



# CTI Entrepreneurship

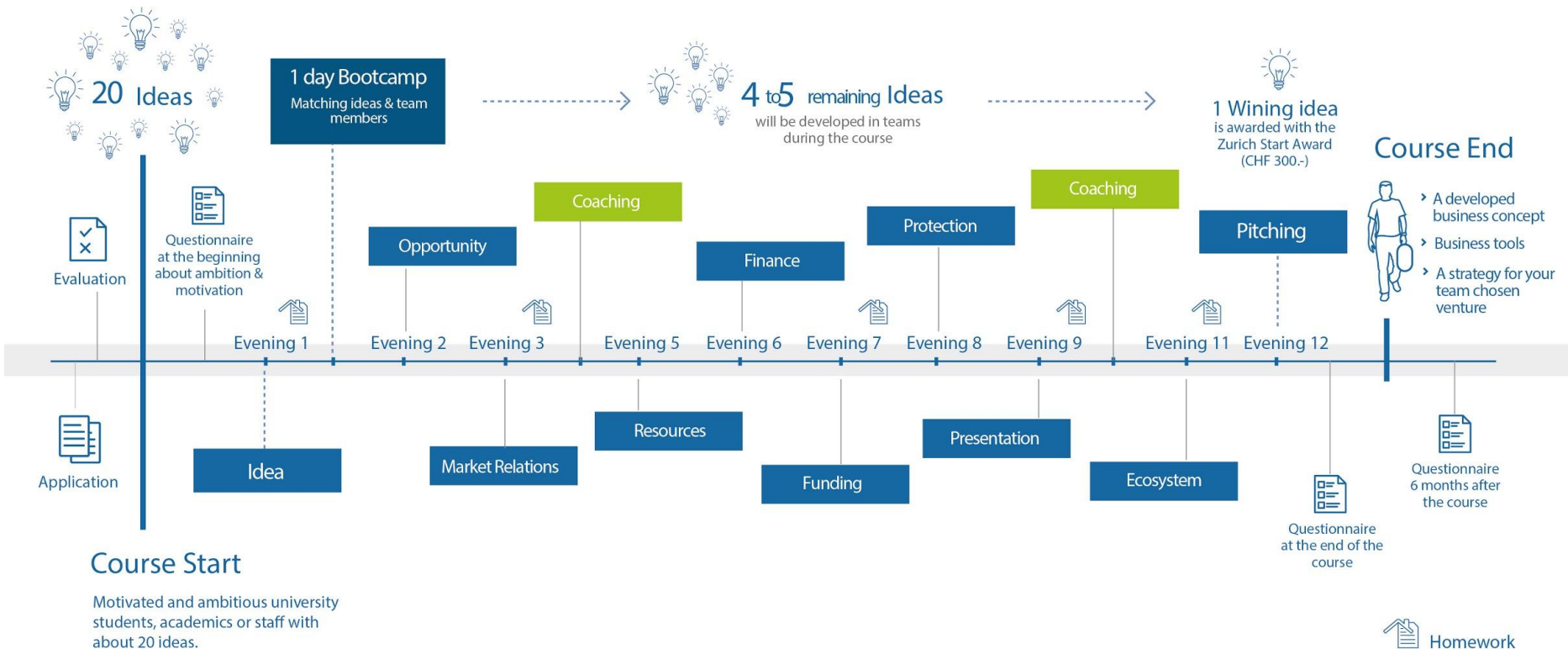
## Business Conception

### Week 2: Opportunity

# Module 2 - Business Concept

## CTI Entrepreneurship Training Business Concept

## Course Schedule



# Course Structure

Week / Time	Hour 1		Hour 2		Hour 3		Hour 4		Deliverables
1 Idea	Welcome, Introduction		Entrepreneurial Acting and Thinking		Get to Know Each Other		Elevator Pitch Training, Wrap-Up		Elevator Pitch
1 Bootcamp	STARTUP CAMPUS Bootcamp								Ideas & Teams Chosen
2 Opportunity	From Idea to Opportunity		Work on Business Value Concept		Value Proposition Development		Group Presentations, Discussion, Wrap-Up		Business Value Concept, Value Proposition
3 Market Relations	Understanding your market	Market Positioning		Value Chain Analysis & Market Entry Strategy			Update Business Value Concept, Wrap-Up		Customer Segment, Positioning Map, Value Chain, Entry Strategy
4 Coaching (I)	Individual Coaching Sessions in Teams: Status Quo, Q&A, Roadmap								Review of Progress
5 Resources	Managing Yourself		Human Resources and Skills Matrix		Founding Your Business		Roadmap, Wrap-Up		Motivation & Expectation, Skill Matrix, Roadmap
6 Finance	Financial Planning	Forecasting Sales and Costs			Income Statement	Free Cash Flow / Liquidity / Break Even, Wrap-Up			Definition of Key Financial Forecasts and Statements
7 Funding	Introduction to funding		Types and Sources of Funding and How to Secure Investment		Funding Strategy and Funding Battleplan, Wrap-Up				Funding strategy and battleplan
8 Protection	Introduction to IP Protection		Identifying IP Needs	IP Strategy and Management		Checking Operating Freedom		Discussion and Wrap-Up	IP Canvas
9 Presentation	Introduction & review of online training		Standing in the shoes of your audience	How to structure an investor pitch		Developing a your final pitch, Wrap-Up			A Start-Up Pitch (presentation)
10 Coaching (II)	Individual Coaching Sessions in Teams: Status Quo, Q&A, Roadmap								Review of Progress
11 Ecosystem	STARTUP CAMPUS CONNECT EVENT								Contacts to Ecosystem
12 Pitching	Final Pitches & Jury Feedback						Course Evaluation & Closing		Jury Feedback and Certificates

