

Turning Entrepreneurial Spirit Into Business Opportunities

by
Bill Gibson

*Ntsika Enterprise Promotion Agency,
with a focus of rendering non-financial support to SMME's
is part of The Department of Trade and Industry in South Africa.
Ntsika, along with the support of The European Union
assisted in the Initial Development of the
Turning Entrepreneurial Spirit Into Business Opportunities program
in conjunction with Knowledge Brokers International Limited.*

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Learning and Implementation Manual

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This Learning and Implementation Manual is part of a Self Learning Entrepreneur Development Program of Audio Cassette Tapes and Audio CD's.
It is specifically for individuals, investors, business owners, executives, and their staff members who are looking for new and additional business opportunities in order to make their personal life and / or business more successful.
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Introduction

Becoming A Business-Opportunity Hunter

This program is about finding and testing new-venture ideas and personally building and sustaining the qualities of entrepreneurship within yourself and within your company or organisation. It describes how you can identify and test business ideas related to 51 types of venture opportunities. If you own or manage an existing business, the program can help you to find new areas of opportunity; if you want to start a new business, it will help you to find ideas for your first venture.

The program is for:

- Business owners wanting to expand activities or change directions
- Senior executives and managers wanting to develop additional ventures
- Students wanting to start a business
- Unemployed people wanting to create their own job
- Women wanting to become business owners
- Retired workers wanting to keep working independently
- Hobbyists wanting to turn their activities into profits
- Workers wanting to replace their salary with business profits
- Entrepreneurs wanting to build dynamic enterprises
- Intrapreneurs wanting to develop new products and services

In short – anyone wanting to search out and explore new business opportunities.

Business opportunities are all around us, just like radio and television waves, but we don't recognise them until we tune them in with an antenna and receiver. This program will help you to operate your own antenna and receiver for business ideas. Each of the 51 opportunities described in this program has one or two key questions listed, to help you search for new venture ideas. If you keep those questions in your mind, you will begin to "tune in" on the opportunities which surround you.

Every existing or potential business owner can always be searching for new venture opportunities. A business is like a living organism; parts are always in a process of dying and need to be replaced. Business owners need to be looking for new products, services, processes, and procedures to keep their organisations healthy. Without growth and new energy every business will eventually die.

There is a big difference between a business idea and a business opportunity. You might have many IDEAS for business ventures, but they are business OPPORTUNITIES only if they have a chance to succeed. Separating the opportunities from the ideas is like separating wheat from the chaff, the way to find the "good stuff". This program includes a list of questions which you should ask about any new venture ideas. If the answers show that the idea has promise, you can proceed to develop a business plan. If your answers show some serious problems with the idea, then you can modify it or move along to another idea without losing much time or money.

Existing and potential business owners should be prepared to replace one business idea with another. The failure of one idea is less important than the failure of a total business organisation. If one idea does not test out well, another can be tried. A large pot of ideas is a basis for business success, so that alternative ideas are always available. Anyone relying on a single idea has nowhere to turn when that idea fails. The continuous cycle of generating ideas and testing them to find the real opportunities ought to be a normal part of business development. When too few real opportunities are found, more ideas should be generated.

Having a good idea is only the first step in developing a business. A good idea cannot ensure success if other essential factors are not in place. However, a poor idea can fail even when the best business skills are used. Anyone with a single idea needs to check that idea thoroughly before acting to start a business. In addition to checking the single idea, the potential business owner needs to consider alternative ideas which may have more promise. Thorough examination of a business idea is always cheaper than the expense of business failure.

Turning Entrepreneurial Spirit Into Business Opportunities



Finding business opportunities requires a systematic, analytical approach, and also a degree of unstructured creativity. Many individuals find it difficult to combine both approaches. To draw on the strength of both dimensions, you might want to consider developing a team for exploring opportunities. The result from a group of people with different talents and skills can often be superior to those from one person. Interaction among people can lead to new ideas which no-one would have thought up alone. Developing a small group with a variety of business and thinking skills can be both exciting and profitable. Suggestions in the program will work equally for individuals and groups.

The importance of business planning cannot be overstated. Once an idea has been selected as the basis for a venture, thorough business planning is essential. After using this program, you ought to have one or more ideas which are good enough for you to invest the effort of developing a business plan for your business or new product/service launch.

As you work with this material, remember that it is only a GUIDE. The ideas, judgements, information, and decisions about your potential ventures are YOURS. The program can help to lead you through the process; it can't do the work for you. Your success will depend on your own efforts and ideas.

The program will start off looking at some of the qualities and characteristics of successful entrepreneurs and then move into looking at the 51 successful ways to find and recognise business opportunities.

We will then move on to evaluating and testing your opportunities and the "how to's" of becoming an opportunity thinker by releasing your creative imaginative mind.

From there we will explore the 9 Stages of Business Growth and Decline and how to "pin point" where your venture is at and how best to capitalise on that stage.

The program will end off with how you and your team can stay forever entrepreneurial.

This "Turning Entrepreneurial Spirit Into Business Opportunities" program is comprised of 6 Audio Cassette Tapes and 6 Audio CD's and a Learning and Implementation Manual.

The Audio Cassette Tapes and Audio CD's are identical in content. We've provided both Audio Cassette Tapes and Audio CD's to accompany those of you who have only an Audio Cassette tape player or only an Audio CD player.

The Audio Cassette Tapes and Audio CD's were recorded in front of a "live" audience in Port Elizabeth, South Africa, with Bill Gibson and with comments from Marius Liebenberg. The "live" audio portion is also interspersed with suggestions from Bill Gibson in a recording studio.

The Learning and Implementation Manual is more detailed, has exercises and worksheets and can act as a continual resource library of ideas, techniques and skill development for the business owner and entrepreneur. Above all, remember that information is not power, information combined with right actions is power.

Best of success on your quest of Continually Turning Entrepreneurial Spirit Into Business Opportunities.

The goal of this program is to be of assistance to people from all walks of business life in S.A. It can assist small business owners as well as senior executives of high growth companies, the highly educated and the less educated, those with an excellent command of the English Language and a minimal understanding of the English Language, and the experienced and inexperienced business person.

This publication is an opportunity for growth if you take the right approach. Keep a dictionary handy and look up the meaning of words you don't understand or stop and ask someone who does know.

Learning is one of the keys to staying young!

Module 1

Assessing Your Entrepreneurial Qualities

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Assessing Your Entrepreneurial Qualities

Learning And Business Development Outcomes

Through the studying and applying of the information and tools in this module you can expect to achieve the following outcomes:

1. Understand the 3 Categories of Business Ownership and know which one (if any) is suited for you at this time or in the near future.
2. Understand the Advantages and Disadvantages for you if you operate The Lifestyle Business, The Community or Generic Business or The High Growth Business.
3. Know the Qualities and Characteristics of Successful Business Owners and Successful Entrepreneurs.
4. The completion of the Entrepreneurial Assessment Tool on yourself and have an assessment of how you score in reference to the Qualities and Characteristics of Successful Entrepreneurs.
5. Develop a plan to improve your Entrepreneurial Qualities and Characteristics.

Business Ownership

Before we look at the qualities and characteristics of Successful Entrepreneurs we are going to take a quick look at the different categories of businesses that you may own as a business owner. These three categories are:

1. The Lifestyle Business
2. The Community or Generic Business
3. The High Growth Business

The Lifestyle Business

The lifestyle business is usually a small business built around one or two people and is often operated by people with an expertise that decided to create an income and lifestyle for themselves, rather than be employed by someone else. They like the freedom it gives them, they like being their own boss and the venture allows them the flexibility to live a certain lifestyle. Trades-people, Consultants, Beauty Therapists, Engineers, Advertising Experts, Independent Sales Agents who work by themselves or with a small support staff or strategic partners often fit in this category. With a lifestyle business the key person(s) are the business. They personally bring in most of the income. If they lose interest or for some other reason stop working the business, the business usually disappears. The business can usually be started on a small investment, their expertise is their main asset and the owners often work from their home or shared premises with low overheads. Rather than being seen as a business owner, they are more likely to be viewed as self-employed individuals. The informal sector of business owners in South Africa would most likely fit in this group, as well. (Hawkers, crafts-people, etc.) Most lifestyle business owners are content with the lifestyle their businesses give them and are not trying to build a big business.

The Community / Generic Business

The Community or Generic Business usually has more employees than a lifestyle business. This type of business usually involves the renting or buying of physical offices or physical space, equipment, etc. A Community or Generic Business would be most local retail stores, restaurants, hotels, professional practices, local or regional focused manufacturers, wholesalers, distributors, builders or service type companies. These businesses eventually generate income without the founders or owners being involved 100% of their time. Over time the business develops value through its processes, local branding, proven income and profit and can be sold or passed on to family members. Energetic lifestyle business owners such as trades-people (electricians, carpenters, plumbers), professionals (accountants, lawyers, trainers, consultants) who decide to develop a larger business with more key people, processes and product earning revenue will often graduate to a Community or Generic Business. Local franchisees to regional, national and international franchise organisations would also fall into the Community or Generic Business category.

The High Growth Business

This would be those businesses that decide to expand and risk into several locations or new markets regionally, nationally or internationally. Business owners that decide to expand through franchising or owning several locations fit here. A manufacturer, distributor, wholesaler, service organization, professional group, retailer, or any other company or group (could be co-operative crafts group) that decides to work the much bigger regional, national or international market through agents, distributors, affiliates, partners, direct marketing, tradeshows and e-commerce type marketing would usually be viewed as a High Growth Business. These are more complicated businesses to operate. The risks and rewards are bigger and larger numbers of employees, suppliers and affiliated businesses and personnel earn income from the High Growth Business. Community or Generic Businesses often expand into becoming a High Growth Business. Ambitious entrepreneurial types and new ventures established by large High Growth Businesses will often go from the Concept Stage to the Take-off Stage straight into the Ambitious Stage of expand and risk in a very short time. This takes capital and expertise. Many High Growth Businesses often become public companies listed on the Stock Exchange or are bought by or merge with larger companies.

Where Do You Fit?

If you are starting a business venture it is important to decide which category of business ownership you wish to initially be in and where you eventually want to be. Many people wisely choose the lifestyle business and are happy with the rewards of that category of business. Others may want to establish a community business having more people work with them and establish a local brand worth re-sale value at a later date. Then there are those highly ambitious entrepreneur types that want to make the bigger sacrifice of time, energy, ability, money and reputation, to play in the big leagues for bigger stakes. There are advantages and disadvantages to each of these.

To help you decide we've made a short list of the Advantages and Disadvantages of these three categories of Businesses. It will help you and your family see where you want to be or realistically can be.

The Lifestyle Business

Advantages	Disadvantages
<ul style="list-style-type: none"> • You are Self Employed and you have the freedom to choose how much you want or need to work and who you want to have as clients. • Usually work at home or close to home. The family is included or seen a lot. • You do most of the work yourself and have control over the quality of work and client relationships. • Minimal financial investment to get started. • You can build the business part time while still being employed. • Low financial overheads. • Very little need for debt and financial obligations. • You can quickly hit the financial break-even mark. • Financial control and financial management is fairly simple. • Your expertise and skills are usually your main assets. It cannot be taken away from you. • You can dabble in a number of income generating opportunities without risking the success of the business. • Easily change direction or adapt to new situations or opportunities. • Very few people to lead or manage. Less people hassles. • You can quite easily shut the business down and do something else. 	<ul style="list-style-type: none"> • You often “over commit ” and have minimal support and help in your area of expertise. The result can be many long hours of work. • Interference or distractions by family members because you work at home or close to home can negatively affect your productivity and energy. • Miss out on bigger opportunities because of lack of personal capacity or additional expertise. • No one to answer to, therefore causing a lack of self-discipline to continually implement best practices and habits. • Working alone can be lonely and you miss the input from co-workers and partners. When you are down and have to pick yourself up, very little emotional support. • You may lack the sales ability or delivery ability therefore minimising your success. It is difficult to be skilled in all areas. • Inconsistent cash flow. While you are providing your service, handling the project or creating your product, etc. you may not be selling and marketing. This causes the “feast or famine” situation. • If an unforeseen unfortunate situation (accident, sickness, family tragedy, family conflict) happens to you, your cash flow could suffer to the extent that it could close your business down and put you in a tough financial position. • It can be quite difficult to access bank support.

The Community Or Generic Business

Advantages Disadvantages	Advantages
<ul style="list-style-type: none"> • Adding of efficient staff such as a manager, controller, production manager, sales manager, allows you to also pursue other interests, hobbies and other investments. It frees up time for you. • With the right people and processes in place along with a history of financial success the business could be sold if you want to exit. You are building an asset. • You can eventually become an established name resulting in a certain amount of business coming in without pro-actively going after it. • You can be a “big player” in a small pond. • You can become well known within the community or industry and become part of the key social and business circles, resulting in social and business status for you and your family. • Banking needs become easier to access over time. • You accumulate hard assets over time in the form of property, equipment and cash. • You earn above average income. • Other people, products and processes earn income for you. You don’t have to do it all by yourself. • You have a team of people to give you input and act as a “sounding board” and become “contributors” to finding opportunities and solving problems. 	<ul style="list-style-type: none"> • A lack of ability or “know how” to put in good business processes and hire, train and develop good people could result in a poorly run business. • Believing your business is worth more than it is and the challenge of getting what you think the business is worth when you decide to exit. You may not be able to exit effectively. • Because you are established, apathy can set in, and you may not stay on top of changing customer needs and what the competition are doing and end up in financial difficulties that may not be reversible. • You can get bored with going to the same place each day dealing with the same people. • The “fish bowl” effect! Living and working within one community you are watched closely and can easily become part of a negative rumour mill. You and your family can get tired of living up to an image. • A substantial investment may be required to start, buy or keep the business going. The debt load could be quite big and put you at risk. • The quality of your service, products and processes is in the hands of other people. They could fall short of your expectations as well as the customers and negatively effect your name. • There is always the risk of other people in your business making a mistake or intentionally hurting your financial position.

