

# LESSON –4

## OPPORTUNITY SCOUTING AND IDEA GENERATION

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### STRUCTURE

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### 4.0 INTRODUCTION

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Once an individual decides to take up entrepreneurship as a career path, to be a job provider instead of a job seeker, he has to establish an enterprise. It is extremely important to take

utmost care in identifying the product or service to be launched by the entrepreneur otherwise it might prove to be a very costly mistake. He must develop sensitivity to changes around him, which can provide business opportunities and then carefully scan his environment to generate ideas. After tentatively identifying four to five ideas he should go in for detailed assessment and feasibility study. This will help him to crystallise one idea in an objective and systematic manner, which will greatly enhance his chances of success.

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## 4.1 OBJECTIVES

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After going through this lesson you should be able to

- Scan the business environment in terms of the entrepreneurial opportunities and threats
- Use your creativity and innovativeness in identifying business ideas
- Tap other sources for idea generation

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## 4.2 ENTREPRENEURSHIP AND NEW VENTURE CREATION

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Even to a most casual observer it will appear that India is moving on a growth path.

The roads are choked with cars, scooters and buses and now in Delhi we have a brand new Metro also. Most people are well dressed and carry cell phones. The sale of TVs, washing machines and other white goods are booming. There is a spurt in travel both domestic and international as well as in the number of people dining out. All these are signs of economic development and it is the entrepreneur who is the driving force behind economic growth and rejuvenation. This is true not only in India but also all across the globe.

We have already studied in Chapter I how development of entrepreneurship helps to accelerate the pace of economic growth, solve problems of unemployment, check concentration of wealth in the hands of a few individuals or business families. It also helps to achieve balanced growth of all regions of the nation.

We have also learnt that the entrepreneur is at the center of this phenomenon of entrepreneurship. He is the one who makes things happen by perceiving an opportunity and organizing the resources needed to exploit this opportunity. He creates a new business in face of risk and uncertainty for the purpose of achieving profit and growth.

Entrepreneurs look ahead to see what can be done in future rather than concentrating on the past. Where others see problems and shortcomings they see opportunities for starting a business.

### **Check your progress**

From the list given below select names of economies which have exhibited high growth rates in the recent past.

Srilanka, China, Pakistan, Singapore, Malaysia, Korea, Bangladesh

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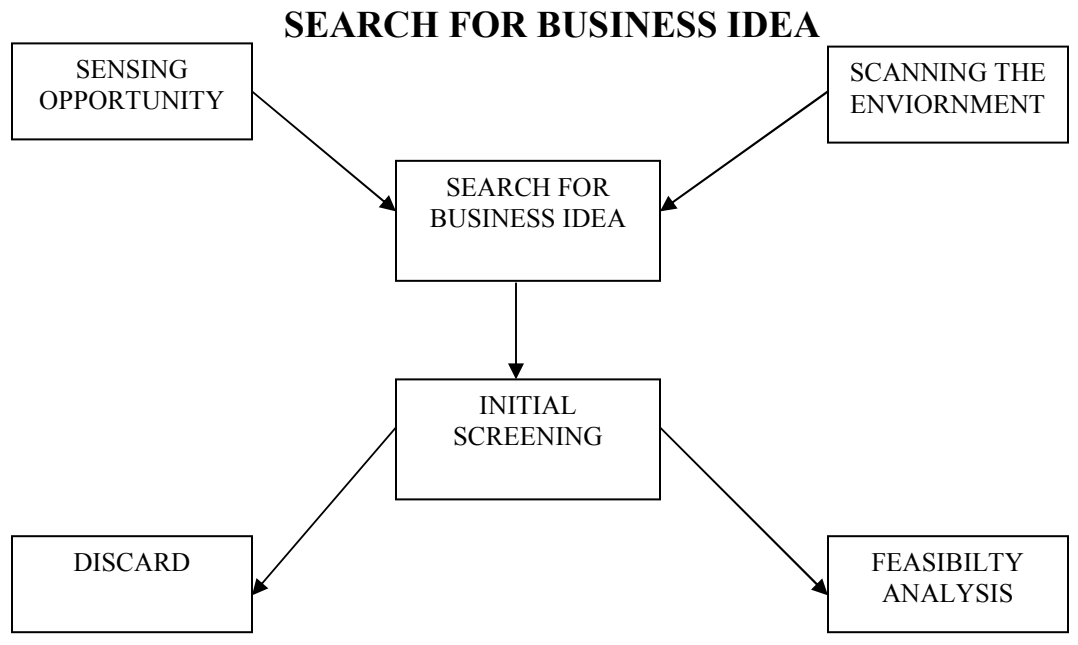
To set up an enterprise the entrepreneur has to undergo the entrepreneurial experience. Once having done that, he has to concentrate on the management of his business. The entrepreneurial experience begins with the idea for starting a new venture. The idea has to be sifted and refined so that he can identify a new product or service to be produced or offered. Usually there is a triggering factor, which makes the entrepreneur take the plunge to start his business. However one has to systematically make a business plan and study the feasibility of the proposed venture before doing so.

