



Lecture 5

Identifying Opportunities

Say hello to your teams!

- Team Adit
- Team Chocoleven
- Team TA, FSN, AY, GMS
- Team Fahmi
- Team Nur
- Team Apit

Where are we now?

Entrepreneurship Roadmap

Week 1: Ideate

- Participants will brainstorm and share business ideas and form teams

Week 2: Pitch

- Teams will develop their initial business proposals and pitch to the rest of the class

Week 3: Accelerate

- Teams will participate in a hackathon weekend to develop an alpha prototype of their product

Weeks 4 & 5: Incubate

- Teams will refine their prototypes and develop full business plans for VCs and other potential investors

Week 6: Launch

- Teams will demo their final prototypes and present their business plans to mentors, investors, Google and UGM representatives, and other interested parties

Program Milestones

Week 1: Being an Entrepreneur

- Chocolate Challenge
- Topic Selection
- Team Formation
- Initial Idea Proposal
- Intro to Programming
- Platform Setup
- Platform Basics

Week 2: Pitching & Selling

- Final Idea Definition
- Product/Market Fit
- Initial Pitch Deck
- Technical Intensive
- Advanced Android

Week 3: Models & Strategy

- Elevator Pitch Contest
- Initial Business Models
- Mentor Matching
- Mobile Design
- Mobile Development
- Hackathon Weekend

Week 4: Product Refining

- Mentor Sessions
- Rough Demo
- Prototyping
- Refine Specs
- Improving Prototype

Week 5: Negotiating

- Negotiation Day
- Revised Business Model
- Understanding Intellectual Property
- Final Product
- Functional Prototype
- Finalized Design

Week 6: Launching Your Business

- Rough Demo
- Final Business Model
- Refining the Product & Business Model
- Envision new features
- Set course for next year
- Time and team commitments

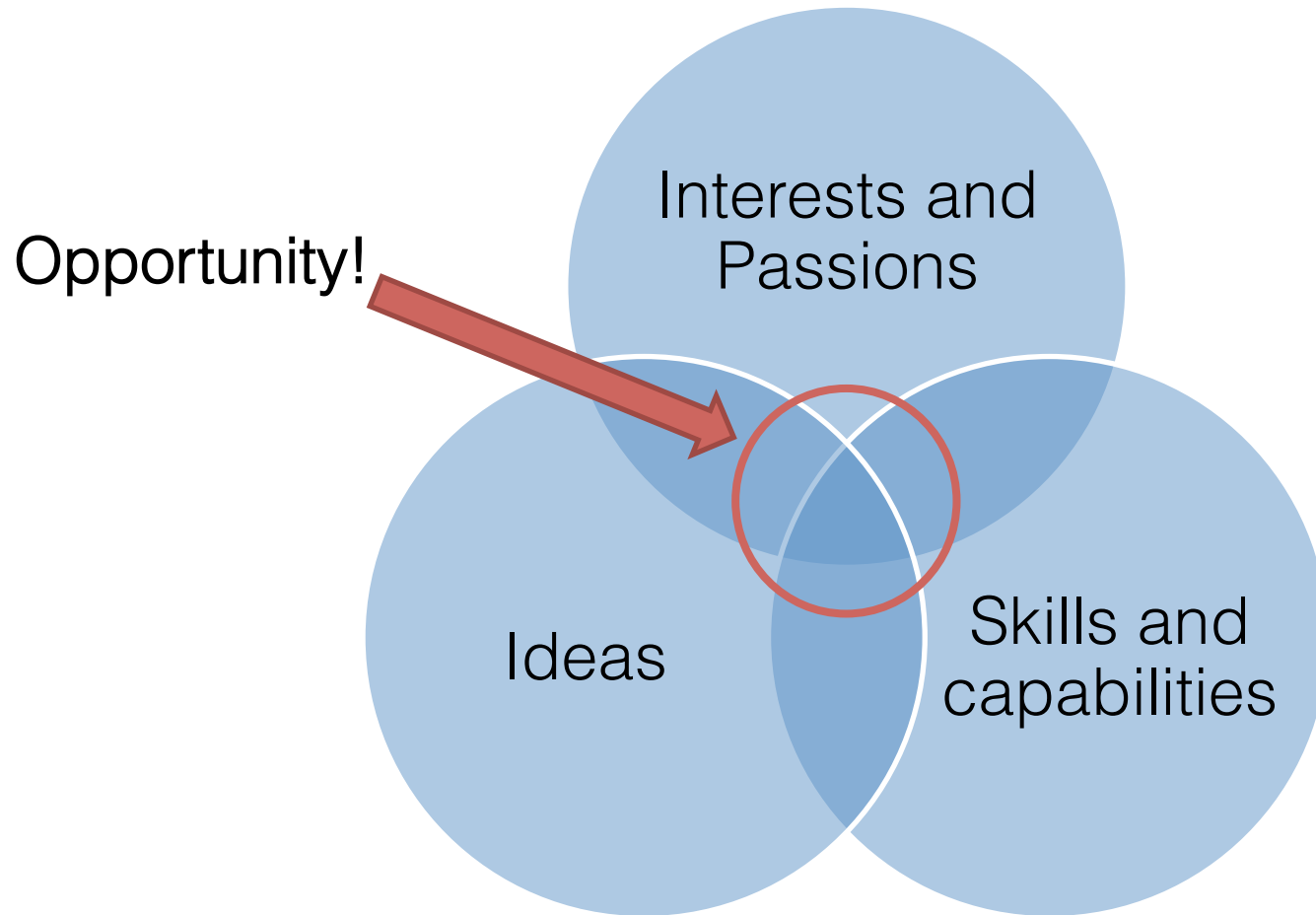
End of Week 6: DEMO DAY!!!

