

WORKSHOP # 1

PROBLEMS INTO SOLUTIONS



**THINK BOLD
PITCH SMART
WIN BIG**

\$40,000 IN PRIZES!



ALLEGHENY COLLEGE
BRUCE R. THOMPSON
CENTER FOR BUSINESS & ECONOMICS

Turn your concept into a
winning pitch at Allegheny's
premier entrepreneurship event.

April 9-11
Allegheny College, Quigley Hall
Register by March 17

Scan for information and
competition guidelines



Contact: Chris Allison, Entrepreneur in Residence, callison@allegheny.edu

Thursday, April 9

- Practice Sessions with Judges | 1:00–5:00 p.m.

Friday, April 10

- Preliminary Round | 9:00 a.m.–4:00 p.m.
- Contestants & Judges Dinner

Saturday, April 11

- Final Round | 9:00 a.m.–2:00 p.m.
- Awards Ceremony | 2:30 p.m. | Quigley Hall

If You Were An Entrepreneur, How Would You Come Up With An Idea To Start Your Business?



Field of Dreams Entrepreneurship



If You Build It, They Will Come



Ease His Pain.



Markets First



Change = Problems



**Solutions To Relevant
Market Problems Are
Valuable!**



Richard Branson

“I invest in businesses that make people’s lives easier.”



Markets First Approach

Five High-Growth Industries of 2020



Field Service Mgmt.
Software

+13.5%



Automated Guided
Vehicle Mfg.

+13.9%



Online Vitamin Sales

+15.0%



Marijuana Production

+25.2%



Wind Power

+24.3%



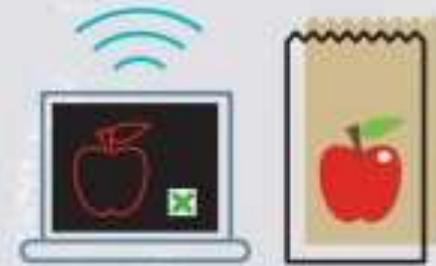
GOING GREEN

The green construction industry is expected to generate **\$303.4 billion** from 2015 to 2018—nearly double the \$167.4 billion it generated from 2011 to 2014.¹



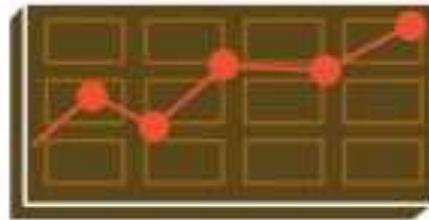
SAY WHAT?

The number of translation jobs is projected to grow by 46% between 2012 and 2022, the global market for language services and technology will hit **\$49.8 billion** in 2019.²



ONLINE EATS

Between now and 2018, online grocery stores are projected to grow 21% annually, generating **\$18 billion** by 2018.³



SWEET STUFF

The U.S. is the world's largest market for chocolate—about 85% of Americans buy chocolate. U.S. chocolate confectionery sales are projected to reach **\$25 billion** by 2019, up from \$21 billion in 2014.⁴



SOMETHING'S BREWING

Sales of craft beer doubled from 2009 to 2014 to **\$20 billion**, and are forecasted to reach **\$36.3 billion** by 2019.⁵



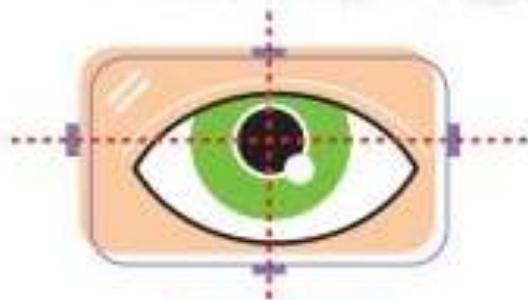
THERE'S NO PLACE LIKE HOME

By 2040, more than 20% of the U.S. population will be age 65 and over—up from 13% in 2010. Jobs for home health aides are expected to grow by **48 percent** by 2022.⁶



E.T., DRONE HOME

Drone manufacturing is already a \$3.3 billion industry in the U.S. With applications including humanitarian relief and scientific research, the drone industry is projected to grow to **\$82 billion** by 2025.⁷



EYE SPY

Biometrics use body scans (of voices, fingerprints, retinas, etc.) for applications such as building access and online security. Security concerns are powering this industry, projected to grow from \$7 billion in 2014 to **\$44.2 billion** by 2021.⁸