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### 4.3 OPPORTUNITY SCOUTING

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The entrepreneurial process begins with identifying an opportunity and evaluating it through an initial screening process. If it appears reasonable a detailed business plan can be made. If not it can be discarded. (Figure 4. 1)



**Figure 4.1 Search For Business Ide**

Clearly, except in very rare cases, opportunities just do not ‘occur’ to the individual. These have to be actively searched/ scouted for. Hence, the start up process for a new venture creation begins with scouting for opportunities. The process may start from an arm’s length, that is, one may just look around one’s immediate context- family, community, and job and build up a case for business from the bottom-up. Else, one may take a top-down approach,

starting from the scanning of the international and macro economic environment and conducting/using industrial/consumer surveys and identifying appropriate business ideas. An entrepreneur can sense and intelligently seize opportunities, which exist in the environment.

Often it is said that necessity is the mother of all inventions. However, in the context of entrepreneurship, opportunities besides existing in the environment in the form of needs and problems of people around might have to be 'created.' Thus, the entrepreneurs meet not only the existing needs; they create the new needs as well!

**Check your progress**

Identify three needs or problems experienced by you in obtaining certain goods or services

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It is also possible to create opportunities. Maggi noodles, Credit cards, FM radio are all examples of needs which were created either out of demographic changes e.g. with more women opting for employment the need for a quick snack was created resulting in the phenomenal success of the two minute noodles and packaged food. Hectic work schedules, frequent corporate traveling created the need for fast banking services and hence the ATM, credit card, debit card and telephone banking came in vogue.

**Activity B**

Identify three examples of created opportunities.

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## 4.4 OPPORTUNITY SCANNING

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Once the entrepreneur perceives opportunities, it becomes important for him to scan the environment. It is quite possible that many of the promising opportunities might not make commercial sense. Scanning involves close examination of the environmental conditions and their impact upon the business idea. It is not a cursory exercise but rather an attempt to look beyond the immediate opportunities to the emerging trends. An attempt can be made to modify, adapt, rearrange, substitute, combine, reverse etc.

**Check your progress.**

After the launch of a kitchen mixer, a grinder was added and then a juicer. As the customer demands changed the food processor was launched. For the Indian market an attachment for making dough was also introduced. Give two examples of products that were launched after modifying, substituting or rearranging existing products.

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### 4.4.1 ENVIRONMENTAL ANALYSIS

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As noted in Chapter I, entrepreneurship does not exist in a vacuum. It is affected by and affects the environment.



**Figure 4.2 Relationship Between Entrepreneurship And Environmen**

As the economies are getting internationally integrated, for an analysis of the environment of entrepreneurship you would be required to develop an understanding of international, domestic macro economic, and industry/sector specific factors.

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### 4.4.2 INTERNATIONAL ENVIRONMENT

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Today, hardly any business is unaffected by international developments. The strides in the IT sector and telecommunications along with the steady progress of WTO negotiations relating to removal of tariff and non-tariff barriers on trade, investment and intellectual property have truly made the world a global economic village. Even as a local player, you cannot wish away global competition. Today a local bakery owner has to compete with other locally available biscuits as well as big Indian brands like Britannia, Sunfest and Parley as well as a host of international brands such as Danish Cookies.