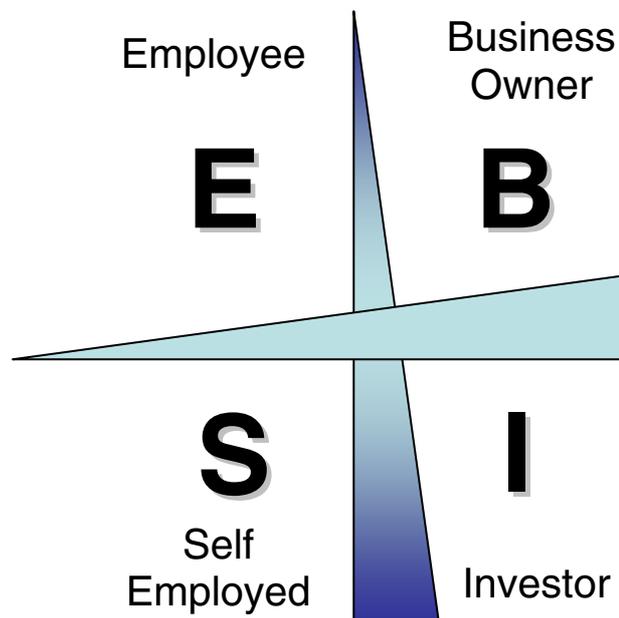
The High Growth Business

Advantages Disadvantages	Disadvantages
<ul style="list-style-type: none"> • The continual challenges of continual change, new markets and new opportunities creates excitement and energy in your life especially when you are succeeding. Some people live off those feelings. • In a High Growth Business once you've achieved momentum it tends to multiply its success quickly. • The opportunity is much greater for wealth building through large income opportunities <ul style="list-style-type: none"> • Wages, bonuses • Profit share • Listing - going public • Mergers • Selling to another company • Though strong cash flow, partnership, alliances, investors, financing and networks, you usually have the capital to expand and take advantage of the bigger opportunities. • Your decisions, research and actions are often backed by a professional team of marketers, financial experts, legal people, technical and HR people that increase your chances of success. You are not alone. • Because of your size and often your reputation you can attract, develop and keep top performing people that can make the company successful. • If you are successful you end up with lots of media coverage and you become admired by the business community and public in general. • Large and powerful business, political and personal networks open up for you • Government, your industry and the community at large want you to succeed and will often help because of your contribution in the form of jobs and the success of the industry and economy in general. • High Growth Businesses usually have large amounts of money invested into its success by banks, investors, government, and suppliers to name a few. If problems appear they become part of the solution because they can't afford for you to fail. "Owe a little, it's your problem ... owe a lot it, is everybody's problem." • It is a great opportunity to develop your leadership skills, business and entrepreneurial abilities at a phenomenal pace because of the size of the transactions, and the network of experienced successful people you associate and do business with. • It is an opportunity to make a major impact and contribute to society and your industry and leave a legacy that will last far beyond your own working life. 	<ul style="list-style-type: none"> • The continual challenge of venturing into new territory and new opportunities can be very stressful if you always like to know exactly what is going to happen. Some people cannot live with the uncertainties. • If a company "runs off the rails" during a high growth period it has to be re-directed quickly, otherwise the momentum may take it quickly to a point of no return. Rapid growth is great if you are on track. If you are off track it can be destroyed quickly. • Especially during the growth and expansion periods there is a continual need for financing, raising capital through sales, investors, borrowing and bringing on strategic partners. This is stressful and tiring. • As the need for capital increases your position as a shareholder is often diluted. You run the risk of losing control, being replaced, bought out or pressured into a position or situation you don't want to be in. • The company no longer exists just for you ... you now need to fit into the business and answer to partners, board members and shareholders. It is no longer just "your baby". • The business often requires lots of travel and time away from home in order to succeed or to correct errors created by others. It also requires the key people to put in long hours of work. Without this kind of commitment the business will not make it. • The actions or decisions by someone in another geographical location or division can negatively affect your cash flow and reputation. • You may have to change salary packages, incentives and promises initially made to original partners, investors or employees because of new circumstances and new stages of business growth or decline. • Strong empowering leadership along with proper delegation of major responsibilities to other qualified people is needed in a successful High Growth Business. You may not have the skill to do this or just can't or won't let go of the reins. • Monthly overheads can extend far beyond what you personally can generate in income. This puts it beyond your control to pull the company out of tough unexpected cash flow "crunch" periods by yourself. In the early days of your business you probably could do that. Now you can't. Can you live with that thought?

Research in Europe indicates that only a small portion of small to medium size businesses create the majority of jobs. It is the dynamic companies and ambitious entrepreneurs that are the biggest generators of jobs.

Obviously it is the High Growth Businesses that have the biggest single impact on job creation. Collectively the self-employed individuals in a country like South Africa also have a major impact on the economy because all of these people have a job working for themselves. The Community and Generic Businesses are also major contributors collectively to local, regional and national economies. The ambitious ones often grow into High Growth Businesses.

The majority of the ideas, tools, "how to's" and processes in this program can be used by business owners and entrepreneurs and their staff in all three categories of business ownership. You just have to adapt them and use a bit of innovation and creativity.



Robert T. Kyosaki
Rich Dad's Guide to Financial Freedom

How Incomes Are Generated

According to Robert T. Kyosaki in his book Rich Dad's Guide to Financial Freedom there are four main ways that we generate income. He says that the wealthy generate the majority of their income from the right side of the above quadrant. They often have a business where other people, products and processes in that business work for the owner earning him/her income. Or they invest the money they earn from their business and have that money generating income for them. The left quadrant shows that you can generate money as an employee but you are usually limited by the amount of hours you put in and/or what your employers will pay. According to Robert, the Self Employed person at least has his/her own freedom but again is limited by the time and energy he/she can put in.

Our suggestion to the Self Employed person is to look for ways to get your ideas and processes working for you so that you can earn above average income and then get that disposable income (what is left over after your cost of living and doing business is paid for), working for you as an investment.

The tips, ideas and processes in this program can help all 4 groups generate additional income for themselves and/or for their company. The material in this publication will help investors spot the more lucrative opportunities and evaluate the potential of those opportunities.

Successful Entrepreneurs And Business Owners

Bill Gibson has lived the life of an entrepreneur and business owner for over 35 years. In those years he has associated, done business with and consulted to hundreds of successful business owners and entrepreneurs in South Africa as well as internationally. Over 6 000 business owners and entrepreneurs graduated from his 8 – 10 month Business Owner Development Programs over a 5 year period in Canada. He and his team have also done specific research into Entrepreneurism to compile this publication and the audio cassettes and audio CD's that accompany it.

The success qualities and characteristics outlined in this module would very seldom be possessed by one individual business owner or entrepreneur. As you read them, determine which ones you possess and to what degree and determine which ones you can improve on. At the end of this module there is an Entrepreneurial Assessment Tool you can fill out to more closely evaluate your own entrepreneurial skills and characteristics.

Success Characteristics Of Entrepreneurs And Business Owners

Embrace Change

Successful Entrepreneurs and successful business owners are flexible, open to new ideas and expect constant change. They know that "The graveyard of business is littered with companies that failed to recognise the need to change!"

They also respect people who propose change and they know that these people are the ones who will have the "most energy, ideas and best appreciation for what is needed to carry out a project to its completion".

They view the problems of present times as the opportunities for the future. In change is where opportunities lie.

"Agility is an organisation's ability to anticipate changing market dynamics, and adapt to the market faster than the rate of change in the market in order to create economic value."

***Michael Minassian
Regional President
Middle East and Africa at EDS.***

Risk Assessors not Risk Takers

It is a myth that successful entrepreneurs are gamblers and big risk takers. They are smart investors not gamblers. They assess the risks and the odds for success. They are "calculated risk takers". Before they enter into a new business venture they always consider the worst case scenarios and decide if they can't live with that ... then they don't do it. They also have a back-up plan or position to fall back to.

"The high-performance African business will require bold, but not reckless vision."

***Wayne Furphy
Country Managing Director
Accenture, South Africa***

Mediocrity is Unacceptable

Collin's Dictionary describes mediocrity as "average or ordinary in quality". Successful entrepreneurs surround themselves with exceptional people in attitude, skills and abilities. Successful entrepreneurs will not live with mediocrity because they understand that a chain is only as strong as its weakest link. They have the courage to weed out mediocrity.

"Why, even when and how people are hired or dismissed goes to the very heart of the character of a company, its management and its leadership". Entrepreneurs are fearless when it comes to making the tough decisions around mediocrity.

Warren Russel, in his book "The Man Who Tapped the Secrets of the Universe" said, ***"I believe that mediocrity is self-inflicted and that genius is self-bestowed."***

In a “one person” business you can still be unacceptable to mediocrity. Don’t settle for mediocrity within yourself, with your suppliers or even part time employees. Staff or partners with physical or mental challenges or historically handicapped people who lack the know how or are handicapped because of no support or learning opportunity in the past need special consideration. The goals should be to make them as efficient as they can be under the circumstance they are in.

“Remember that when you settle for mediocrity in the small things, you will also begin to settle for mediocrity in the big things, and anything less than a conscious commitment to peak personal performance is an unconscious commitment to weak personal performance.”

**Robin Sharma
Author
Leadership Wisdom from the
Monk Who Sold His Ferrari**

Ingenious

Russel also says that every successful person or great genius has three particular qualities in common:

1. They personally produce vast amounts of work ... they have a huge capacity for output.
2. They never know fatigue.
3. Their minds grow more brilliant as they grow older, instead of less brilliant.

Allen Ambor, the Chairman of Spur in South Africa says in the first 10 years of Spur’s thirty-six year existence he worked 20 hours a day and still after thirty-six years of owning the business, when it is necessary he still works an 18 hour day until the urgency is over. He is well on in his years and he still does it.

Timing

According to Peter Thomas, the founder of Century 21 Real Estate in Canada, Venture Capitalist and International Entrepreneur living in Switzerland and one of the founders of the Young Entrepreneurs Organisations (YEO) world wide, there are 4 keys to a new venture being launched.

1. The right people
2. Clear communication
3. Financing
4. Timing

“The most important one when a business is being launched” said Peter, “is addressing the timing. Your timing must be right.”

Financing, good people and clear communications need “good timing” added to them to get the venture up and running successfully.

Successful Venture Specialists

Successful Entrepreneurs are specialists in getting new ventures off the ground.

Richard Branson founder of Virgin Atlantic says he immerses himself in new ventures and learns the “ins” and “outs” of the business, then hands it over to a good Managing Director (M.D.) and Financial Director (F.D.) who is given a stake in the venture and they are expected to make it take off.

Peter Thomas author of the entrepreneur book “Never Fight With a Pig” says that one of the entrepreneurs prime skills is the ability to capitalise on new opportunities and getting them started. Those skills are not the same ones that it takes to run the day to day operation.

Reality ... “Believe It”

Successful Entrepreneurs are quick to see things for what they really are and not what they wished it would be. They are quick to recognise and deal with reality. They ...

1. Are quick to recognise the fact if they are in trouble.

2. They are brave in reference to quickly approaching trusted friends, peers and advisors and telling them about the situation seeking advice, ideas or direction. Less successful people are often too proud to admit they need help. That is not a problem for successful entrepreneurs.
3. They are willing to cut their losses. One successful entrepreneur said ***“Protect the downside ... always be ready to walk away.”***

Good Support Team

Successful Entrepreneurs with high Growth Businesses always have a good support team around them. It often looks like this:

1. A trusted #2 person who is very capable.
2. A credible board of directors who can stand up to the entrepreneur and give direction.
3. A dynamic sales team who can produce results.
4. A marketing team or marketing person.
5. Enthusiastic efficient office staff.
6. A Chief Financial Officer.
7. A legal adviser who especially understands business law, commerce and contract negotiation.
8. A good banker.
9. A research and development department or person.
10. A personal support team outside the business to lend moral support and direction when needed.

Even as a small business owner you can use the above 10 points as a guide. It may look like this:

1. Your trusted #2 may be your spouse or partner.
2. An experienced business associate or personal coach could accept the role as your board of directors.
3. Your dynamic sales team comes from you devoting a good percentage of your time and energy to selling. You could also teach your people sales skills and why “everyone is in sales”.
4. You could dedicate a certain amount of your time or another key person’s time to the marketing function. Another option would be a part time marketing consultant or sharing a marketing person with 2 to 4 other small businesses.
5. Even if you only have one office staff member or a part time person ensure that you only hire an enthusiastic efficient individual. Continually upgrade that individual with training and exposure to other efficient office staff. Remember, hire for attitude and train for skill development. It is tough to try and change someone’s attitude.
6. The chief financial officer could be an outside accountant who specialises in working with SME’s. Use your network with other business owners to determine who would be the best choice.
7. Again use your network to find a good business attorney.
8. A good banker comes through referrals and taking the time to build a business relationship with the banker and ensuring those involved in the banking process know who you are, what you do and how you plan to get where you are going. Remember it is better to line-up your credit line facilities, credit cards and credit limits with your banks and suppliers when you are doing well rather than when you are desperate and really need the help. Financial institutions are famous for giving you an umbrella when the sun is shining, but won’t give you one when it is raining.
9. Again, you could devote a certain percentage of your time or a staff member’s time to research and development. Another alternative is utilising a student or research service.
10. As an SME owner you can easily find trusted business associates and friends for emotional support and advice. A personal coach would also work.

