



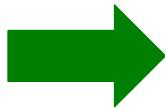
# Entrepreneur in the Classroom

## Module 2: From Idea to Reality

# Module 2 Objectives

- Transform a Business Idea into Reality
- Develop Skills to Gather Market Information
- Understand Risks of Starting a Business

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- Transform a Business Idea into Reality
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# The Importance of Creativity in Business

- Ideas are sparks that:
  - Spawn Business
  - Fuel Growth
  - Solve Problems
  - Keep You Ahead of the Pack

# Candle Problem

## Exercise 2-1



<http://bit.ly/zZC8Ho>

Play through minute 3:03

# Candle Problem

## Exercise 2-1

- What is your Candle Problem?
- Think of a challenging problem. It may be something faced by you, those in your community, or in your school.
- Brainstorm a creative solution, or a different approach to solve this problem or challenge.

# Creativity in Business Examples

## Yesterday



# Creativity in Business Examples

Today



8

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# Creativity in Business Examples

## Yesterday



# Creativity in Business Examples

## Today and Tomorrow



For every pair you purchase, TOMS will give a pair of shoes to a child in need.

<http://bit.ly/FPS4af>

Tom's incorporates "Social Entrepreneurship":  
Solving social problems is central mission.

2-1a: Resources for Social Entrepreneurs on the [NFIByef Blog](#) <sup>10</sup>



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# Tools for Turning Business Ideas Into Reality: Mind Mapping

- Mind Mapping is one of many creative tools that entrepreneurs can use to stimulate their creativity.
- An exercise, similar to the one you are about to do, has helped businesses create products and services that have generated billions of dollars.

# Mind Mapping

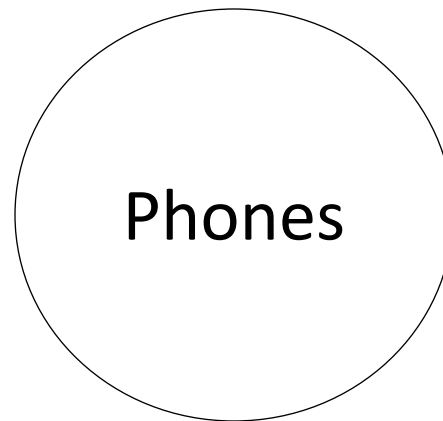
## Exercise 2-2

- Steps
  - **Brainstorm**
  - **Cluster**
  - **Develop Business Idea**
  - **Elevator Pitch**

# Mind Mapping Step 1

## Brainstorm

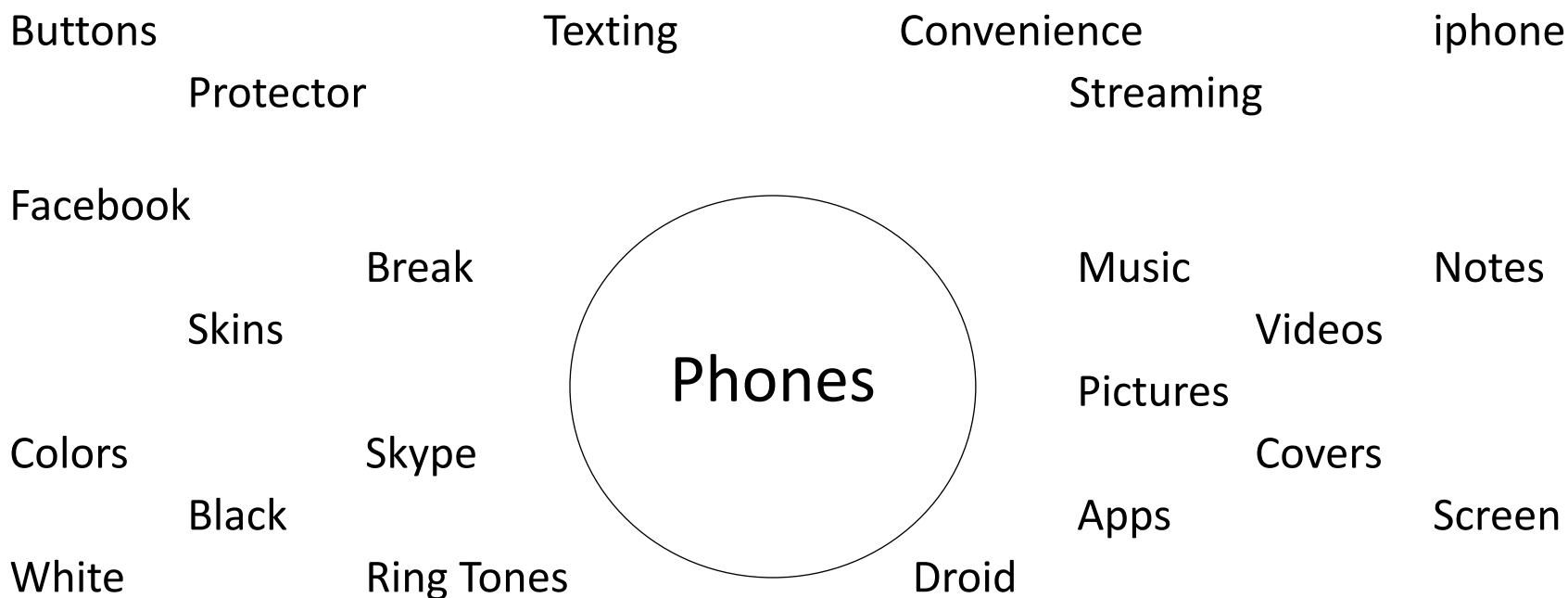
- Draw a circle in the middle of your paper
- Write an area of interest in that circle