As the economies increasingly get integrated, so does their susceptibility to external happenings. A September 11, an outbreak of SARS or bird flu in any part of the globe will have ramifications in the rest of the world. As a potential entrepreneur, you will have to keep all these factors in mind as you pursue your entrepreneurial dreams.

In fact, the world of business is being increasingly modified by three concurrent happenings-internationalisation thanks to WTO, digitization, thanks to advances in IT & communication, and outsourcing, thanks to the resultant interdependencies. These trends influence different businesses differently. What we are concerned here is to examine these developments from the standpoint of small business. We would be restricting ourselves to a brief discussion of the impact of WTO on the small-scale sector.

You may be aware that trade and investment liberalization means, among other things, lowering of customs/import duties and allowing foreign direct investment (via multinationals). Both of these have a potential impact on the future of small-scale industries. As imports get liberalised, the units in the small-scale sector that had long been sheltered by the protective measure of reservation of manufacture get exposed to external competition. This is what exactly happened in case of Indian toys, watch making, umbrella, and locks manufacturing units.

Liberalisation of investment regime, from the SSI perspective, for instance, meant the entry of global automobile giants that posed a serious challenge before the Indian automobile component manufacturers. Fortunately, in this case globalization appears to be a mixed blessing. Whereas those supplying to original equipment manufacturers (OEMs) thrived, those catering to replacement market suffered badly.

Clearly, implications of the WTO on the SSI are far from being one sided. If one is truly an entrepreneur, one should see more of opportunities than threats.

### Activity C

Visit the site of Ministry of Commerce and SSI to study the list of WTO sensitive items for the Indian SSI.

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## 4.4.3 MACRO ENVIORNMENT

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The macro environment of an entrepreneur consists of the **political, technological, social, legal and economic segments**. All of these are not an immediate part of the entrepreneur's venture yet they have an impact on his enterprise. Let us now examine the elements of the macro environment of the entrepreneur one by one.

### Political Environment

Entrepreneurship can flourish under a stable and conducive political climate. Government policies which give priority to growth of trade and industry, provide infrastructural facilities, Institutional support can give a fillip to entrepreneurship.

Considering the employment and export potential, the short gestation period and the fact that small industries act as a seedbed for nurturing and developing entrepreneurship, the Government is very supportive of the small-scale sector. It has created an extensive Institutional framework for provision of finance, technology as well as help in marketing is made available by government institutions like SIDO, SISI, NIESBUD, NSIC, and SFCs etc.

You will be learning more about these in lesson 19.

## **Technological Environment**

The level of technology, the trends and the rate of change in technology existing in a society all have a direct impact on enterprise creation. Changes in technology, both innovation and invention change industry structures by altering costs, quality requirements and volume capabilities. In the advanced countries of the West more pure invention takes place which can create new industries for example Automobile, Aeronautical, Computer Hardware, Telecommunications, Pharmaceuticals etc. In developing economies there is usually an imitation of the above through greater process innovation.

It has been observed that many small units use obsolete technologies and do not invest in R&D. As a result their goods are of poor quality and lack standardisation. A direct consequence of this is their inability to face competition. In many industries the technological threshold is low and as a result the success of an entrepreneur promotes many others to start similar businesses and he loses the initial competitive advantage. On the other hand if he uses certain costly technology chances of others quickly becoming his competitors is less.

Apart from these the effect of technology on environmental laws issues like a product being tested on animals or use of child labour etc also have to be kept in mind.

## **Socio-Cultural Environment**

The customs, norms and traditions of the society also play an important role in either hindering or promoting enterprise. For example, we sometimes say that the Gujratis are very enterprising. In certain traditional communities of our country working of females out of the home environment is frowned upon. Many times the choice of occupation is also dictated by the family traditions. Many vegetarians might not like to start poultry or fishery farms in spite of their economic potential.

