# Lecture 4:
# Ideas, Opportunities, Teamwork

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AITI Entrepreneurship Component

slides inspired by AITI Nigeria 2011

- If you haven't filled out today's attendance sheet, please do so:
  - **http://tinyurl.com/aiti-ghana**

# Today's agenda

- **Definition of business**
- Ideas versus Opportunities
- Teamwork

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# What is business?

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- What does managing a business mean to you?

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- What do you see as the relationship between business and technology?

# Introduction to Business

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  - Convincing people to organize toward accomplishing particular creative and productive goals

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  - Activities involved in creating **value** from a technical idea or opportunity

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  – Can survive for a long time

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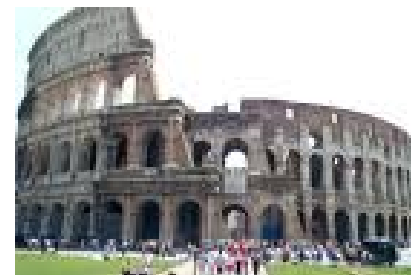
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- Idea generation

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# Good Opportunities

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   - Creating solutions
2. Serve as a business model
3. Allow calculated risks

# Characteristics of an Opportunity

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2. Solvable

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4. Profitable

# Characteristics of an Opportunity

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2. Solvable

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5. In context

# The RAMP Model

- **R**eturns
  - Profits
  - Exit strategy
  - Investment needed

- **A**dvantages
  - Competitive advantage
  - Barriers to entry

- **M**arket
  - Need?
  - Target market

- **P**otential
  - Risk versus Reward
  - Timing and skills require

# Categories of Opportunity

- New applications of existing technology

- Create mass markets

- Customize for individuals

- Increase reach

- Manage supply chain

- Increase value of product or service

- Convergence of industries

# Opportunity Evaluation

- Is the market growing or shrinking?

- Competitors?

- Exit strategy?

- Long-term or short-term returns?

- Just a fad?

# Opportunity Evaluation

- Do you have the skills and technology?

- Is your team right?

- Is the opportunity profitable?

- Barriers to entry?

# How do you figure out if…

- Is the market growing or shrinking?

- Whether there is a real need?

- Are people willing to pay for it?

MARKET RESEARCH!

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# Market Research in Ghana

- Customer behavior data
  - Depends on market

- Interviewing potential customers
  - We'll do this later in the summer!
  - How much would you pay for...
  - How often would you buy...

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# Activity #1

- Count off by 8
- What did you like about the "solve a problem" assignment?
- What didn't you like?
- Which ideas would be the best *business* opportunities and why? Which ones are ideas?
  - What would make the most money?
  - What would be the easiest one to implement?
- Prepare to present to the class in 15 minutes

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  – Growth/scalability

    - Could this idea spread in Ghana/to the world?

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# Present your Solution

- Prepare a 2 minute summary

- We'll cut you off at two minutes!

- Choose one person from your team to present

  – Remember, look out at your audience!

  – Speak so that the people in the back of the classroom can hear you

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# Voting for the Best Solution

- Keep track of the best idea as each team presents

- Write your vote (you only get one!) on a piece of paper

- Turn it in to any of the instructors

# Takeaways

- The idea for the company is important, even if it changes over time
- Personal Drive is Not Enough
- Tech Push is One Option to Start
- Market Pull is Another
- Let the Ideas Flow Now
- Consider If You Have Some Special Advantages
- Brainstorm with a Diverse Group
- Iterate