- Final Product
- Final Pitch

This Morning's Agenda

- From Idea to Opportunity
- Team Exercise: Opportunity Evaluation
- Business Model Generation
- Homework Assignment
- Today's Key Takeaways

Choosing an Opportunity



Idea versus Opportunity

- So far we've generated ideas.
 - A result of brainstorming
 - Not very logical
 - Isn't necessarily a business
- Now it's time to think about the opportunity.
 - Is it possible?
 - Is it profitable?

Characteristics of an Opportunity

1. Timely

2. Real Problem

3. Solvable

4. Interesting

5. Rewarding

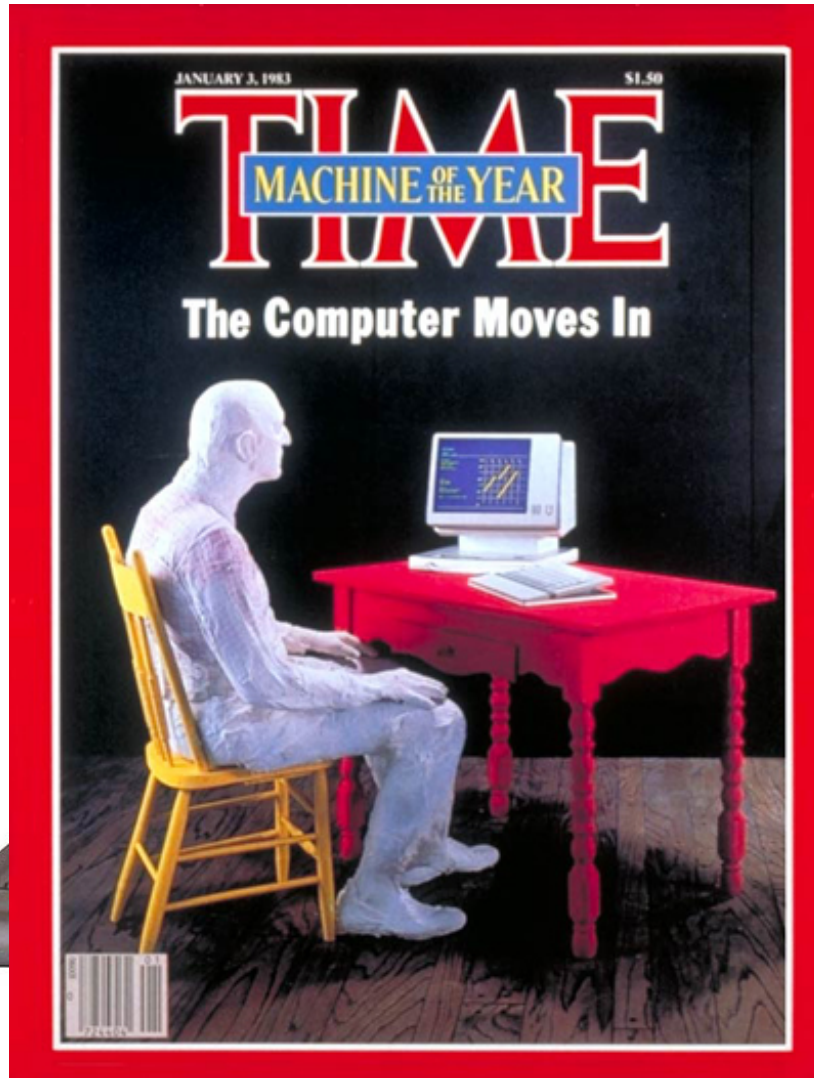
Is it Timely?