# Week 2: Opportunity

WK	Topic	Trainer
1	Ideas	Lead Trainer
2	Opportunity	Lead Trainer
3	Market Relations	Lead Trainer
4	Coaching I	Lead Trainer
5	Resources	Lead Trainer
6	Finance	Lead Trainer
7	Funding	Lead Trainer
8	Protection	IP Trainer
9	Presentation	Lead Trainer
10	Coaching II	Lead Trainer
11	Ecosystem	TBC
12	Pitching	TBC



## Learning Goals

The participants are able to:

1. Understand the market potential of their idea and demonstrate an ability to assess it against key criteria
2. Understand the technical feasibility of their idea, conduct initial investigations to understand the barriers that must be overcome and formulate a relevant roadmap
3. Develop a draft version of the value proposition of the future product

## Deliverables

1. An updated Business Value Concept
2. A Value Proposition

(Usual Start Time: 17:00)

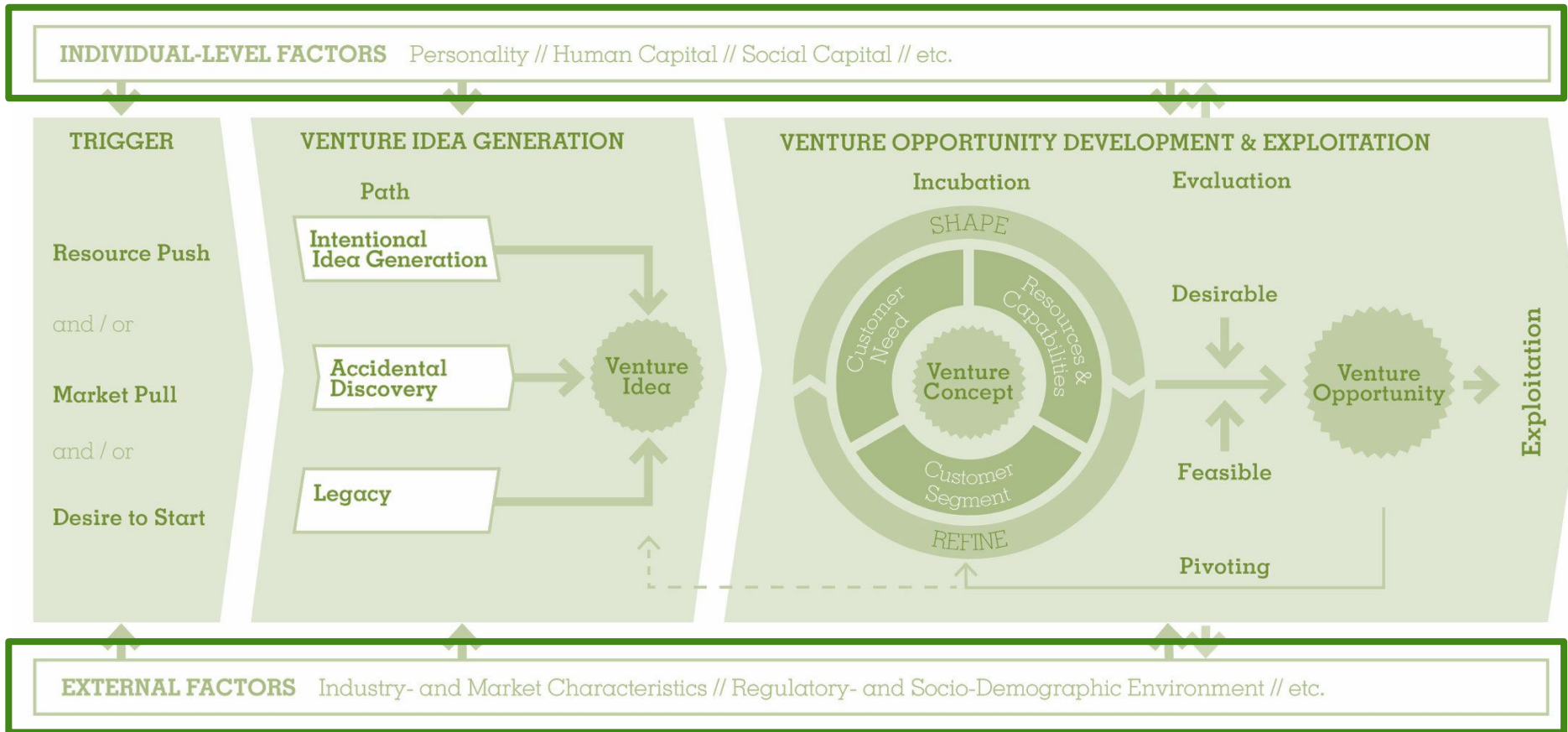
# Week 2: Opportunity - Agenda

<b>Part One</b>	<b>From Idea to Opportunity</b>
<b>Part Two</b>	<b>Work on Business Value Concept</b>
<b>Part Three</b>	<b>Value Proposition Development</b>
<b>BREAK</b>	
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# From Idea to Opportunity



Source: Vogel, P. (2016), From Venture Idea to Venture Opportunity, Entrepreneurship, Theory & Practice.