Socio-cultural factors are crucial for the operations of MNCs also. It is very important for an MNC to understand the socio-cultural background of their customers in the host country. For example when KFC and McDonalds started their operations in India, KFC took a complacent stand regarding the acceptance of the taste of it's chicken by the Indian customer who was not used to a bland taste. McDonalds on the other hand has consistently innovated their dishes with regard to the taste of the Indian consumer. It's cheeseburger and 'Navratra thalis' are just a couple of examples. The result was that while McDonalds has been steadily increasing its operations in India, there are hardly any KFC outlets left.

Socio-cultural environment is also concerned with attitudes about work or quality concerns, ethics, values, religion etc.

## **Legal Environment**

The laws of the country can make the process of setting up business very lengthy and difficult or vice-versa. Many times one hears of people complaining of the bureaucratic procedures in India, which act as a damper on new venture creation. The labour laws and legal redressal system also have a bearing on business operations. Patents, Agreements on trade and tariffs and environmental laws also need to be studied. Copyright, trademark infringement, dumping and unfair competition can create legal problems in the shape of long drawn out court battles.

Simpler legal procedures can facilitate the process of new venture creation and its smooth functioning including setting up of ancillaries, foreign tie-ups and joint ventures.

### **Economic Environment**

India has today achieved a GDP of 8.5 % and aspiring for 10 % GDP in next financial year.

Liberalisation, Globalisation and opening of economy in India, has increased the space for business operations. It has also opened channels for foreign investors, banks, insurance and infrastructure companies to start operations. The resultant competition, rapid and complex changes have generated uncertainties, which have to be handled by the entrepreneurs.

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## **4.4.4 SECTORAL ANALYSIS**

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After having understood the general environment in which the business has to take birth, it is important to study the sector or industry conditions in which the entrepreneur proposes to launch a venture. This will help to put the proposed venture in the proper context.

The purpose of industry analysis is to determine what makes an industry attractive- this is usually indicated by either above normal profits or high growth. For such analysis one should study the history of the industry, the future trends, new products developed in the industry, forecasts made by the government or the industry. It is also advisable to study the existing or potential competition, threat of substitutes and entry barriers. Sometimes there might be bilateral agreements between countries regarding some sectors or government policy that is sector specific or some event that throw up challenges e.g. bird flu has dealt a severe blow to the Rs. 2600 crore poultry sector in India recently.

There might be certain constraints regarding availability of technology, manpower or raw materials, which are industry specific. Similarly there might be certain strengths of a particular sector, which might outweigh some negative general trends. Currently the cement and steel sector are on an upward swing with a favourable climate in the housing sector as well as government's thrust on building roads and flyovers.

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## **4.4.5 SWOT ANALYSIS**

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At this stage conducting a SWOT analysis will help the entrepreneur to clearly identify his own strengths and weaknesses as well as the opportunities and threats in the environment. Threats in the environment can arise from competition, technological breakthroughs, change in government policies etc. He might possess certain unique skills or abilities, which along with his knowledge and experience can provide him a cutting edge.

**Strengths** are positive internal factors that contribute to an individual's ability to accomplish his/her mission, goals and objectives.

**Weaknesses** are negative internal factors that inhibit an individual's ability to accomplish his/her mission, goals and objectives.

An entrepreneur should try to magnify his strengths and overcome or compensate for his/her weaknesses.

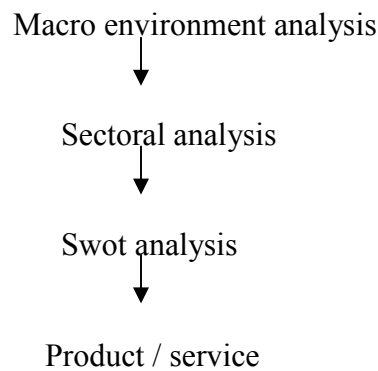


**Opportunities** are positive external options that an individual could exploit to accomplish his/her mission, goals and objectives.

**Threats** are negative external forces that an individual could exploit to accomplish his/her mission, goals and objectives. These could arise due to competition, change in government policy, economic recession, technological advances etc.

An analysis of the above can give the entrepreneur a more realistic perspective of the business, pointing out foundations on which they can build future strengths and the obstacles they must remove for business progress.