- Think about current trends (Web 2.0, crowdsourcing, collaborative consumption)
- Industries converge to complement each other
 - How can you turn that into an opportunity?
 - Information Technology and Mobile Phones
 - Mobile Phones and the Internet
 - Mobile Web and ???
 - Displace PCs?
 - Media & Entertainment

"I think there is a wc

"There is no re

- That year, 4 personal c
- IBM respon
- *Time* magazine i



o and Chairman of IBM

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quipment Corporation

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Is it a Real Problem (vs. an annoyance)?

Technology Push vs. Market Pull

	Technology Push	Market Pull
Risk	Higher risk	Lower risk
Unit Profitability	Higher profit	Lower profit

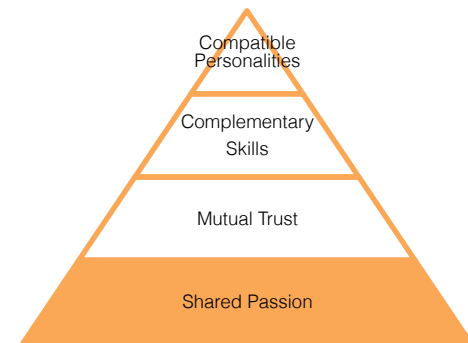
- A successful company requires BOTH –
- a well-defined problem to solve and
- a well-formed solution that addresses the problem.

Is that problem Solvable?

- What is the size of the problem?
- How much of it can you solve? What can you add to the solution?
- Are you the right people to solve it?
- Is the solution permanent?

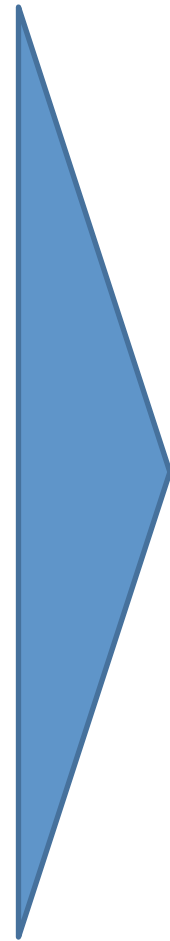
Is it Interesting?

- Think about the reasons you formed your team...
- Will your passion sustain you?
- Will you bounce back from failure?
- Are you committed to solving this problem?



Will it be Rewarding?