# Individual-Level Factors that Drive Idea Generation



*Human capital is the stock of all knowledge, skills, competences, personality- & psychological traits, viewed in terms of their value to an organization or community.*



# Entrepreneurs are “creative” people

## They spot opportunities and develop ideas

### Cognitive abilities for creativity

- **Information acquisition and dissemination**
- **Intelligence**  
the ability and capability to interpret, process and manipulate information
- **Emotional Intelligence**  
giving meaning to information
- **Unlearning**  
the process of reducing or eliminating pre-existing routines or behaviours
- **Implementation and improvisation**  
experimentation, autonomous behaviour, experimentation, reflection and action



### Characteristics of an entrepreneur

- **Passionately seek** to identify new opportunities and **ways to improve** things
- Pursue opportunities with **discipline and focus** on a limited number of projects
- Focus on **action and execution**
- **Involve and energize networks** of relationships, exploiting the expertise and resources of others, while helping others to achieve their own goals



### *Influencing factors:*

*family / ethnic background, psychological profile, formal education and early work experience.*



Source: Bessant & Tidd (2011), Innovation and Entrepreneurship, p. 158.

# External Factors that Drive Idea Generation

## Technological factors

- Disruptive technologies?
- Niche market applications
- Infrastructure replacement
- Industry standards

## Economic factors

- Cost reduction
- Productivity gains
- Improved service
- Government and privacy issues



### Entrepreneurs must ask themselves

- Will these factors continue?
- For how long?
- What is the market size, growth and outlook?
- Will this lead to other opportunities?

## Social and Demographic Factors

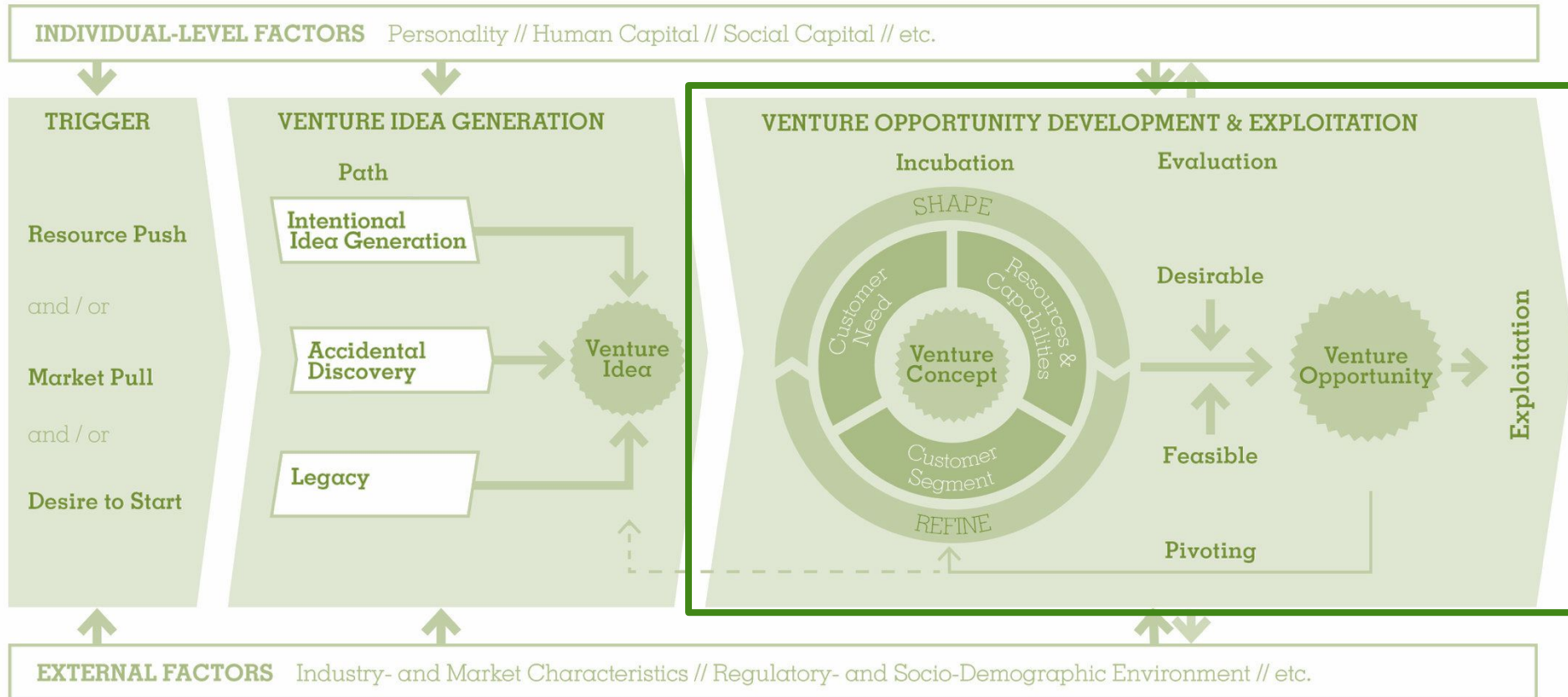
- New Generations
- Market changes
- Social and cultural trends

## Political & regulatory changes

- Changes in political arena
- New laws
- New regulations

Source: Referring to Shane (2000), Barringer & Ireland (2006).

# From Idea to Opportunity



Source: Vogel, P. (2016), From Venture Idea to Venture Opportunity, Entrepreneurship, Theory & Practice.