# Iteration
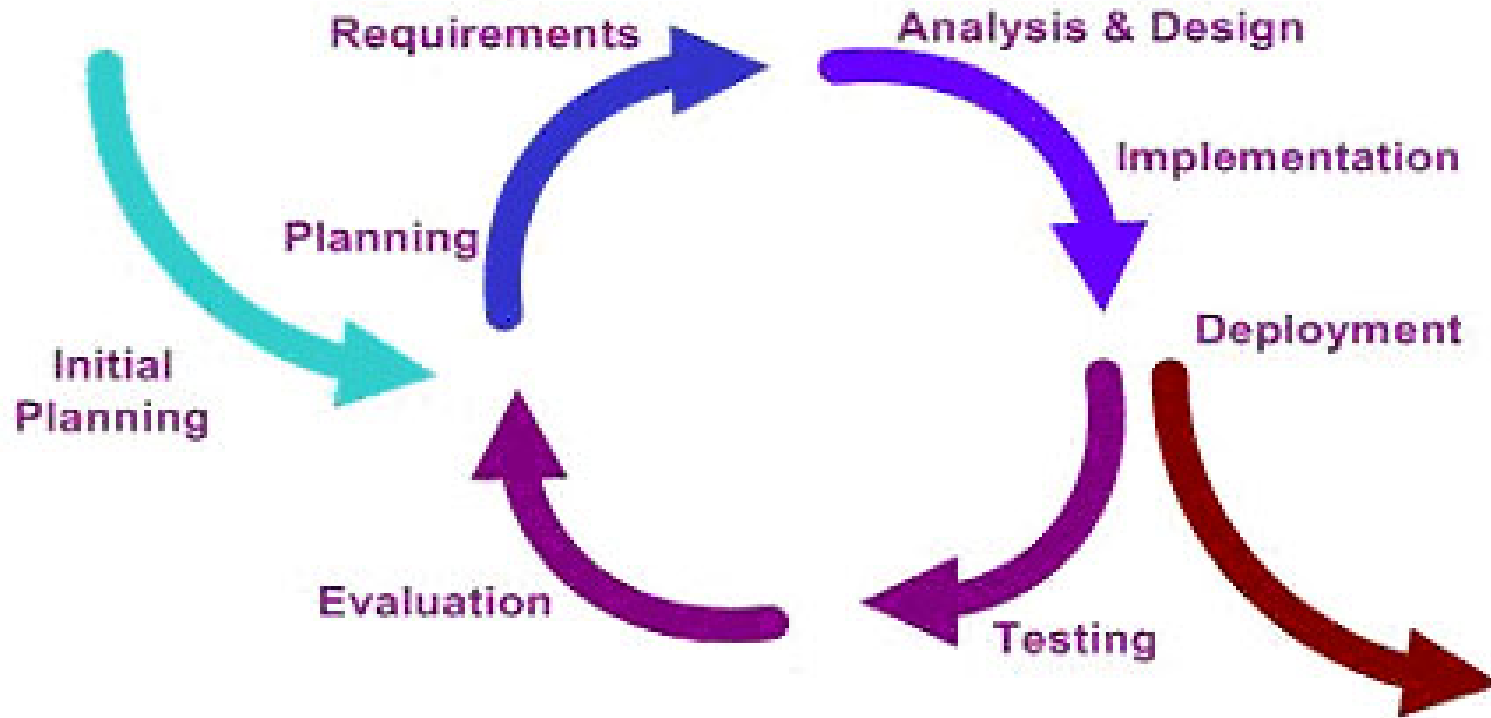
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# Types of Design

- Predictive: one design cycle
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- Cowboy design: no plan at all!

# Adaptive, Iterative Design

1. Working software is delivered frequently

2. Working software is the principal measure of progress

3. Regular adaptation to changing circumstances

4. Even late changes in requirements are welcomed

5. Close, continuous attention to technical excellence and good design

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- Not all ideas are **opportunities**
- Opportunities often disguised as ideas
- An entrepreneur assesses whether an opportunity can become a business
- Things may change, so iterate
- Creativity is the key!

# 5 minute break

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- Posting more labs, lectures, schedule here:
  - **http://aiti.mit.edu/materials/ghana-summer-2012**
- Guest speaker tomorrow!
  - **Ato Ulzen-Appiah**, Google Ghana
  - AITI alum! (2005)
  - 1:30 pm

