

## **Business Idea Generation and Entrepreneurship Case Studies**

**W2L1** - Business Ideas (I)

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Hello friends. Hope you are enjoying the discussions on entrepreneurship development in agriculture. In today's class, we will be discussing about the business ideas and basically it is a practical exercise. I'm making an effort to make you understand about how the business ideas are being generated and how you can generate your own business idea for which you have a small exercise. I will be trying to explain the modalities of this exercise and you need to visit in your vicinity for exploring these business ideas then you need to develop it as an assignment and submit it on the platform. If you have any questions on this particular issue, you can ask in the platform so that you will be getting the response for every question that you are going to ask in the in due course of time.

Now coming to what exactly is that business idea that what we are talking about? If you analyze any business, it is born from an idea and ideas come from observation. What do you mean by this observation? Observation does not mean microscopic observation, and having a microscope and look for some microbes and its movement and all those things no, that is one part of the observation which is suitable for a particular field of science. As a social science student or as a student of an entrepreneur or as an entrepreneur, what kind of observations that you can think of, that we will be explaining through this exercise?

Business ideas are sometimes developed from someone's education and the past experience. So whatever the education that what we are having may be related to science or may be related to social sciences or whatever it is. How it can take the shape of the business? For example, the issues like writing the poem is the skill or is the domain of a particular language. You may write poems in in the English or any of the language of your choice or your mother tongue but can it take the shape of an enterprise? There are classical examples the famous poets, when we come across, make the people like Kumar Vishwas and there is a bunch of such poets who are coming out with their creation and they are presenting it before a group of audience and they are earning huge amounts of money so that is also a kind of enterprise that you can think of from the literary ones. The books written by various authors are being sold in the market they are related to culture, they are related to experiences etcetera, etcetera. So it means they have certain amount of education, they have certain amount of experience and they are encashing those experiences in the form of money over a period of time. So this is how you can explore a business idea.

So your business idea will tell you who are your potential customers? If it is a literary work, the people who like this literary works, or your customers. If it is agricultural produce, obviously every individual is your potential customer every human being is your potential customer. Then which need of your customer is being targeted. It is the taste, it is the flavour or it is satisfying its basic needs, or if it is satisfying its luxurious need. There are a range of cars that are available, there are a range of mobiles that are available there are a range of televisions that are available so based on my needs I am purchasing the product in the market. It may be of lower cost or it may be at the higher cost. So all these things are the products of your business ideas. Then what product or service your business will sell is another important aspect. Whether you are targeting the high profile customers in the market, medium profile customers in the market or the low profile customers in the market. The food is available on the street and the lowest possible price on the average hotels the middle level cost then there are premium hotels which are charging maybe ₹200 for a cup of tea, the same cup of tea, the similar cup of tea that you can get it at rupees 10 on the streets or you know the hotels also. So what kind of products or services that you are trying to sell in the market. Then how to sell your products or services? The Ways and Means that you can adopt, so you can say that it is self-service or you can service it by asking them to sit, or you can think of home delivery there are number of such platforms that you can think of, then pay after receiving your product or pay first, then get the product number of Ways and Means or opportunities that you can explore.

Then what makes a good business idea? A good business idea is basically based upon a product or service that customers want for which you need to have the prior information, what are the needs of your customers. So this is where you need to spend maximum amount of time. So your business idea is based on the product or service that your customer want is number 1. 2. a product or service you can sell at an affordable price and which will give you a profit. The pricing is another important aspect of your product or the service that you are trying to provide them and what are the range that what your customer can think of is of high range customer or the middle or the low like that you can go on classifying them and decide accordingly. The knowledge of skills that you have or you can get from the various sources. So what kind of skills that you already possess and what kind of skills that you can acquire over you period of time. So that makes a good business idea for the resources and the money that you are able to arrange for these business ideas to make them practical and economical.

Now coming to the exercise part of this, think of five business ideas in your local area that you think they are very successful may be a grocery shop or gift shop or a bakery or any kind of such businesses that are running very successfully in your vicinity, maybe it is in your near to your hostel, near your residence or whatever, wherever you were residing. So

you think of that. Then try to select the business that are at least three years old in that particular area. If the business established maybe last week or last month or last year, it may not give you the realistic idea. So at least three years old business, you need to select. Then write down the name of each business and the product or services they are they are selling at present. A particular shop may be selling a range of products, so what are the range of products that they have and what kind of services that they are giving? Are they giving it on loan basis by noting down your name and all these things, home delivery system is already there, what kind of packaging that they are having because I am going to purchase the product of worth maybe 5000 at a time. So then what kind of services that I am going to get and when I purchase an item of maybe 100 or so then what are the services that I am going to get all these things that you need to observe and you need to list them.