# Venture Opportunity Development and Exploitation

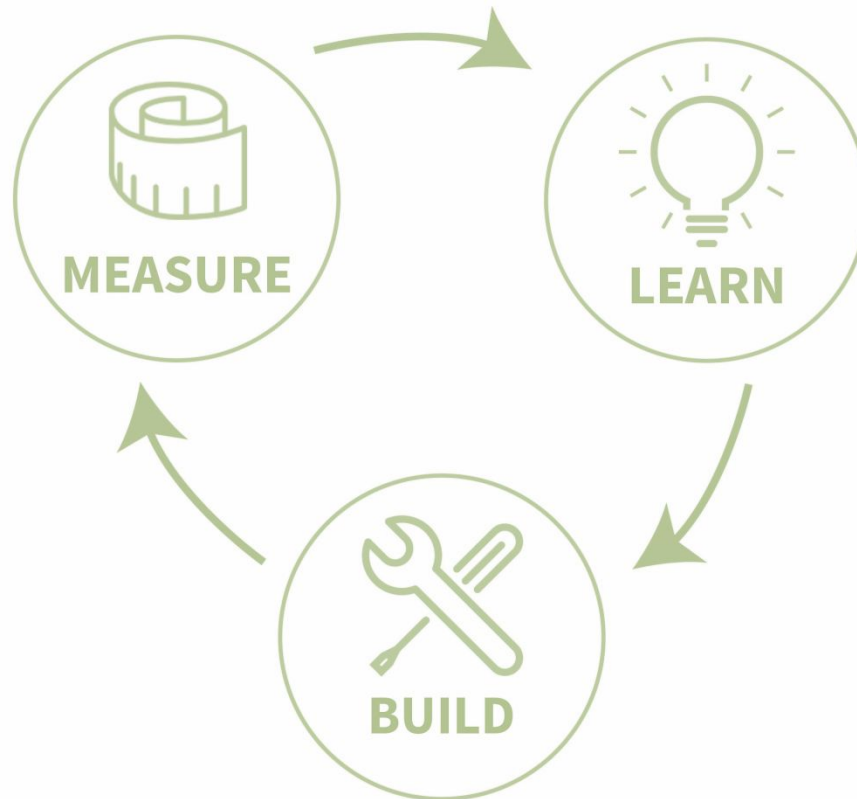
## Incubation Stage

- Entrepreneur collects missing information about business concept
- Entrepreneur assesses desirability and feasibility of exploiting business concept
- Depending on team background, context (e.g. industry), whether it is technology-push or market-pull, etc., it will take different amounts of time to come to a decision

1- Source of Value (Is it needed, unique and defensible?)	2 – Potential of Value (How big and secure is the prize?)	3 - Realization of Value (Is it doable and how would we do it?)
<b>The Problem</b>  <i>What is the problem that your team has identified? What could be done better?</i>	<b>The Market</b>  <i>How big is your target market? Who are the key customers? What are the market trends? Is the timing right?</i>	<b>Plan</b>  <i>What steps must you take to establish your business as a profitable venture? What are the milestones that will create value? What resources will you need? What are the critical next steps?</i>
<b>The Solution</b>  <i>What is your solution to the problem? What is your idea? What is the value proposition to the customer (why would they want it)?</i>	<b>Competitive positioning</b>  <i>Who are your main competitors? What is your USP and how does this position you versus competitors? What products and/or services would you displace?</i>	<b>Team</b>  <i>Who is in your team and what people are you missing?</i>
<b>Magic Sauce</b>  <i>What is the "valuable new thing" behind the solution? What is the unique source of value? E.g.: technological invention, design, assets, brand, creativity, etc. How can you protect/maintain/develop it?</i>	<b>Business model</b>  <i>What are the key activities you will undertake in the value chain? What won't you do? Who will be your suppliers, customers and partners? How will you make money?</i>	<b>Finance and Funding</b>  <i>How big could your business be in 5 years (sales/headcount)?</i>

# Venture Opportunity Development and Exploitation

## Incubation Stage – Lean Startup Principle



# Venture Opportunity Development and Exploitation

## Evaluation Stage

“

Not all new ideas are good and not all good ideas are new

John R. Benemann  
(Biofuels Expert)

“

Business opportunities are like buses, there's always another one coming

Richard Branson  
(Virgin founder)

“

The world is full of ideas, but ideas are not opportunities, and opportunities are not ready-made to build a business around.

J. M. Kaplan & A. C. Warren  
(2010)

# Problem + solution = business opportunity (sometimes!)

## Problems

- People increasingly want “once in a lifetime” holidays
- Some people don’t have time to walk their dog every day



## Solutions

- An inflatable Earth-orbiting hotel
- A robot dog walker

**There are many problems!**

**Ideas (solutions) are cheap!**



Just because a solution matches a problem does not mean you have a viable business opportunity!