**The hierarchical approach to development of business idea is given below.**



**Figure 4.3 Development of Business Idea**

**Check your progress**

| List specific skills, knowledge / resources<br><b>Strengths</b> | List areas where you lack skills, knowledge / resources<br><b>Weaknesses</b> | List two / three best opportunities facing the business<br><b>Opportunities</b> | List three threats facing the business<br><b>Threats</b> |
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The entrepreneur has to use the opportunities provided by the environment, combine these with his unique strengths in terms of knowledge, skills, experience etc. and then take a decision to launch a particular product or service. The proposed product / service should be compatible

with the capability of the entrepreneur, resources available in the environment and the need of the society.

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## 4.5 CREATIVITY AND INNOVATION

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It is frequently commented that the only constant thing in business is change. It is a true statement as the business environment is constantly changing for any number of reasons. There can be technological break throughs like the IT revolution, demographic changes like nuclear families, working parents, which have fueled a demand for day care centers, old people's homes, fast food etc. Changes in tastes and preferences have resulted in mushrooming of restaurants and designer clothes. A natural disaster can create a demand for tents, blankets, medicines, torches, food etc. An entrepreneur with his vision, creativity and innovation can capitalize on these changes and create customers. Recently 'terrorist insurance' has been started in war torn Iraq.

Creativity is the ability to bring something new into existence. Innovation is the translation of an idea into application, which has a commercial value. Creativity is a prerequisite for innovation. It can be developed by any individual who has a concern for excellence and is willing to work hard. A creative person develops new alternatives and offers innovative solutions.

This can be done, for example, by:

- **Adding product features** – a job which is hard to do can be made easier for example electric mixers and grinders have dramatically reduced the labour expended in Indian kitchens. Another example is that of the Courier Service which has almost threatened the functioning of the Indian Postal Service,
- **Cutting cost** – the entrepreneur can change the expensive product for example the prices of computers and cell phones have come down drastically,
- **Simplifying operations**--- through creative distribution and financing for example these days' loans for washing machines, televisions are given by the seller many a times.

It is through their creative thinking that entrepreneurs find solutions to problems, handle adversity and exercise control over business. Creativity helps not only in doing different things but also in doing the things differently. Look what FM has done to a nearly forgotten means of entertainment, 'radio' which has again reached such heights of popularity.

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### 4.5.1 THE CREATIVE PROCESS

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Brilliant ideas do not simply materialize out of the blue. They are the outcome of a creative process consisting of the following six stages<sup>1</sup>:

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<sup>1</sup> Ref. Taneja Satish , Gupta S.L..Entrepreneur Development, New Venture Creation

Stage 1. **Task Presentation:** If one has a burning desire to discover or to do something then the seed of curiosity germinates to form a focused idea.

Stage 2: **Preparation:** A conscious search for collecting information and seeking solutions has to be made.

Stage 3: **Incubation:** This is the stage when the subconscious mind takes over and mulls over the problem. This stage can be short or it can run into months or even years sometimes.

Stage 4: **Idea Generation:** A number of ideas and solutions are generated depending upon the personal knowledge, experience, insight etc. of the potential entrepreneur.

Stage 5: **Idea Validation:** Each idea that is generated is verified to test its usefulness, and application.

Stage 6: **Outcome Assessment:** The creative process ends with either the crystallization of an idea or the lack of it. If it is the latter then one goes back to stage 1 and starts the process all over again. However if an idea is zeroed on then its feasibility has to be evaluated and a project Report has to be prepared. We will learn more about these in the next two Chapters.

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## 4.5.2 COMPONENTS OF THE CREATIVE PROCESS:

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The creative process has three distinct components:

1. **Motivation :**Initial motivation which provides stimulus for processing information and exploring alternative solutions
2. **Skills in the Task domain:** The extent of the knowledge, talents and technical skills of the entrepreneur will help in his search for solutions, pin pointing an idea and verifying the idea.
3. **Skills in Creative thinking:** These will help him to visualize different solutions, generating a number of alternatives, see divergent uses of a single idea etc. to come up with a workable idea or plan.

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## 4.6 OPPORTUNITIES IN CONTEMPORARY BUSINESS ENVIRONMENT

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We have observed above that the business environment is constantly evolving as a result of demographic technological, legal and other changes. These constantly throw up new challenges for entrepreneurs. Some opportunities, which can be explored by the potential entrepreneur, are given below.