Go and talk to the five owners, I said in the beginning. Five different enterprises or the businesses that are earning in your facility and each venture, if you are selecting grocery shop, 5 successful grocery shops in existing. If it is a bakery, 5 successful bakeries. If it's a computer shop, 5 computer shops, Mobile Shop, 5 mobile shops in that particular facility, you need to visit. Then see if they agree with you that the business is successful one. So according to your opinion, it is a successful business whether they also agree with your opinion that you need to discuss with them. It is a bit difficult initially to discuss with them and to get their opinion but once you establish a rapport with them, when you establish your purpose with them definitely, they will be revealing all these things. Then ask them how they decided to go into that business, this is very pivotal question, very important question that I would like to say share with you because before entering into this venture, there is possibility that that individual has already made an effort in maybe 1,2,3,4 or five business ideas he was not a successful man in that then ultimately he entered into that and definitely there are certain stories behind that try to explore that, try to understand that and try to get that information from him that is very, very interesting information that you can think of. Then did they see the need in the market that was not being met. Was it the criteria to establish their business or was it a family business or was it because of some other reasons, try to explore this, try to explore this. Then did they have some experience contacts or skills to build upon, or it is a first generation enterprise or it is a family enterprise or the second generation third generation, what kind of issues that are prevailing that you need to explore. Then did they know someone else in this particular business means my brother was involved in this my uncle was involved my relatives, my friends were into the same business but they are doing it in other city but I am here doing here. What kind of experiences that they are having and what kind of exposures that they are having and what kind of prerequisites that they are having. Then was this the first business they worked or was there something else before that as I said in the third question, also you will

be getting some inputs regarding that before entering into this business they must have tried various other ideas also that we need to explore. Note down the response for other questions that you discuss with that owners. After you finish talking to the owners, complete the business idea information form for each business, putting them in as many details as possible. So you need to explore whatever the things that he is sharing or he is sharing so apart from that also with your observation, you can note it down because the range of products for a for example, they are selling the toothpaste, but what are the different brands that they are available in the market? So organic, then the purely chemical mix there are number of ranges that you will be getting number of companies that you will be getting what kind of range of products that they are having that you need to explore and observe that. Think about all the factors that have made the business idea a good one and why it has become successful business. Find the answers to the following questions and note down the responses given by those owners. What lessons can you draw from the experiences of this business owner that you need to answer yourself based on the discussion that you are going to have with the business owners? What are your conclusions out of that? What are your observations out of that? What mistakes do you think that the owners might have made? So at that point of time, you might be developing some insights that if this business would have been run in this direction, it would have been in a different direction he has done these basic mistakes that might be your opinion that you need to jot it down. Then how can you avoid the same mistake in the days to come because your conclusion, your observation says that because of this, he has his committed this particular mistake, but now we need to think on how he would have avoided this. Then what do you think that that has made the business very successful, very successful. What are the factors that are contributing? So maybe his behave with his customers, maybe the product range that he has or the services that he is offering, maybe it is home delivery or whatever the kinds of services giving on the loans and all those things. What kind of factors that are working their that you need to observe. Then this is a sample Business idea information form so you need to note down these points you begin with the name of the business product or services that are being sold the main customers, the range of customers, then when and why did the owner decided to start this business? So then you will come to know how old it is or it is from their parents or the since generations this business is in operation. Then why did the owner think it was a good idea to start this particular business in this particular area? So what are his logics? What are his reasons that you need to observe? Then how did the owner find out what the local people wanted because he is catering to the needs of the people. How did he decide upon the needs of the people? That is very, very. Hosting then what are the strengths or the assets? Did the owner use to start this particular business? It may be the previous experience, the training, the background, the contracts, the hobbies, etcetera, etcetera that you can think of upon

the discussion with that business owner. Then what, what problems did the owner face in setting up of this particular business, so he might have faced lot of problems so he will be listing them 1 by 1 so note it down. Then, has the product or service changed over time? So earlier I was selling this, now I have changed to this, my earlier product was this one now it is this one because the consumer preferences are changing, the demands are changing. so this is why I am changing, all these things. Then generate based on this discussion based on these inputs now you need to generate your own business ideas. You already have a business idea, go and sign in. Then it is better to try and keep an open mind while generating an idea. So don't come to the conclusion or don't jump into the conclusion before you complete the discussion or exploration. Then think of as many ideas as possible so that you are in a better position or a comfortable position. Make a list of business opportunities that you can think of in the region or in the area where you want to establish. Then business ideas can be generated through using your own experiences, then past experiences investigang your environment where you want to start this business and the brainstorming with your friends, with your colleagues, maybe the relatives, etcetera, etcetera, wherever you feel comfortable.

