

# **Business Concept Assignment**

You have identified a concept that you believe could be a viable business and formed a team to write a business plan. Before beginning work on the plan the team will take the next 4 weeks to conduct a concept assessment.

The assessment is divided into two parts:

Part I Research (The Business Concept Assessment contains a series of questions that will guide the research):

- A. Market Analysis  
Analyze size and growth of the market. What are the industry trends? How is the market structured?
- B. Industry Analysis  
Identify current and future competitors and determine their strengths and weaknesses. What is the basis for competition? What barriers to entry exist?

Part II Venture Analysis (The Business Concept Assessment contains a series of questions that will guide the analysis):

- A. Opportunity/Need
- B. Product/Service Description
- C. Target Market
- D. Unique Benefits
- E. Competitive Advantage
- F. Risks
- G. Profitability

The assessment will consist of both primary and secondary research.

1. Research the industry and marketplace. Identify the North American Industry Classification System (NAICS) and look at the statistics that are available for your industry. Historical data forms the basis for trends.

Your research should include industry publications and associations; brokerage and investment banker reports; marketing studies (normally you need to purchase these reports, but you may be able to buy just one chart or graph that has the information that you need); company annual reports; government publications.

2. Interview at least 20 (5 interviews per team), including industry experts and organizations, competitors, distributors, investors, bankers, company CEO's, real estate companies, product and service designers, marketing experts, customers, distributors, engineers, vendors, suppliers, manufacturers, subcontractors, consultants, etc. Ideally you should talk to people in the same industry that you are considering, but should not be limited to these; talking with successful entrepreneurs can provide great insights.

Prepare a Call Report for each contact and include in a binder.

3. Conduct a qualitative market survey of 20 of your potential customers. In case of selling through a channel you should include distributors, as well as consumers. Prepare a questionnaire for each interview and record the answers.

Prepare a summary of your interviews and include it and the 20 questionnaires in a binder.

To the extent that you are able, you should visit companies in your marketplace to observe how consumers behave.

4. Make a 10 minute presentation of business concept analysis in class to a panel.
5. Prepare and hand-in a written assessment in DECK format that includes:
  - Venture description
  - Market analysis
  - Industry analysis
  - Opportunity/Need
  - Product/Service description
  - Target market
  - Unique benefits
  - Competitive analysis
  - Sustainable competitive advantage
  - Profitability
  - Conclusions
6. Place in a binder and hand-in along with the DECK the following:
  - Industry & Marketplace Analysis answers to questions
  - Competition Analysis answers to questions
  - Competitive Matrix
  - Call Reports
  - Customer Surveys with a summary and conclusion
  - Profitability key assumptions