



# Boots to Business Module 2

## *The Right Idea? Basics of Opportunity Recognition*

Version 4.0



The Boots to Business entrepreneurship training program is provided through the coordinated efforts of the SBA and its valued partner network. All SBA services are extended to the public on a nondiscriminatory basis. Reasonable arrangements for persons with disabilities will be made if requested at least two weeks in advance.

# Objective

Describe the process and activities related to understanding the ‘business case’ for turning an idea into a sustainable business concept.

Additionally:

- Understand how to refine and refocus current ideas.

# Agenda

- The Entrepreneurial Process
- Finding Opportunity
- Your Value Proposition
- From Idea to Concept

# Entrepreneurship

## Capacity:

To perceive and act upon opportunities in the environment

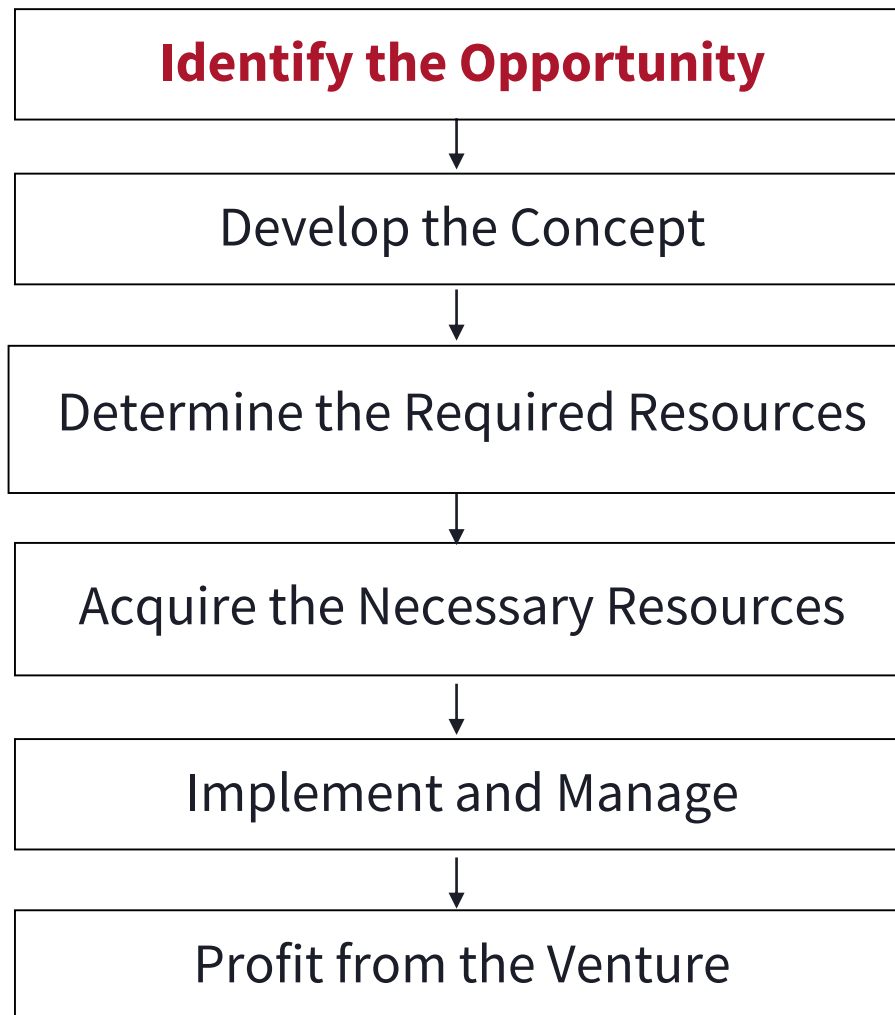


## Ability:

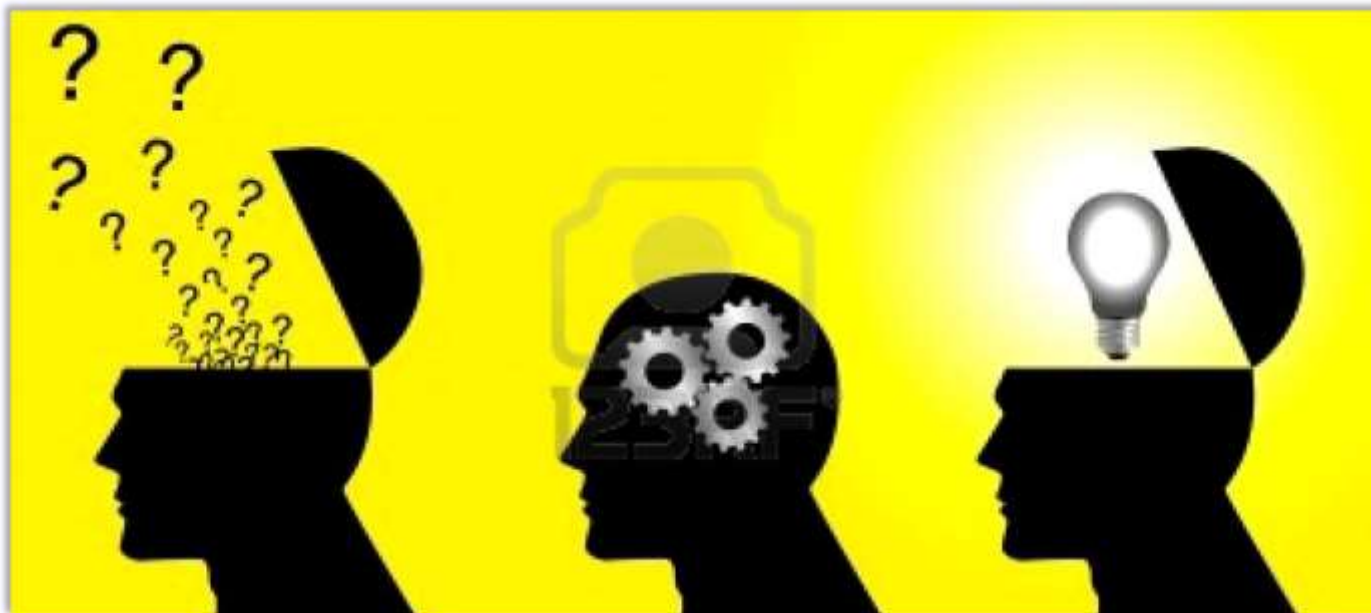
To create and build something from practically nothing



# The Entrepreneurial Process



# Problem + Solution = Opportunity



- What is it?
- Where do you find it?
- How do you know you've got it right?

# Solving Problems

- Aging of the population
- Working parents
- Concerns about national, business, home and personal security
- Social networking - people want to be connected
- People searching for roots and stability
- Extreme experiences
- And now COVID-19...

# What is a Value Proposition?

Your Value Proposition describes the **benefits** customers receive from your products or services - a clear statement that explains how a product solves the customer's problem, need or desire.

PRODUCT  
Features



VALUE  
PROPOSITION

**PRODUCT**  
**Solution/Benefits**



**VALUE**  
**PROPOSITION**



# Features vs Benefits

| PRODUCT/SERVICE | FEATURE   | BENEFIT TO THE CUSTOMER   |