FRAUD DETECTIVES

Online fraud detection software is projected to generate **\$1.78 billion** by 2020, up from \$817.2 million in 2014 and \$48.8 million in 2005.⁹



HEALTHY PROFITS

Corporate wellness services, which provide consulting, fitness programs and even software to track wellness, are expected to grow 8.4 percent annually, generating **\$12.1 billion** in 2020.¹⁰



MOBILE SHOPPING

By 2017, more than half of Americans, **95.1 million people**, will use their smartphones to make a purchase.¹¹



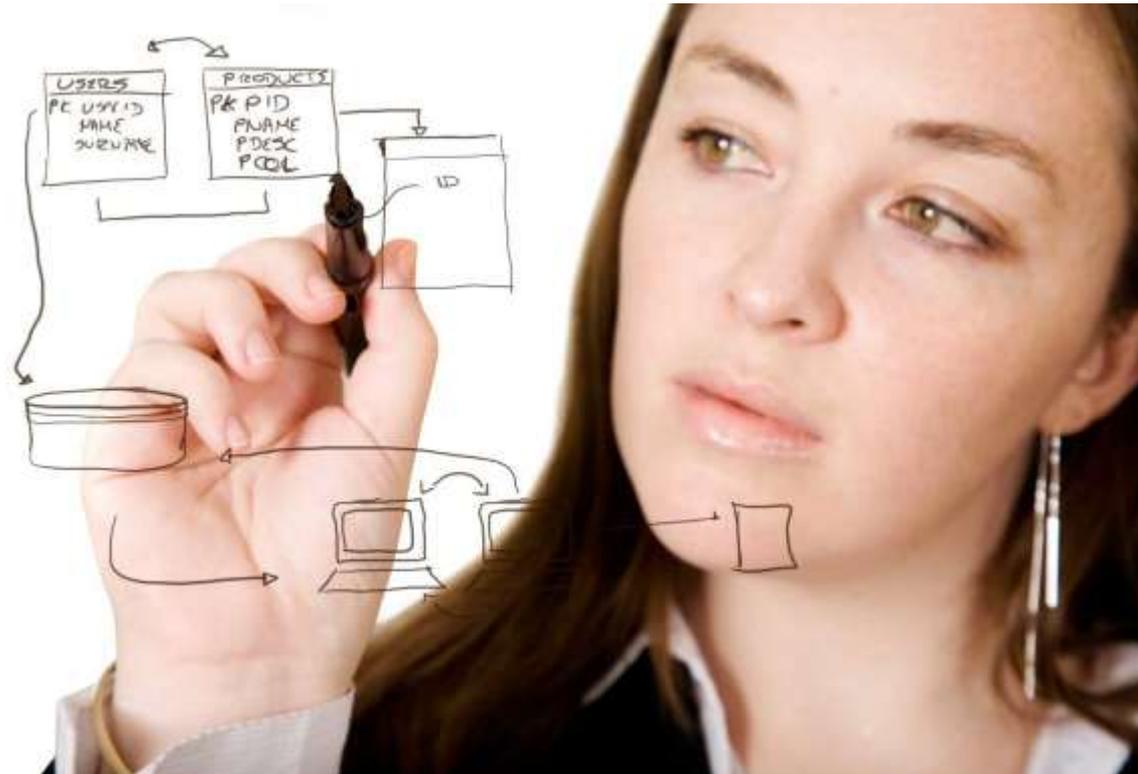
HERE, KITTY, KITTY

Americans spend nearly **\$20 billion** a year on pet care, including \$389 million on toys. With 71% of Generation X and 65% of Millennials owning pets, this industry is on track for continued steady growth.¹²

