

From Student to Entrepreneur

How to Generate and Evaluate
Compelling Business Ideas Quickly

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“You need an idea that you’re so passionate about that you become lit up like a roman candle, that nothing will stop you. If you have that, the waters will part.”

- Brad Schell,
founder & CEO of @Last Software

“If opportunity doesn’t knock, build a door.”

-Milton Berle

Introduction

One of the biggest struggles that students face, as aspiring entrepreneurs, is the struggle to generate ideas for new businesses that spark excitement, hold promise, and drive action. When aspiring entrepreneurs drown in a sea of empty ideas one of two things usually happens.

1. The lack of compelling ideas can become such an incredible source of frustration that it dissuades aspiring entrepreneurs from pursuing entrepreneurship as a career.
2. The aspiring entrepreneurs start businesses similar to the ones they see around them, yet another restaurant or retail shop that faces endless competition, often leading to a quick demise.

Either way the aspiring entrepreneur loses – loses interest, loses motivation, or loses money. An aspiring entrepreneur who does not have a compelling business idea to pursue is merely a dreamer.

Unfortunately, the huge majority of books on entrepreneurship almost completely ignore this all important idea-generating step. They usually start off with the assumption that you already have a great idea and then they walk you through the feasibility plan or business plan creation process.

In fact, this packet was created out of frustration about a lack of existing information available about how to generate new business ideas. The few books and magazine articles available with any information on the topic usually had one primary piece of advice, “look for customer needs.” But how does an aspiring entrepreneur really do this? To find customer needs, what is the first step, second step, and third step? What are the key considerations you should think about? Where should you begin? Too many questions remained unanswered.

The answers to these and other questions are clearly addressed in the pages that follow.

The first part of this packet will walk you through an easy-to-follow, step-by-step process to help you quickly generate lots of new business ideas. The second part will show you a simple yet powerful way to evaluate your ideas so you can quickly identify which of your ideas hold the most promise. The more good business ideas you have the better the likelihood you can identify that compelling new idea that matches your goals and aspirations and compels you to take action. That journey begins here.

Strategy #1: Doing What You Love

Starting a successful new business takes time. Lots of time. So as you begin to think about compelling new business ideas none are more important to consider than those related to your areas of passion.

If you're going to invest the long hours it takes to plan and successfully run a new business it is absolutely critical that you are passionate and get excited about the business concept you ultimately embrace. Your passion naturally translates into every aspect of your business.

If you lack passion for the new business, your planning effort will almost certainly be stunted. Dispassion about your business will ooze out in nearly every area of your business – making it even harder for you to generate investment funding, hire good employees, and earn revenue. In a competitive marketplace, dispassion can nearly condemn a new business to failure even before it starts.

Passionate entrepreneurs have an edge.

BURTON SNOWBOARDS: It may be hard for some snowboarders to remember the day when skiers were the undisputed kings of the mountain. Thanks to Jake Burton, snowboarders can now claim a part of that kingdom. Jake's inspiration for developing the snowboard came as an improvement to a \$10 toy called the snurfer. "When I snurfed with friends, we modified the boards to enhance performance," Jake said, "I always thought I could turn my snurfing hobby into a business." While the snurfer was marketed as a toy, Jake was determined to market it as a sport. He purchased a saber saw and started making prototypes in his apartment. From those humble beginnings of turning his hobby into Burton Snowboards, Jake's initiative kick-started an industry and carved out a cultural revolution in winter sports.¹

MOVIES FOR MOMMIES: One afternoon when Robyn Green went to the movie theatre she noticed a mom with a baby a few seats away. During the movie the baby began to howl. Robyn began to think what a pity that the mother was there alone and had to endure the scorn of other movie patrons who didn't appreciate the crying. "Wouldn't it be nice if she could come to the movie with all her friends and their babies too." She envisioned a place where moms (and dads) could watch movies with their newborn film critics and not worry about a little crying here or there. As Robyn walked around her community she stopped every mom she saw with a baby and asked if this concept would interest them and "99 moms out of 100 totally lit up and loved the idea." So she rented space in an independent movie theatre and started Movies for Mommies to make her baby-friendly, movie-going experience a reality – complete with stroller parking, bottle warming, and changing tables. Robyn has since turned her passion for movies into new locations all across Canada, to the delight of thousands of moms.