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# Teamwork



Compatibility

Experience

Trust
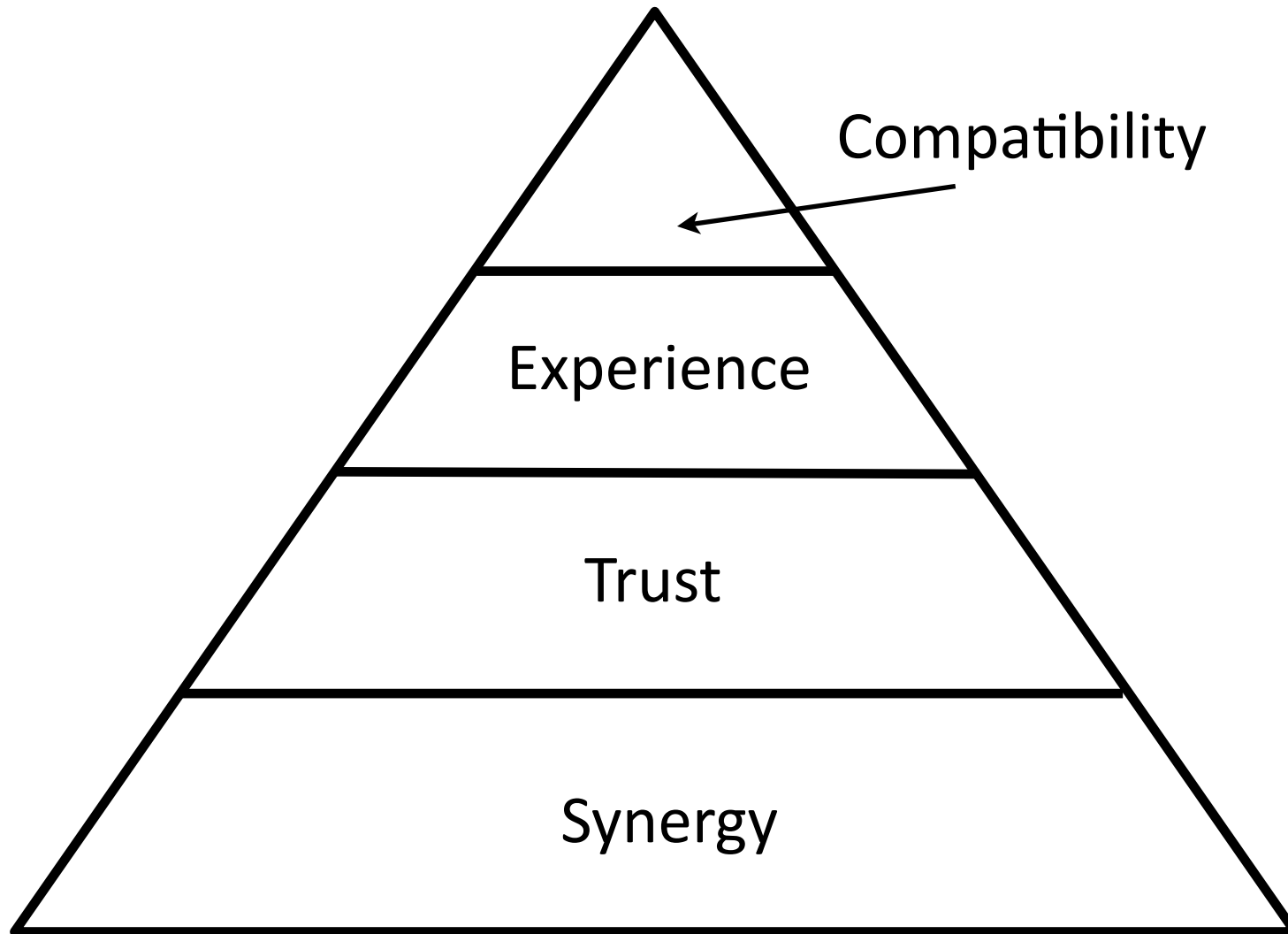
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  - 1 + 1 + 1 > 3

# Trust

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- *Something will go wrong*

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- Things, situations change

# Trust

- *Something will go wrong*
- Things, situations change
- **People** change

# Experience

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- Compliment with mentorship

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- Find that support to succeed

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# Experience

- Compliment with mentorship

- Find that support to succeed

- Ask for help!