Look For Problems First Then Find Solutions Second



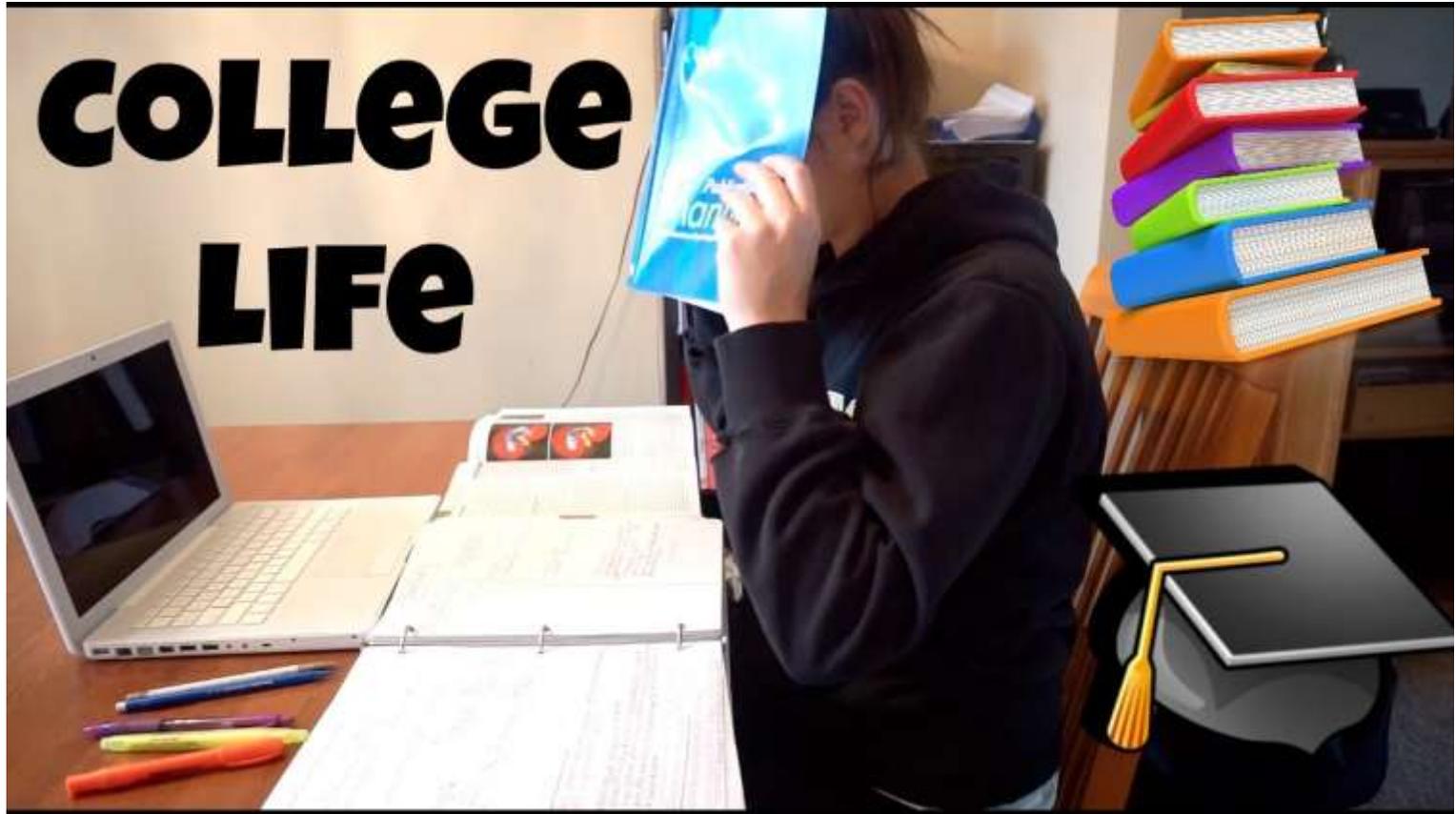
Solutions To RELEVANT Problems



Look For Everyday Annoyances and Solve The Problems



How Could You Make Someone's Lives Better



How Could You Make Your Lives Better



Help and no help baskets



Avocado colour chart



Tie that cleans mobiles



Chair with bag holder



Skateboard lock



Lift buttons for feet

Observe, Discover and Solve

- Observe A Problem
 - Primary and Secondary Research
- Something You Want To Change
- Solve The Problem With A Product or Service
 - Problem/Solution Set
 - Make or Save Money