These 10 points for small business owners show how, with some thought, you can adapt ideas or suggestions used or made by High Growth Business owners and entrepreneurs. “If you want to be one ... think and act like one.”

Ambitious government strategy is bringing into play every resource necessary for this country to dominate a world market in which a billion travellers take off each year for their annual holidays. Carolus is backed by the full weight of Cabinet, major players in the private sector and a network of equally forceful colleagues in the public sector. Cheryl Carrolus, CEO of South African Tourism calls it “Team South Africa.”

Resourceful Network

Successful Entrepreneurs and Successful Business Owners strategically enlarge their resource network and contacts. This allows them to gain access to resources and opportunities that are usually unavailable to most people. It also helps them avoid unnecessary obstacles.

They know who to go to for what kind of advice or assistance.

“You don’t go to an accountant or attorney for business advice. You go to a successful business owner or successful entrepreneur for business advice. You go to an accountant for accounting advice and an attorney for legal advice.”

Marius Liebenberg
CEO Knowledge Brokers International

Back in the Saddle Quickly

They have a high level of ego drive. Ego drive is measured by observing how quickly someone gets up after they have been knocked down. If they get up quickly after rejection, a failure or disappointment, they have a high level of ego drive. If they stay down for a long time because of hurt feelings, disappointment etc. then they usually have a low level of ego drive.

Successful entrepreneurs know that “Failure is not the opposite to success. Failure is part of success.”

They dust themselves off after falling from the business horse and they climb back into the saddle immediately.

Herman Mashaba, Black Like Me - “it wasn’t always easy”. Along the way Mashaba and Black Like Me took a few knocks and had to deal with a buyout from Colgate Palmolive that went sour (and he ended up buying the company back) as well as the near destruction of the business through a devastating fire. But Herman Mashaba’s rebound value is remarkable and Black Like Me rose to new heights from 1994 onwards. Nowadays, the company does an annual turnover of around R80 million per year and has successfully launched in Europe.

Work Ethic

These people are never 9am to 5pm people. The working day is never long enough for them and they work odd hours ... like starting at 5am in the morning, working late at night or on weekends. They often resent it when people around them don’t work as hard as them and don’t work the same hours.

Many entrepreneurs have accepted the fact that most people can’t or won’t work like they do. As a solution they often hire extra people to work the off hours to support them.

Comfortable with Uncertainty

Successful Entrepreneurs can make a needed decision without having all the facts in front of them and can also make a decision without all the options being clear.

“They continually walk into the world of uncertainty certain of their success because of continually practising winning habits and principles on a daily basis.” They know that specific habits, principles and skills eventually bring them their success, even in uncertain times.

Bill Gibson

Solution Oriented

You often hear successful business owners say “If you are not part of the solution then you are part of the problem.”

Successful Entrepreneurs are problem solvers and solution finders. Most business opportunities solve problems or find and provide better solutions to needs, wants and desires.

While others are “bogged down in the problem and complaining about the situation” the successful entrepreneur is focusing on solutions.

“Growth will come from the investment we make in solutions and innovations.

Craig Barrett
CEO Intel

Need to Achieve and are Goal Oriented

Successful Entrepreneurs enjoy competing with themselves and with others. They love that feeling of achievement. They work with goals and visions of what they want or want to achieve. By continually “knocking off” the actions or steps towards their goal they get the feeling of achievement while still keeping their eye on the target.

“The core is real dedication and an unswerving sense of purpose. You have a goal. You cannot be all things to all people. Know where you are going and where you can take the company.”

Allen Ambor
Founder – Chairman
Spur

“It is not enough for an entrepreneur in our day and age to simply do good business; he must also be able to mobilise people to reach for the implementation of a common business idea. I believe it is the role of the entrepreneur to build the business sector and also to encourage and inculcate competitiveness in our economic practices and the environment.”

Herman Mashaba
Owner - Black Like Me

Commitment and Perseverance

Commitment and perseverance are needed qualities especially in the beginning. The entrepreneur takes emotional ownership of the venture and because of that enthusiasm and passion for the venture he/she makes it through the early stages when things virtually never go the way they think it will. It takes commitment to continue on when things don't go the way you thought they would.

Confident and Self-reliant

There are three types of business owners and sales people:

1. Those who will succeed even if you try to stop them. (They believe they create their own results and rely on themselves to do it.) Inside-out oriented.
2. Those who will never succeed in their own business or in sales no matter how much you help them. (They believe that they are victims of circumstance and they are controlled by external factors and can't make it work because of many reasons that are stopping them.) They are outside-in oriented.
3. Those who will succeed with help, training and support from others. This group is the most common. They can move from being outside-in oriented to more of an inside-out approach to creating their own success.

Confidence comes from doing and experiencing success and self-reliance comes from taking control of your own destiny and relying mainly on your self for your success and being accountable for both your success and failures.

Your truly successful entrepreneurs fall into the first category of business owners and sales people. Over time, with support, coaching, training and experience many entrepreneurs in group three can become highly successful entrepreneurs.

Lines

Successful Business Owners and Successful Entrepreneurs usually make “LINES” part of their daily life. Those lines are ... Time Lines and Deadlines.

Time Lines: They expect themselves and others to work along time lines which is a sequence of actions, events and “to do's” to be achieved in a sequential fashion. (Along a line).

Deadlines: A specific time limit in which the entrepreneurs expect himself/herself as well as others to complete an action or project.

This goes hand-in-hand with being Achieve and Goal Oriented.

Mentors

Successful Business Owners and Successful Entrepreneurs seek out and study specific people that they are impressed with or respect because of the individuals' successes or “know how”.

They will have a small number of Direct Mentors which are people they have direct contact with and can interface and communicate with. They are very open to hear honest feedback about themselves from mentors and people they respect. They welcome the truth from this select group of people.

They also utilise indirect mentors. Indirect Mentors are people they don't have direct contact with but they learn about them indirectly through books, videos, audio tapes, on the Net, through speakers, articles and an assortment of other communication mediums.

Discipline and Determination

Successful Entrepreneurs and Successful Business Owners have an ultimate goal in life. It is freedom! They understand that "Freedom requires absolute discipline." Discipline is the price you pay to eventually achieve freedom. A person must be determined to stay disciplined.

"The attitude required of entrepreneurs include self-discipline, focus, determination, drive and teachability."

Anne Pratt
The Business Women's Association's
Entrepreneur of the Year – 2003 / 2004 South Africa
Owner – Anne Pratt and Associates
South Africa Executive Search Firm

In Control

The motto of the true entrepreneur is to "Never be enslaved by someone else's plan." They would rather lead than follow unless it is in an area where they lack the expertise or it is only for a short time period. If a company becomes too big and bureaucratic the entrepreneur often exits because of all the controls and rules he/she is expected to adhere to. They cherish independence and freedom.

"Entrepreneurs challenge the status quo. They don't like to follow a book of rules made by someone else. They want to be guided by the market, not by another person's rules."

Anne Pratt

People Build Brands

There is a saying ... "Build your people and they will build your business."

Successful Business Owners and Successful Entrepreneurs continually find, hire, develop and retain good people. They know that the people build the brand. The brand does not build the people. They also know how to maximise the skills of individuals while protecting all concerned from the short comings of those people.

"Wisdom does not reside in one head, in the end life is about people."

Lazarus Zim
Deputy CEO Anglo American S.A.

"Steven Spielberg, GE's Jack Welch and Wayne Callaway, Pepsi Co's CEO, explained that they spent about half the time on people: recruiting new talent, picking the right people, grooming young stars, developing global managers, dealing with under-performers and reviewing the talent pool."

Les Wexner
Founder of The Limited
Named by Fortune as one of the New Champs
of Retailing

Ask Questions

Successful people are not afraid to ask questions ... they are not embarrassed that they don't know something. They are also ready and willing to "pay" to have their questions answered. That is why they have such a strong network of knowledgeable associates, peers, professionals and experts.

"A key characteristic of successful entrepreneurs is the ability and courage to reflect, learn and adapt."

Mark Maletz, Babson College, U.S.

Inspire People

If you want people to be inspired be sure you are a good example of what you want them to be or do. Mentor and be an example to staff and associates as a leader. Above all, display "Integrity."

"You cannot expect loyalty and integrity if you do not display it yourself."

**Bill Pollock
Founder
Drake International**

"I like leading. I will lead but always as part of a team. I will consult but not to death (Will not overdo it). I always make sure that I apply myself." (Walks his talk)

**David Moshapalo
Entrepreneur who is already a millionaire at a young age,
came from humble beginnings and has served as the Secretary General of Fabcos**

"Senior Management can develop a competitive strategic advantage by unlocking creativity within their staff."

"Real transformation is not just replacing white managerial faces with black ones, but transformation through the development of our people."

"I think there is a phase coming that will synthesise the lessons of my life to date. I want to make a contribution to our country; I want to make a contribution to people. There have been some very sweet and very bitter times in my life and there have also been valuable lessons and insights. The common thread of all is that life is about people, and if you grow people you grow yourself. What I would like to do is use what remains of my life to take that message further. Let's grow our people wherever they are. Let's look at people differently, not as mere assets, but as creative beings that can make a difference to all of us. And I want to do that at the same time growing the economy."

Iqbal Surve, owner of Sekunjalo Investments

A black-controlled and managed holding company with investments in health care, fishing, information technology, property and financial service.

Likes Applause

One characteristic that seems to be apparent in most Successful Entrepreneurs and Successful Business Owners is that they enjoy attention and applause. They like to build monuments as symbols of their hard work and success. Their monuments could be their buildings, homes, cars, their brand image, books, etc.

They are also excellent self-promoters and self-marketers. That is why they seem to be in the media a lot. Their own "High Profile" in the community could also be viewed as a monument. It is also common to see them with an entourage of people around them. People are attracted to and like to be part of success.

There is obviously a sense of ego gratification in being able to visually see the results of their entrepreneurship. For many of them it puts them into the top of Maslow's Hierarchy of Need ... the Self Actualisation Zone. (The feeling that they have finally arrived).

The April 2004 - Issue of Fortune Magazine had a two page colour photograph of Donald Trump on the top of a building under construction and the headline for the article said "The Trophy Life". Donald Trump is probably the greatest example of how lots of entrepreneurs are great self-promoters and self-marketers and love to build monuments as symbols of their hard work and success. The following excerpt from the Fortune Magazine article gives a glimpse of the showman and self-marketer that Trump is.

This is business done the Donald Trump way. Don't believe what you see on TV - watching him work is actually much more entertaining. In Trump's reality show, The Apprentice, he and two lieutenants monitor contestants as they backstab their way to a \$250,000-a-year job as president of one of his companies. In Trump's real life he has managed - by force of personality, insane attention to certain details, charisma, bluntness, self-promotion, and connections - to build an empire of steel, marble, beauty pageants, casino's and some of the most incredible moldings you'll ever see. The total value? If you believe Trump, \$6 billion. But few people actually believe him. And there's good reason. Trump is the reality Tycoon. He lives his life straight out of the Survivor handbook: Start with the truth, then add enough drama, celebrity, sex, and what might very charitably be called creating to make something entirely outlandish. What The Bachelor is to dating and American Idol is to singing in the shower, Trump is to business. He

dabbles in the world of management and la wyers, phoning underlings to gauge how his enterprises are doing. But then he's off into the Trumposphere, jumping into his 727 - a plane with so much mirrored gold in the bathrooms that it may be the cause of his ever-present squint - for a run to the coast to be feted by Hollywood, or to Florida to visit his golf course for a round of speed golf. If he's not flying, he's engaging in acts that people who don't even want to like business like hearing about: writing bestselling management books, toying with a run for President, showing up at parties with his stunning Slovenian girlfriend, Melania Knauss, filming commercials for McDonald's or Verizon, or appearing on Saturday Night Live.

Grow Markets

Successful Entrepreneurs "create and grow additional markets and business rather than fight for a larger share of a shrinking or profit diminishing pie."

Jonathan Levie *Mi*
Strathclyde Entrepreneurship Initiative
University of Strathclyde, Scotland

London

Michael Hay
Director of the Foundation for Entrepreneurial Management
and Associate Professor of Strategic and International
Management
Business School

Reshape Industries

They "reshape their industries by redefining boundaries and gathering appropriate partners with whom they can network and align with."

Mould Opportunities

They also "recognise opportunities and mould them to fit their business in order to be able to seize and capitalise on them."

"The best way to predict the future is to invent it."

Alan Kay
Cover Quote Intelligence Total Business Magazine

Attract Money

Successful Entrepreneurs have "An ability to persuade people to confidently invest in their projects." They are like magnets for money. After 1 billion in debt that he personally guaranteed in the early 1990's recession, Donald Trump convinced investors, banks, creditors to back him and he's now back on top with what he says is a 6 billion dollar organisation. He knows the "how to's" of raising and attracting money..

