

Validating the Opportunity



**Southside Partnership
Training in Collaboration with
CramdenTECH**

Agenda

- Business Idea Versus Business Opportunity?
- Creating a Business Model Canvas to explore the potential of a social enterprise opportunity
- Researching the Market
- Developing a Community Map

Qualities of Opportunity

Opportunity Vs Idea:

- A favourable set of circumstances that creates a need for a new product or service
- Qualities of opportunity: attractiveness, timeliness, durability, creates value

Selecting an Idea

- How much money and capital do you require?
- How big is the demand for your product or service?
- How much of this demand is currently being met and by whom?
- Do you have the necessary experience?
- Are there any legal restrictions to contend with?
- Are you interested in the business idea?
- What are the resource implications of pursuing opportunities?

Constructing a Business Model Canvas

Step 1: What is your Value Proposition?

What problem are you solving?

What need are you addressing?

What are you building?

What core services are you delivering and for whom?

Constructing a Business Model Canvas

Step 2: What are your key Customer Segments?

Who are they?

Why would they buy what you plan to sell?

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Step 3: What are your proposed Distribution Channels?

How will customers access the proposed services? Physical, Online, Mobile

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Step 4: How do you propose to build key Customer Relationships?

How will you acquire customers?

How will you retain customers?

How will you grow your customer base?

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Step 5: What are your Revenue Streams?

What is/are your strategy/strategies to generate cash flow?

What value is the customer paying for?

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Step 6: What Resources do you need?

What key assets do you require? Financial, Human, Physical, Intellectual

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Step 7: Who are your Key Partners?

What suppliers or strategic partners do you need to work with?

What key resources are these partners providing you with?

What key activities are they performing for you?

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Step 8: What key Activities does the business need to carry out?

What are the most important activities for the social enterprise to focus on?

Constructing a Business Model Canvas

Step 9: What are the key Costs?

What are the total costs of setting up and running the business? Fixed Costs, Variable Costs, Cost Drivers

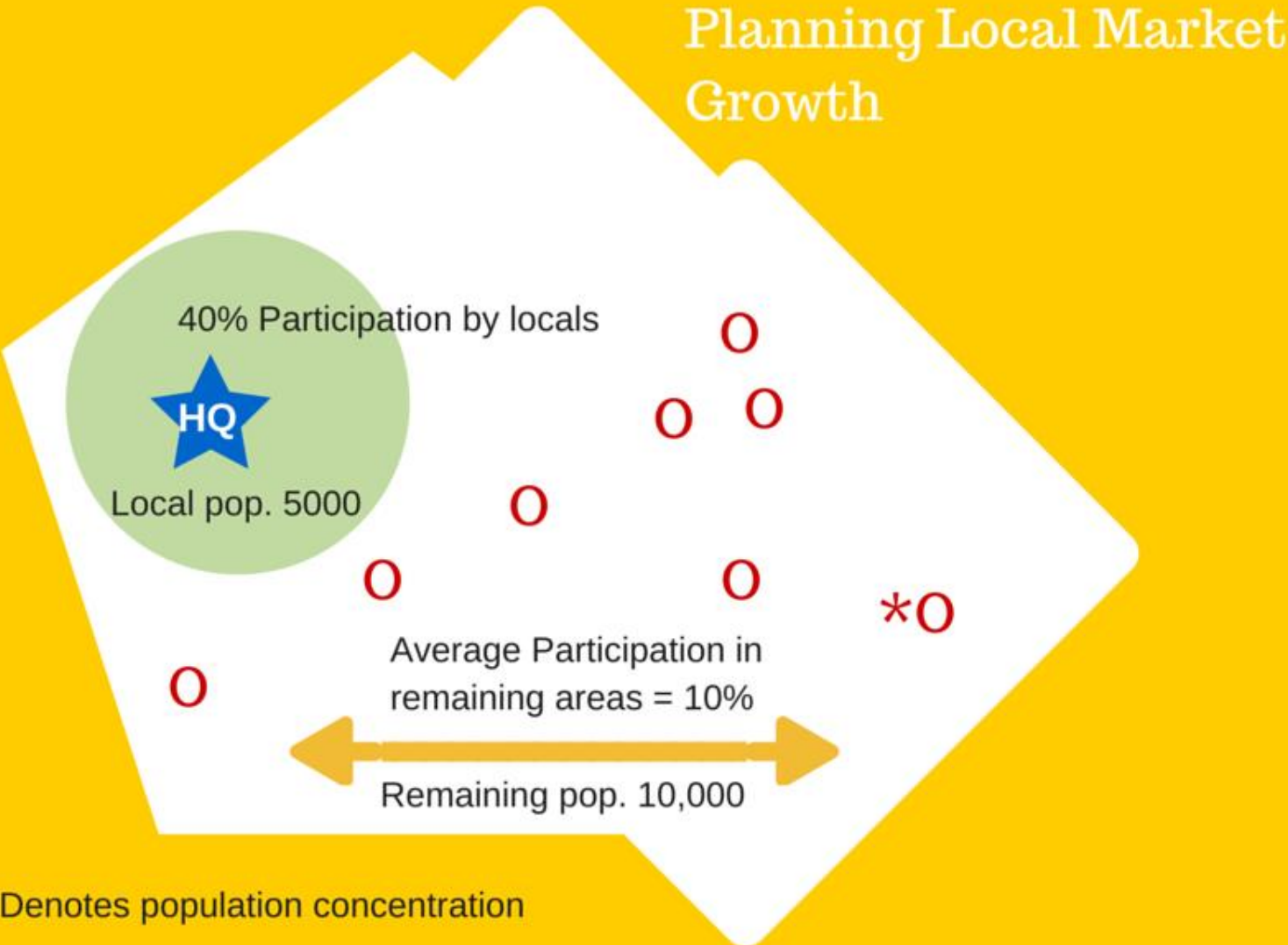
Market Research Process – 7 Steps

- Define the research problem
- Identify the information required
- Select target customer groups (segment)
- Design data collection methods
- Choose the survey sample size and participants
- Conduct research
- Analyse findings and communicate results

Market Research Process - Exercise

- How can we generate trading income in our enterprise and to what degree?
 - How will we identify new customers?
 - Will we sell additional services to existing customers?
- Can community maps help?
 - What opportunities does your community map suggest?
 - What gaps appear to exist in local service provision?

Market Development Vs Market Creation



* Denotes population concentration

What does your community map look like?



Review

- What are the next steps for your social enterprise initiative?

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