# So what is a viable business opportunity?



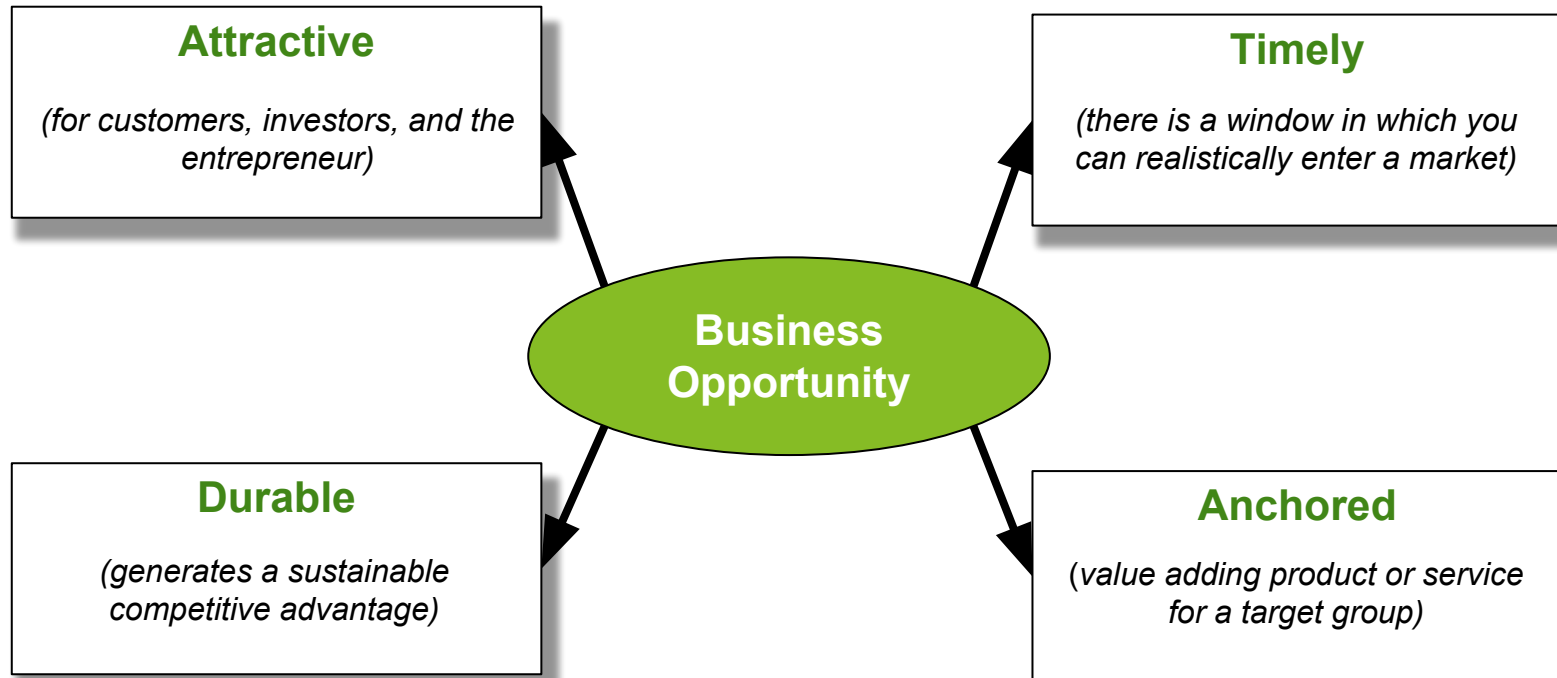
*("Luna" robot dog walker costs \$3,000)*



*(\$250M invested in inflatable space hotels by 2013)*



# 4 essential qualities of a business opportunity



Source: Barringer & Ireland (2010).

# Criteria to Evaluate Ideas

## Plausibility Check / Filtering

### Product/Service Check

- Are people fascinated by the product/service idea?
- Is the value proposition distinct?
- Do potential customers understand the personal value added of the product / service?
- Can you generate a USP / competitive advantage?
- Is the basic product / service concept compelling and persuading?

### Market / Target Check

- Can target groups be identified? (customer need matches value proposition)
- Are target groups big enough?
- Can you access target groups?
- Are entry barriers low enough for you?
- How attractive is the market? (growth, competitive rivalry...)
- Is hard to imitate / substitute your product, service or business idea?
- Is this a good time to introduce the product / service onto the market?

### Entrepreneurial Check

- Do you have (access to) the tangible and/or intangible resources and competences to realize your idea?
- Do you expect to sell your products / ideas at a higher price than the production costs?
- Can you manage the risks associated with your idea?
- Do you feel passionate about your idea and the corresponding future business?

# Venture Opportunity Development and Exploitation

Predicting the Value of a New Idea is often Difficult

The commercial potential of inventions can be under-estimated and over-estimated

“ .....  
The phonograph... is  
not of any commercial  
value.  
.....”

*T. A. Edison, 1880*  
*Inventor of the phonograph*

“ .....  
Who the hell wants to  
hear actors talk?  
.....”

*H. M. Warner, 1927*  
*Warner Brothers*

“ .....  
I think there is a world  
market for about five  
computers.  
.....”

*T. J. Watson, 1943*  
*Chairman of IBM*

“ .....  
How can you make a  
business out of search  
engine?  
.....”

*G. Kawasaki, rejecting the job as  
CEO of Yahoo in 1996*

“ .....  
The nickel-iron battery will  
put the gasoline  
buggy...out of existence in  
no time.  
.....”

*T. A. Edison, 1910*

Source: Slide by Prof. Dr. Marc Gruber, EPFL

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# Moving from the product view to the market view

- Your focus to date has been on your idea, your product or your service
- But, to understand the business potential of your idea better and develop a strong value proposition for your customer, you need to shift your view
- To do this, we return to the Business Value Concept with a more detailed focus on the first two columns

# Business Value Concept Version 2.0

Answer more detailed questions in columns 1 and 2

1- Source of Value <i>(Is it needed, unique and defensible?)</i>	2 – Potential of Value <i>(How big and secure is the prize?)</i>	3 - Realisation of Value <i>(Is it doable and how would we do it?)</i>
<b>The Problem</b>  <i>What is the problem that your team has identified? What could be done better?</i>	<b>The Market</b>  <i>How big is your target market? Who are the key customers? What are the market trends? Is the timing right?</i>	<b>Plan</b>  <i>What steps must you take to establish your business as a profitable venture?</i>
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*Focus on the questions in black*

# Business Value Concept

(45 mins)

## Objective:

- Refine the Business Value Concept
- Create a first draft of your presentation, following the same logic of the Business Value Concept

## Tasks:

1. Work on the Business Value Concept, focusing on those boxes where the text is not in grey.
2. Based on this information, start working out a slide deck with the same categories. Keep it simple in the beginning, so you can easily adopt it later on.