Pro-active Opportunity Hunters

They are always "pro-active and have the uncanny ability to spot, interpret and evaluate new market opportunities."

"I like entrepreneurship which is about seeing things that other people do not."

David Moshapalo
Entrepreneur who is already a millionaire at a young age,
came from humble beginnings and has served as the Secretary General of Fabcos

Four of the last five characteristics mentioned are about how good they are at finding and recognising business opportunities.

Modules 2 – 8 are all about how Successful Entrepreneurs and Successful Business Owners find and recognise business opportunities.

We've provided you with an entrepreneurial assessment tool, to help you identify your strengths and make them even stronger. It will also help you identify areas you can improve on as well. Fill in the Entrepreneurial Assessment Tool before going on to the modules on Finding and Recognising Business Opportunities.

Entrepreneurial Assessment Tool

Read each of the statements below and then decide to what degree it may be true in reference to who you are, the habits, thinking processes and actions you display most of the time in most situations.

In the first box to the right under YOU insert a number that indicates how well the statement describes you. Utilise the scale below as a guide.

This statement would describe me											
0	1	2	3	4	5	6	7	8	9	10	
Never			Some of the time				A lot of the time			Always	

We've provided three boxes. Have two people that know you well put their scores in the other two boxes. Their scoring and insights may shine some different useful realities on the subject of your entrepreneurial characteristics that you haven't thought of.

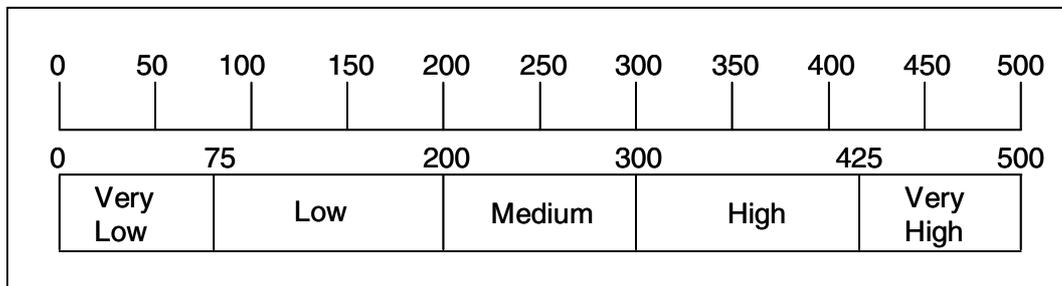
Statement You	u	#1	#2
1. I accept that change is part of my life and I use change to my advantage. I am flexible and will alter plans quickly to address unforeseen circumstances.			
2. I am often willing to take on well thought out risks and will push myself past my own comfort zones.			
3. I set high standards for myself and accept only the best from myself.			
4. I accept only the best from others who work with me or supply me.			
5. I'm known to be a person who regularly works long hours and my personal life allows me to work weekends and nights when necessary.			
6. I can handle large amounts of diversified work and responsibility and enjoy juggling many projects at one time.			
7. I sell and market myself and my ideas well. That includes to my peers, associates, investors, banks, clients, etc.			
8. I'm known by others as a person with an exceptional amount of energy and physical and mental stamina.			
9. I have an unending quest to learn more and more about business and ways to improve personally.			
10. Others know me as a person who has excellent timing ... I'm in the right place at the right time or get involved in a venture at the right time.			
11. I'm really good at finding and launching new projects, ventures and ideas.			
12. I'm usually the first to recognise and admit a mistake or problem that I have or have created.			

Statement Yo	u	#1	#2
13. I have a support network of trusted friends, peers, experts, business associates, staff and other knowledgeable people that I seek advice from regularly.			
14. I'm known as a person that will cut my losses in a relationship or venture and walk away from it if I'm fairly confident it isn't going to work.			
15. I focus on what is important and/or my core business and do not easily get distracted or pulled into other people's projects, ideas and agendas.			
16. I utilise my personal and business network to avoid unneeded obstacles and gain access to resources and opportunities that are usually unavailable to most people.			
17. I have a small number of specific experienced successful business owners and entrepreneurs that I draw on for business advice.			
18. I recover very quickly after being rejected, suffering from disappointment, experiencing loss or failure. I view mistakes and failures as temporary setbacks and learning opportunities.			
19. I am comfortable with the uncertainty of what the future brings because of the principles I follow and habits I practice.			
20. I can make good decisions even if I don't have all the information or the best option is not clear.			
21. I'm always looking for solutions and a better way of doing things. I'm not happy with the "status quo".			
22. I have high aspirations to succeed and a driving force within me to excel. I get great satisfaction from seeing my hard work lead to results.			
23. I am goal oriented. I focus on the future with a clear sense of direction. I know where I'm going and what I want to achieve.			
24. Whatever I decide to get involved in, I become totally committed to it.			
25. I'm known as a person with perseverance and tenacity who does not give up or accept defeat easily. I believe success doesn't usually come over night.			
26. I believe that I can do most things that I set my mind to do ... and I can do it faster and better than most people.			
27. I focus on what has to be done to succeed rather than what I'll do if I fail.			
28. I'm self-reliant and I am confident that I will succeed with or without the cooperation of others. The responsibility for my success lies with me.			
29. I do my best work when there is urgency or the pressure of deadlines.			
30. I map out projects and activities into time lines in order to complete the goals, projects, ventures or work I need to accomplish. I'm organised.			

Statement Yo	u	#1	#2
31. I always have a select few experienced, knowledgeable individuals who act as mentors to me.			
32. I continually study and read about successful people.			
33. I am a self empowered, self motivated, self starting individual.			
34. I have many rituals of self discipline like getting out of bed early each day, planning my day the night before, regular exercise, good eating habits, etc.			
35. I'm most comfortable in situations where I'm in control e.g. driving in a car, meetings, signing cheques, major decisions, etc.			
36. I enjoy and devote a large percentage of my time mentoring and helping others to develop and grow.			
37. I ask good questions of people and listen well when they respond.			
38. My actions and communications indicate that I truly believe that if I communicate with and build the people around me they will play a major part in building my business or department.			
39. I do what I say, in other words I "walk my talk" at home, socially and at work. I am known as a person with integrity.			
40. I'm an individual that is more focused on my work rather than hobbies and my social circle.			
41. I'm usually the first in my circle of associates to recognise opportunities that may arise from a given situation or in the future.			
42. I'm known as a creative and innovative person who comes up with great ideas and solutions and sees things from many angles.			
43. I " <u>do not like</u> " to manage and supervise people and handle day to day operational issues.			
44. I'm a person who is comfortable with owing money and juggling payments when things are tight. It actually motivates me.			
45. I'm a person that will take on a project or direction if I believe it to be the best route even if others don't approve of it.			
46. I'm known as a "deal maker" and a good "negotiator".			
47. I will quickly cut off a relationship or dismiss someone from a team or project or business if the situation calls for it.			
48. I have a thirst to build, create and innovate on a continual basis and look for new ways to do things.			
49. I prefer commission based type earnings rather than a steady salary.			
50. I believe in good financial controls and knowing the state of my personal and business financial affairs at all times.			
Add up all the numbers placed in the boxes for your final score. It should not exceed 500.	TOTAL		

Your Entrepreneurial Assessment Score

The statements you scored yourself against were based on qualities and characteristics of Successful Entrepreneurs and Successful Business Owners in South Africa and internationally. No one entrepreneur would score high on all these statements. A low score does not mean you wouldn't succeed as an entrepreneur but it can act as a guide as to where you may want to put an extra effort in to round out your entrepreneurial characteristics. A high score doesn't guarantee your success but it does tell you that you are operating with a large number of the skills, attitudes and characteristics displayed by successful entrepreneurs. Even with a high score you can see where you could improve and also where you need to keep up the effort to sustain that high score. Someone with a high score may find it easier to succeed as an entrepreneur than someone with a low score. A real entrepreneur with a low score will probably go out and succeed with his or her venture just to prove us wrong ... like successful entrepreneurs do. We will be delighted for you if you do that. The main thing would be to review those statements regularly to remind yourself of the qualities to continue with and improve on. It can be used as a quick "reminder guide" for entrepreneurial improvement. Your future success will depend on how open you are to developing yourself and whether you implement a development program.



Your Range of Scores

We have included 5 ranges of scores with a few suggestions. Utilise the Entrepreneurial Qualities and Characteristics Improvement Worksheet to develop your improvement plan.

- Very Low = 0 – 75:** Review all the statements you scored low on and then pick out the 5 that would probably give you the quickest and most substantial improvement and focus on those for the next three months. Each three months pick a few more always picking the ones that will have the most impact and work on those.
- Low = 75 – 200:** Follow the above suggestions and set a similar plan.
- Medium = 200 – 300:** Pick three of the statements that you had a low score in that would give you the most improvement impact if you focused on them in the next three months. Pick two that scored between 4 and 6 individually that with some work could be easily moved to the 8 to 10 score. Work on these and repeat every three months.
- High = 300 – 425:** Pick two of the statements that you had a low score in that would give you the most improvement impact over the next three months. Pick three that scored between 4 and 6 individually that could be moved to an 8 to 10 score. Work on these and repeat every three months.
- Very High = 425 – 500:** Pick one statement that scored between 0 to 6 that could impact your improvement and work on it for the next three months. Also pick the two individual statements that scored from 6 to 8 that with incremental improvement could impact your improvement. Pick two that scored 8 to 10 that you can focus on to maintain and improve. Repeat this every three months.

Entrepreneurial Qualities and Characteristics Improvement Worksheet

NAME: _____ DATE: _____ PAGE ____ of ____

No.	Improvement Statement	Action Plan	3 Month Results

Entrepreneurial Qualities and Characteristics Improvement Worksheet

NAME: _____ DATE: _____ PAGE ____ of ____

No.	Improvement Statement	Action Plan	3 Month Results

Module 2

Finding And Recognising Business Opportunities Part 1

1. Identify Your Full Business Opportunities
2. Identify Opportunities Arising From Your Current Business
3. Taking Advantage Of Situations And Circumstances
4. Magnifying (Amplifying) People And Events

*Ntsika Enterprise Promotion Agency,
with a focus of rendering non-financial support to SMME's
is part of The Department of Trade and Industry in South Africa.
Ntsika, along with the support of The European Union
assisted in the Initial Development of the
Turning Entrepreneurial Spirit Into Business Opportunities program
in conjunction with Knowledge Brokers International Limited.*

Finding And Recognising Business Opportunities

Learning And Business Development

Outcomes

By diligently studying and working through Modules 2 to 8, you can expect to have achieved the following Outcomes by the end of Module 8:

1. You will understand the definition of 51 different methods of finding and recognising business opportunities.
2. You will have been exposed to over 300 International and South African different “real life” examples of business opportunities that fit into these categories. The examples will help you anchor the definition and method to the “Real World of Business”.
3. You will be shown “how to do it” so you will be able to utilise any or all of the 51 ways to find your own business opportunities.
4. You will know what questions to continually ask yourself under each method to continually be alert to the “ever flowing” stream of business opportunities available around us.

To assist you in collecting any good ideas or possible business opportunities that come to mind during your venture through the 51 different ways to find and recognise business opportunities we have provided you with several Idea Catcher sheets. (Photocopy several of them before you write on them all) Keep one handy when you are reading through each different way of finding opportunities. Jot down any ideas that come to you. Also keep one with you throughout the day and have one sitting beside your bed to catch any ideas that come to mind as you are drifting off to sleep, awakening in the morning or awakening from a dream. Modules 2 to 8 will open the creative doors of your mind and the ideas and opportunities will flow ... so catch them while you remember them. If you are going through this material with a partner or team ask them to do the same.

In Module 9 you will learn about Evaluating Your Opportunities. There are 3 Tests - a one hour, one day and one month test. These tests will help you sift through your ideas and opportunities eventually narrowing them down to the “most likely” to succeed ones. **Best of Success!**

We suggest that first you may want to read through the 51 methods quickly (it will get the creative juices flowing) and then work your way through them slowly and contemplate on each one and search out the possible opportunities. Use your Idea Catcher.

Idea Catcher

Name: _____ Phone: _____ Cell: _____

Opportunity Category	Idea or Opportunity	Rating 0 - 10

Idea Catcher

Name: _____ Phone: _____ Cell: _____

Opportunity Category	Idea or Opportunity	Rating 0 - 10

Idea Catcher

Name: _____ Phone: _____ Cell: _____

Opportunity Category	Idea or Opportunity	Rating 0 - 10

Idea Catcher

Name: _____ Phone: _____ Cell: _____

Opportunity Category	Idea or Opportunity	Rating 0 - 10

1. Identifying Your Full Business Opportunities

What Is It?

Asking the question, “What business am I really in?” and offering goods and services across the full scope of that generic category of business. This expands the range of activities considered to be legitimate by any company in a sector of the economy.

Soap companies are in the cleaning business; book publishers are in the information business; railroads are in the transportation business. Opportunities arise from considering the full range of business you are in. Soap companies can produce items other than soap that can clean, for example.

What Are Some Examples?