# Mind Mapping Step 1

## Brainstorm

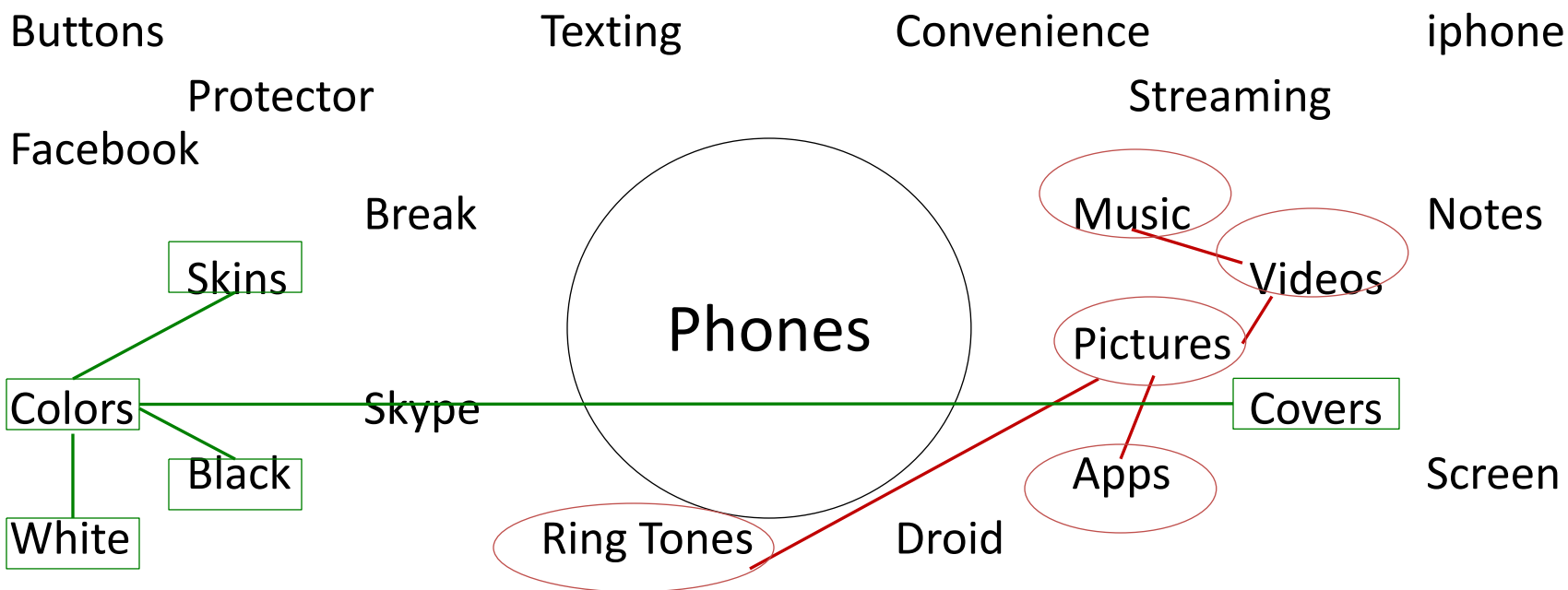
- Around the circle, brainstorm every word that comes to mind about the topic



# Mind Mapping Step 2

## Cluster

- Cluster together groups of words that, in your mind, seem to go together (Min. 3, Max. 5 words)



15

# Mind Mapping Step 3

## Business Idea Development

- On a new piece of paper, write your favorite word cluster in the middle.