When you're passionate you'll be much more willing to invest the time it takes to create the right strategy and execute it successfully. Why not create a business that motivates you to wake up early, stay up late, and provides a sense of fulfillment? How do you identify your areas of passion and how do you turn that into a business of doing what you love? The following example will walk you through, step by step, in a simple and easy format that will help you generate new business ideas that hone in on your top areas of passion.

3. Copy each of these top two areas of passion onto the top of the following pages.
4. Write down all of the steps associated with each activity in the STEPS column on the next page (see example below as a guide).
5. 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. Write down these pain points in the PAIN POINTS column on the next page (see example below as a guide).

FOR EXAMPLE, if you identified skiing as one of your top areas of passion, some of the steps associated with skiing and pain points associated with each step may be:

STEPS	PAIN POINTS
Rent or buy skis	Difficult to really know how a ski will perform on the slopes until you try it out
Put skis on your car rack	Road grime gets all over the skis when driving
Put on sunscreen	Sunscreen gets in your eyes & stings
Buy lift ticket	Hard to know where to find the best price
Drive to ski slope	Waste hours in highway traffic congestion
Find parking spot	Hard to find car once done with skiing
Put on ski boots	Hard to put on boots below steering wheel
Walk to ski lift	Ski boots are difficult to walk in
Take ski lift to top of mountain	Long lines at ski lift cause lots of waiting The wind always seems to blow hardest when you're on the ski lift
Get cold	Hard to know which trails have the best powder
Select which trail to take	Crowded trails lead to near collisions with other skiers
Ski down the trail	
etc	etc

Following the example listed above, list your top areas of passion, steps for completing each activity, and associated pain points on the following pages.

AREA OF PASSION #1: _____

STEPS

PAIN POINTS

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
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_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

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?

Solutions to
1st pain point: _____

Solutions to
2nd pain point: _____

Solutions to
3rd pain point: _____

Solutions to
4th pain point: _____

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.

AREA OF PASSION #2: _____

STEPS

PAIN POINTS

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

9. 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?

Solutions to
1st pain point:

Solutions to
2nd pain point:

Solutions to
3rd pain point:

Solutions to
4th pain point:

10. 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.

11. You now have several new business ideas you can come back to, evaluate, and build on. If you'd like to generate more business ideas then continue with Strategy #2 on the following page. If you have already generated all the business ideas you need you can jump to the idea evaluation section beginning on page 19.

Strategy #2: Can't Find It? Create It! Why Frustration is Good

Look around where you are. You are surrounded by business ideas. They are absolutely everywhere. Do you see them around you? No? That's ok, most people don't at first. But that doesn't change the fact that they are all around you right this very moment. The problem is that most good business ideas are hidden. If you seek business ideas directly they will often remain hidden. The trick is that you need to know what to look for.

The best business ideas represent solutions to problems that make things better, easier, faster, or more efficient.

Problems can take the form of frustrations, annoyances, dissatisfaction, or even anger – generally things that most people try to resist or avoid. Collectively you can refer to each of these symptoms as pain points. Pain points are the catalysts for great business ideas. Since each of us has an unlimited supply of pain points each of us has an unlimited supply of business ideas all around us.

If a person has a big enough pain point he or she will do anything to find a solution to relieve the pain. That person is also known as a customer and that solution can form the foundation of a new business.