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### 4.6.1 NICHE MARKETING

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Niche marketing is a marketing strategy, which can be intelligently used by a small entrepreneur. He can try and identify his own USP, which can be targeted towards some very specific market segments called a niche. By providing personal service, convenience and value to the customers the small entrepreneur can successfully compete with the bigger market

players. The standardised goods produced on large scale cannot cater to the special requirements of different segments of the market. For example there is an emerging niche in the food market of health conscious people who want to consume only organically grown foods.

With the increase in number of murders and other crimes taking place in big cities entrepreneurs can tap the niche of households for installing security systems like alarms, CCTVs, cameras and other safety gadgets etc.

**Key words**

Explain the following key words used in this section

Niche, Strategy, USP, CCTV

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## 4.6.2 SERVICE SECTOR

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Unlike products services are not tangible, they cannot be stocked, and they cannot be marketed through wholesalers or retailers- if you want a haircut you will have to go the barber or a saloon. Usually production and consumption are simultaneous. Another advantage of setting up a service enterprise is that they require lower investments compared to the manufacturing sector.

The service sector has been growing at a very fast rate. During 2004 the share of services in total GDP of India was 54.2 %. Indian IT sector alone contributes 2% to the total GDP. Apart from software exports the BPOs, calls centers, medical transcribers, and legal services, are also contributing towards the healthy growth of this sector.

The entertainment industry including films, the numerous movie channels, musical nights, Film Award functions are other sectors, which are showing high rates of growth.

Courier services, Event Management, beauty parlours, health clubs, repair and maintenance centers and restaurants are other examples of services that are in high demand.

**Check your progress**

Try and identify some services that can be offered by graduates from the BA Pass stream even without specialized technical training and low levels of investment.

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### 4.6.3 FRANCHISING

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Franchising takes a proven formula for success and expands it. Business franchising is a name given to relationship in which the owner of a product, process or service allows a local operator to set up a business under that name, for a specified period of time. Haldiram, McDonalds, VLCC outlets, are some examples of how some entrepreneurs buy a venture which is a part of a chain of similar business units. Franchising is an arrangement between the buyer who is called a franchiser and the seller who is called the franchisee. The buyer gets the right to sell the trademark product or service of the franchisee. He is relieved of most of the functions involved in setting up of an enterprise and gets the benefit of visibility and recognition. Usually the franchisee also looks after the advertising, training, and design and lay out etc. for the franchiser.

The franchisee is able to expand his market geographically without having to worry about day-to-day operations. The licensing system gives the franchisee barriers to entry, standardization and incentives for growth. However they have to be careful that their standards are adhered to. The franchisers too have to be careful in reading the fine print otherwise they can get caught in legal problems. Also if by chance the franchisee closes down for example Mothercare of UK, then all the franchisers will run out of business overnight.

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### 4.6.4 TOURISM

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Tourism is amongst the fastest growing industries the world over, highest foreign exchange earning sectors for India and offers tremendous opportunity for entrepreneurship and employment. It includes any business connected with the activities of tourists: -

- Travel arrangement (rail, road, air or sea)
- Accommodation (hotels, motels, guest houses)
- Food
- Entertainment

Apart from the potential in providing these direct services, tourists use many indirect services also for example they hire taxis for local site seeing, buy all kind of souvenirs, they need guides and interpreters. There is an acute shortage of service providers in all these areas. The gap between the demand and supply is likely to increase in the foreseeable future, especially with the Commonwealth Games to be hosted by India in the year 2010.

Other growing segments of tourism include Adventure Tourism, Eco-Tourism, Rural-Tourism, and Spiritual Tourism. Some people have even capitalized on the high cost of Medical Services abroad and have promoted Medical Tourism. It is clear from the above that this sector has untapped potential which can be exploited by potential entrepreneurs.