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# What is a Value Proposition?

- A value proposition describes the products, services or experiences and the benefit they deliver to customers.
- It is the promise to the customer.
- Often it's not easy to identify the real benefit and value to customers

## Key questions:

- Which one of our customer's problems are we helping to solve?
- What value do we deliver to the customer?
- What is the job that the customer needs done?
- What (mix of) products, services or experiences are we offering to each customer segment?

Source: Osterwalder & Pigneur (2010).

# Value Proposition vs. Unique Selling Proposition

Both concepts are very closely related. However, the USP is a problematic concept, given that uniqueness is (1) difficult to have, and (2) difficult to prove. Nonetheless, you will be exposed to both terminologies. In essence, you need to be able to convince people about your added value in simple terms.

Value Proposition	Unique Selling Proposition
A <b>Value Proposition</b> is a definitive expression or statement of the concrete outcome of using your products and/or services. In essence, it is a marketing vehicle to communicate with the client.	A <b>Unique Selling Point (USP)</b> is that aspect that differentiates a product or service from all other similar products or services. The “uniqueness” is in some way singular, exclusive, one-of-a-kind.
Examples: <ul style="list-style-type: none"><li>• Apple iPhone – The Experience IS the Product</li></ul>	Example: <ul style="list-style-type: none"><li>• Domino’s Pizza - You get fresh, hot pizza delivered to your door in 30 minutes or less - or it’s free</li></ul>

# Develop a Value Proposition

(60 mins)

## Objective:

- To develop a value proposition for your business concept

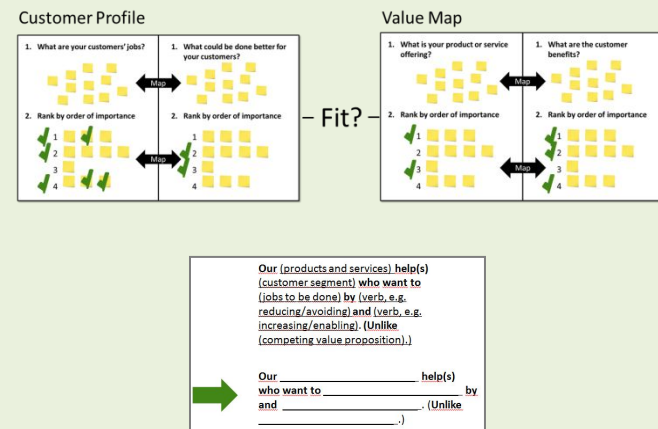
## Tasks:

1. Create a Customer Profile
2. Create a Value Map
3. Check if there is a Fit
4. Create possible Value Proposition definitions

## Activity Guide

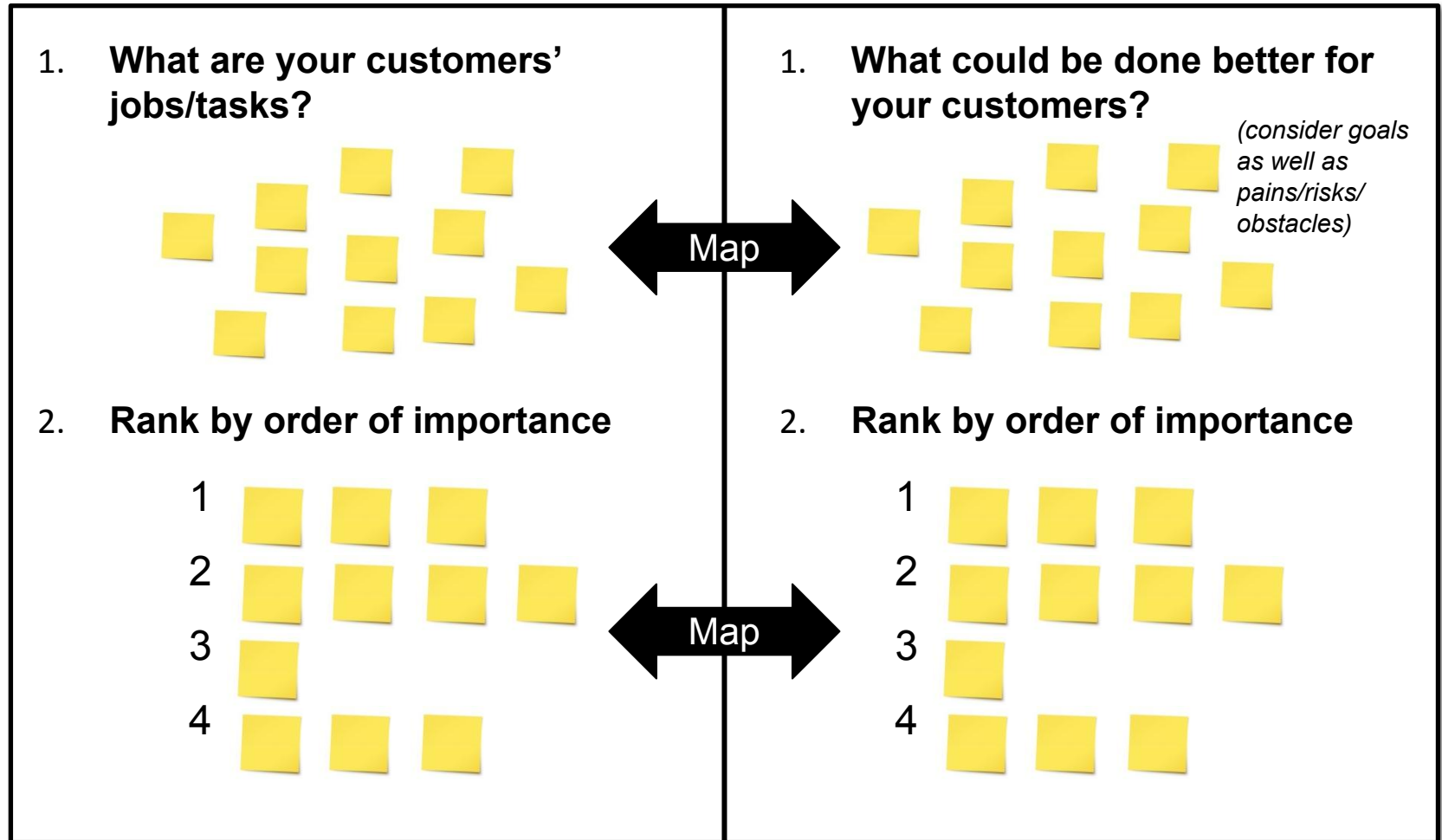
### Instructions:

