Business Idea Generation, Creative Thinking, Idea Screening and Business Plans

(Lakehead Shad)
The Process

- Brainstorming New Product Innovations
- Screening Those Ideas
- Business Plan
- Implementation
The Process is like a funnel!

Creative / Soft-Thinking (Right Brain)
- brainstorm new product innovations

Logical / Hard-Thinking (Left Brain)
- formal business planning
  (opportunity screening, market forecasts, financial forecasts)
Brainstorming

- Requires **creative thinking** (soft-thinking)
- Some **suggestions** to improve the brainstorming process:
  1. Choose a facilitator
  2. Brainstorm spontaneously, copiously
  3. No criticism, no negatives
  4. Record ideas in full view
  5. Invent to the “void”
  6. Resist becoming committed to one idea
  7. Identify the most promising ideas
  8. Refine and prioritize
Ten mental locks or attitudes that discourage creative thinking:

- “The Right Answer”
- “That’s Not Logical”
- “Follow the Rules”
- “Be Practical”
- “Avoid Ambiguity”
- “To Err is Wrong”
- “Play is Frivolous”
- “That’s Not My Area”
- “Don’t Be Foolish”
- “I’m Not Creative”
Where are the opportunities?

Opportunities are spawned in
- changing circumstances
- chaos
- confusion
- inconsistencies
- lags or leads
- knowledge and information gaps
- vacuums in industry or markets
Strategies for Spotting New Opportunities

Look for opportunities in the following:

- things that ‘bug’ you
- things that bother others or stop people from doing what they want, when they want, and the price they want
- new advances in science and technology
- look for problems that need to be solved
- changes in our world whether those changes be in:
  - demography
  - society
  - technology
  - science
  - politics
  - etc.
Importance of Lateral Thinking

When brainstorming, start to combine ideas. Use each as stepping stone to something else. Don’t be afraid to experiment.

Example:

Two ideas: **pealing paint and gun powder**

----I hate scraping old paint off the exterior of my house…..I wish sometimes that I could blast it off!!! (Of course, that would destroy the house….but…)

- maybe there is an additive that could be put in the paint before it is applied, that would allow us to trigger it’s easy removal.
Example:

dallo

SNURFER...

(Sherman Popper)
...allo SNOWBOARD
Format 1: Doing What You Love

1. Write your answers to the following questions to identify some of your top areas of passion:
   How do you like to spend your weekends?
   If a long-lost rich uncle wrote you a check for $5,000,000 how would you then spend your time? (after any initial travel & shopping sprees are done)
   What kind of magazines do you like to read?
   What kind of websites do you like to visit?
   What would you do if you knew it was absolutely impossible to fail?

2. Each of these answers indicates some of your top areas of interest and passion. Circle your top two areas of passion from this list above.

3. Write down all of the steps associated with each activity in the STEPS. Then, as you look at each step ask yourself ‘what do you find annoying or frustrating about this step?’ This will help you identify pain points associated with each step.
<table>
<thead>
<tr>
<th>STEPS</th>
<th>PAIN POINTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent or buy skis</td>
<td>Difficult to really know how a ski will perform on the slopes until you try it out</td>
</tr>
<tr>
<td>Put skis on your car rack</td>
<td>Road grime gets all over the skis when driving</td>
</tr>
<tr>
<td>Put on sunscreen</td>
<td>Sunscreen gets in your eyes &amp; stings</td>
</tr>
<tr>
<td>Buy lift ticket</td>
<td>Hard to know where to find the best price</td>
</tr>
<tr>
<td>Drive to ski slope</td>
<td>Waste hours in highway traffic congestion</td>
</tr>
<tr>
<td>Find parking spot</td>
<td>Hard to find car once done with skiing</td>
</tr>
<tr>
<td>Put on ski boots</td>
<td>Hard to put on boots below steering wheel</td>
</tr>
<tr>
<td>Walk to ski lift</td>
<td>Ski boots are difficult to walk in</td>
</tr>
<tr>
<td>Take ski lift to top of mountain</td>
<td>Long lines at ski lift cause lots of waiting</td>
</tr>
<tr>
<td>Get cold</td>
<td>The wind always seems to blow hardest when you’re on the ski lift</td>
</tr>
<tr>
<td>Select which trail to take</td>
<td>Hard to know which trails have the best powder</td>
</tr>
<tr>
<td>Ski down the trail</td>
<td>Crowded trails lead to near collisions with other skiers</td>
</tr>
<tr>
<td>etc</td>
<td>etc</td>
</tr>
</tbody>
</table>
6. Circle your top four most painful pain points & label them numbers 1 to 4. Write below how each pain point will be addressed 2 years from now? How will it be addressed 5 years from now?

<table>
<thead>
<tr>
<th>Pain Points</th>
<th>Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st pain point:</td>
<td></td>
</tr>
<tr>
<td>2nd pain point:</td>
<td></td>
</tr>
<tr>
<td>3rd pain point:</td>
<td></td>
</tr>
<tr>
<td>4th pain point:</td>
<td></td>
</tr>
</tbody>
</table>

7. Each of these pain points & solutions are actually customer needs that form the foundation of new business ideas. Circle the top new business idea in your list to review later.

8. Repeat the previous steps on the next page with your other top area of passion.
Format 2: Can’t find it? Create it!

1) Spend a full day hunting for pain points. This means you should take a look at all the products and services around you as you walk around your home, school, or community. As you notice each product or service write the name of each one in the PRODUCTS/SERVICES column below.