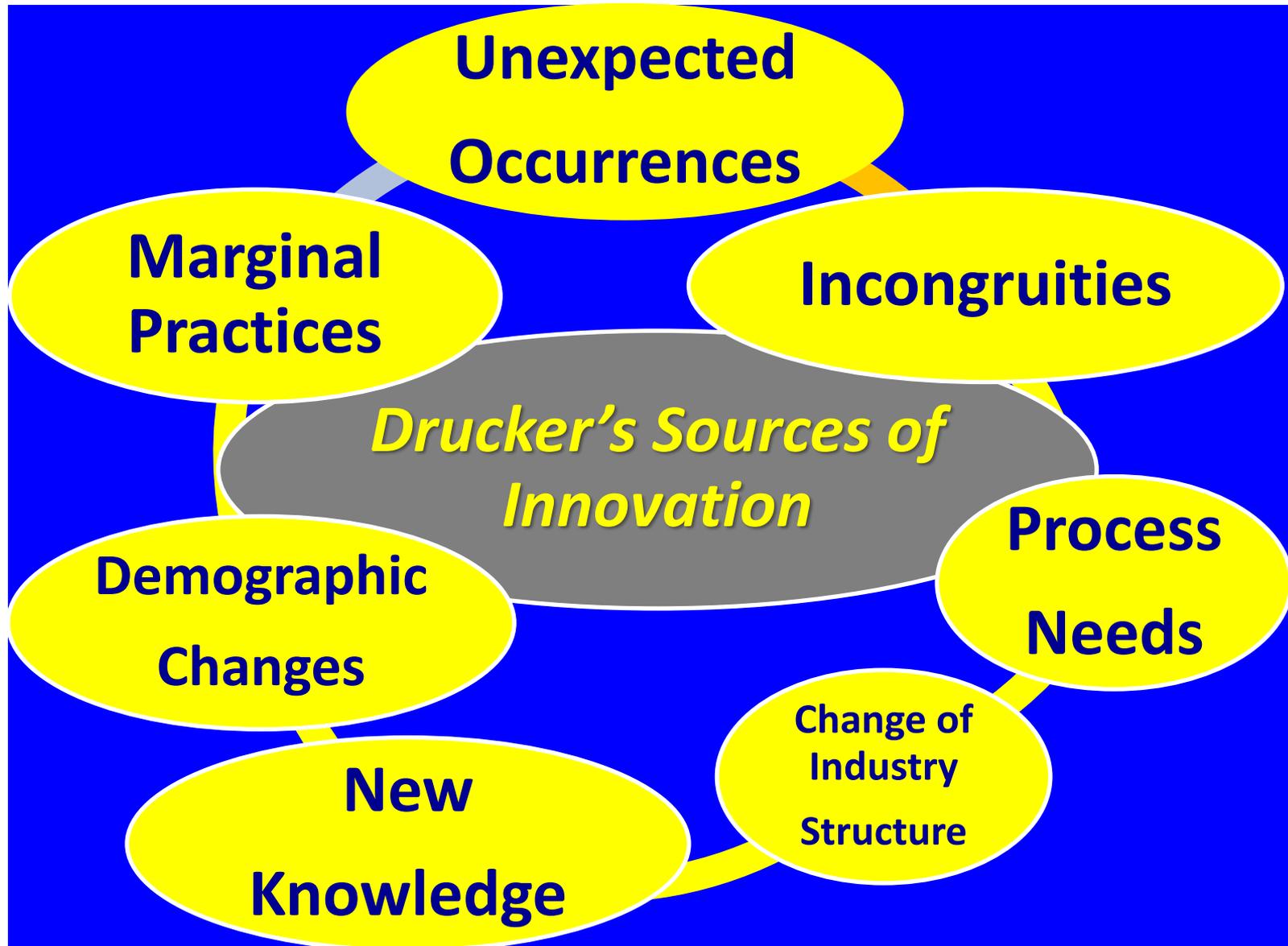


Solving Problems Created By Change = New Product or Service



Ideas For Finding Product Solution Ideas





Discontinuities That Drive Innovation

Standards

Regulations

Discontinuity

Distribution

Technology

Apply your skills to an entirely new field.

- Think about your skills and whether they might be useful in a new area, suggests Bill Fischer, professor of innovation management



Find a category lacking recent innovations.

- When coming up with ideas, identify markets that haven't had many recent innovations.



Make a cheaper version of an existing product.

- Companies often get their start by offering customers an existing product at a lower price.



Talk to shoppers.

- To come up with an idea that meets people's needs, there's no better way than by talking to shoppers.