Video  
Ringtones  
Apps  
Pictures  
Music



# Mind Mapping Step 3

## Business Idea Development

- At each corner of the page, write a different business or product idea inspired by the cluster

Make a cover for  
your phone from  
your favorite picture

Video  
Ringtones  
Apps  
Pictures  
Music

App plays random  
slideshow of phone  
pics to music  
rhythm

App translates  
picture captions,  
music, and video to  
multiple languages

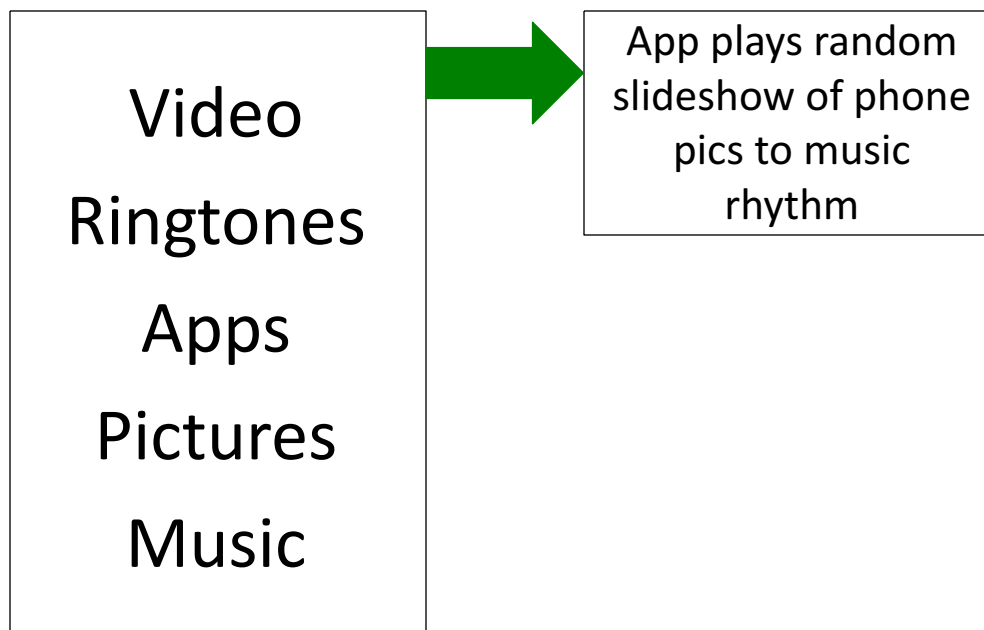
App converts video  
clips to ring tones

17

# Mind Mapping Step 3

## Business Idea Development

- Pick favorite idea



# Mind Mapping Step 4

## Elevator Pitch

- Develop elevator pitch: Brief speech outlining idea for product, service, or project.
- Delivered in elevator ride = 20-60 seconds.
  - Description
  - Target Audience
  - Need met through product or service
  - Competitive Advantage

# Mind Mapping Step 4

## Elevator Pitch

- **Description:** Photo Rhythm is an app for your phone that plays a random slideshow of your pictures to the rhythm of music you have playing. It can also be used on your computer or tablet.
- **Target Audience:** Our target audience is consumers aged 21-55, who are heavy users of their phone (or computer or tablet) for pictures.

# Mind Mapping Step 4

## Elevator Pitch

- **Need met through product or service:**  
Consumers are between digital picture frames and an established way of displaying digital photos. Photo Rhythm fills this gap.
- **Competitive Advantage:** We'll have exclusive relationships with phone manufacturers.

# Mind Mapping Conclusion

## YOUR Elevator Pitch

- Devise YOUR Elevator Pitch.
- Create a One Minute pitch (Max).
  - **Description**
  - **Target Audience**
  - **Need Met through Product or Service**
  - **Competitive Advantage** (consider this your “wish list,” be creative! We know this is not real right now.)

# PCC: Personal Creativity Capture

## Exercise 2-3

Mapping is one way to bring out your creativity.  
What are other ways?

- Think about the people, places, and things that bring out your most creative ideas (i.e. visiting certain places, reading books, etc.). List them.
- Commit to a way of capturing and reviewing your creative ideas on a regular basis. (Journal + review with friends, other). What is it about this process that would work for you?