- Returns
 - Profits
 - Exit strategy
 - Investment needed
- Advantages
 - Competitive advantage
 - Barriers to entry
- Market
 - Need?
 - Target market
- Potential
 - Risk versus Reward
 - Timing and skills required



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A
M
P

*“A business that makes nothing but money
is a poor business.”*

- Henry Ford

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Team Exercise: Opportunity Evaluation

- Using yesterday's Homework Assignment, decide as a team on your top 3 potential mobile applications
- For each, include a brief description and answer the questions on the following slides
- Each team will present their ideas to the class for quick feedback

Team Exercise: Opportunity Evaluation

- What problem does it solve?
- Who has this problem?
- How is the problem resolved (briefly)?
- Who are the competitors?
 - How are you different?
- Is your team right?
 - Do you have the skills and technology?
 - Do you have the right network?
- Is the opportunity profitable?
 - Long-term or short-term returns?
 - Just a fad?
- Challenges?
 - Barriers to entry?

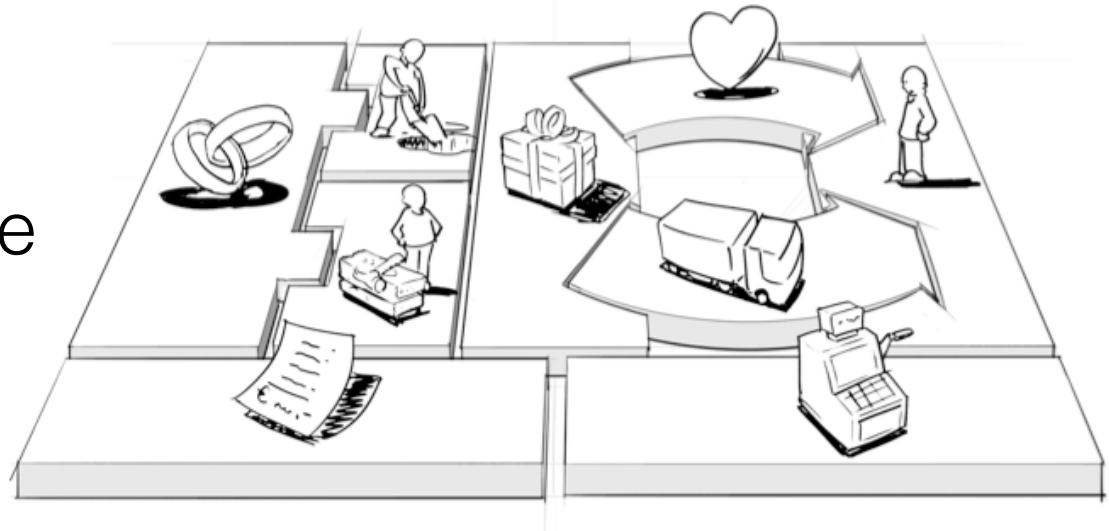
These answers will form the base of your business model (more on that later!)

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What is a Business Model?

- A business model describes how an organization
 - Creates value
 - Delivers value
 - Captures value

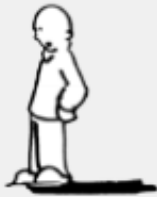


- Check out:

<http://www.businessmodelgeneration.com/>

How can you
describe your
Business Model?

The 9 Building Blocks



CS

1 Customer Segments

An organization serves one or several Customer Segments.



VP

2 Value Propositions

It seeks to solve customer problems and satisfy customer needs with value propositions.



CH

3 Channels

Value propositions are delivered to customers through communication, distribution, and sales Channels.



CR

4 Customer Relationships

Customer relationships are established and maintained with each Customer Segment.



R\$

5 Revenue Streams

Revenue streams result from value propositions successfully offered to customers.



KR

6 Key Resources

Key resources are the assets required to offer and deliver the previously described elements...



KA

7 Key Activities

...by performing a number of Key Activities.



