What you will learn . . .

• Current Entrepreneurial Trends
• Learning to Recognize Opportunity
• Thinking Creatively About Opportunity
• Challenges to Creativity
• Creative Sources of Ideas
Current Entrepreneurial Trends

One way to identify business opportunities is to study current trends that provide opportunities for entrepreneurs.
Current Entrepreneurial Trends

- Internet businesses
- service businesses
- home-based businesses
- socially-responsible non-profit businesses
- corporate ventures
- strategic alliances
- technology
- outsourcing
Internet Businesses

• The Internet has transformed the way business is conducted.
• An **online business** can reach customers around the world.
• Online business - a company that conducts business by means of the Internet
Service Businesses

• Service businesses dominate the American economy.
• Services - intangible things that businesses do for consumers that enhance their lives.
• Biggest and fastest growing part of the economy according the U.S. Census.
Home-Based Businesses

- In the late 1990’s, about 41 million businesses were being conducted from home.
- A result of technology
Socially Responsible Nonprofit Businesses

• Mission to do good and better society.
• The business can make a profit but it must be kept in the business.
• Can be tax-exempt.
• Feeding the hungry, community theater company, education-focused business
Outsourcing

• Hiring people and other companies to handle tasks that a business cannot do or chooses not to do itself.
• Contracting with other companies for services
Outsourcing

Benefits of Outsourcing

- more efficient
- saves time
- saves money
- lowers regulatory burden
- speeds up projects
- attracts investors
Strategic Alliances

• Partnerships among companies for the purpose of supplying a product or service.

• 3M looks to small companies for complementary products such as tape dispensers.
Corporate Ventures

• A new venture started inside a larger company.

• Usually becomes independent.
Learning to Recognize Opportunity

Entrepreneurial thinking is about generating ideas and recognizing opportunities.

• Creativity & Innovation
• Idea vs. Opportunity
• Finding Opportunity by Understanding Industries

Section 3.1 Understanding Entrepreneurial Trends
Creativity and Innovation

• Creativity is the activity that results in innovation.

• Innovation - a new way of doing things
Idea Versus Opportunity

• Ideas are not equal to opportunity.
• You generate ideas by thinking creatively.
• Opportunities are ideas that have commercial potential.
Idea Versus Opportunity

• You can find a good business opportunity by recognizing an unfilled market niche.

• Niche - a small specialized market
Finding Opportunities by Understanding Industries

If you understand an industry, you can identify opportunities within that industry.

Section 3.1 Understanding Entrepreneurial Trends
Thinking Creatively About Opportunity

Practice brainstorming.

Look at ordinary items in new ways.

Find creative solutions to common problems.

Connect unrelated items.
Thinking Creatively About Opportunity

During brainstorming, ideas are not judged as good or bad.

Brainstorming - think freely in order to generate ideas
Challenges to Creativity

• Entrepreneurs can stimulate and encourage creativity in many ways.
• The most difficult challenges to creativity are the challenges you bring upon yourself.
• Time pressures, unsupportive people, lack of confidence and rigid thinking
Creative Sources of Ideas

To identify creative ideas:

- Observe the world around you.
- Watch for demographic changes.
- Be an avid reader.
- Consider your interests, hobbies, and work experiences.
- Consult outside sources of information.
Watch for Demographic Changes

• Personal characteristics that describe a population by age, gender, income, ethnic background, education, and occupation, among others.

• It is important for entrepreneurs to understand demographics and demographic trends.

• By 2010, Hispanics will surpass African-Americans as the largest U.S. ethnic group.
Business Opportunities
From Popular Trends

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Sources of Information

- trade magazines
- specialty magazines
- government agencies
- trade shows
- exhibitions
- newspapers
- the Internet

Section 3.1 Understanding Entrepreneurial Trends
Consult Outside Sources

• Offers current, industry-specific news.
• A periodical published for a specific type of business or industry
Consult Outside Sources

• A specialty magazine offers information about specific topics.
  – A periodical published for people with special interests, such as sports, camping, or fashion

• You can use specialty magazines to identify the interests and needs of potential consumers.
Consult Outside Sources

• At a trade show, you can learn about new goods and services in a field.
• A gathering or exhibition where vendors and manufacturers introduce new items and promote established products and services