KARMA: How did a 24 year old kid start one of the hottest nightclubs in Chicago? Rakesh Thakkar was volunteering as the social chair of a networking group for Indian professionals. "As social chair I worked out arrangements with nightclub and bar owners. I would plan events at their locations, which would bring hundreds of young professionals to their establishments," Rakesh explained, "they'd keep the generous bar tabs, and our networking group would get to keep the cover charges." These events made it easier for young professionals to meet and everyone had a blast. Months after his volunteer duties were done he continued to throw parties around town, and hosted huge New Year's Eve events, while collecting the covercharge. "It was all word of mouth," and Rakesh became known for hosting great parties. Hundreds of people kept coming. "But as I kept looking for new, fun venues for parties, I was often frustrated that I couldn't find just the right location," he said, "so I decided to create my own and open up my own nightclub." Rakesh and a business partner opened a new nightclub called Karma and before long they were seeing crowds of more than 1000 people a night. Not bad for a kid fresh out of college.

PLEASANT COMPANY: What do you do for Christmas gifts when you want to give each of your nieces a doll but you're dissatisfied with the current choices Barbie and similar dolls provide? Pleasant Rowland created her own line of dolls. Her idea was ignited during a visit to historic Williamsburg, Virginia. "I remember sitting on a bench in the shade, reflecting on what a poor job schools do of teaching history," she said, "was there some way I could bring history alive for them, the way Williamsburg had for me?" Pleasant Rowland came up with the idea for the American Girl line of historical dolls as a way to help bring history alive for girls 7-12 years old. Her idea worked. 7 million dolls and 82 million doll-related books later, her American Girl line has grown into a \$350 million American success story.²

What's an easy way to spot the limitless supply of pain points all around us to help us create new business ideas? The following exercise will point you in the right direction.

Strategy #3:

Tapping Into Your Vast Experience

One of the best places to look for new business ideas is in an industry where you have previously worked. Work experience provides a window into an industry that is much harder to see through by those who never had that work experience.

In fact, *Inc* magazine conducted a survey of CEOs from America's fastest-growing private businesses and found that 57% of the CEOs "got the original idea for their business by spotting an opportunity in the industry they worked in."³

PAYCHEX: What should you do when you bring a good idea to your boss and your boss says "no thanks"? When that happened to Tom Golisano he decided to start his own company. He was originally working for a company that provided payroll processing services to mid-sized companies. With that narrowed target market they were ignoring the small business market which represented 95% of all businesses. Tom approached several executives where he worked about a proposal to start targeting small businesses. They each said no. Tom said goodbye to the old employer and started Paychex to provide payroll processing services to small businesses. It turned out to be a good idea. Paychex is now the second largest payroll processor in America.⁴

KRAGE MANUFACTURING: Sam Krage worked for years in industrial manufacturing, learning as much as he could from his current position then moving on to the next one to keep building up his skills. "Then I came across an accountant who became CEO of a manufacturing company. This was a big motivator for me," said Krage, "I thought, if he could lead a manufacturing company then I could too." Sam already had a business relationship with a major air conditioning corporation. He knew that they weren't happy with one of their suppliers. So Sam offered to help with some sheet metal work for them. After much persistence he got the contract and that's how Krage Manufacturing started with a major customer from day 1. Today Krage Manufacturing creates sheet metal enclosures for industrial air conditioners and the business is thriving.

@LAST SOFTWARE: As a structural engineer, Brad Schell spent years working with 3D computer-aided design (CAD) software. But he was struck by how long it took to teach the existing 3D CAD software to others since it was so complex. "I wanted to find a way to make 3D modeling easy for anyone to use, even without lots of training," said Schell, "I knew it was the right idea to pursue because I kept getting this gnawing feeling inside." Schell shared his vision with a talented software developer and the two of them created SketchUp, the award winning software that's made it so much easier to create 3D designs on the computer.

You don't have to work in a leadership role within a business to gain valuable insight into what some customer or employee pain points may be. Front line workers who have regular contact with customers are also in an excellent position to spot opportunities.

Have you worked in a few companies before? If so, then the following exercise can help you spot new opportunities within those same industries.

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? Write your proposed solutions below.