Understanding the Problem

Importance of Problem Identification

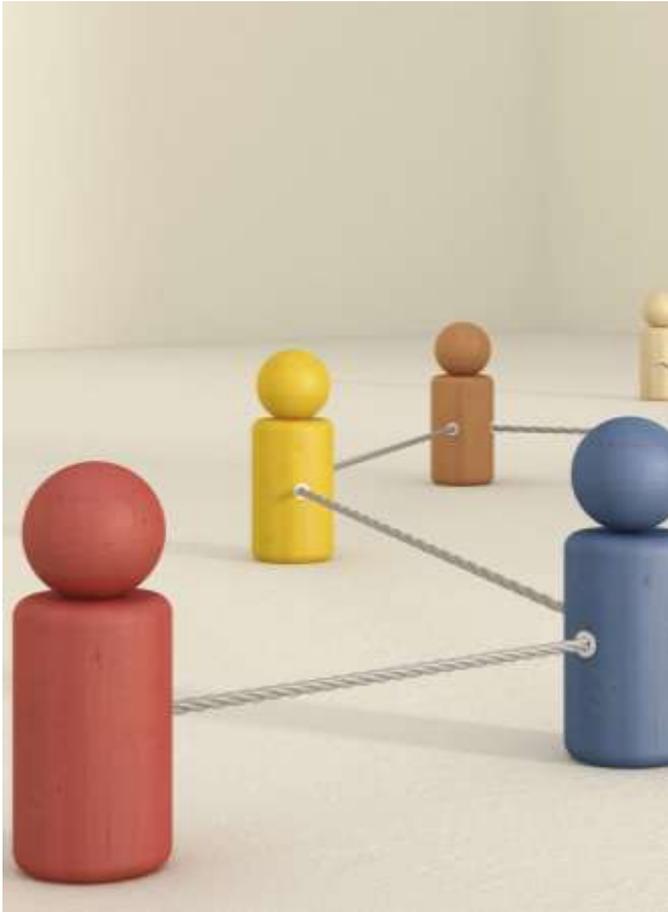
Identifying the problem is the first step in effective product development and innovation, guiding the entire process.

Challenges Faced by Target Audience

Understanding the challenges faced by the target audience helps in creating solutions that truly meet their needs.

Need for Addressing Issues

Addressing these issues is essential for ensuring customer satisfaction and driving product success in the market.



Impact of the Problem

Consequences for Users

The problem's consequences significantly affect potential users, leading to various challenges in their daily lives.

Statistical Evidence

Statistics reveal the extent of the problem, highlighting its urgency and the need for effective solutions.

Real-Life Examples

Real-life examples provide a concrete understanding of the problem's impact, making its significance apparent.



Decide Your Market Group

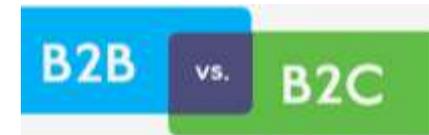
- **Consumer Markets**

- Purchasers and/or household members who intend to consume or benefit from the purchased products and who do not buy products to make profit.



- **Business-to-Business Markets**

- Purchasers of specific kinds of products for use in making other products for resale or for day-to-day operations.





Target Market

- A group of individuals or organizations, or both, for which a firm develops and maintains a marketing mix suitable for the specific needs and preferences of the group.
- Managers attempt to determine whether the organization has the resources to produce a marketing mix that meets the needs of the particular target market.

What Is Your Business Model?

- A conceptual framework that describes how a company creates, delivers and extracts value.
- It includes:
 - Network of activities and resources to create a sustainable and scalable business that delivers value.
 - Fulfilling unmet needs.
 - Delivering existing products.
 - Serving customers in a new market.