|-----------------|---|---|
| Toy             | Batteries Included                              | Ready out of the box with no disappointed kids  |
| Baby Gifts      | Hand Painted Personalized Piggy Bank            | Uniquely personal gift that lasts a lifetime  |
| Mobile Phone    | Integrated Email App                            | Check mail wherever you are allowing you to keep in touch with your customers                               |
| Lawyer          | Expert in Business Law                          | Advice you need to run your business legally  |
| Realtor         | 20 years experience selling in the neighborhood | Benefit from expert knowledge of what sells, what sells quickly and for highest amount in your neighborhood |
| Computer Store  | Carry all makes and models                      | One-stop shopping for comparing all models to find the perfect computer for your needs                      |
| Hotel           | Located next to the business district           | Sleep in and Travel from hotel to meetings in minutes   |
| Web Design      | Professional Website Design                     | Create a positive first impression for your business  |
| Office Chair    | Seat adjustment designed by ergonomic experts   | Long hours at the office don't translate to poor posture and back pain                                      |

# Opportunity = Problem + Solution

## Think Value Proposition



# An Idea or a Business Concept

**Do you have a specific value-creating method to capitalize on the opportunity?**

**How will you be different from your competitors?**

- A new or improved product, service or process?
- Technical expertise?
- Better location?
- Better level of service?