1. A community newspaper realised they were in the information business. They published a newsletter in addition to their ongoing newspaper.
2. A chartered accountant firm realised it was in the business of financial control. In addition to their regular accounting, they hired a financial controller who acts as the controller for several small companies on a fee-for-service-basis. Their rent-a-controller business has been profitable.
3. A neighbourhood food store recognised that it was in the convenience business. In addition to food, it provided other products and services which would be considered a convenience by consumers. They provided video rentals, delivery service, easy parking, 24-hour service, hot snacks, and an array of other convenient items.
4. Barloworld's man CEO Gavin Knight in Angola – one sector in which Barlow Equipment is heavily engaged there is power generation. At the top end it provides large, technologically sophisticated generators to keep banks, factories, hospitals and mines in operation. The other end of the market comprises every business which has any hope of succeeding and just about every home-owner in the country for whom small generators are a daily necessity. It is a potentially lucrative slice of the power-generating market.
5. MI Diamond Cutting Works, Msa Mayaba's business has thrived over the past few years, evolving from a diamond trading operation to mining, cutting, polishing, jewellery and even security activities. It is now also a budding exporter, earning hard currency for the country.
6. Well over 11 000 would-be entrepreneurs have signed up as members of Unilever Net work since it launched in January 2003, with top achievers earning over R60 000 per month. The network's training partner provider is QED (Quality Executive Development). Unilever obviously asked the question “What business are we really in?” They are in the business of providing business opportunities with their products to other businesses and individuals. They have now ventured into network marketing with their products. In network marketing training is vital. Their Unilever Net work Academy operates in Johannesburg, Durban, Pietermaritzburg and Cape Town.
7. A local retail outlet selling Harley Davidson accessories was seeing a decline in sales due to the limited number of local customers. Recognising that Harley Davidson is international, the retailer expanded the business by promoting the products on the Internet and offering mail order sales.

How Would I Do It?

1. Ask yourself “What business am I really in?”
2. Look at the services and products you have, to identify which general categories of business they fit into.
3. Take the broad categories and identify other types of services or products in those categories that you could, but are not currently offering.

Key Questions:

- What additional products and services can I offer within that broad category of business?
- What other products or services could fall into the same category? Could I expand my operations to offer these additional items?
- What other products or services would fit with my business that existing customers would buy, or that would attract new customers?
- Is there a market for the additional product or services?

2. Identifying Opportunities Arising From Your Current Business

What Is It?

Analyse current business operations and assets to uncover new opportunities by redirecting your activities. This includes opportunities arising from both the strengths and weaknesses of the business. Strengths can be expanded and weaknesses corrected to provide new opportunities.

What Are Some Examples?

1. Daniel Mokoena, owns and runs Bloemfontein company La Costa Security. He started out as a policeman, after 9 years in the job; he took a position as an acting manager at a private security company for two years before resigning to open his own business in 2001. Since winning a tender at the SAPS to guard three of their facilities for one-year, he has tendered for the Department of Education and Public Works. Now he is opening a training centre to train guards for upcoming tenders he becomes involved in. An opportunity from his current business and experience.
2. Indwe is a Richards Bay business. Its business philosophy is to train and employ local people, use local sources of supply as far as possible, and thereby keep the resources generated by its operations within the area. This provides sound motivation to local companies and persons in need of on-going or once-off catering services to use Indwe rather than large competitors from outside the area. Indwe not only provides canteen services on a daily basis to industrial companies in the area, but also healthy, nutritious meals at reasonable prices to commuting factory workers, private persons and pensioners. The company is now also empowering its workers to start their own satellite food hawking businesses with freezer push carts. A further valuable service to the community and an opportunity from their current business.
3. Woolworth's new format with its stylish sit-down coffee sections is an opportunity arising from their current business.
4. A glass cookware company branched out into fibre optics, spinning glass fibres that now form the nervous system of modern telecommunications.
5. An aircraft manufacturing company had a fibreglass division which was underused when airplane sales were down. Instead of shutting down the division or laying people off, the division was asked to research additional products it could produce. Ultimately, a unique bathtub was designed and marketed. The design was so successful that a new company was formed to produce the tubs.
6. A.B.C. radio station was especially strong in talented people and state-of-the-art equipment. They capitalised on it by creating syndicated sports and public affairs programs that they marketed to other stations.
7. One organisation had a huge mailing list of customers. They did not use the mailing list for advertising. They recognised the weakness and contracted a direct mail list agent to computerise the list. They now use the list for advertising their own products, and also receive a rental fee for every time the agent rents the list to someone else.

How Would I Do It?

1. Take an inventory of your human, physical, and other operating assets to identify those which are currently under-used. You may find these in your:

a) land	j)	knowledge
b) equipment	k)	skills
c) plants	l)	experience
d) patents	m)	contacts
e) products	n)	reputation
f) systems	o)	market position
g) cash	p)	methods of distribution
h) credit	q)	location
i) licences	r)	trade marks
2. To uncover opportunities, explore your strengths by asking questions such as:
 - a) What areas do we excel in?
 - b) What areas are we innovative in?
 - c) What strengths do others tell us we have?
 - d) What alternative ways can we use our strengths?
3. Explore your weaknesses in a similar manner, with questions such as:
 - a) What areas are holding us back?
 - b) What areas are non-productive?
 - c) What do others see as our weaknesses?
 - d) What are we lacking that leaders in our industry have?
4. Use external consultants to explore your strengths and weaknesses.
5. Design strategies to improve your strengths, reduce weaknesses, or turn weaknesses into strengths.

Key Questions:

- What current strengths and weaknesses can we focus on to create additional business opportunities?
- What new opportunities can be identified after consideration of the current strengths and weaknesses?

3. Taking Advantage Of Situations And Circumstances

What Is It?

Providing goods and services for consumers as a response to situations and circumstances arising from man-made or natural events of the day. Typically, circumstances arise from social events, economic changes, new laws, environmental events, or similar happenings.

What Are Some Examples?

1. In the works is a nasty shock force would be car hijackers, called THE TERMINATOR. It is a high powered pepper spray stored in high-pressured canisters mounted in the car, linked to spray nozzles on the vehicles exterior. A foot operated switch unleashes a debilitating cloud of fumes effective over a range of 5 meters. It allows the driver to drive away to safety ... and the pepper spray is said to have no permanent physical damage to the attacker. André Aucamp, M.D. of Mibu International, says the device won't effect the vehicle warranty either. This is catering to a unique client group as well as capitalising on the problem of the high level of car hijacking in South Africa.
2. Facing growing consumer concerns about environmental impacts, logging companies often changes their forestry practices to cater to environmentally minded markets. Their suppliers can capitalise on this. The same applies for suppliers to companies like PetroSA, Eskom, Anglo American etc.
3. In a city where citizens were concerned about a health epidemic, a nurse became a distributor for a medical kit which could be easily used by anyone as a self-test for the disease.
4. 1995 Personal safety becomes key in the new S.A. Vodacom rolls out coverage to every corner of the country. Much of the company's advertising focused on 24-hour, seven-day a-week access to emergency service.
5. Iqbal Surve, is a Political Activist, Practising Doctor and Businessman. He set up the medical back-ups for whenever there were ANC rallies, making sure that people did not get injured or trampled on.
6. In Canada an unusually cold winter on the prairies became profitable for a British Columbia Hotel (where the winters are warmer) which stepped up its promotional activities on the prairies and put in an 800 telephone line for reservations. As a result, it doubled its occupancy.
7. After the volcanic eruption of Mount St. Helens, entrepreneurs developed souvenirs and novelties such as photographs, samples of dust, maps and other unique items for tourists and distributors.
8. Turning Adversity into Opportunity. Prestasi in the late 1990's found itself in dispute with its IT outsource provider Dexdata, which withheld the database, claiming a breach of agreement. Through a court challenge Dexdata returned the database but Prestasi was unable to read the tapes on which it was stored. They started afresh and built a new IT system. The core of the system is its customer relationship management (CRM) program called Autopilot, which manages company-client contact and takes care of business processes. "Autopilot is an indispensable part of the business process," says Prestasi IT manager Mart in Goodman. "It tells us how much business we've written, works out our claims ratio over any given period and gives us our return on investment. South African Insurers use this data now to establish premiums for clients and monitor their overall risk profile and claims ratio.

How Would I Do It?

1. Develop the attitude that every experience and situation provides an opportunity for someone.
2. Recognise situations and circumstances which you can take advantage of by:
 - a) observing mass media news in newspapers, radio, and television
 - b) analysing current news stories in magazines
 - c) keeping informed about local events
 - d) looking for unexpected changes in society, economics, legislation, politics, environment, or business that leave many people in an unfamiliar situation
3. Create a product or service that may do one or more of the following:
 - a) help people in their crisis (group therapy, useful supplies)
 - b) assist people to remember the event (souvenirs, museums)
 - c) provide an experience related to the event (trips, movies)
 - d) help people forget the event by diverting their attention (entertainment, activities).

Key Questions:

- Is there a situation which provides an opportunity?
- What product or service can I provide that is wanted or needed in this situation?
- What potential customer would purchase the product or service I want to provide?

4. Magnifying (Amplifying) People And Events

What Is It?

Magnifying or Amplifying the popularity and image of a special person, group, enterprise, or event through an image-making strategy in order to create market demand for related products and services.

What Are Some Examples?

1. Capetonian Mountaineers, Mike Nixon of Constantia, Chris Drummond of Rondebosch and André Bredencamp of Fresnaye flew off to Tibet on April 2, 2004 to be the only South Africans this year with a permit to climb the North Face of Everest. During the climb they will be sporting an asthma awareness blue ribbon on their chests. They plan to summit at the end of May and their time on the slopes will coincide with World Asthma Day in May. All three are property developers and their efforts will amplify them, amplify attention of the asthma problem in South Africa and the world, and magnify their businesses.
2. The City of Vernon, B. C., Canada has offered a million dollars for anyone capturing the lake monster "Ogopogo", that they claim lives in Lake Okanagan. They have now developed gift items centred around this monster and they use it to attract tourists. A Japanese "small submarine" came to look for it. International news ... The Loch Ness monster in Scotland had the same impact.
3. Sandton Square which is part of Sandton City Shopping Centre has unveiled a huge bronze statue of Nelson Mandela and re-named the square Nelson Mandela Square. A great tribute to the world's greatest statesman and an excellent business move to magnify or amplify the square.
4. Underneath the muscles and the make-up, film-dom's Terminator hero really sees himself as the Master Salesman. "And now most of my energies will go into selling California," says Arnold Schwarzenegger, the new Governor... Amplified
5. Destination Sports opened a new sports equipment retail store in Peter Place in Sandton and utilised Clear Channel Independent Satellite billboards of the new store. Cricket hero Brian Lara personally signed the cricket equipment billboard outside the Clear Channel Independent Office. Presenter B O Mosenke was on hand to interview Brian. This kind of addition to an advertising/marketing campaign can amplify or magnify your business. (Make it bigger than life).
6. Minibus taxi drivers in a race for R50 000 prize! Cape Town – In a first for SA, the Western Cape Department of Transport has announced that it will award prizes to the best performers in the minibus taxi industry. The taxi awards will reward skillful driving, roadworthiness, good customer service and good business management, which includes compliance with labour laws.
7. Robbin Island and Table Mountain are both examples of magnifications as well as Mark Shuttleworth going into space.
8. Sports Hall of Fame resort for Knysna. Knysna is to get a R1, 4 billion sports development that will include the country's first Hall of Fame. The West River Development, as it is to be called, will have from a five-star hotel to an 18-hole golf course and a sports hall of fame as the centerpiece. Director Greg Metzger says the project will be built on the Knysna River Reserve on 180 hectares of bushland that consists of abandoned farmland and invasive scrub. Construction is expected to start by the end of this year (2004) and the entire project is expected to generate 900 permanent jobs

How Would I Do It?

1. Look around for an event, person, group, or opportunity that has the potential to be magnified through careful publicity and promotion. For long-term success the object to be magnified must have the ability to capture people's imagination. You might focus on an existing object or create a situation yourself as the basis for the magnification. Opportunities could come from:
 - a) athletes
 - b) entertainers
 - c) politicians
 - d) business speakers
 - e) beauty queens or kings
 - f) special features of an area such as mountains, rivers, industries
 - g) new worthy events
 - h) performance of special feats by doctors, scientists, stuntmen
 - i) imaginary people and things
2. Devise a promotional and publicity strategy for the object, and brainstorm the off-shoot products and services that could be marketed.
3. Investigate and get professional advice on contracts, patents, and licences.
4. Contact all people involved and make a proposal. In the case of an event, begin to organise it.
5. For a project or event being promoted by someone else, explore related products and services you could provide as part of their promotional scheme.

Key Questions:

- Who or what could become magnified to become the object of an income-generating enterprise, with proper publicity and promotion?
- What product or service could be sold in relation to a person, place, or event which has been magnified to capture the imagination of the public?
- Could I provide the necessary publicity and promotions?
- Could I create a demand for the product or services I have in mind? How?

Exercise 1

From the Opportunity Description draw a line to the correct Opportunity Finding Title

Description

Business Opportunity

Asking the question, "What business am I really in?" and offering goods and services across the full scope of that generic category of business. This expands the range of activities considered to be legitimate by any company in a sector of the economy.

Soap companies are in the cleaning business; book publishers are in the information business; railroads are in the transportation business.

Opportunities arise from considering the full range of business you are in. Soap companies can produce items other than soap that can clean, for example.

**Identifying Opportunities
Arising From Your Current
Business**

**Taking Advantage Of
Situations And Circumstances**

Magnifying or Amplifying the popularity and image of a special person, group, enterprise, or event through an image-making strategy in order to create market demand for related products and services.

