured by a dark, curved shape on the left.

Concept

Types of Opportunity:

Capability Push:

a new technology or capability causes a search for new applications.

Example:

Digital Television

Nine Categories of Opportunity:

1. Increasing the value of a product or a service
2. New applications of existing means or technologies
3. Creating mass markets
4. Customization for individuals
5. Increasing reach
6. Managing the supply chain
7. Convergence of industries
8. Process innovation
9. Increasing the scale of the firm

Evaluating an Opportunity: Sources of Discontinuities

I. Society

- Aging society
- Lifelong education
- Food and population
- Regulation


II. Technology

- Innovation
- Disruptive technologies
- New knowledge

III. Markets

- Deregulation
- Supply chain disruption

The Elements of a Business Concept Summary

- Explain the problem or need and identify the customer.
 - Explain the proposed solution and the uniqueness of the solution.
 - Tell why the customer will pay for the solution.
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PRODUCT DESIRABILITY

- Second, Administer a **Concept Test**
 - A *concept statement* should be developed.
 - A *concept statement* is a one-page **description of a product** idea that is distributed to people who are asked to provide feedback on the potential of the idea.
 - Do not forget to provide in your concept statement:
 - A description of the product
 - The intended target market
 - The benefits provided by the product
 - The P.o.D. relative to existing solutions
 - A short description of the team

PRODUCT DESIRABILITY

Figure New Venture Fitness Drinks' Concept Statement

New Business Concept New Venture Fitness Drinks Inc.

Product

New Venture Fitness Drinks will sell delicious, nutrition-filled, all-natural fitness drinks to thirsty sports enthusiasts. The drinks will be sold through small storefronts (600 sq. ft.) that will be the same size as popular smoothie restaurants. The drinks were formulated by Dr. William Peters, a world-renowned nutritionist, and Dr. Michelle Smith, a sportsmedicine specialist, on behalf of New Venture Fitness Drinks and its customers.

Target Market

In the first three years of operation, New Venture Fitness Drinks plans to open three or four restaurants. They will all be located near large sports complexes that contain soccer fields and softball diamonds. The target market is sports enthusiasts.

Why New Venture Fitness Drinks?

The industry for sports drinks continues to grow. New Venture Fitness Drinks will introduce exciting new sports drinks that will be priced between \$1.50 and \$2.50 per 16-ounce serving. Energy bars and other over-the-counter sports snacks will also be sold. Each restaurant will contain comfortable tables and chairs (both inside and outside) where sports enthusiasts can congregate after a game. The atmosphere will be fun, cheerful, and uplifting.

Special Feature—No Other Restaurant Does This

As a special feature, New Venture Fitness Drinks will videotape select sporting events that take place in the sports complexes nearest its restaurants and will replay highlights of the games on video monitors in their restaurants. The "highlight" film will be a 30-minute film that will play continuously from the previous day's sporting events. This special feature will allow sports enthusiasts, from kids playing soccer to adults in softball leagues, to drop in and see themselves and their teammates on television.

Management Team

New Venture Fitness Drinks is led by its cofounders, Jack Petty and Peggy Wills. Jack has 16 years of experience with a national restaurant chain, and Peggy is a certified public accountant with seven years of experience at a Big 4 accounting firm.

The Elements of the Business Story

Background

Describe the current situation, the characters, and the problem.

Challenge


Describe the challenges and conflicts that impede a coherent plan to solve the problem.

Resolution

Portray a solution to the challenges and the problem and how the venture will succeed by resolving the problem.

A photograph of several white wind turbines against a clear blue sky, with the blades slightly blurred to suggest motion.

Opportunity and the Concept Summary

A close-up photograph of the word 'Principle' in a serif font, appearing to be part of a larger graphic or document.

Principle

Principle 2

The capable entrepreneur knows how to identify, select, describe, and communicate an opportunity that has good potential to become a successful venture.