Solutions to
1st pain point:

Solutions to
2nd pain point:

Solutions to
3rd pain point:

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.
6. Repeat this process for additional companies where you have worked on the following pages. This will help you better analyze products, pain points, and potential solutions within each related industry.
7. Remember the key steps to finding opportunities at places you've worked are to:
 - Write the name of the company in the NAME OF COMPANY section
 - List the main products or services sold by this company or key processes in the PRODUCTS/SERVICES/PROCESSES column
 - Look at each product or service and ask yourself 'what did customers or employees not like about this product, service, or process?' Write down these pain points in the PAIN POINTS column

Try these steps with an additional business where you've worked on the following page.

NAME OF COMPANY #2:

PRODUCTS/SERVICES/PROCESSES

PAIN POINTS

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

8. Circle your top three most painful pain points listed above 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? Write your proposed solutions below.

Solutions to
1st pain point:

Solutions to
2nd pain point:

Solutions to
3rd pain point:

9. Circle the top solutions listed above to consider later as new business ideas. If you'd like to generate more business ideas then continue with Strategy #4 on the following pages. If you have already generated all the business ideas you need you can jump to the idea evaluation section beginning on page 19.

Strategy #4: Recycle a Business Idea from Another Community

Would you love to explore the world? Then this strategy is for you. There is an amazing number of businesses located across the country and across the world that don't plan to target customers in your community.

If these far-away businesses address customer needs that are not being sufficiently met in your community, why not consider recycling some of these good business ideas by bringing them to your community? You can improve upon these business ideas, learn from a company's strengths and weaknesses, and bring them to life in your community. You can market similar products or services to the same type of target customer or you could try targeting a completely different type of market segment.

● WILLIAMS-SONOMA: Even though Chuck Williams started his first gourmet kitchen specialty shop in Sonoma, California the idea was actually imported from Paris. During a European tour with some friends Chuck became fascinated with Paris. "I spent about two weeks there, sampling small restaurants and seeing all the wonderful cooking equipment that was available to the French home cook. There were so many things we didn't have in this country." After a few years of planning he decided to open a store in Sonoma in 1956 to start selling some of the products he had seen in Paris. Last year Williams-Sonoma's 478 stores generated sales of \$2.3 billion.⁵

● BET: When Robert Johnson struck up a conversation with an aspiring entrepreneur during a taxi ride he found that his fellow passenger had an interesting idea for a television channel for the elderly. Reading from the passenger's business plan he found data for the population, purchasing power, and consumption patterns for the elderly, reinforcing that the elderly would provide an interesting customer segment to target. Robert replied, "You could say the same thing about the black population." The passenger concurred and shared a copy of the business plan so Robert could plug the appropriate numbers into the business plan and change "elderly" to "black." Robert, who already worked for the National Cable Television Association, approached some wealthy friends in the industry for funding. He found a receptive ear from one smart investor who saw the potential and Robert launched the Black Entertainment Television channel. In 2001 Robert sold BET to Viacom for nearly \$3 billion.⁶

Where do you find out about these interesting business ideas?

Many aspiring entrepreneurs find out about these interesting ideas while traveling or talking to friends, but the internet is a less expensive and more efficient way to learn about these business ideas from companies far away. The following exercise will help you more easily find out about these business ideas.

Generate Ideas: Recycling Business Concepts

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. The best places to look are smaller business newspapers. Some good websites to begin with are:
 - American City Business Journals – includes links to 40+ local U.S. business journals with interesting stories of small businesses: www.bizjournals.com/headlines.html
 - Mondo Times - covers 13,000+ media outlets in 200+ countries www.mondotimes.com follow links to “local media” to find city-sized newspapers with news of local entrepreneurs in other parts of the world including Canada, the UK, and Australia.
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:

name of company #1:	city, country of headquarters:	website:
business concept & need being filled: <hr/> <hr/>		
how I could improve upon this idea: <hr/>		

3. Another approach is to call a member of the family or a friend located far away and ask them if they know of any innovative or note-worthy businesses near where they live. Or if you are going to school far from home you can always just walk around town and see if there are any local businesses worth emulating back at home. Either way, write down a few notes about each idea so you can add these new business concepts to the interesting ones you learned about via the internet.