1. Use the templates provided in the following slides



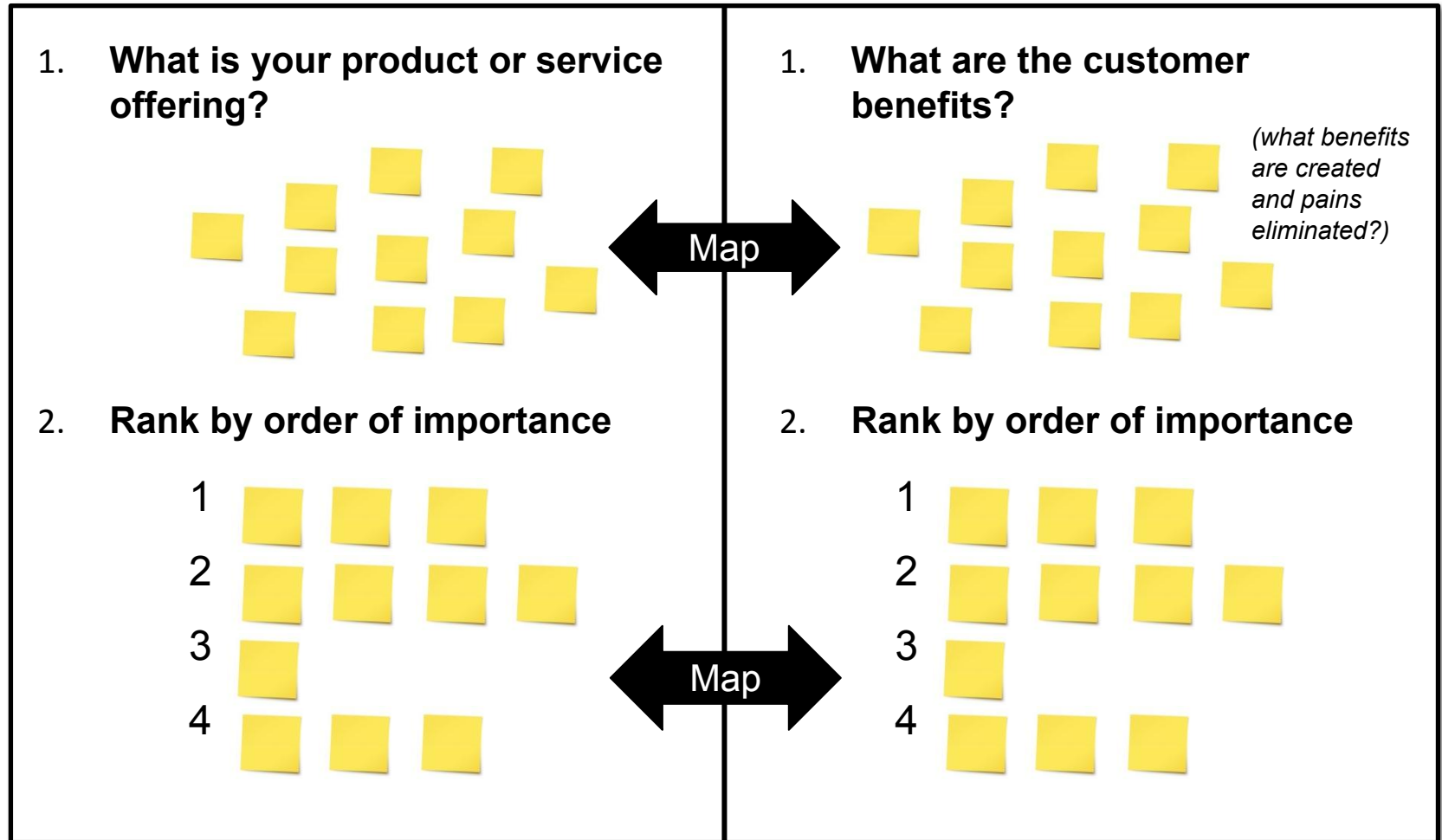
# Value Proposition Development

## Step 1: Create a Customer Profile



# Value Proposition Development

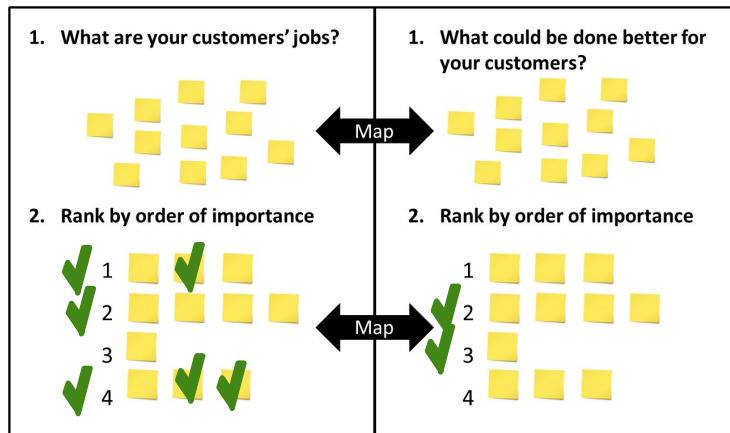
## Step 2: Create a Value Map



# Value Proposition Development

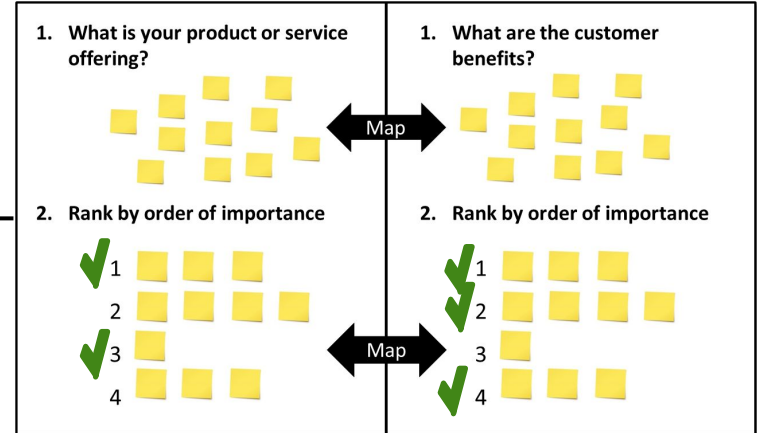
## Step 3: Check if there is a Fit

### Customer Profile



– Fit? –

### Value Map



# Value Proposition Development

## Step 4: Create Possible Value Proposition Definitions

**Our** (products and services) **help(s)**  
(customer segment) **who want to**  
(jobs to be done) **by** (verb, e.g.  
reducing/avoiding) **and** (verb, e.g.  
increasing/enabling). **(Unlike**  
(competing value proposition).)



**Our** \_\_\_\_\_ **help(s)**  
**who want to** \_\_\_\_\_ **by**  
**and** \_\_\_\_\_. **(Unlike**  
\_\_\_\_\_.)

Other useful templates:

<http://torgronsund.com/2011/11/29/7-proven-templates-for-creating-value-propositions-that-work/>

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# Group presentations and discussions (45 mins)

## Objective:

- To present value proposition definitions and Business Value Concepts and discuss their strengths and weaknesses.

## Tasks:

1. Each team should present their value proposition and Business Value Concept for discussion (as time allows)

# Week 2: Opportunity - Agenda

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# Wrap-Up

(5 mins)

## Objective:

- Summarise key outcomes from this week and look ahead to the next week

## Tasks:

1. Group discussion of the key outcomes and deliverables of the week
2. Group discussion of any key considerations for next week

# Week 2: Opportunity Summary

## Learning Goals

The participants are able to:

1. Understand the market potential of their idea and demonstrate an ability to assess it against key criteria