**Identifying Your Full Business
Opportunities**

Analyse current business operations and assets to uncover new opportunities by redirecting your activities. This includes opportunities arising from both the strengths and weaknesses of the business. Strengths can be expanded and weaknesses corrected to provide new opportunities.

**Magnifying (Amplifying)
People And Events**

Providing goods and services for consumers as a response to situations and circumstances arising from man-made or natural events of the day. Typically, circumstances arise from social events, economic changes, new laws, environmental events, or similar happenings.

Go back through this module and confirm your answers.

Exercise 2

Opposite the example write in the kind of Business Opportunity the example is. Do this without looking up the example in this module

Example	Business Opportunity
<p>1. Sandton Square which is part of Sandton City Shopping Centre has unveiled a huge bronze statue of Nelson Mandela and re-named the square Nelson Mandela Square. A great tribute to the world's greatest statements and an excellent business move to magnify or amplify the square.</p>	
<p>2. An aircraft manufacturing company had a fibreglass division which was underused when airplane sales were down. Instead of shutting down the division or laying people off, the division was asked to research additional products it could produce. Ultimately, a unique bathtub was designed and marketed. The design was so successful that a new company was formed to produce the tubs.</p>	
<p>3. A community newspaper realised they were in the information business. They published a newsletter in addition to their ongoing newspaper.</p>	
<p>4. 1995 Personal safety becomes key in the new S.A. Vodacom rolls out coverage to every corner of the country. Much of the company's advertising focused on 24-hour, seven-day-a-week access to emergency service.</p>	
<p>5. A local retail outlet selling Harley Davidson accessories was seeing a decline in sales due to the limited number of local customers. Recognising that Harley Davidson is international, the retailer expanded the business by promoting the products on the Internet and offering mail order sales.</p>	
<p>6. Robbin Island and Table Mountain are both examples of magnifications as well as Mark Shuttleworth going into space.</p>	
<p>7. Iqbal Surve, is a Political Activist, Practicing Doctor and Businessman. He set up the medical back-ups for whenever there were ANC rallies, making sure that people did not get injured or trampled on.</p>	
<p>8. A glass cookware company branched out into fibre optics, spinning glass fibres that now form the nervous system of modern telecommunications.</p>	

Go back through this module and find the example to see if your answer is correct.

Module 3

Finding And Recognising Business Opportunities Part 2

5. Capitalising On A Growth Trend
6. Taking Advantage Of A Market Switch
7. Taking Advantage Of A Fashion Opportunity
8. Second-try Situations
9. Catering To Left-behind Markets
10. Transferring Concepts From One Industry To Another

*Ntsika Enterprise Promotion Agency,
with a focus of rendering non-financial support to SMME's
is part of The Department of Trade and Industry in South Africa.
Ntsika, along with the support of The European Union
assisted in the Initial Development of the
Turning Entrepreneurial Spirit Into Business Opportunities program
in conjunction with Knowledge Brokers International Limited.*

5. Capitalising On A Growth Trend

What Is It?

Offering a product or service in an industry or activity which increasing numbers of people are becoming engaged in.

What Are Some Examples?

1. Herman Mashaba, owner of Black Like Me, has an incredible instinct. Over the past 18 years with Black Like Me, he has carefully monitored and made creative allowances for changing trends and time progressed. He says "I had grown up with a consciousness of what it meant to be black in South Africa. I was fully aware of how the needs of black consumers were not considered or catered for and I felt a great need through my business to correct the situation. I wanted to produce a product of high quality, with a solid and enduring image, that was affordable and widely distributed to the extent that it became a household name so that every black person would feel the need to embrace it."
2. Stefan Lauber, i-Fundi Development Solutions is a commercial call centre who offers call centre training for unemployed young people from previously disadvantaged backgrounds and then looks for Companies interested in employing the trainees once training is completed. "Training takes place in a real call centre – not a classroom – so graduates are able to apply what they have learned in the workplace. In addition to technical skills, the program gives participants the life skills necessary to succeed in the job market," said Stefan Lauber. There are many opportunities with call centres which is a growth trend, especially in S.A.
3. To capitalise the growing trend toward natural health care, many Pharmacies now offer natural health care products along with conventional products.
4. The growing interest of tourists in eco-tourism led a tourism adventure company to specialise in ecologically minded tours, providing travellers with unique, authentic cultural experiences that interfere with the natural environment as little as possible.
5. There is a growth trend toward personal fitness and health. Several firms are manufacturing equipment for maintaining physical fitness, while others are offering keep-fit classes to capitalise on the trend. One company developed and markets digital jogging meters to monitor heart rate while running.
6. A woman who manufactured facial cream expanded her marketing strategy from women to men, taking advantage of men's increasing interest in health and skin care.
7. The tremendous growth in people trying to release their own personal potential has been paralleled by the growth in companies providing seminars, books, conferences, and retreats for people interested in this area.
8. Rinus le Roux, has capitalised on this Growth Trend here in South Africa. As a "Human Potential" speaker he is in front of large and small audiences over 100 times a year. He has a regular column in the "Workplace" section of The Star newspaper, is regularly seen on T.V. and heard on Radio. His recent book "Personal Greatness" is rapidly becoming one of the top Human Potential books in the S.A. market.

How Would I Do It?

1. Identify the growth trends by:
 - a) reading books which describe social and economic trends.
 - b) reading futurist magazines
 - c) talking to community trend-setters
 - d) asking librarians which books are most popular
 - e) observing growth trends in other areas or countries
 - f) observing the expansion of new retail specialty stores
 - g) attending speeches by innovative leaders in society
 - h) asking people who travel frequently for their impressions of growing trends or factors in other places which may affect directions of local society.
2. Make a list of growth trends, and select those which particularly interest you, based on your knowledge, experience and potential abilities.
3. Study specific growth trends in depth to find out the causes, main issues, effects on society, and future possibilities.
4. Look for an opportunity within the trend that you can profit from by introducing a product or service.

Key Questions:

- What growth trend could I provide a service or product for? What product or service could I offer?
- What activities or industries are likely to experience growth in the future?
- What products or services could I provide that would fit into a current or future growth trend?
- What potential customers have indicated a need for the product or service I am considering?

6. Taking Advantage Of A Market Switch

What Is It?

Providing products or services for a group of consumers who have moved from one type of product to another on a long-term basis. Market switches relate to long-term changes in types of products and services used by consumers.

What Are Some Examples?

1. Before the surging popularity of DVD's led major Hollywood studios to focus on the home video market, black filmmakers saw the advantage there. Filmmakers of all ethnicities have gone straight-to-video for years. But black films were among the first to prove this market was more than a dumping ground and they have subsequently paved the way for other genres traditionally shut out of theatres. Not only could they target their films directly to their audiences, but with smaller budgets, they stood a better chance of making money. The option to go direct to DVD saves on the high costs to release a film theatrically. Nick Shepherd, chief of marketing and merchandising for Blockbuster said "There is now a big requirement to stock our shelves in certain demographics with certain localised tastes." Ethnic genres are part of the booming R13 billion direct-to-DVD market.
2. Market Switch From Video's to DVD's. "The attraction of DVD's is the enhanced entertainment experience. The digital image coupled with incredible image coupled with incredible sound quality brings the product to life," said Charles Kuhn, CEO of the Gallo Music Group. Music DVD's now constitute about 8.5% of Gallo music sales revenue across all music formats (CD, cassette and DVD) as compared with 4.5% in the year to December 2002.
3. To take advantage of the market switch from large to small cars, one company designed and manufactured bicycle and ski racks designed for small cars. Another company specialises in remanufacturing Japanese and European engine and cylinder heads.
4. The switch from traditional children's bicycles to BMX bikes provided an opportunity for a bicycle shop to start a BMX racing club and racing tracks. This involvement in racing captured a large share of the BMX market.
5. One businesswoman took advantage of the market switch from record albums to cassette tapes by packaging cassette recorded head cleaning kits.
6. Another opportunity that could be considered - a Market Switch is the quote as being set by government and large corporations as to the percentage of their suppliers having to be Black Empowered or Black Owned. Astute "Business People of Colour" in combination with forward thinking "Non-colour Business People" are truly capitalising on this switch. Money is available from banks and other groups for previously "Historically Disadvantaged Individuals" to buy into existing companies and ventures. This is being done at a phenomenal rate opening up opportunities for the new partners who are buying into the companies and new doors are opening for the original owners. The wealth base is rapidly spreading in S.A.

How Would I Do It?

1. Analyse major changes in consumer buying habits by:
 - a) reading marketing research reports
 - b) investigating current fads that could turn into long-term changes
 - c) observing new products which are becoming increasingly popular
 - d) looking for trade association research forecasts
 - e) analysing changes in the types of products you personally buy, especially where items are obsolete and are replaced by items with entirely different characteristics.
2. Find the product which is associated with a market switch by:
 - a) analysing the advantages of new products to find those which are greatly superior, and will likely replace more traditional items
 - b) looking for new technologies or new products based on concepts which are revolutionary for an industry.
3. If a major product or service has not yet been provided for changing consumer needs, fill the demand.
4. If the major product exists in the switch, decide on a related service or product that can be used in association with the major product.

Key Questions:

- Where is there a market switch happening in the consumer market and how can I take advantage of it?
- Can I address a current market switch to providing the major product or service?
- Can I provide secondary products or services related to a market switching to a major product or service?
- Have potential customers indicated a need for the product or service I am thinking of offering?

7. Taking Advantage Of A Fashion Opportunity

What Is It?

Providing a product or service that caters to an up-to-date or prevailing style in dress or behaviour. The fashion may be something which already exists, is ready to be recycled from previous times, or does not exist as yet.

A related opportunity concerns fads, which are similar to fashions, but are more intense and a shorter duration. Because of their rapid rise and fall in popularity, fads require much quicker response in providing goods and reducing inventories.

What Are Some Examples?

1. There is a thriving t-shirt industry in S. A. which caters to a broad fashion opportunity of t-shirts with a message, and at the same time serves faddish interests through the signs and pictures onto the t-shirts.
2. Several companies are focusing on young urban professional life styles as fashion. Expensive foreign cars, high quality rental housing and furniture, high style clothing, and quality restaurants are included in the services provided.
3. Double breasted suits are an example of a fashion which recycles over periods of time. Clothing manufacturers and retailers can take advantage of this fashion by predicting when it will return.
4. The growing popularity of "boarding" – skateboarding, surfing and snowboarding – has been accompanied by related clothing. Companies distribute boarding fashions to stores selling and servicing boarding equipment.
5. Hip-Hop or Freestyle Dancing is a new exercise craze for the fitness fanatics. All these moves are fast paced, choreographed to complement the tight hip-hop jams. The gear worn to these classes is funky, and ranges from fashionable tracksuits and sneakers to tank tops and cargo pants. Clinton Shalkoss has been coaching these classes for 3½ years and said "There is a huge following for these kind of classes because this dance is out of the ordinary and fun. Every class is different and unique. The moves are not repetitive and that is what draws so many people to them." These classes are available at Virgin Active & Planet Fitness. (Maybe a Fad)
6. Stephan Brad Golden launched his new fashion label, Steph G. Re-Evolution at a massive event at Kilimanjaro's Night Spot at Melrose Arch in Johannesburg. He described his designs as "cutting edge" fashion and style, funky, yet subtly confident, with an attitude that boasts arrogance and definition. It is unisex. The guy's range is very high fashion and is denim wear, street wear, with its origins in R&B and hip hop from the U. K. and U. S.A. The ladies' wear is funky, very sexy and colourful and gives life and

great energy. This vision is to be controversial. How does a designer make it if he/she has not gone to design school? According to Stephan it comes from within and you have to know what people want. He follows the European trends when preparing a collection. He is also a Fashion TV addict. He also watches a lot of MTV, does a lot of window shopping and reading of magazines. In just six months he has several South African celebrity clients. Over and above his fashion clothing designing he manages two stores, Hydraulics in Sandton and Eastgate where he launched his Limited Edition. With his Limited Edition a portion of all clothing sold goes to the Reach for A Dream Foundation. Obviously he is an entrepreneur with a heart, knows how to amplify and keeps other income coming in while building his own brand.

How Would I Do It?

1. Choose a subject area you wish to use as a focus for your work in fads and fashions. Some examples are toys, clothes, lifestyle, recreation, or business.
2. Identify current fashions by analysing magazine advertisements, fashion trade publications, and other leading-edge magazines from the industry you have selected. (Watch fashion T.V.)
3. Read popular magazines which cater to fashionable people.
4. Observe fashions and fads in the United States and Europe as well as other parts of the world.
5. Find contacts in the major fashion centres of the world, develop and maintain an information exchange with them.
6. Attend trade and fashion shows.
7. Think of ways to transfer fashion ideas from other industries to your own areas of interest.
8. Imitate fashions from popular movies, television series, and lifestyles of famous people, MTV etc.
9. Develop fads for events such as World Fairs, Local and International Conferences, World Cups, Sports events, annual celebrations, large conferences, or other well-known activities.

Key Questions:

- What industry or event could I use to capitalise with a fad or fashion venture?
- What items from past eras are ready to become popular again?
- What upcoming events could I use as the basis for a fad?
- Is there a market for the idea I have in mind?

8. Second-try Situations

What Is It?

Finding a good product that has failed for a variety of reasons in the past, and devising a new strategy for making it succeed.

What Are Some Examples?

1. A Cruise Ship was not doing well until it was taken over and remarketed by another company.
2. An inventor failed to market a foot massage successfully. A woman with a flair for marketing took the product and helped it succeed by using new marketing techniques.
3. A restaurant with a good concept failed because of poor management. A second-try management was successful.