So analyse your business ideas and select the best one and screen your list of ideas go through your list of business ideas and make notes about each by answering these questions like the first question you are going to ask to yourself is which. Which customer needs you want to satisfy, whether it is the students, whether it is the female, when it comes to the female, the young female, the married one like that, you need to have the clear cut classification of that. Then which category of customer needs will your product or service is going to satisfy whether it is going to satisfy the household items or the luxury items or etc etc. That you can think of. Then what is the next question that you will be asking so what product or service do your customers want? Then what quality of the product do your customers are demanding? Then what do you know about the product or the services that you want to start with? So all these things that you need to answer yourself. Then who are your likely customers? Are there enough numbers to keep your business viable? So if you are starting a stationary shop in the residential area, do you have sufficient number of students there the young generation population there or you can think of opening that stationary shop near an educational institution wherein you can get many number of people similarly, the food stalls, similarly, any venture that you want to talk about. That who are potential competitors in the area because there are many incidences that even the grocery shop also sells some of the stationary items maybe it is notebooks, pens, etcetera, etcetera so then they are going to be their potential customers in that area. Then how you will be able to supply the goods as well as services that you need to think on maybe 1 to one, selling door to door selling there are number of ways that you can think of,

then how much do you know about the quality of goods and services, the customers want because the choices of the customer are totally different, may be full or items or may be the stationary item or may be luxury item. There are different ranges that are available and customers are in search of their own choices, preferences, etcetera, etcetera., then how does running this sort of business suit your personal characteristics and it is so if whether do you have that particular mindset with you to explore and continue with this business over a period of time or you are fed up with this dealing with the public and dealing with the customers and satisfying their needs and listening to them all these things so you need to have your mental ability to that particular state whether you are suitable for that you need to answer this particular question. How do you know there is a need for this kind of business in this particular area? So for which you need to make a list of factors which are in your favor, then how do you imagine yourself running this business in the days to come, in the days to come or in one year of time in few years of time, and how you can think of in future.

Then other important areas to consider while making this observation is when can you get advice and information about this kind of businesses? So there are some experienced people you need to approach them maybe they are in your locality or in some other locality in some other places that you can think of, then will this business be the only business of this kind in your area or already there are people who are into this, then how different is your business is going to be that you need to think upon? Then, if there are other similar businesses, how will you be able to compete with them successfully so what kind of innovative ideas that you will be employing for example, we see a range of coaching institutions in a particular locality, but each one of them are having a specific identity. There qualities are there, there are positive parts of their the strengths are there, they are exhibiting that so how can we make the dent on that .Then, why do you think that this business is going to be viable in this region over a period of time, so that also you need to answer? Because we are asking these questions, you need to come out with the satisfactory answers for yourself, for yourself. Does this business need equipment, premises, qualified staff, what are the prerequisites of launching this particular business that you are thinking of so it depends on the area that you are going to think upon. Then, do you think that you will be able to get the financial assistance whatever is needed for launching this maybe through institutional finance, non institutional finance then Angel investors or venture capital, etcetera, etcetera, there are so many opportunities that you can explore. Then where will you get the resources to start this business so that also you need to explore in the area. So for which you need to go for this SWOT analysis. The SWOT analysis we have already had a detailed discussion in one of our previous class. You can refer to that just I am giving you some hints about that, the strengths are the core

competencies, this is an indicative list of strengths that you can think of. You have already discussed about this, just I'm flashing here. Weaknesses are the conditions within your organization and they can be hindering factors for you, but you can easily overcome because they are under your control. These are the indicative list of the weaknesses that you can think of. The opportunities are the outside situations, the conditions and they are not under your control. They are beyond the control of the entrepreneur, but with all that, you can easily force them and you can easily encash these opportunities that you can think of and the threats you can predict and they are outside the environment and they are beyond your control but by predicting them you can easily think of overcoming these threats.

With all that to conclude what I would like to share with you is ideas come from your own experiences. It is let us not depend on the ideas to be given by others. You develop your own ideas with such similar exercises. Key observation of your surroundings definitely is going to help you in generating these ideas. Then after generating these ideas, discussion with your near and dear one, brainstorming with your colleagues, friends, well wishers are going to help you in generation of these ideas and you need to analyze the situation as it is in your locality or where you want to launch this business may it be based on agriculture, may be based on technology or may be service providing any sector you can think of you need to analyze the situation then you come to the conclusion. So this is in nutshell about how you can generate the business ideas.

Thank you.