KP

8 Key Partnerships

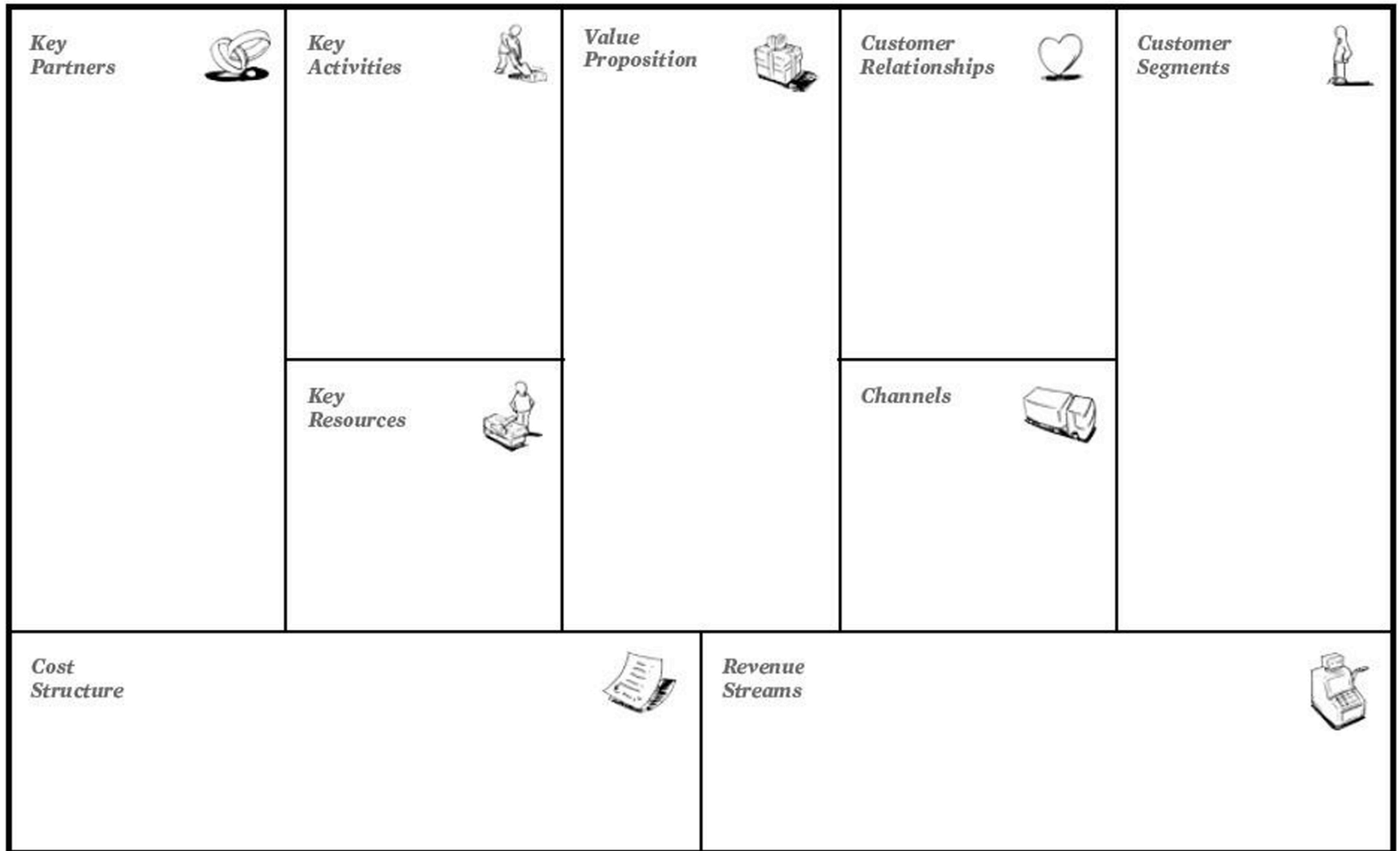
Some activities are outsourced and some resources are acquired outside the enterprise.