How Would I Do It?

1. Ask business consultants and advisors if they know of good products or services which have failed because of poor management, marketing or other factors which you can improve through a second-try.
2. Look for business failures and analyse them to identify situations where you can organise a second-try by solving the original problems. The failures can be found by watching for bankruptcy notices, talking with bankers, watching auction notices, reading trade newsletters, or talking to accountants who specialise in receiverships.
3. Look for ideas that were ahead of their time and failed, or which were successful and became out of style at some point. Read old magazines and catalogues for ideas whose time has come again.
4. Run newspaper advertisements asking for good products which people tried to market and failed.
5. Identify your strengths and look for second-try opportunities where your talents would be the strategic factor for success.

Key Questions:

- Where is there a service or product or a business which failed in the past, that could be made successful by factors such as a new marketing program, new management techniques, new finance, or new business strategy?
- What changes would be needed to successfully re-introduce the product or service I am considering? Could I carry out those changes?
- What potential customers have indicated that the re-introduced product or service could succeed now?

9. Catering To Left-behind Markets

What Is It?

Catering to markets which have been left behind by companies for the following reasons:

1. Companies are competing on the leading edge of a technology and have decided not to service markets based on older technologies
2. Companies have become so large that they cannot or do not wish to handle small-lot orders
3. Companies are expanding into different markets so quickly that they are unable to service all of them properly.

What Are Some Examples?

1. When most large oil companies stopped making premium leaded gas, one company was able to cater to the market left behind by the others.
2. Large airlines cannot afford to service small communities, leaving a market for small commuter airlines.
3. A dairy packages milk in bottles. Other dairies package milk in cardboard containers, leaving a market of people who prefer milk in bottles.
4. Obtaining parts for antique cars, tractors, boats, and other equipment is difficult for hobbyists in those areas, and left-behind markets exist for companies to replace the supply from original manufacturers.
5. A company developed a website to provide customers with out-of-print books.
6. Liz Kenyon runs revision, and speed building classes in both Teeline and Pitman's shorthand. That is a left-behind market.
7. Mill Wrights build parts for equipment that is old and the original manufacturers can't supply. Eskom, SAPPI, the big mining companies all have equipment and machinery that need parts.
8. Tony Bath has started his own "Self Employed" Life Style Business by focusing on a Left-behind Market. Builders, contractors and Professional Tradespeople often won't bother with small residential renovation jobs, which leaves a Left-behind Market. In most cases their hourly rates would be too high for the individual or small landlord. Being handy with renovation tools and a background in renovation and design Tony has started doing small renovation jobs in apartments and homes and earning a substantial amount of money.

How Would I Do It?

1. Identify areas of technology which many companies are moving into, and analyze the markets left behind as a result of those moves.
2. Identify companies who have changed their products or services and find their previous customers who require a continued supply of the former type.
3. Identify products which become obsolete quickly but are still useful and have a long-life. Analyze services which are left behind by companies which continuously focus on the newest models as they arrive in the market.
4. Look for industries which have taken a new direction to appear up-to-date, and analyze the opportunities created by the move from previous ways of operating.

Key Questions:

- Where has the market opportunity been left behind as a result of changes to keep up-to-date in technology, products, or approaches to business?
- Which of these changes may have resulted in previous markets being discarded or left behind?
- What other discarded markets do I know of?
- How many potential customers have indicated there is still a need for the discarded services or products I have in mind?

10. Transferring Concepts From One Industry To Another

What Is It?

Taking an idea or method from one industry and transferring its use to another industry.

What Are Some Examples?

1. A company which used a specific process to join electrical cables side by side took the same technique to splice rigging for sailboats.
2. A video store noticed that customers did not like to carry video machines home, so a video-to-go service was set up to deliver rental machines to homes. The idea was based on the fast-food delivery concept used by pizza, chicken, and Chinese food outlets.
3. The idea of keeping animals in cages was transferred to the fish farming industry, which raised fish in large cages located in bodies of coastal water.
4. Concepts of computerized inventory control were transferred to feed rationing in the cattle industry, where each cow is fitted with a device which permits computers to automatically record and limit daily food intake by controlling the cow's access to a feeding trough. Eventually we will probably see this done for humans.
5. A small entrepreneur started up a day-care service for dogs – the “children” in the family – for families not wanting to leave their pet home alone all day.
6. Shopping centers in the U. S.A. are now providing “husband care” drop off outlets so the husbands are kept busy while the woman shop.

How Would I Do It?

1. Notice a good idea and think of other industries or settings where it could be used.
2. Identify a problem which needs to be solved in an industry or sector of the economy and look for potential solutions in other industries which can be transferred.
3. Assess the potential effects of using the ideas or procedures from one situation to solve the problems in another.
4. Develop a method of applying the ideas from one industry to the problems of another.

Key Questions:

- How can this successful idea or product be transferred to another industry?
- What successful idea or product from another industry can help solve a problem, or create an opportunity in my own industry?
- What ideas or concepts do I know that have been especially successful? In what industries have these been used?
- What good ideas could I adapt to another industry or activity?
- Is there a market for the product or service that is created as a result of a transferred idea?

Exercise 1

From the Opportunity Description draw a line to the correct Opportunity Finding Title

Description	Business Opportunity
<p>Taking an idea or method from one industry and transferring its use to another industry.</p>	<p>Capitalising On A Growth Trend</p>
<p>Finding a good product that has failed for a variety of reasons in the past, and devising a new strategy for making it succeed.</p>	<p>Taking Advantage Of A Market Switch</p>
<p>Providing products or services for a group of consumers who have moved from one type of product to another on a long-term basis. Market switches relate to long-term changes in types of products and services used by consumers.</p>	<p>Taking Advantage Of A Fashion Opportunity</p>
<p>Catering to markets which have been left behind by companies for the following reasons:</p> <ol style="list-style-type: none"> 1. Companies are competing on the leading edge of a technology and have decided not to service markets based on older technologies 2. Companies have become so large that they cannot or do not wish to handle small-lot orders 3. Companies are expanding into different markets so quickly that they are unable to service all of them properly. 	<p>Second-try Situations</p>
<p>Providing a product or service that caters to an up-to-date or prevailing style in dress or behaviour. The fashion may be something which already exists, is ready to be recycled from previous times, or does not exist as yet.</p> <p>A related opportunity concerns fads, which are similar to fashions, but are more intense and a shorter duration. Because of their rapid rise and fall in popularity, fads require much quicker response in providing goods and reducing inventories.</p>	<p>Catering To Left-behind Markets</p>
<p>Offering a product or service in an industry or activity which increasing numbers of people are becoming engaged in.</p>	<p>Transferring Concepts From One Industry To Another</p>

Go back through this module and confirm your answers.

Exercise 2

Opposite the example write in the kind of Business Opportunity the example is. Do this without looking up the example in this module

Example	Business Opportunity
<p>1. Herman Mashaba, owner of Black Like Me, has an incredible instinct. Over the past 18 years with his Black Like Me, he has carefully monitored and made creative allowances for changing trends and time progressed. He says “I had grown up with a consciousness of what it meant to be black in South Africa. I was fully aware of how the needs of black consumers were not considered or catered for and I felt a great need through my business to correct the situation. I wanted to produce a product of high quality, with a solid and enduring image, that was affordable and widely distributed to the extent that it became a household name so that every black person would feel the need to embrace it.”</p>	
<p>2. Shopping centres in the U.S.A. are now providing “husband care” drop off outlets so the husbands are kept busy while the woman shop.</p>	
<p>3. The growing popularity of “boarding” – skateboarding, surfing and snowboarding – has been accompanied by related clothing. Companies distribute boarding fashions to stores selling and servicing boarding equipment.</p>	
<p>4. The switch from traditional children’s bicycles to BMX bikes provided an opportunity for a bicycle shop to start a BMX racing club and racing tracks. This involvement in racing captured a large share of the BMX market.</p>	
<p>5. A company developed a website to provide customers with out-of-print books.</p>	
<p>6. An inventor failed to market a foot massage successfully. A woman with a flair for marketing took the product and helped it succeed by using new marketing techniques</p>	
<p>7. A company which used a specific process to join electrical cables side by side took the same technique to splice rigging for sailboats.</p>	
<p>8. There is a thriving t-shirt industry in S.A. which caters to a broad fashion opportunity of t-shirts with a message, and at the same time serves faddish interests through the signs and pictures onto the t-shirts.</p>	

Go back through this module and find the example to see if your answer is correct.



Module 4

Finding And Recognising Business Opportunities Part 3

11. Combining Two Or More Assets Into A New One
12. Plussing An Existing Product Or Service
13. Finding Uses For Waste Materials
14. Discount Selling
15. Adding Value To Existing Products
16. Planning And Promoting Events
17. Identifying Market Gaps Or Shortages And Filling Them

*Ntsika Enterprise Promotion Agency,
with a focus of rendering non-financial support to SMME's
is part of The Department of Trade and Industry in South Africa.
Ntsika, along with the support of The European Union
assisted in the Initial Development of the
Turning Entrepreneurial Spirit Into Business Opportunities program
in conjunction with Knowledge Brokers International Limited.*

11. Combining Two Or More Assets Into A New One

What Is It?

Combining two different products or services to create a new offering. Ideally, the interaction of the original items creates something which is unique and more marketable than the separate items alone. These items can be products, services, people, businesses, or assets and they can be owned by separate people and companies.

What Are Some Examples?

1. A sun tanning parlour and a beauty salon owned by the same woman were joined together in the same facility to offer an expanded range of services. Business improved for both.
2. In an American city, a Laundromat and a cocktail lounge were combined so that people could have a drink and talk while waiting for their clothes. "Suds & Duds"
3. Sales of cranberry juice were dramatically increased by combining it with other fruit juices to create a new range of drinks. "Cooler Drinks like Smirnoff Ice, Bacardi Breezer are examples of this as well.
4. A comprehensive home maintenance and repair business was established by combining services of several tradesmen.
5. A computer retailer joined with an educational company to provide full service sales and training on equipment.
6. A web designer, graphics designer and writer/editor joined forces to offer companies full web site development services.
7. Engen Garage and Foodstore on William Nicole Drive now houses a Woolworths Food Stop within the Engen Garage... the Engen Garage's Food Store sales have gone up 100% in volume (Not including Woolies sales)
8. Exclusive Books and Seattle Coffee Shop under one roof in Hyde Park.
9. Benji and Shireen Premraj closed down their business, outsourced the core functions of their original business and started a new business, UKD Marketing. This business concentrated on marketing and selling the products they used to make. The Premrajes source clients and work and forward it to the businesses in the factory, which then produce the furniture. The products are sold in stores like Bradlows, Price and Pride, Ellerines and a number of independent stores throughout South Africa. Their strategy awarded them the Business Partners Entrepreneur of the Year Award for 2003.
10. West Coast Professional Painters began just over 2 years ago with 2 partners, namely Charles Arendse and Shang Oor. They specialise in corrosion protection, sandblasting and spray-painting, marine and industrial coatings, and the painting of concrete and steel structures. At present, they are in the process of starting up a joint venture with a larger company, which will enable them to take on larger contracting jobs. This will be done by combining two assets.
11. 1997 Vodacom opens its customer service centre and shopping mall, Vodaworld, in Midrand. Existing and potential customers can now go to one venue to have all their needs taken care of ... by various franchisees as well as Vodacom. The Oriental Plaza is a similar concept and the Market in Rosebank on Sundays.

How Would I Do It?

1. Start with a business, idea, or product that interests you, and ask what could be integrated with it to create something unique, where the whole is greater than the sum of the separate parts.
2. Identify needs of various customer groups which could be served by integrating two or more existing products or services.
3. Look at various possibilities to see what will fit together. Use Lists of business topics (index for the telephone yellow pages) and imagine the effects of different combinations among the topics listed.
4. Talk with potential customers to find out whether there is a market for the combination of products or services you want to offer.

Key Questions:

- What items or services could be combined to create a new opportunity?
- What combination of products or services would provide added value or convenience to customers?
- What suitable combinations could I handle?
- How many potential customers have indicated that there is a need for the end product I am considering?

12. Plusing An Existing Product Or Service

What Is It?

Improving an existing product or service by making it:

- (a) more valuable through upgrading the quality (b) more cost-efficient to produce or purchase
(c) more convenient (d) more comprehensive
(e) more economical to use (f) more powerful or durable

The new item is a "Plus" over the previous ones because it has one or more features which are an improvement. Its value is greater because of the improvements.

The difference between Plusing and Adding Value to an Existing Product, is that in Plusing you do not purchase the product as a base for your additions; instead, you use the idea from the previous products and create a completely separate item or service.

What Are Some Examples?

1. Photography processing businesses that have set up to plus the competition by processing film within a few hours instead of the normal wait of several days for return of prints.
2. One woman writes alternative instruction manuals for computer software programs. The manuals are easier to use and understand than those enclosed with the software.
3. A company manufactures pickup truck and recreational vehicle bumpers with storage space for equipment and supplies.
4. A masseuse provides an on-site massage therapy service where she travels to offices with a specialised chair to give workers neck and shoulder massages.
5. Micro-MBA, offers a five-day course aimed at boosting the skills of township-based business owners, as opposed to its previous focus on the unemployed. The Course is offered countrywide and in five languages and it explores business skills such as marketing, pricing, costing and selling and costs R600. Veliswa Sikweza of Khayelitsha in Cape Town tripled her income after learning how to use a computer to do her book-keeping which has helped her run her business better. Their service works!
6. Most farms are fitted with traditional incandescent lamps, which convert a mere 20 percent of electrical energy into light and the other 80 percent into heat. The impact of this becomes more obvious when considering the use of lighting on farms, which includes:
 - Extending the period of light in poultry pens and animal barns.
 - General light, permitting easy and safe operations of activities.
 - Security and convenience.
 - Increase crop production in greenhouses by increasing the daylight period on short or cloudy days thereby increasing crop yields.