4. Repeat Step 2 as you read articles or hear about other small businesses:
- What is the primary need this additional 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 answer is “yes” then document the business concept below:

name of company #2:	city, country of headquarters:	website:
business concept & need being filled: <hr/> <hr/>		
how I could improve upon this idea: <hr/>		

5. Repeat this process in the spaces that follow:

name of company #3:	city, country of headquarters:	website:
business concept & need being filled: <hr/> <hr/>		
how I could improve upon this idea: <hr/>		

name of company #4:	city, country of headquarters:	website:
business concept & need being filled:		

how I could improve upon this idea:		

name of company #5:	city, country of headquarters:	website:
business concept & need being filled:		

how I could improve upon this idea:		

6. Review the business concepts listed above and circle the top concept(s) that you feel are most interesting and promising.

If you'd like to generate more business ideas then you may want to try:

- Combining two of your existing ideas together to create an interesting new idea
- Analyzing an industry that is rapidly growing or that you find interesting to seek what problems people in this industry may be facing and what opportunities may exist to solve these problems
- Re-doing any of the four Strategies already reviewed in this packet to generate even more ideas

If you have already generated all the business ideas you need you should continue on to the next section where you can better evaluate each of your new business ideas.

How to *Quickly* Evaluate New Business Ideas

After you generate a good number of new business ideas you'll need to determine which ideas hold the most promise and which ideas to cross off your list.

Worthwhile business ideas must fill a customer need – but not just a little need. The best ideas fill a big, nagging, aching customer need, one where the gap of dissatisfaction is so huge that the customer will do almost anything to obtain the solution you're offering. That's one of the fastest ways to motivate a person to trade some money for your goods or services.

● **FED EX:** The need for an overnight delivery system was first raised by Fred Smith in an undergraduate term paper in 1965. He predicted that as companies became more dependent on computers the cost of computer downtime would become more expensive. Keep in mind that back then there wasn't a reliable overnight delivery service available to get computer parts shipped across the country to a malfunctioning computer. When Fred returned from Vietnam some years later, where he served as a military platoon leader, he quickly discovered that his term-paper predictions turned out to be true. Careful evaluation confirmed that there was truly a compelling need for a reliable, overnight delivery service. Existing companies were running into difficulties getting parts from warehouses to satellite offices. So he leveraged the logistical insight he gained from the military to create the hub and spoke delivery system that became FedEx, the overnight package delivery giant.⁷

● **WEBROOT SOFTWARE:** Years ago David Moll was a professional evaluator of entrepreneurial ideas. He was one of the early members of Ernst & Young tasked with interviewing entrepreneurs to determine who should receive the prestigious Entrepreneur of the Year award. The more insight he gained when evaluating entrepreneurs and their ideas, the more confident he could be when leading his own entrepreneurial firm. When David was offered the CEO role at Webroot Software, makers of software that removes spyware from PCs, it didn't take him long to evaluate the opportunity. "The company's products filled an important business need, and I liked the business model from a cash-flow perspective," he said. Sales have been booming ever since. What advice does he have for aspiring entrepreneurs less experienced at evaluating good business opportunities? "Never forget the value of learning about entrepreneurship on someone else's dime," he quipped.

Of course, a business idea isn't worth the paper it is written on if you don't have a customer.

So who are the target customers for each of your business ideas? This is a critically important question to answer. The more you know about the ages, preferences, interests, and motives of your target customers the more effectively you can tailor your goods or services to meet their needs. Only then are you in a position to find a way to reach and educate them about the solutions you provide to the problems they face.

The following activity will walk you through an easy way to quickly evaluate new business ideas.