23

# Protecting your Creative Ideas

- The official side of creativity: Here are ways to legally protect your creative ideas:
  - **Patents:** Protect an invention (20 years)
  - **Trademark/Service mark:** Protect business or brand name + look and feel (aka “trade dress”)
  - **Copyright:** Protect the original author

(Optional) 2-3a: Follow-Up Homework on the @[NFIByef Blog](#)

24



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# Module 2 Objectives

- Transform a Business Idea into Reality
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# The Importance of Information

- Have you ever done one of these?



Photo Credit: Clint Louish, Louish.com

- Not knowing where you're going? Not having all the information in a situation? It's not pretty.

# Why Shed Light on Your Market?

- Researching your market gives you the power of information.
- Said another way, it is the ability to see “what’s around you” in your market.
- Why is this important? Discuss.

# Gathering Marketing Information

- Where to find Information:
  - Primary Data
    - Focus Groups, Surveys, Interviews
  - Secondary Data
    - Brochures, Library, Database, Reports, Newspapers, Magazines, Internet, etc.

# Gathering Marketing Information

- What to Ask about your Market, Customer, and Business:
  - **Who** is your market?
  - **What** are your customers' likes and dislikes?
  - **Where** are your customers?
  - **When** should you start your business?
  - **How** should you price your product / service?
  - **How** are you different from your competition?

Source: Dr. George Solomon, The George Washington University, Founder & Director, Center for Entrepreneurial Excellence

29



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# Mini Market Research Study

## Exercise 2-4

- Using your business from Mind Mapping, develop a questionnaire using 3 of the 5 points from the previous slide. Interview at least 3 people and record your answers, as Primary Data.
- Prepare a mini-presentation about your findings.

(Optional) follow-ups

- Homework: Search the internet or publications for secondary data about your market before or after the in-class exercise.
- Advanced exercise: In-class Exercise 2-4a Market Research Role Play.

30



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# Market Strategy: Using Research Strategically

- SWOT Analysis
  - Strengths of the company
  - Weaknesses of the company
  - Opportunities in the marketplace
  - Threats in the marketplace

# Market Strategy: Using Research Strategically

- SWOT Example: Starbucks
  - **Strengths:** Established Brand/Coffee “Experience”
  - **Weaknesses:** Viewed as an “Optional” purchase
  - **Opportunities:** In store and online merchandising
  - **Threats:** International coffee bean prices

**Market Strategy Action:** Incent loyal consumers to drive purchases of new products in store and online

32



# Market Strategy

## Exercise 2-5

- Potential investors expect you to know your market. Practice by choosing a company on to perform a SWOT Analysis. Write at least one point for each below:
- Company: \_\_\_\_\_
- **Strength**
- **Weakness**
- **Opportunity**
- **Threat**

Market Strategy Action:

# Module 2 Objectives

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# Weighing Risks in Starting a Business

- Starting a business can be exciting, but remember to assess the pros and cons.



<http://bit.ly/AzSLxX>

35

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# Entrepreneurial Heat-o-Meter

## Exercise 2-6: Part I

- Part I: Can you Take the Heat?
  - Imagine that you are starting your business. Rate risks on the following slide from 1-5:
    - 1: Does not make me nervous
    - 2: Makes me nervous, but only a little bit
    - 3: Makes me nervous, not a little, but not a lot
    - 4: Makes me pretty nervous
    - 5: Makes me really, really nervous

# Entrepreneurial Heat-o-Meter

## Exercise 2-6: Part I

Risk Category	Rating
Uncertain Income	
Risk of Losing Investment (Going out of Business)	
Long Hours and Hard Work	
Lower Quality of Life in Early Years of Business	
Complete Responsibility	
Discouragement	
Other (List)	

# Entrepreneurial Heat-o-Meter

## Exercise 2-6: Part II

- Part II: Lowering the Heat-o-Meter
  - Write down your 3 highest-rated risk items. For each, write a strategy to lower risk, which is called risk mitigation.
  - Example:

Risk Category (highest-rated)	Risk Mitigation Strategy
Risk of losing investment or Going out of Business— I would be afraid to fail and have everyone know that I failed.	Do a business plan and do market research to lower my risk of failure.

38

# Thinking ahead to Module 3:

## Business Planning

- Research the definition of Business Planning.
- What is Business Planning and why is it important?

# Module 2 Objectives

- ➡ Transform a Business Idea into Reality
- ➡ Develop Skills to Gather Market Information
- ➡ Understand Risks of Starting a Business





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