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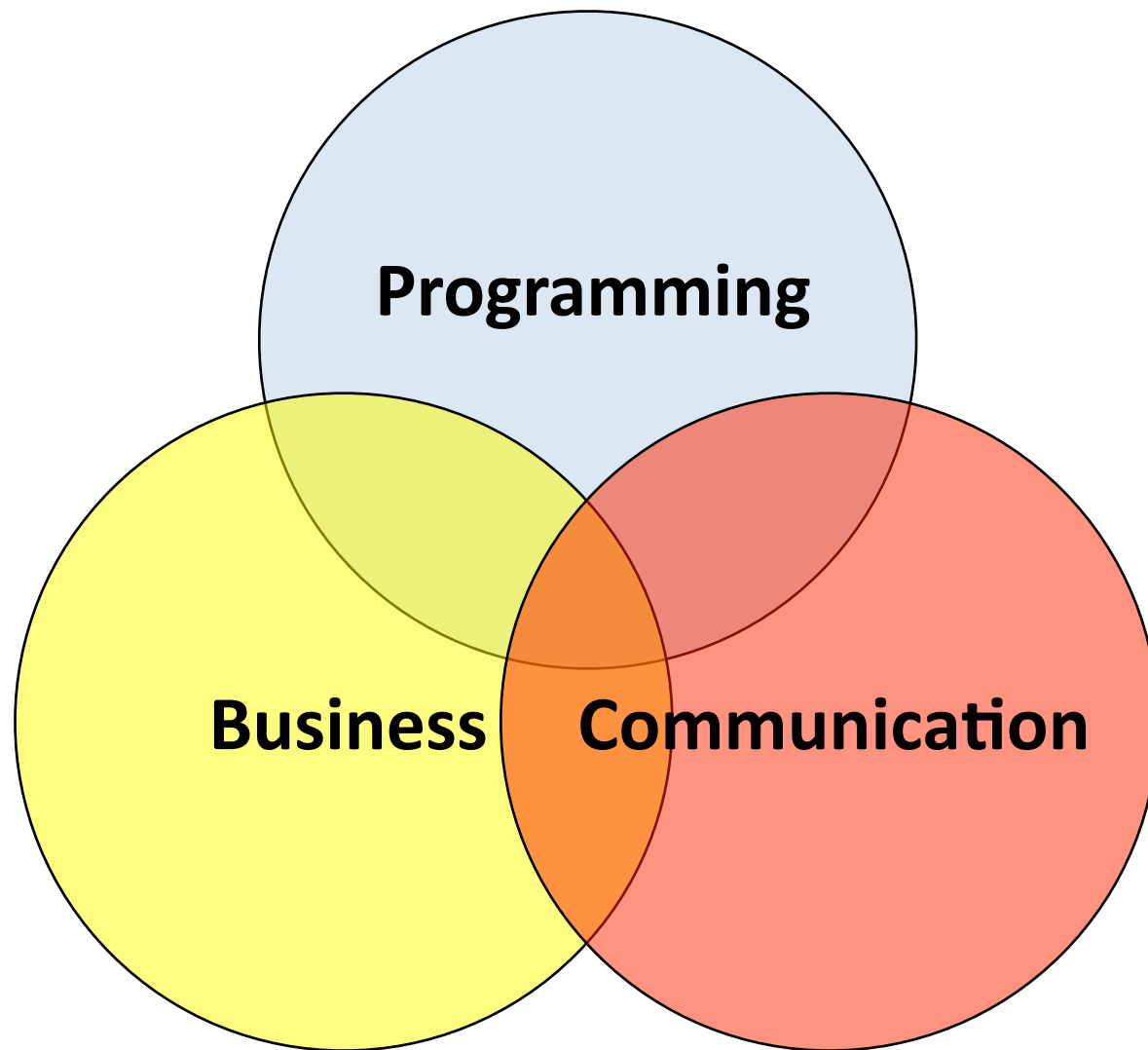
- Would you spend 2-3 hours of free time with them?

# Compatibility

- Must get along with **every** member on team

- Not necessarily your best friend

- Would you spend 2-3 hours of free time with them?

- Personalities must mesh together

# Areas of Expertise

# Activity #2

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- Teamwork: what works?

- What are your favorite aspects of working in a team?

- Least favorite aspects?

- What are your top 5 rules for working in a team?

- Email <u>sondy@sondy.com</u> with your team's top 5 and we'll share them with the group

# Thank you!

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- Questions?
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