**Check your progress**

Rate a few tourist spots that you have visited according to the three As of tourism namely Attraction, Approach and Accommodation

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### 4.6.5 ENTERTAINMENT

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Entertainment industry is another sector, which boasts of very high rates of growth. Hundreds of films are made annually in India. There are innumerable TV Channels ranging from news, sports, cartoons, family dramas, music, religious etc. Music industry is also flooded with music videos, remixes, music and film nights, preparation and launch of CDs and DVDs etc.

Enterprises can be set up to provide services for pre and post production including script writing, music, dubbing, animation, editing to name a few.

Like the tourism sector the entertainment sector too has a host of feeder activities attached to it – supply of costumes, jewellery, sets, food, banners, posters which provide endless entrepreneurial opportunities.

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### 4.6.6 GREEN ENTREPRENEURSHIP

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Conservation and Environment protection are presently getting a lot of attraction. Green Entrepreneurship signifies concern for the environment. Such business activity should be chosen which has the least adverse impact on the environment. This concept also stresses upon the prevention of waste at the source rather than at the end of the process. It concentrates on new and creative ways to recycle usable materials, use of substitutes or processes that are less polluting as well as adoption of waste minimization strategies.

Recycling waste or turning them into useful products are good product ideas for example old clothes and saris are used for making rugs. Hand made paper, cards and envelopes are made from recycled paper. Flowers collected in temples are used for making natural colours for the festival of Holi. Vegetable dyes are used for block printing of textiles.

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### 4.6.7 IT ENABLED SERVICES

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India has carved a niche for herself in the International Market for outsourcing. Call centers, Medical transcriptions, Financial and accounting services, Web chat response, Email, Archistructural and Structural design drawings, BPO (Business process outsourcing) are all rapidly growing segments of the IT Enabled services. The initial capital investment might be a deterrent for the new first generation entrepreneurs. So to begin with they can try and supply feeder services for these units for example transportation for the employees, catering for the employees as well as Security Services.

#### **Some Other Opportunities**

Mineral water (Rs.1000 crore in 2005), Insurance sector (expected to reach Rs.600000 crore in 2010). Event management (expected Rs.3350 crore in 2009), restaurants, instant foods, processed foods, courier service, hospitality, gyms, logistics, wedding management are some of the other high growth sectors, which can be explored.

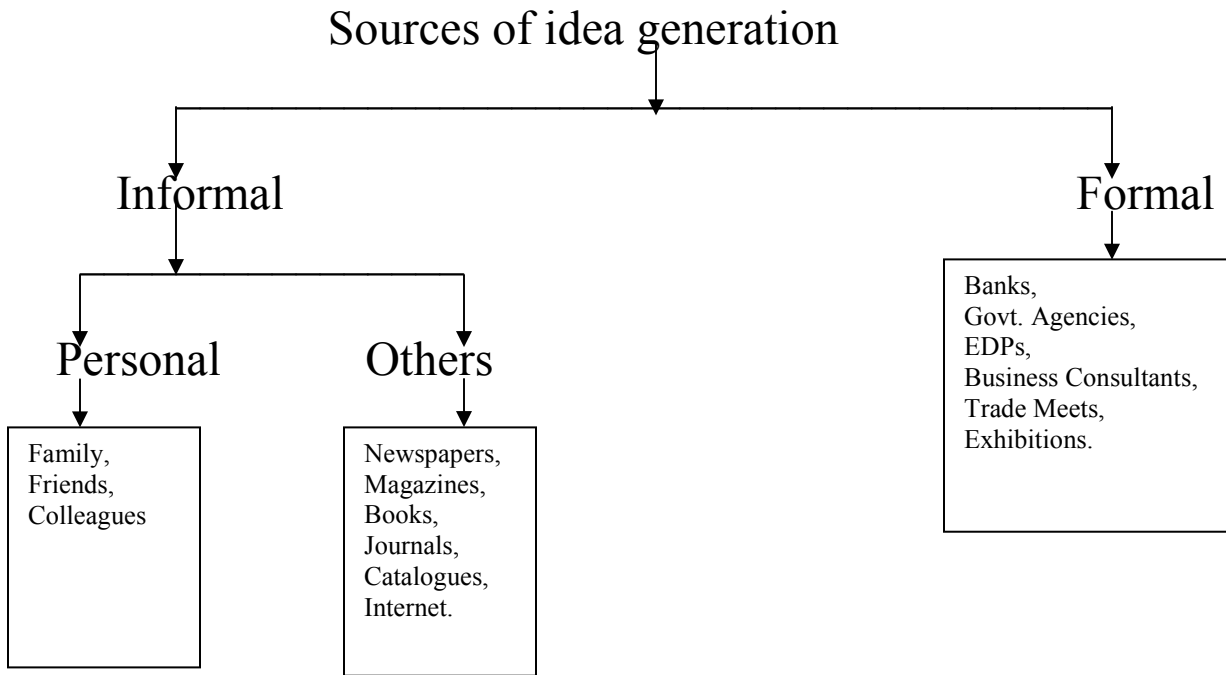
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## 4.7 IDEA GENERATION

