Lecture 4: Ideas, Opportunities, Teamwork

Alessandra Springmann
AITI Entrepreneurship Component
slides inspired by AITI Nigeria 2011
• If you haven’t filled out today’s attendance sheet, please do so:
  – http://tinyurl.com/aiti-ghana
Today’s agenda

• Definition of business
• Ideas versus Opportunities
• Teamwork
What is business?
What is business?

• What does managing a business mean to you?
What is business?

• What does managing a business mean to you?
What is business?

• What does managing a business mean to you?
What is business?

• What does managing a business mean to you?
What is business?

- What does managing a business mean to you?

- What do you see as the relationship between business and technology?
Introduction to Business
Introduction to Business

• Business:
Introduction to Business

• Business:
  – Convincing people to organize toward accomplishing particular creative and productive goals
Introduction to Business

• Business:
  – Convincing people to organize toward accomplishing particular creative and productive goals
  – Activities involved in creating \textit{value} from a technical idea or opportunity
Definitions
Definitions

• Revenue
Definitions

• Revenue
• Costs
Definitions

- Revenue
- Costs
- Tech(nology) push
Definitions

- Revenue
- Costs
- Tech(nology) push
- Market pull
Definitions

- Revenue
- Costs
- Tech(ology) push
- Market pull
- Competitive advantage
Definitions

• Revenue
• Costs
• Tech(nology) push
• Market pull
• Competitive advantage
  – Something you can do better than anyone else can do it
Definitions

- Revenue
- Costs
- Tech(nology) push
- Market pull
- Competitive advantage
  - Something you can do better than anyone else can do it
  - Can survive for a long time
Definitions

• Revenue
• Costs
• Tech(nology) push
• Market pull
• Competitive advantage
  – Something you can do better than anyone else can do it
  – Can survive for a long time
  – Can’t be copied easily
Today’s agenda

• Definition of business
• Ideas versus Opportunities
• Teamwork
Ideas and Opportunities
Ideas and Opportunities

• Idea generation
Ideas and Opportunities

• Idea generation
  – A result of brainstorming
Ideas and Opportunities

• Idea generation
  – A result of brainstorming
  – Not very logical
Ideas and Opportunities

• Idea generation
  – A result of brainstorming
  – Not very logical
  – Isn’t necessarily a business
Ideas and Opportunities

• Idea generation
  – A result of brainstorming
  – Not very logical
  – Isn’t necessarily a business

• Identifying an opportunity
Ideas and Opportunities

• Idea generation
  – A result of brainstorming
  – Not very logical
  – Isn’t necessarily a business

• Identifying an opportunity
  – Is it possible?
Ideas and Opportunities

• Idea generation
  – A result of brainstorming
  – Not very logical
  – Isn’t necessarily a business

• Identifying an opportunity
  – Is it possible?
  – Is it profitable?
Good Opportunities
Good Opportunities

1. Address market needs
Good Opportunities

1. Address market needs
   - Creating needs
Good Opportunities

1. Address market needs
   - Creating needs
   - Creating solutions
Good Opportunities

1. Address market needs
   - Creating needs
   - Creating solutions
2. Serve as a business model
Good Opportunities

1. Address market needs
   - Creating needs
   - Creating solutions
2. Serve as a business model
3. Allow calculated risks
Characteristics of an Opportunity
Characteristics of an Opportunity

1. Timely
Characteristics of an Opportunity

1. Timely
2. Solvable
Characteristics of an Opportunity

1. Timely
2. Solvable
3. Important
Characteristics of an Opportunity

1. Timely
2. Solvable
3. Important
4. Profitable
Characteristics of an Opportunity

1. Timely
2. Solvable
3. Important
4. Profitable
5. In context
The RAMP Model

- **Returns**
  - Profits
  - Exit strategy
  - Investment needed

- **Advantages**
  - Competitive advantage
  - Barriers to entry

- **Market**
  - Need?
  - Target market

- **Potential**
  - Risk versus Reward
  - Timing and skills required
Categories of Opportunity

• New applications of existing technology
• Create mass markets
• Customize for individuals
• Increase reach
• Manage supply chain
• Increase value of product or service
• Convergence of industries
Opportunity Evaluation

• Is the market growing or shrinking?
• Competitors?
• Exit strategy?
• Long-term or short-term returns?
• Just a fad?
Opportunity Evaluation

• Do you have the skills and technology?
• Is your team right?
• Is the opportunity profitable?
• Barriers to entry?
How do you figure out if...

- Is the market growing or shrinking?
- Whether there is a real need?
- Are people willing to pay for it?

MARKET RESEARCH!
Market Research in Ghana

• Customer behavior data
  – Depends on market

• Interviewing potential customers
  – We’ll do this later in the summer!
  – How much would you pay for...
  – How often would you buy...
Activity #1

• Count off by 8
• What did you like about the “solve a problem” assignment?
• What didn’t you like?
• Which ideas would be the best business opportunities and why? Which ones are ideas?
  – What would make the most money?
  – What would be the easiest one to implement?
• Prepare to present to the class in 15 minutes
Top Identified Opportunity
Top Identified Opportunity

• Choose your group’s best solution
Top Identified Opportunity

• Choose your group’s best solution
• Suggested Criteria:
Top Identified Opportunity

• Choose your group’s best solution
• Suggested Criteria:
  – Potential money making ability/pricing
Top Identified Opportunity

• Choose your group’s best solution

• Suggested Criteria:
  – Potential money making ability/pricing
  – Competitors
Top Identified Opportunity

• Choose your group’s best solution
• Suggested Criteria:
  – Potential money making ability/pricing
  – Competitors
  – Market
Top Identified Opportunity

