Workshop # 2

Creating A Big Idea To Solve The Problem
Zingale Big Idea Competition

• $20,000 In Prizes
• Funding Pitch Competition
  – April 28-29
• Power Point Pitch
  – Final Round
  – 15 Minutes and 10 Slides
• Templates On Website
The Schedule

- Thursday, April 27
  - Optional Practice Round
- Friday, April 28
  - First Round
- Saturday, April 29
  - Championship Round
  - Awards Ceremony
Upcoming Workshops

- Tuesday, March 28
  - Marketing Your Big Idea

- Tuesday, April 4
  - Developing Your Big Idea’s Financial Plan

- Tuesday, April 11
  - Pitching Your Big Idea
YOU’VE IDENTIFIED THE PROBLEM YOU WANT TO SOLVE

NOW LET’S DEVELOP A SOLUTION!
THIS ISN’T ROCKET SCIENCE

\[ \frac{M_1}{M_2} = e^{V/I} \]

\[ V = I \cdot \ln \left( \frac{M_1}{M_2} \right) \]
RELY ON YOUR COMMON SENSE
Companies ...

• Find Customers & Solve Their Problems.
• Design Products & Services.
• Sell Products & Services.
• Manufacture Products or Deliver Services.
• Companies Ship Products.
• Companies Collect Payment.
• Companies Pay Salaries, Expenses & Taxes.
• Keep What’s Left Over.
Take A Markets First Approach

<table>
<thead>
<tr>
<th>Industry (NAICS code)</th>
<th>Sales % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support Activities for Mining (2131)</td>
<td>44.9%</td>
</tr>
<tr>
<td>Other Heavy and Civil Engineering Construction (2379)</td>
<td>17.1%</td>
</tr>
<tr>
<td>Beverage Manufacturing (3121)</td>
<td>17.1%</td>
</tr>
<tr>
<td>Other Personal Services (8129)</td>
<td>16.5%</td>
</tr>
<tr>
<td>Direct Selling Establishments (4543)</td>
<td>16.0%</td>
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<tr>
<td>Building Finishing Contractors (2383)</td>
<td>15.5%</td>
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<tr>
<td>Offices of Real Estate Agents and Brokers (5312)</td>
<td>15.1%</td>
</tr>
<tr>
<td>Miscellaneous Durable Goods Merchant Wholesalers (4239)</td>
<td>15.0%</td>
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<tr>
<td>Specialized Freight Trucking (4842)</td>
<td>14.9%</td>
</tr>
<tr>
<td>Architectural, Engineering, and Related Services (5413)</td>
<td>13.7%</td>
</tr>
<tr>
<td>Services Sectors</td>
<td>5-Year Growth</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>Real Estate, Rental &amp; Leasing</td>
<td>47%</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>38%</td>
</tr>
<tr>
<td>Administrative, Support &amp; Waste</td>
<td>37%</td>
</tr>
<tr>
<td>Prof., Scientific &amp; Tech. Services</td>
<td>35%</td>
</tr>
<tr>
<td>Arts, Entertainment &amp; Recreation</td>
<td>30%</td>
</tr>
<tr>
<td>Other Services</td>
<td>30%</td>
</tr>
<tr>
<td>Information</td>
<td>29%</td>
</tr>
<tr>
<td>Health Care</td>
<td>21%</td>
</tr>
<tr>
<td>Transportation and Warehousing</td>
<td>21%</td>
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<tr>
<td>Utilities</td>
<td>19%</td>
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<tr>
<td>Accommodation</td>
<td>14%</td>
</tr>
<tr>
<td>Educational Services</td>
<td>11%</td>
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</table>
What Is A Market?
Markets

A market is a group of individuals and organizations, or both, that need products in a given category and that have the ability and willingness, and authority to purchase them.
Market Groups

• 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.
Different Types of Markets

• **Mass Market** large group of customers with similar needs.

• **Niche Market** small market with specific needs.

• **Segmented Market** breaking markets into groups with different needs.

• **Diversified Market** a variety of services to serve two or more customer segments.

• **Multisided Market** two segments that are linked but are independent of one and other.
Mass Market
Major Consumer Goods Companies
Niche Market
Global Photographer Booking
Segmented Market Banking For Small

You’ve Got Goals. We’ve Got Solutions.

We’re in the business of providing what your business needs.
Diversified Market
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.
Look For Problems First
Then Find Solutions Second
Look For Everyday Annoyances and Solve The Problems
Look For Things In Society You Want To Change
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
Solving Problems Created By Change = New Product or Service
• New Knowledge
• Demographic Changes
• Marginal Practices
Unexpected Occurrences:

Unexpected successes or failures; outside events.
Incongruities: An gap between reality and common belief; aspects that do not fit together
Process Needs:

*A bottleneck in a critical process*
Industry And Market Structure: 

*New business models, distribution channels, and modes of business*
Demographic Changes: Changes in groups by age, politics, religion, income, and so on.
Changes In Mood or Perception: Change in the way people see the world (for example 9/11 terrorism), of fashion, convention, and so on.
New Knowledge: Application of new knowledge, often involving scientific advances and convergence of different areas.
Marginal Practices:
Fringe Practices that may resolve persistent breakdowns in current central practices
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.
Think About Your Business Model

• A business model is a summation of the core business decisions and trade-offs employed by a company to earn a profit.
Business Model Parts

• Business Model
Business Model Parts

• Business Model
Revenue Models

• What Are The Different Revenue Models?
  – Subscriptions or Membership
  – Volume or Unit Based
  – Advertising Based
  – Licensing or Syndication
  – Transaction Fee
Revenue Model Examples

• Different Revenue Models
  – 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
What Is A Value Proposition?

Gain Creators

Products & Services

Pain Relievers

Gains

Customer Job(s)

Pains
What Is A 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.
Develop A 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?
Must Think About Competition

• 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?
Form Follows Function

• Every Company Is Different.
• Map Out Typical Daily Activities Based On Your Business.
• Break Them Down Into Job Types.
• Search On Internet
  – Typical Salaries In Your Industry For Each Job.
  – Startups Pay Less.