

Business Idea Generation and Entrepreneurship Case Studies

W2L2 - Business Ideas (II)

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Hello friends. I'm sure you must be enjoying the lectures on entrepreneurship development. So far we have made an effort to discuss with you different facets and the issues associated with enterprise development establishment development and its maintenance over a period of time. So now you must be thinking that how can I develop a business idea? Who can give me the business ideas? Is it that is there any institution or an organization or a specific place is there to provide us the ideas associated with the enterprise that I want to establish. So in this lecture we will be discussing about how you can generate the business ideas with your own involvement.

So you are already aware that every business is born out of an idea. So from where you are getting that idea is very, very important. And ideas come from the observation. When I talk about observation you must be thinking that as a student of social science or not exactly related to the disciplines like maybe physics, chemistry, biology, zoology like that how can I go for observation. You are going to observe the social system around you, so that is the source of your idea how the people behave around your vicinity and the market that you are intending towards all these areas becomes the sources of your idea. Business ideas are developed maybe from your educational background obviously it has a direct bearing on your ideas or the past experiences that you might be having, or you might be collecting it from different sources for which you need to interact with the people you need to understand the nuances of the business or the enterprise that you want to go ahead with and how you can take it up that we will be discussing step by step.

So your business idea will tell you who are your potential customers and similar way vice versa is also there, your customers will tell you what kind of enterprise that you are going to establish because they need it, but it is not available in the existing market or you are coming out with an innovative idea which the society you are living in is not at all aware of. both these are becoming the sources then which need of your customer is targeted. So it's only depends on you. So what you want to focus upon. For example, when the mobile services were introduced, so it was basically intended for communication transfer the messages, but for a period of time, the same set of mobile has become the source of so many activities it may be entertainment, it may be financial technology, it may be education, or it may be business, number of such platforms, they went on, adding. So what is your target group so that you need to identify. Then what kind of products or the services that you want to sell so maybe as I mentioned, it may be financial technology related services from Fintech services or educational services. So that depends on or the agro

processed products that you want to sell all these things solely depends on your ideas. Then how to sell your products or service is another aspect. Many times what happens is I am very good in development of the product or a service. But how to take it to the customers so that is another discipline itself, so wherein you can also develop the mastery with your own involvement, or you can hire the agencies for that also so there are people and institutions who can help you in that regard. So now coming to what makes a good business idea, a good business idea is basically based on a product or a service that customer want. I want the vegetables which are fresh in nature this might be my demand or I want the vegetables which are organically grown so this is my second aspect or I want the vegetables which are enriched with certain elements. It may be calcium, it may be magnesium, it may be. Even so, number of such demands of the customers are there so that you need to keep in mind. A product or a service that you can sell at an affordable price and which will give you the profit so this is another important aspect for example, if I am going for maybe it is a genetically modified crop or maybe it is biofortified crop or maybe it is organically grown crop so it has its own cost of cultivation and other economic issues. So with all that, whether I'm maintaining the affordable price for my customers, so this is another idea for which you need to think of various alternatives. Then the knowledge and skills that you have or you can get so that also solely depends on your business idea. If I'm living in the metros or the cosmopolitan cities or an urban area, my priority is going to be something different or if I belong to the rural areas, my priorities are going to be something different. So it really depends on South which kind of area that you are going to select. Then the resources and money that you are able to invest so. Maybe there are abundant natural resources, but the finance is an issue or vice versa may also be possible. Finance is available, but the natural resources are available, which our customers are in need of maybe it is soil related properties or the rain water availability number of such issues comes into the picture for which I am trying to give you an exercise that is what I was mentioning since beginning that you can develop your business idea with your own involvement. How can you yourself can involve in these kind of activities let us have a look look at.

So now as a potential entrepreneur or interested entrepreneur you need to think of five such businesses, so this is only a number we need not stick to five it may be 3 or it may be 6 or whatever the ideas that are coming to you, you focus on that. I am giving you the assignment of five business ideas in your local area that you think they are successful. So in the area that you are living, maybe you are living inside the campus or outside the campus, or you are living in a different city it doesn't matter. But what kind of business or enterprise activities that are running successfully in that region, you need to identify them Then try to select the business that are at least three years old so that you can have the