• Choose your group’s best solution

• Suggested Criteria:
  – Potential money making ability/pricing
  – Competitors
  – Market
    • Who will buy it?
Top Identified Opportunity

• Choose your group’s best solution

• Suggested Criteria:
  – Potential money making ability/pricing
  – Competitors
  – Market
    • Who will buy it?
  – Barriers to entry
Top Identified Opportunity

• Choose your group’s best solution

• Suggested Criteria:
  – Potential money making ability/pricing
  – Competitors
  – Market
    • Who will buy it?
  – Barriers to entry
    • How hard would it be to set up/how long would it take?
Top Identified Opportunity

• Choose your group’s best solution

• Suggested Criteria:
  – Potential money making ability/pricing
  – Competitors
  – Market
    • Who will buy it?
  – Barriers to entry
    • How hard would it be to set up/how long would it take?
  – Growth/scalability
Top Identified Opportunity

• Choose your group’s best solution

• Suggested Criteria:
  – Potential money making ability/pricing
  – Competitors
  – Market
    • Who will buy it?
  – Barriers to entry
    • How hard would it be to set up/how long would it take?
  – Growth/scalability
    • Could this idea spread in Ghana/to the world?
Present your Solution

• Prepare a 2 minute summary
• We’ll cut you off at two minutes!
• Choose one person from your team to present
  – Remember, look out at your audience!
  – Speak so that the people in the back of the classroom can hear you
Voting for the Best Solution

• Keep track of the best idea as each team presents
• Write your vote (you only get one!) on a piece of paper
• Turn it in to any of the instructors
Takeaways

• The idea for the company is important, even if it changes over time
• Personal Drive is Not Enough
• Tech Push is One Option to Start
• Market Pull is Another
• Let the Ideas Flow Now
• Consider If You Have Some Special Advantages
• Brainstorm with a Diverse Group
• Iterate
Iteration
Types of Design
Types of Design

• Predictive: one design cycle
Types of Design

• Predictive: one design cycle
• Adaptive: many design cycles
Types of Design

• Predictive: one design cycle
• Adaptive: many design cycles
• Cowboy design: no plan at all!
Types of Design

- Predictive: one design cycle
- Adaptive: many design cycles
- Cowboy design: no plan at all!
Adaptive, Iterative Design

1. Working software is delivered frequently
2. Working software is the principal measure of progress
3. Regular adaptation to changing circumstances
4. Even late changes in requirements are welcomed
5. Close, continuous attention to technical excellence and good design
Final Points
Final Points

• Not all ideas are opportunities
Final Points

• Not all ideas are **opportunities**
• Opportunities often disguised as ideas
Final Points

- Not all ideas are **opportunities**
- Opportunities often disguised as ideas
- An entrepreneur assesses whether an opportunity can become a business
Final Points

• Not all ideas are **opportunities**
• Opportunities often disguised as ideas
• An entrepreneur assesses whether an opportunity can become a business
• Things may change, so iterate
Final Points

• Not all ideas are opportunities
• Opportunities often disguised as ideas
• An entrepreneur assesses whether an opportunity can become a business
• Things may change, so iterate
• Creativity is the key!
5 minute break

• If you haven’t filled out today’s attendance sheet, please do so:
  – http://tinyurl.com/aiti-ghana

• Posting more labs, lectures, schedule here:

• Guest speaker tomorrow!
  – Ato Ulzen-Appiah, Google Ghana
  – AITI alum! (2005)
  – 1:30 pm
Today’s agenda

• Definition of business
• Ideas versus Opportunities
• Teamwork
Synergy
Synergy

• Teammates compliment your skills
Synergy

• Teammates compliment your skills
• Fill in your gaps
Synergy

• Teammates compliment your skills
• Fill in your gaps
• Work together to become more
Synergy

- Teammates compliment your skills
- Fill in your gaps
- Work together to become more
  \[1 + 1 + 1 > 3\]
Trust
Trust

• *Something will go wrong*
Trust

• *Something will go wrong*
• Things, situations change
Trust

• *Something will go wrong*

• Things, situations change

• **People** change
Experience
Experience

• Compliment with mentorship
Experience

• Compliment with mentorship
• Find that support to succeed
Experience

• Compliment with mentorship
• Find that support to succeed
• Ask for help!
Compatibility
Compatibility

• Must get along with every member on team
Compatibility

• Must get along with every member on team
• Not necessarily your best friend
Compatibility

• Must get along with every member on team
• Not necessarily your best friend
• Would you spend 2-3 hours of free time with them?
Compatibility

• Must get along with every member on team
• Not necessarily your best friend
• Would you spend 2-3 hours of free time with them?
• Personalities must mesh together
Areas of Expertise

- Programming
- Business
- Communication
Activity #2
Activity #2

• Teamwork: what works?
Activity #2

• Teamwork: what works?
• What are your favorite aspects of working in a team?
Activity #2

• Teamwork: what works?
• What are your favorite aspects of working in a team?
• Least favorite aspects?
Activity #2

• Teamwork: what works?
• What are your favorite aspects of working in a team?
• Least favorite aspects?
• What are your top 5 rules for working in a team?
Activity #2

• Teamwork: what works?
• What are your favorite aspects of working in a team?
• Least favorite aspects?
• What are your top 5 rules for working in a team?
• Email sondy@sondy.com with your team’s top 5 and we’ll share them with the group
Thank you!

• Posting more labs, lectures, schedule here:

• Guest speaker tomorrow!
  – Ato Ulzen-Appiah, Google Ghana
  – AITI alum! (2005)
  – 1:30 pm

• Questions?
  – aiti-ghana-2012@mit.edu