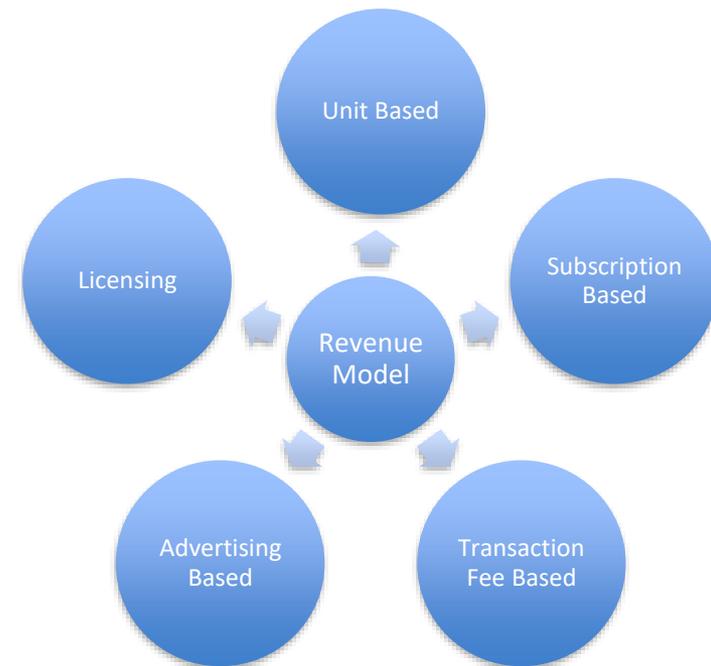


Business Model Parts



Revenue Model Examples

- **Subscriptions or Membership**
 - Netflix
- **Volume or Unit Based**
 - Restaurant, Clothes or Beauty Parlor
- **Advertising Based**
 - Facebook, Newspapers or Magazine
- **Licensing or Syndication**
 - Coca-Cola or iTunes
- **Transaction Fee**
 - Fidelity or You ATM



Revenue Streams



- What Are The Different Sources of Revenue?
 - **Single Stream → One Product or Service**
 - My Pillow
 - **Multiple Stream → More Than One Source**
 - Starbucks Sells Coffee, Food, Ground Coffee, Cups
 - **Interdependent → Sell One To Get Another**
 - Value Added Re-Seller of Computers To Get Service Work
 - **Loss Leaders → Sell Product At A Loss To Sell Another**
 - Razor and Blade Model

What Is Your Value Proposition?

- The value generated for the customer and how this value is then captured by the business in the form of profit.
- Must:
 - Offer better value than the competition.
 - Measurable in monetary terms.
 - Be Sustainable.
 - Different from environmental sustainability.

What Is Your Business Case?

- How Will You Add Value To Your Customer?
- How Will You Make Them Money?
- How Will You Save Them Money?
- Quantify Savings Over 1 Year.
- How Do You Communicate That Savings?



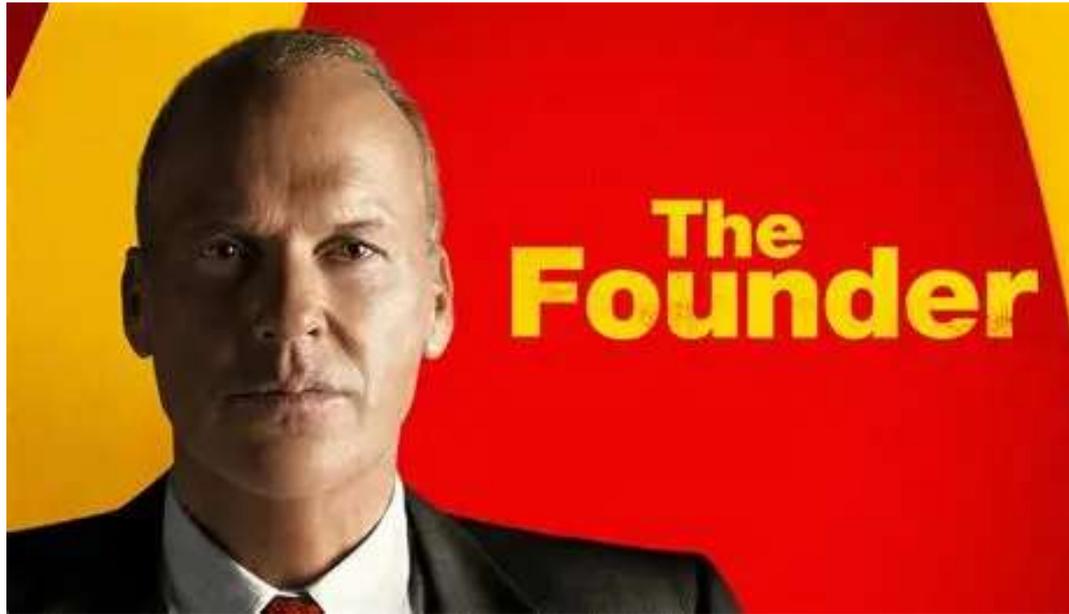
What Is Your Market Opportunity?

- Define Your Market: What business/space you are in
- Total Market Size: Dollar Size, Your Place/Niche
- Customers: Clearly define exactly who you serve
- Macro Trends & Insights.



How Does Your Business Work?

- <https://www.youtube.com/watch?v=t--nPZLDFOU>



Who Is Your Competition And How Will You Beat Them?

- Where do you exist in the larger overall Market Space?
- What are your Advantages?
- How is your place in the market unique to you, and the right one for your company growth and customers?
- Who are the competitors, why have they succeeded, and how do you truly differentiate from them?