2. Understand the technical feasibility of their idea, conduct initial investigations to understand the barriers that must be overcome and formulate a relevant roadmap
3. Develop a draft version of the value proposition of the future product

## Deliverables


1. An updated Business Value Concept
2. A Value Proposition



## Key Take Aways

# Week 3: Market Relations Outlook

## Homework

1. Complete/write-up value propositions
  2. Complete/write-up Business Value Concept
  3. Market research (market size, key segments, key actors, competitors, timing)
- 

## Learning Goals

The participants are able to:

1. Identify a target market and undertake customer segmentation
2. Understand potential competition & create a positioning map
3. Represent the relationships & flows of goods, services & money related to their business using a value chain
4. Define a market entry strategy

## Deliverables

1. Customer Segment
2. Positioning Map
3. Value Chain
4. Entry Strategy

Please don't forget to fill in your feedback form for this week

**STARTUP CAMPUS** University of Applied Sciences

Ein Trainingsprogramm der KTI  
Start-up und Unternehmertum  
CTI Entrepreneurship

**Feedback for Modul 2 „Business Concept“**

Course location: \_\_\_\_\_  
Coach: \_\_\_\_\_  
Topic: \_\_\_\_\_  
Your name: \_\_\_\_\_

Can you recommend this course? ☒ yes ☐ no

How do you evaluate...

the course as a whole	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<b>comments</b> _____ _____
the course content	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Instructor's contribution	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Instructor's effectiveness	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

What did you like best?  
\_\_\_\_\_  
\_\_\_\_\_

What could we do better?  
\_\_\_\_\_  
\_\_\_\_\_



# CTI Entrepreneurship

## Business Conception

### Week 2: Opportunity

*Core Content Developed by: Dr. Ben Graziano and  
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