confidence that if it is this business or this enterprise is sustaining for three years, it means it means sustain for the years to come. So that is why we are putting this barrier of three years, then write down the name of each business or the activity that they are taking up and the product or services what they are selling, it may be a grocery shop selling it in a innovative way, or it may be the primary agricultural produce, but selling with certain dimensions like so, there are many farmers markets wherein direct marketing channels are involved. Farmers themselves are selling their produce with explanation how they have produced this particular vegetable or the fruit or the cereals, or the pulses, or they have processed it all these things become important factors. Go and talk to those fellow owners that you have identified 5 owners of those businesses which are running very successfully in your vicinity in your locality. Then see if they agree with that with you that the business is successful. According to you, this business is successful, but when you discuss with that particular individual he may tell in a different stories for them so that you need to understand so that is where your observational skills come into the picture. Then ask them how they decided to go into that business. Is it that it is their family business? Is it that this is the first generation which launched this business? Is it that they got this idea from somebody for example, it is successfully working in X city so now I want to replicate in this particular city in my locality there are number of alternatives to get so this is where your observational skills are. Well then, did they see a need in the market that was not being met? So then they started with means they made an effort to identify the gaps. So there were a number of grocery shops, but all these grocery shops were not selling the packed foods so you are packing it and selling so that is the new intervention. So another aspect is so you are cleaning and packing in a different maybe it is half kilo pack, 1K pack, 5K pack as per the needs of the customer. Then did they have some experience, contacts or skills to build upon? So this is what I was mentioning, whether they are the 1st generation internal second generation entrepreneur or it is a family legacy, so that also gives us lot of input because if it is family legacy so there are number of skills they are already aware of. There are number of issues that they are already aware of but he or she is a first generation. So then from where he got these ideas and these skills, all these things that you will be learning that. Then did they know someone else in that particular business in a similar way for example, if a shop is selling vegetables, or if a shop is selling an IT products or a mobile so is it that they learnt it from somebody who is selling similar kinds of mobiles in different cities. So they made a survey so then they tried to learn out of that, then was the first business they ever worked in. This is what is the first generation and technology that we were emphasizing on. Note down the response for other questions that you are going to ask the owners based on the discussion. The points that what we are mentioning here are only indicative in nature because we do not know right now, we cannot anticipate in what

kind of enterprises that you will be coming across. So looking into the situation, so you will be framing the questions based on the response also.

Then after you finish talking to those owners, complete a business idea information form that we will be discussing in the subsequent slides from each business, putting in as many details as possible. So I have already mentioned the list that we are trying to discuss here is only indicative in nature. So there might be necessary modifications needed so based on the enterprise that you are going to cover with. Think about all the factors that have made the business idea a good one and why it has become successful business that you need to identify based on the discussion. Then find the answer to the following questions and note down the responses. What are these? What lessons you can draw from the experience of the business owner, so you need to answer it after discussion after discussion. What you are learning out of them, then what mistakes do you think the owner has made? If you think that so now he is earning profit? Yes, but after discussion. You might be feeling that if he might not have committed this mistake, he would have gone to crores. Now it is in few lacs, so this kind of conclusion that he will be arriving at and what are those mistakes or the points that you are identifying them? How can you avoid the same mistakes given an opportunity when you enter into similar activities. Then what do you think that the business made this success? What are the possible factors according to you? The owner might have shared something different you based on your discussion, you are coming to your own conclusion out of that.

Now coming to this business idea information form wherein you need to note down these points and collect the information but again I'm telling you once more I am telling you that this is only an indicating list. What is the name of the business? Then products or services that are being sold, then who are the main customers because they have the classification of customers also they might be targeting a particular class of the customer maybe it is the upper class of the society, middle class of the society or the lower middle class of the society or lower class of the society, who are their customers because the products the services are based on the nature of the customers. When and why did the owner decided to start this business? So what is the opportune time that he found out so similarly based on that experience, you can also come to similar conclusions. Then why did the owner think it was a good idea to start that particular kind of business that he has already started with so there were a number of other opportunities. If you are selling clothes or if you are selling some more items, Pottery items, mud items, glass items or the software items or the educational activities, whatever the domains that you are going to come across, put questions on that.

Then how did the owner find out what the local people wanted, whether he has gone for any need unless or he himself perceived that so this is the area wherein we find abundant number of students so then I will go with the educational activities or this is the area wherein there are number of industries so that I can come out with the product X or Y or Z, whatever it is what kind of conclusion that you can derive out of this. Then what strengths or assets did the owner use to start his business maybe it is his previous experience, or he might have undergone certain training, for example, in agriculture sector, we impart training on various entrepreneurial activities like maybe it is mushroom cultivation, inland fish cultivation, packaging food processing it's number of such training activities that are going on even in the industrial sector also it is going on financial technology, it is going on software sector, it is going on or such kind of things that you need to note down then. Then, what problems did the owner face in setting up that particular business because one of the enterprises begin with any problems obviously there will be problems, but how they overcome that? Number one, how did identify they identify those problems and how did they overcome that so that becomes a key input for you. Then has the product or service changed overtime because there might be many examples when you discuss with the potential or the successful entrepreneurs, they might be sharing their experiences in the way that because I have come across many such enterprise entrepreneurs, they started with insecticide business then they later moved into biopesticides, then in the third stage, they moved into the sugar factory so now you see all these are entrepreneurial activities. They started with insecticides, then biopesticides, then sugar industries. So there is contrasting difference that we observe, but he or she is learning from every experiment and moving ahead. So they are adding on to their experiences as well as their enterprises with new ideas.