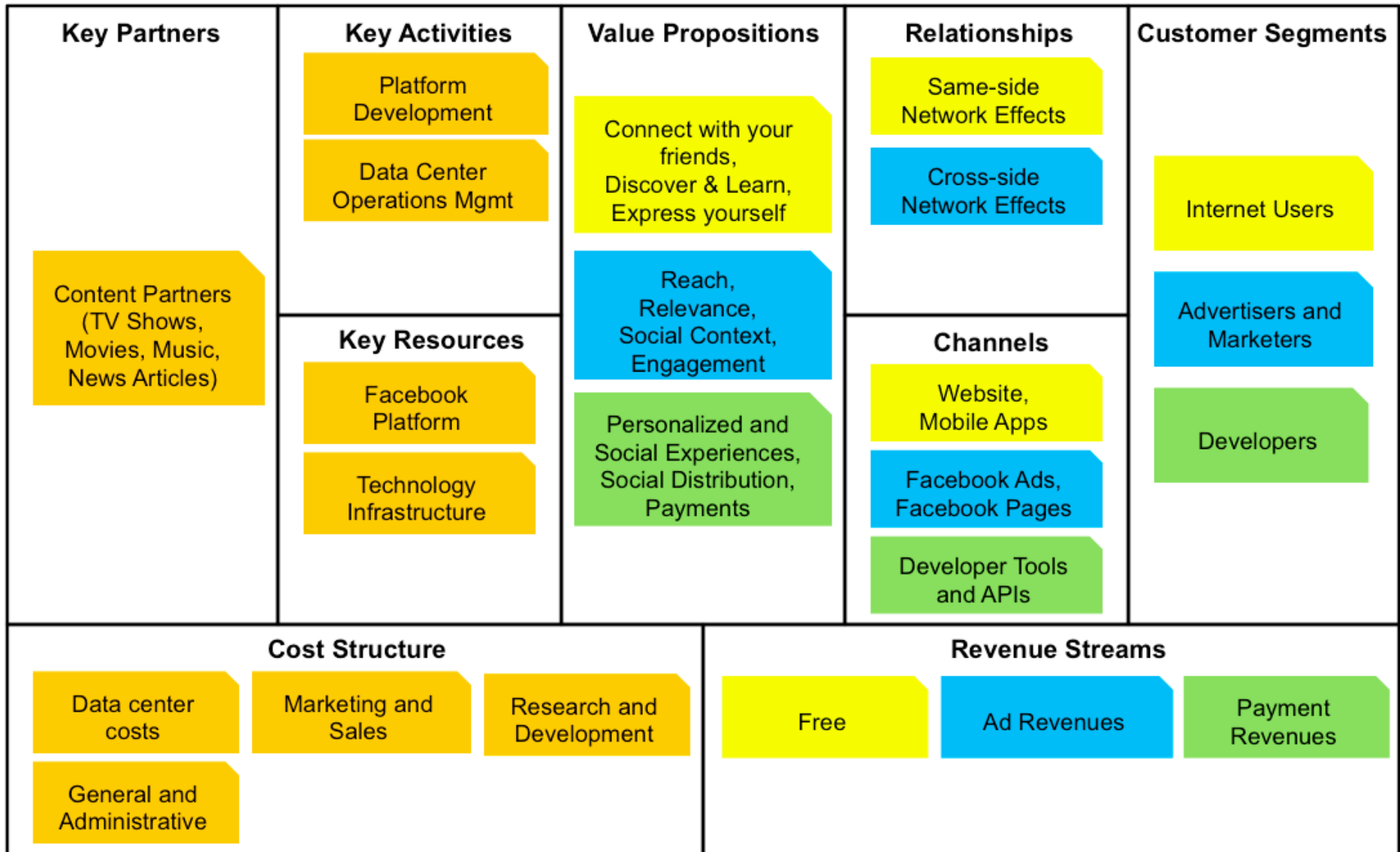


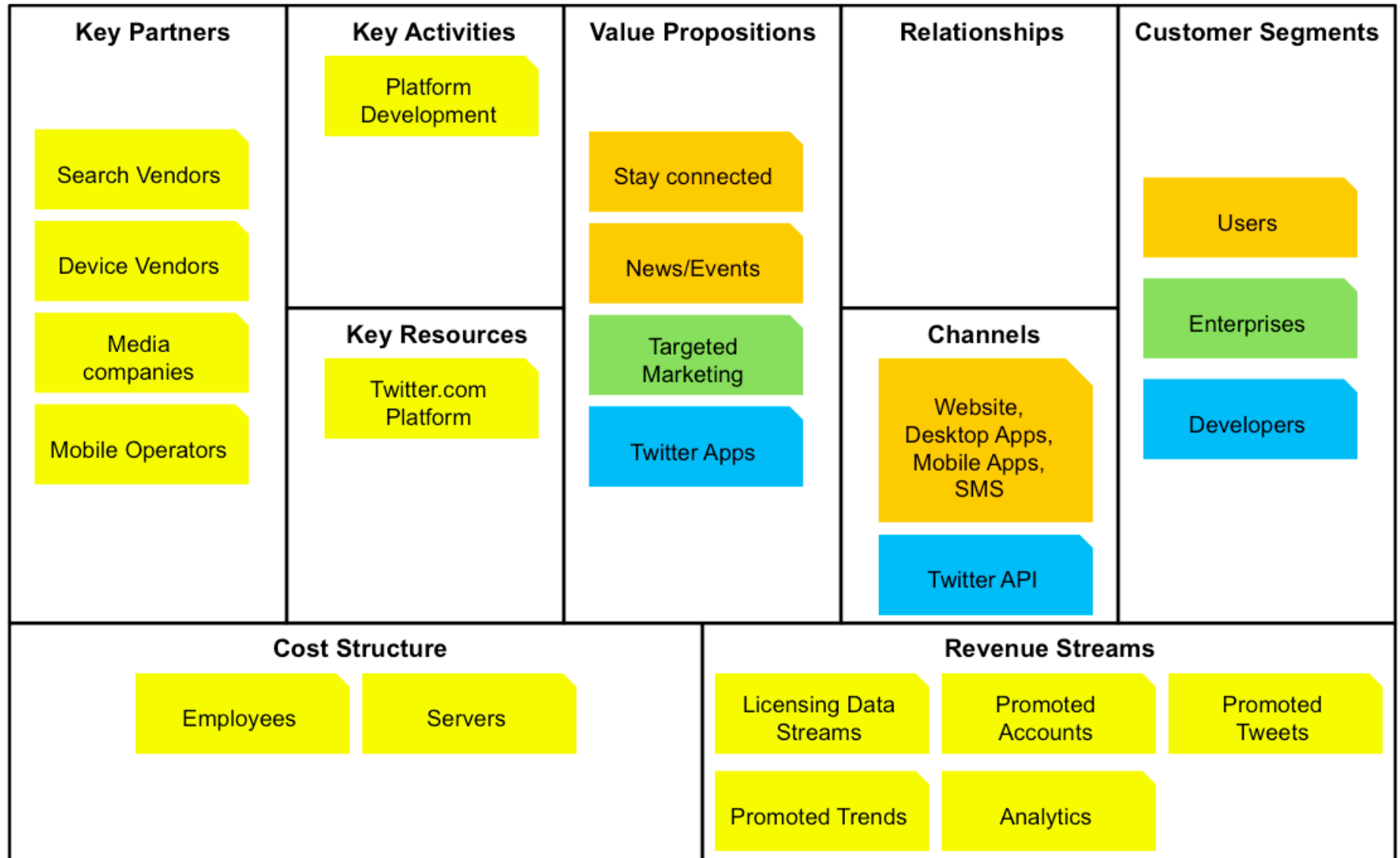
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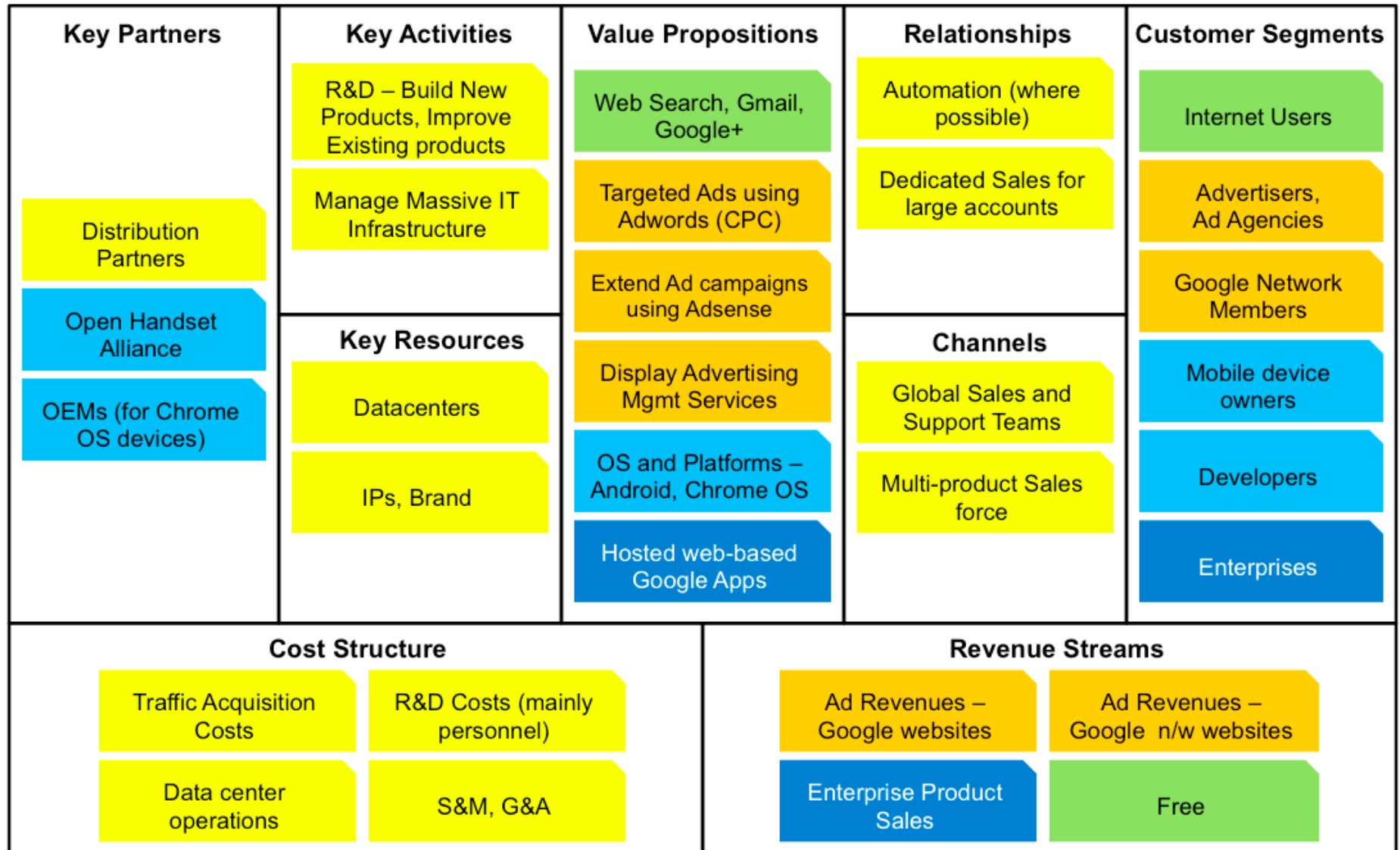
9 Cost Structure

The business model elements result in the cost structure.









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Homework Assignment #5

- Choose a team name!
- As a team, decide which opportunity you will develop over the next 5 weeks.
- Do some initial research! Talk to customers, potential partners, etc.
- Complete the business model canvas for your opportunity (link is on the website)

Have a designated person email your assignment by
Sunday night 11:59pm (midnight)

Be ready to present your business model on Monday

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Today's Key Takeaways

- Not all **ideas** are **opportunities**
- Opportunities are often disguised as problems, looking for solutions
- An entrepreneur should always assess whether the opportunity is a business

“The true entrepreneur is a doer, not [just] a dreamer.”

– Nolan Bushnell

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- Check your e-mail and Facebook for any additional announcements
 - Questions?
 - See you Monday!