How to Quickly Evaluate Ideas

1. For each of the best business ideas you generated and circled on the previous pages of this packet write each idea in the BUSINESS IDEA sections of the following pages (one idea per section). This will make it easier to evaluate each idea quickly.
2. In the section below, write your answers clearly and concisely to the three key questions listed about your first business idea:
 - a. What is the compelling need that is not currently being met?
 - b. Who is the target market who has this need (demographics, characteristics, etc)
 - c. Does this idea sound interesting and exciting to me, if so, why? ⁸

BUSINESS IDEA #1 – Clearly describe the idea in a few sentences:	Rate each answer from 1-10:
a) What is the compelling need that is not currently being met:	
b) Who is the target market who has this need (demographics, characteristics, etc):	
c) Does this idea sound interesting and exciting to me, if so, why:	
TOTAL SCORE (a+b+c):	

3. Then rate each of your answers from 1-10 in the “Rate each answer from 1-10” column on the right. An outstanding idea with a compelling need should be rated a 10; an idea with a clearly defined target market should be rated a 10; an incredibly interesting and exciting idea should be rated a 10. Anything less should be rated lower. A rating of 1 is the lowest rating. Most answers will likely fall in-between and should be rated accordingly. So rate each answer listed above.
4. Add your three ratings together to comprise your total score (maximum total score is 30) which you should write in the shaded TOTAL SCORE section above for future comparison.
5. Repeat this process of answering the three key questions, rating each answer, and compiling a total score for each of your business ideas listed on the following pages.

BUSINESS IDEA #2 - Clearly describe the idea in a few sentences:	Rate each answer from 1-10:
a) What is the compelling need that is not currently being met:	
b) Who is the target market who has this need (demographics, characteristics, etc):	
c) Does this idea sound interesting and exciting to me, if so, why:	
TOTAL SCORE (a+b+c):	

BUSINESS IDEA #3 - Clearly describe the idea in a few sentences:	Rate each answer from 1-10:
a) What is the compelling need that is not currently being met:	
b) Who is the target market who has this need (demographics, characteristics, etc):	
c) Does this idea sound interesting and exciting to me, if so, why:	
TOTAL SCORE (a+b+c):	

BUSINESS IDEA #4 - Clearly describe the idea in a few sentences:	Rate each answer from 1-10:
a) What is the compelling need that is not currently being met:	
b) Who is the target market who has this need (demographics, characteristics, etc):	
c) Does this idea sound interesting and exciting to me, if so, why:	
TOTAL SCORE (a+b+c):	

BUSINESS IDEA #5 - Clearly describe the idea in a few sentences:	Rate each answer from 1-10:
a) What is the compelling need that is not currently being met:	
b) Who is the target market who has this need (demographics, characteristics, etc):	
c) Does this idea sound interesting and exciting to me, if so, why:	
TOTAL SCORE (a+b+c):	

BUSINESS IDEA #6 - Clearly describe the idea in a few sentences:	Rate each answer from 1-10:
a) What is the compelling need that is not currently being met:	
b) Who is the target market who has this need (demographics, characteristics, etc):	
c) Does this idea sound interesting and exciting to me, if so, why:	
TOTAL SCORE (a+b+c):	

BUSINESS IDEA #7 - Clearly describe the idea in a few sentences:	Rate each answer from 1-10:
a) What is the compelling need that is not currently being met:	
b) Who is the target market who has this need (demographics, characteristics, etc):	
c) Does this idea sound interesting and exciting to me, if so, why:	
TOTAL SCORE (a+b+c):	

BUSINESS IDEA #8 - Clearly describe the idea in a few sentences:	Rate each answer from 1-10:
a) What is the compelling need that is not currently being met:	
b) Who is the target market who has this need (demographics, characteristics, etc):	
c) Does this idea sound interesting and exciting to me, if so, why:	
TOTAL SCORE (a+b+c):	

BUSINESS IDEA #9 - Clearly describe the idea in a few sentences:	Rate each answer from 1-10:
a) What is the compelling need that is not currently being met:	
b) Who is the target market who has this need (demographics, characteristics, etc):	
c) Does this idea sound interesting and exciting to me, if so, why:	
TOTAL SCORE (a+b+c):	

BUSINESS IDEA #10 - Clearly describe the idea in a few sentences:	Rate each answer from 1-10:
a) What is the compelling need that is not currently being met:	
b) Who is the target market who has this need (demographics, characteristics, etc):	
c) Does this idea sound interesting and exciting to me, if so, why:	
TOTAL SCORE (a+b+c):	