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The starting point for any successful new venture is the basic product / service to be offered. This idea can be either generated internally or externally .For a new entrepreneur it becomes very difficult to filter information from the business environment, identify opportunities, evaluate them and then crystallise one specific idea. Developing a hobby, difficulty in obtaining a satisfactory product or service, evaluating new products being offered in the market and active engagement in Research and Development can help in generating a number of ideas. A reading of the Economic Times, business magazines, watching special business programmes on the television, discussions with professionals, friends, even teachers, surfing the internet all help to provide valuable inputs .A study of government policies for example tax incentives and holidays for setting up projects in backward area can help an entrepreneur to arrive at some decision . Attending an Entrepreneurial Development Programme can provide him with a sound understanding of all the steps one has to take to initiate and run a venture. Business consultants can also help him to identify a product or service and develop a business plan.

The sources of idea generation are listed in the figure below.



**Figure 4.4 Sources of Idea Generation**

**Check your progress**

List five ideas for business start -up which can be explored further

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Once the idea or group of ideas is generated it has to be screened or evaluated to determine its appropriateness for further development. Ideas showing the most potential are subjected to a feasibility analysis and a Project Appraisal is then made. You will learn about these stages of a venture starter in the next two chapters.



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## 4.8 SUMMARY

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The process of setting up a venture begins with searching for an opportunity. Identifying a good opportunity is a difficult task and involves scanning the environment and the use of creativity and innovation. The process involves both market identification as well as product / service identification. Rarely can one hit upon an idea straight away. One has to be very sensitive to the changes in the business environment. A careful analysis can help an entrepreneur to crystallise an idea. If it appears to be promising it's viability can be studied through a proper feasibility analysis.

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## 4.9 GLOSSARY

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**ATM:** Automated teller machine

**Triggering Effect:** An event like loss of job, divorce etc . which makes one take the decision to start the business?

**GDP (Gross Domestic Product:** Total of Goods and Services produced in the economy in a Year

**Govt. Agencies-** SISI, SIDO, NIESBUD

**USP -Unique Selling Proposition:** a strong and distinguishing attribute

**Prima facie:** on the face of it, apparently

**R& D -Research & Development:** a prerequisite for survival and growth of a unit

**MNC Multi National Company:** The company, which operates its business(s) in more than one country

**Host Country:** The country in which the MNC operates

**SIDO Small Industries Development Organisation:** The apex coordinating body of the government for small business

**NIESBUD: National Institute for Entrepreneurship and Small Business Development Institute,** which trains trainers for training entrepreneurs

**NSIC: National Small Industries Corporation:** helps in marketing and procurement of machinery on hire purchase basis

**SISIs: Small Industries Service Institutes:** Provides technical training

**SFCs -State Financial Corporations:** extends credit to Small Scale Industries

**SWOT –Strengths, Weaknesses, Opportunities and Threats**

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## 4.10 SELF-ASSESSMENT QUESTIONS

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1. What do you understand by the term business opportunity? What is its relevance for an entrepreneur?
2. Do you think it is important for an entrepreneur to scan for opportunities in the small Scale sectors? Give reasons.
3. In your opinion what precautions should a potential entrepreneur take at the Idea Generation Stage in an ever-changing business environment?
4. Short list 3-4 ideas, which you can further, explore with a view to starting a business of your own.

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## 4.11 FURTHER READINGS AND SOURCES

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