Then generate your own business ideas based on these interaction this collection of data from different sources. You already have a business idea. If it is there, it is a good sign because very period of time as a student you might be having certain idea. Yes this can be at the best alternative better probability. So if you have that so then work upon that or you try to generate that from these ideas. Then it is better to try and keep an open mind while generating the ideas. Don't limit yourself. I will be going with only this sector. May it be milk sector or the food processing sector or the production sector or the process all these things don't have any preconceived ideas. Then think of as many ideas as possible. You might be starting with 10 ideas then you may stop at 1 but let us have all those possible alternatives. Then make a list of business opportunities that you think of then based on these ideas, utilizing your own experiences then investigating your own environment in which that you are living, so which may be very congenial for investment purposes like maybe it is financial, then the other resources are available etc etc for which you need to

enter into brainstorming with peer growth so that you will be coming out with number of ideas. Then analyze your business ideas and select the best one to screen your ideas list. As we discussed so based on your understanding you are coming out with a list of ideas. So then which is better for you for which you need to ask certain questions. So which customer is needing your services, then which category of customers that your product or services are going to satisfy that you need to identify. Then what product or service will your customer want because there may be something different and you are supplying something different so then there may be big gap. Then what quality of the product do your customers want because it is not only the vegetables, it might be organically grown or it might be biofortified or it may be genetically modified or it may be high yielding number of such issues that comes into the picture. What do you know about the product or service to follow this particular kind of business? So all these things that you need to answer. Then, who are likely to be your customers because as the product changes, the customer also changes or the same customer may continue with certain modifications. Are there enough number in that particular locality so that your business becomes a viable business and who are we, your competitors, there might be certain people who are already working in this sector or they may enter into looking into your success or your efforts. So this is also possible. Then how will you be able to supply the goods and services because once you enter into, there might be possibilities of enhanced demands overnight so in that context, what is your plan that also you need to think upon. Then how much do you know about the quality of the goods and the services the customers want because quality becomes the prime aspect, we have a range of mobiles which are available for 5000 rupees ₹50,000 rupees, lakh rupees and more than that also. So that is what you need to keep in the mind. How does running this business support the this kind of business suit your personal characteristics and abilities? You need to understand whether I am suitable for this and I am fit for this, so that is also an important factor. Then how do you know this there is need for such business in your area. Because already people might be travelling a certain distance, then getting that with satisfaction so whether it is really needed or not that you need to ensure. Then how do you imagine yourself running this business in the days to come, maybe after five years where I am going to stand and after three years where I will be all these things that you need to keeping the mind.

Then other important areas which we have left out that I again I'm listening, but it is again indicating list. So when can you give the advice and information about this business? Maybe there are certain institutions available is institutions like District Industrial Center, incubation centers, academic institutions research in situations this successful businessman number of such sources that you have but how you are going to construct them and how you are going to get enrich yourself with their experiences that is another

important aspect. Then will this business be only the business of this kind of newer area and you are the sole proprietor of or the person who is running this kind of business so that also makes a lot of difference. If there are other similar businesses, then how you will be able to compete with them successfully. So obviously it is possible. So now everyone is looking for such opportunities definitely somebody else might have started similar business, but how your entity is going to be something different than already existing. Then why do you think that the enterprise that you are going to begin with will be available in the days to come, maybe after two years, maybe after three years, five years, 10 years that kind of plans that you need to have. Then does this business need equipment or the premises or the qualified staff and whether all these things are available in your vicinity, especially the manpower human resource? Maybe you can purchase the equipment it is a one time activity, but you need the sustained staff available at in that particular locality it is very important for them that do you think that you will be able to get the finances to provide what is needed maybe you are starting with level 1, but after a certain amount of time, maybe at the end of that particular year financial year, you may be needing additional amounts of resources to expand the businesses to identify the franchisees and to take that business to different levels, maybe within the city or outside the city, what kind of class that you have that also you need to keep in the mind. Then where will you get these resources? Maybe you are searching for Angel investors we have already discussed about that or other venture capital funds or the bank finance number of such resources are available. Then ultimately you can you should go for swot analysis in one of our classes we have discussed in detail what exactly this SWOT analysis, strengths, weaknesses, opportunities and threats that you need to continue to do that particular analysis so that you can be sure of your business.

To conclude, we can say that ideas come from your own experiences and your own observations. So keen observation of your surroundings is the prime source of your business ideas. Then you need to discuss with your near and dear ones, the experienced people in that particular area and how you are going to analyze this particular situation gives you lot of ideas. So then you come out with this successful business idea.

Thank you.