# An Idea or a Business Concept

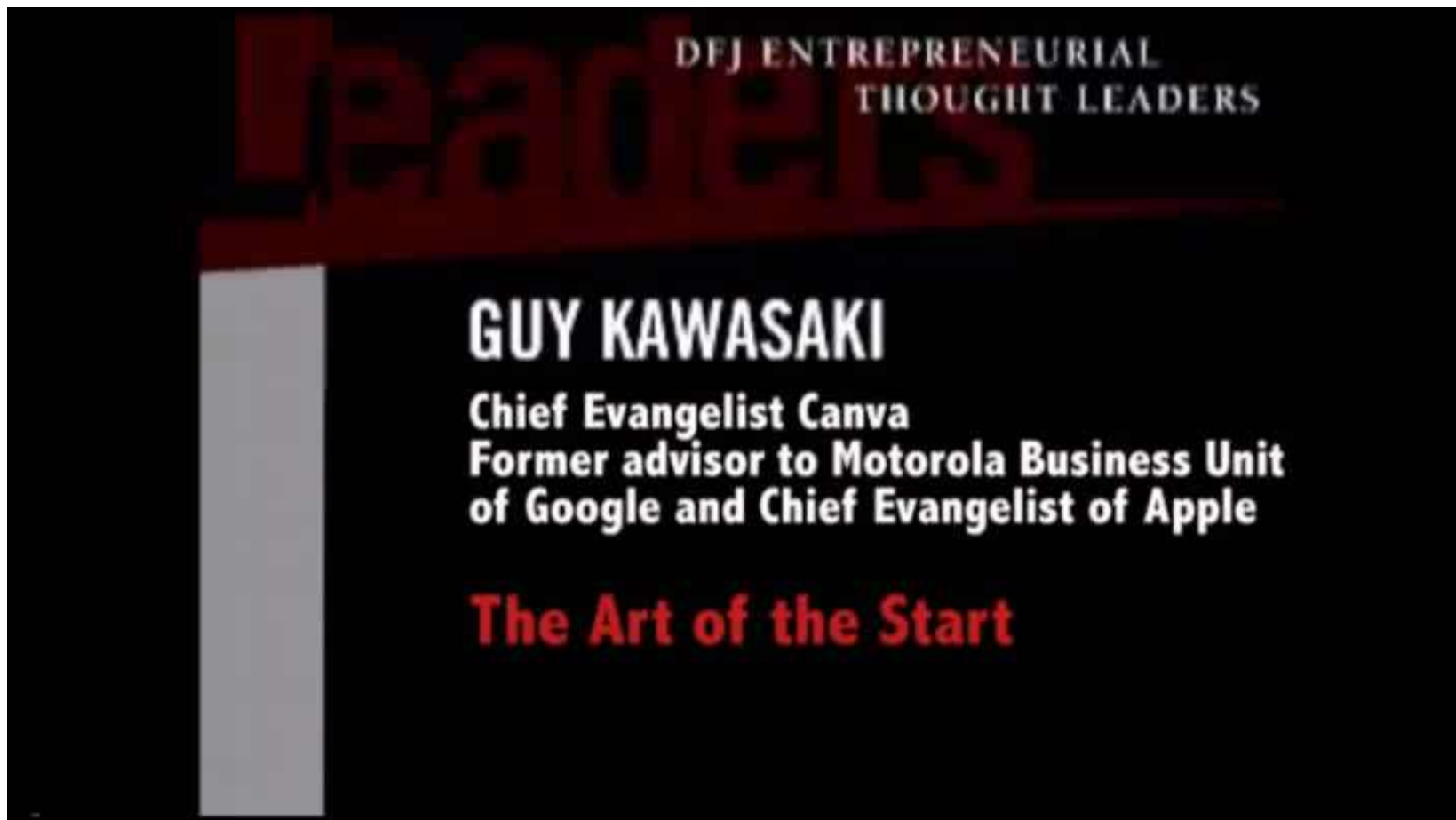
## Key Criteria:

- Clear benefit and value proposition
- Profit potential (*customers' willingness to pay*)
- Reason to believe (*from your market research*)
- New and different enough from alternatives
- Could potentially lead to other products/services
- Minimal barriers to entry (*to you going into the market and for competitors entering your market*)

# Final Piece of Advice:

*Make Meaning for Yourself*

# Make Meaning for Yourself



# So How Do You Make Meaning?

- **Look to solve a problem, satisfy a need or alleviate a pain.**
- **Remember, it can be a big problem for a small, underserved segment.**
- **Do something you feel strongly about.**

# Questions & Discussion