2) Then, as you look at each one ask yourself ‘what do you find annoying or frustrating about this product or service?’ This will help you identify pain points with each product or service or features and attributes you simply can’t find but wish you could.

3) Circle your top four most painful pain points & label them numbers 1 to 4. How will this pain point be addressed 2 years from now? How will it be addressed 5 years from now?

4) Each of these pain points & solutions are actually customer needs and business ideas. Circle the top new business ideas in your list above to review later.
Format 3: Tapping into your vast experience!

1. Write the name of the most recent company where you have worked in the NAME OF COMPANY section.

2. List the primary products or services sold by this company or any key processes within the company in the PRODUCTS/SERVICES/PROCESSES column above.

3. As you look at each product, service, or process ask yourself ‘what did customers or employees not like about this product, service, or process?’ This will help you identify pain points associated with each product or service.

4. Circle your top three most painful pain points listed on the previous page and label them numbers 1 to 3. What could you do to resolve each pain point? How will each pain point be solved in 2 years? How will each pain point be solved in 5 years?

5. Each of these pain points & solutions are actually customer needs and business ideas. Circle the top new business ideas in your list above to review later.
1. Spend a day searching the internet to find stories of entrepreneurs who started interesting businesses that are located in another country or another state.

2. As you read an article about each small business ask yourself some questions:
   - What is the primary need this company appears to be trying to fill?
   - Would the people in my community likely have a similar need for this type of business and could I introduce something similar locally?
   - If the answers are “yes” then document the business concepts below:

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<table>
<thead>
<tr>
<th>name of company #1:</th>
<th>city, country of headquarters:</th>
<th>website:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

business concept & need being filled:

how I could improve upon this idea:

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Out of 100 ideas or more, there may be only one or two real opportunities. Superior business ideas that have the potential to become opportunities have 3 main anchors:

1. They create or add significant value to a customer or end user.

2. They do so by solving a significant problem, or meeting a significant want or need, for which someone is willing to pay a premium.

3. They therefore have a robust market, profit margin, and moneymaking characteristics.
Characteristics of the "Ideal" Business Idea

Ø Requires no initial investment
Ø Has a recognized, measurable market
Ø A perceived need for the product or service is present
Ø A dependable source of supply for the required inputs is available
Ø No government regulation
Ø Requires no labour force
Ø Provides 100 percent gross margin

Ø Buyers purchase frequently
Ø Receives favourable tax treatment
Ø Has a receptive, established distribution system
Ø Has great publicity value
Ø Customers pay in advance
Ø No risk of product liability
The Business Plan

**Purposes:**
- fully examine the potential of an opportunity
- identify key success factors
- identify critical risk factors
- guide the entrepreneur in start-up
- raise capital
Business Plan Do’s

- Involve all of the management team in its preparation
- Make the plan logical, comprehensive and readable - and short as possible
- Demonstrate commitment
- Identify critical risks and assumptions
- Disclose and discuss any current or potential problems in the venture
- Identify several alternative sources of financing.

- Spell out the proposed deal and how investors will win.
- Be creative in gaining the interest of potential investors.
- Remember the plan is not the business.
- Know your targeted investor group.
- Let realistic market and sales projections drive the assumptions underlying the financial forecasts, rather than the reverse.
Business Plan Don’ts

- Don’t have unnamed, mysterious people on the management team.
- Don’t make ambiguous, vague or unsubstantiated statements such as estimating sales on the basis of what the team would like to produce.
- Don’t describe technical products using jargon that only an expert can understand.
- Don’t spend money on developing fancy brochures, or other ‘sizzle’ - instead, show the “steak”
A Good Business Plan is...

- complete
- short
- integrated
- prepared for the audience
- organized
Business Model Canvas

Key Partnerships
Key Activities
Key Resources
Value Propositions
Customer Relationships
Channels
Customer Segments
Cost Structures
Revenue Streams
## VISA – Leader in Global Payments Industry

<table>
<thead>
<tr>
<th>Key Partners</th>
<th>Key Activities</th>
<th>Value Propositions</th>
<th>Relationships</th>
<th>Customer Segments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology Alliances</td>
<td>Payments Network Management</td>
<td>Payment Product Platforms for card programs and cashless payments</td>
<td>Channels</td>
<td>Financial Institutions</td>
</tr>
<tr>
<td></td>
<td>Transaction Processing</td>
<td></td>
<td>Sponsorships (FIFA World cup, Olympics)</td>
<td>(Issuers)</td>
</tr>
<tr>
<td></td>
<td>Value-added Services</td>
<td></td>
<td>TV ads, Tradeshows, Conferences</td>
<td>Financial Institutions</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(Acquirers)</td>
</tr>
<tr>
<td></td>
<td>Key Resources</td>
<td>Convenience, Security, Rewards associated with card payments</td>
<td></td>
<td>Card Holders</td>
</tr>
<tr>
<td></td>
<td>Payment Products Platform</td>
<td></td>
<td></td>
<td>Merchants</td>
</tr>
<tr>
<td></td>
<td>VISA Brand</td>
<td>Improved Sales, Customer Convenience</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Cost Structure
- Personnel
- Network, EDP, & Communications
- Litigations Provision
- Brand Promotion

### Revenue Streams
- Services Revenues
- Data Processing Revenues
- International Revenues

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