6. Review the TOTAL SCORE for each of your business ideas. Did you rate a TOTAL SCORE of 26 – 30 for any of your ideas? If so, circle these top rated idea(s). Congratulations! These ideas may very well be worth launching into a real business and certainly warrant careful consideration.
7. Did you rate a TOTAL SCORE of 15 – 25 for any of your ideas? Don't give up on these ideas yet. These ideas may have some interesting components but there is something about each of these ideas that probably needs to be addressed. Review each of these ideas once again. Is there some way you could strengthen, add clarity to, or otherwise adjust any of these ideas to make them worthy of a 26 – 30 TOTAL SCORE? Is there some way you could build on any of these ideas to make them better match your own personal goals? Adjust your idea(s) accordingly.

KEY POINT: Generating new business ideas is a highly iterative process. By looking at each idea again from a fresh perspective you can always improve it. Always! The idea you thought of today can be targeted to a better niche, packaged with a better feature, or bundled with a better service to better solve customer problems. Discuss your ideas with a trusted friend. It can be a powerful way to take a good idea today and turn it into a compelling business idea tomorrow. So keep looking at, thinking about, and talking through your ideas. You may be able to start your new business sooner than you think.

A journey of a thousand miles must begin with a single step.
- Lao-Tzu

Ok, Now What?

So now that you have a compelling new business idea or two, pause for a moment to see how far you have come. You have now gone through a series of steps to help you generate a good number of business ideas and quickly evaluate them. You have finally scrambled over the obstacle that thwarts so many others.

What should you do now? Celebrate, of course.

Then the hard work really kicks in. But before you invest what could be a substantial amount of money or time to launch any idea here is a sampling of questions you would be wise to consider for each of your top ideas:

- Who would your primary competitors be and what would your competitive advantage be?
- Would this competitive advantage be sustainable?
- How would people learn about your product or service?
- How would people purchase your product or service?
- Who would be the key members of your management team, what are their backgrounds, and what skill gaps would still need to be addressed?
- How much money would you need to get started and how much money would you need to cover your expenses during each of the first few years?
- How much revenue would you expect to generate during each of the first few years?
- How long would it take you to reach profitability?
- Is there a way you can start small focusing on a targeted niche, as a proof of concept, to reduce any potential risk?

Sources:

- ¹ "How We Got Started," *Fortune Small Business*, October 2002, pp 64-66
- ² "How We Got Started," *Fortune Small Business*, October 2002, pp 70-72
- ³ "Where Do Great Ideas Come From," *Inc*, October 15, 2002
- ⁴ "How We Got Started," *Fortune Small Business*, September 2003, pp 81-82
- ⁵ "How We Got Started," *Fortune Small Business*, September 2003, pp 32-34
- ⁶ "How We Got Started," *Fortune Small Business*, October 2002, pp 85-88
- ⁷ "How We Got Started," *Fortune Small Business*, October 2002, pp 30-31
- ⁸ Professor Frank Moyes, University of Colorado

NOTE: *Fortune Small Business* is an good magazine for aspiring entrepreneurs, filled with entrepreneurial role models and helpful tips. Check it out and consider getting a subscription.

Other Helpful Resources:

Bhide, Amar V. *The Origin and Evolution of New Businesses*. 2000. Oxford University Press: New York.

Edwards, Paul & Sarah and Economy, Peter. *Why Aren't You Your Own Boss*. 2003. Prima Publishing: California.

Timmons, Jeffry A. *New Venture Creation*. 1999. McGraw-Hill: Boston.

Various Authors. *Harvard Business Review on Entrepreneurship*. 1999. Harvard Business School Press: Boston.

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About the Author

Neal Lurie is a lifelong student of entrepreneurship who created this packet, after years of research, to help aspiring entrepreneurs find their road to success. He has over 10 years of training industry experience and has overseen the development of training products that generated sales of more than \$10 million. He lives in Boulder, Colorado, USA and enjoys hiking, bicycling, and learning from entrepreneurs.