This is where an energy efficient Compact Fluorescent Lamp (CFL) offers farmers the opportunity to reduce their overheads and improve the

efficiency of their farming operation. These lights burn for an average of 6 000 hours, which is six to eight times longer than normal incandescent globes, reducing energy usage by up to 80 percent, while providing more light. Philips Lighting has introduced a range of easy-to-install energy efficient lamps, one of which is the Genie lamp. The Genie CFL fits all light bases with a screw or bayonet fitting, so there is no need to change the bases. These lamps generate more light than their equal wattage counterparts and have a much longer lamp life, reducing maintenance costs and saving time. To help farmers lower their light bills and improve operations, Philips Lighting, in conjunction with Eskom (DSM), launched the "Mega-Watt Saving Project". This meant that farmers purchased a 14 Watt Philips Genie for R15,99 at any participating agricultural cooperative/company. For each Philips Genie energy saving lamp purchased over a couple of months period, a donation was made to the Family and Marriage Society of South Africa (FAMSA). Philips Lighting was plusing an existing product through improving the product plus partnering (combining) with Eskom and assisting the Family and Marriage Society of South Africa. (FAMSA)

How Would I Do It?

1. Select an existing product or service you would like to compete with and analyse the strengths and weakness of the competition. Then identify the factors you could improve, and think of various ways you could provide improvements.
2. Identify faults in existing products or services which you can eliminate in a similar product or service. Then imagine various alternatives which might be tried, and ask "What if ...?" to think up creative ways of improving existing products and services.
3. Talk to potential customer to find out if there is a market for the product or service you plan to offer.

Key Questions:

- How can I provide a product or service that is better than the existing ones?
- How can I Plus an existing product or service to make it more marketable?
- What products or services need improvements?
- Will my improvements to a product or service add value or reduce the price for the consumer?
- Is there a market for my improved products or service?

13. Finding Uses For Waste Materials

What Is It?

Taking by-products, left-over materials, and other resources discarded by individuals or companies, and processing them to produce useful goods.

What Are Some Examples?

1. Bertie Bergh, started Passive Engineering, a recycling company that makes moulds out of used plastic he obtains from mines. He operates from a factory in Pretoria and has 24 employees. His turnover has grown about 65% in just one year.
2. Patrice Motsepe, a lawyer started his entrepreneurial career by coming to an agreement with a Gold Mining Company to utilise the dust left from the gold mining. With a special process for extracting gold from the dust he created a business.
3. A company takes pieces of lumber which would be too short for most uses; finger joints them together to create longer pieces, and sells the lumber for door frames and trim.
4. A company buys old mainframe computers from corporations, salvages the precious metals and alloys, and recycles them for other products.
5. A businessman purchases infested timber, peels the logs into thin strips, compresses them, and sells the product as decorative wall panels.
6. A Canadian entrepreneur contacted a chicken processing plant which formerly discarded large volumes of chicken feet and asked to take them away. He froze the feet, sold and shipped them to China where they were cooked, combined with sauces, packaged and exported back to Canada as a Dim Sum delicacy.
7. A diesel generating plant in Canada uses its exhaust to heat an adjacent greenhouse, where they grow vegetables in the winter for sale. (Can some of our Industrial Plants in S. A. do the same?)
8. Emily Lucas from Alexandra cleans Bill Gibson's offices. She saw the amount of paper being discarded as an opportunity for extra income. She stores the paper in a special place at the office and once a month a friend of Emily's drops by, picks up the paper and takes it to a recycled outlet where they get paid. She gives him 25% she keeps 75%.

How Would I Do It?

1. Find waste materials which can be re-used. Try the following suggestions:
 - a) take inventory of all products discarded from your existing business operations
 - b) identify obsolete products which are no longer used in an industry, but which remain in storage
 - c) observe materials handled by recycling companies, local waste product dumps, demolition specialists, and truck junk-pick-up services.
2. Read traded publications to identify by-products which are causing problems for processing and manufacturing plants.
3. Read technology magazines to identify new processes which use waste products as a source of materials.
4. Analyse the values, to other producers, of waste products in their original form, as parts, or materials in a recycled form.
5. Identify uses of materials which result in more valuable products than existing uses of the same materials.
6. Study recycling of waste products in other parts of the world and develop similar systems in your local area.
7. Talk to potential customers to determine whether they would buy your product.

Key Questions:

- What waste material can I make use of in a productive way?
- Which of these waste materials could be used to produce something useful and saleable?
- What waste products are costly or difficult for an industry to dispose of, which would therefore be available to me at little cost?
- Is there a market for the end product I am considering? Have potential customers said they would buy it?

14. Discount Selling

What Is It?

Obtaining goods through various low-cost sources and reselling them at a lower-than-market level.

What Are Some Examples?

1. Both T time and it s rival no-frills airline, kulula.com offer discount ed fares on high volume routes e.g. JHB to CPT
2. OUTsurance, the up-and-coming insurance company has caused a stir in the industry by cutting out insurance brokers, and passing on the commission to the client as an Outbonus if the client has not claimed within the first 3 years.
3. A retail store buys time-expired, bankruptcy, production over-run, and manufacturers' clearance stock and resells it.
4. One woman buys Christmas cards that individuals and companies have not used, repackages them, and resells them at a discount.
5. A common practice is to have products manufactured in Countries with lower labour costs, and then imported and sold at discount prices.

How Would I Do It?

1. Decide what type of goods or services you want to market at a discount.
2. Locate sources of supply which will sell to you at an extremely low price, including:
 - a) bankrupt companies
 - b) manufacturers with seconds
 - c) companies with custom orders not sold
 - d) companies with oversupply of goods they cannot sell
 - e) companies with out-of-season leftovers
 - f) companies in need of immediate cash
3. The kinds of people who can assist you in finding these companies are:
 - a) sales agents
 - b) discount operators in other non-competitive markets
 - c) bankers and receivers
 - d) trade association staff members
 - e) accountants
 - f) distributors
 - g) marketing consultants
4. Join a buying group that has been organised for discount buying.
5. Make arrangements for your supplies, and start selling.

Key Question:

- Where can I find a source of supplies which I could buy and sell at a discount?

15. Adding Value To Existing Products

What Is It?

Taking an existing product or service and adding materials or services to create a more valuable end product. To add value, you purchase the product or service and use it as a base for operations you want to do before reselling it in a changed form.

The value can be added in several ways:

- (a) putting the product through an additional process
- (b) combining the product with other products
- (c) offering the product as part of a larger package
- (d) removing something to change the original use

What Are Some Examples?

1. A student who was operating a home painting business expanded his operations by buying unfinished furniture painting and reselling it.
2. A businessman bought irrigation pipes, rolled them into oval shapes, screwed fittings onto them and marketed them as sailboat masts.
3. A co-operative provides commercial kitchen facilities to small producers of value-added agricultural and food products. This allows farmers to turn their crops into specialty jams, chutneys, jerky, canned goods and other products formerly prepared by secondary producers, thereby increasing their profit margins.
4. Wilfred Mphahlele, Gauteng business owner and entrepreneur has developed a luminescent cover for vehicle seat-belts with the aim of promoting driver safety in a country renowned for its high number of road deaths. Mphahlele has sold his innovative products to the AA, the police, taxi owners and retail shops.
5. The first soap-drama made for Mobile phones; called Hot el Franklin has just been launched by media giant NEWS corporation. It is a one minute episode that allows for enough character development and plot before leaving a look at the end to get viewers to look at the next episode. This would no doubt have cell phone users investing more time using their cell phones to the advantage of their cell phone networks. It is also an opportunity for video/television program writers and producers. How about advertisers sponsoring the one minute show?
6. The ECO Association, which forms part of the Vignerons de Franschoek, made history recently when it became the first group of wine cellars in the world to receive multi-site ISO 14001 certification. ISO 14001 is a set of international standards aimed at improving the environmental performance of organisations. Eleven wineries in the Franschoek valley chose to work together to achieve ISO 14001 certification collectively. "This collective approach allows for better overall environmental performance in the valley because members motivate one another, share information and compare practices," says Dr Neels Barnardt of Techpros, initiator of the project. The multi-site certification has saved the individual farms thousands of rands. Individual certification and implementation typically cost R70 000 per cellar; multi-site certification cost the eleven

cellars R24 000 each. "What's more," says Barnardt, "the savings that result from better environmental practices will pay for certification within one year." These savings derive from a decrease in water use, effluent-quality improvements, reduced chemical use and better solid-waste recycling. "Our studies show that wineries may use up to 5,5 to 6 litres of water per litre of wine produced," says Barnardt. "During the winemaking season, some wineries leave five to six hoses to run unchecked 24 hours a day. By training staff to turn off taps when hoses are not in use and by installing self-closing nozzles, we've managed to reduce water use to 3,5 litres of wine produced." These wine cellars are now being viewed as makers of environment-friendly wine. They all added value to their product and process plus saved on certification by combining their efforts and capitalised on a growth trend - "Environmentally Friendly".

How Would I Do It?

1. Identify an existing product or service which you could use as a base. Then find an additional process or product that can be added to create a new product before reselling it. For example, find a product or service which needs additional elements such as packaging or distribution to be successful in the market.
2. Identify a process or service you could provide and then analyse the types of existing products or services which could be used as its base. For example, if you can provide a packaging service, look for products that would become more valuable if you added a packaging process.
3. Find an existing product which can be changed into a different or improved product by adding or subtracting elements. Then locate the additional elements and add them to create a new product, or take some elements off the original product before reselling it.
4. Find a client group which is not served by a product or service, and make changes in existing goods to meet the needs of the new client group.
5. Find a product which does not work very well, or is not well accepted by a client group, but could be improved by adding or altering its elements.

Key Questions:

- For every product or service I am aware of, how can I make it more marketable by including an additional process before reselling it?
- What products or services can I think of that would benefit by adding, subtracting or altering elements? Is this a product or service I can provide?
- What potential customers have said they would purchase the product or service I want to provide?

16. Planning And Promoting Events

What Is It?

Planning, organising, and advertising special events. The events could include entertainment, education, special meetings, or other types of gatherings where large numbers of people meet together.

What Are Some Examples?

1. Peter Aspinall owns Strategic Business Services (SBS) in the Tygerberg area of Cape Town. Peter has a unique entrepreneurial approach to running conferences and events! Peter "joint ventures" his conferences with large business associations and organisations throughout South Africa. Because he really knows his business, he shares the risks and profits with his clients. When Peter puts together the joint venture, his end of the venture includes the following:
He provides the financing, the research for the pockets of opportunity, structure of the program, designing the brochures, the marketing & advertising, the renting of the venues, the hiring of the speakers, the paying of the bills, "after conference" wrap-up reports, the financial controls and the financial reporting. Peter's clients include most of the Top 500 Businesses in S. A. and the Top Business Associations. Peter's entrepreneurial approach (share the risk and profits) combined with his sales, marketing and efficient support team has made Peter probably the most successful entrepreneur in S.A. focused on Planning and Promoting Events. He also brings in International Speakers like Professor Malcolm McDonald from the U.K. and runs Public Business Seminars a couple times a year often co-sponsored by Corporates.
2. Adele Lucas Promotions was the organiser of The Star Homes Show 2004 at Birdwood Estate. The show was a kick off event for the sale of the second phase of the Hartbeespoort Dam Development; it also showcased design talent, with interior decorators, landscapers and architects all exhibiting their work.
3. Golf Indaba, a golf event management company has made a business by planning and promoting events.
4. The President's "Cup" - George, South Africa is another example. So are rock concerts and touring theatre groups.
5. The Sun City Million Dollar Pigeon Races combined payout package for the past 7 years is 7 million U.S. Dollars. In the recent event the winner won \$200,000. The first ten birds that finished received a gold pendant. The winning pigeons from various clubs in S. A. take home \$25,000 for their club. The first 100 pigeons back from the final race are auctioned the next day. There are as many opportunities for Planning and Promoting Events as there are hobbies, special interests and needs.
6. HBD - Venture Capital (Mark Shuttleworth's Venture Capital Company) is in its second year of conducting their around the country Big Idea conference for business owners and "would be" entrepreneurs. The goal is to inspire innovation, encourage entrepreneurship, improve entrepreneurial skills and increase awareness of the sponsors. It is an excellent contribution to the country by HBD - Venture Capital and at the same time they may find some good ideas to provide venture capital for. Every one wins ... the true Mark Shuttleworth approach!

How Would I Do It?

1. Identify a type of event or meeting you believe you could successfully promote in your region.
2. Identify specific groups that would let you represent them to organise their appearance in your region.
3. Identify trade associations or other groups that meet in your region and who need services of a meeting planner and promoter.
4. Identify facilities and locations in your area which would let you act as their agent to organise events to use their space.
5. Join associations of professional meeting and event planners, read their literature, and attend conferences and meetings to gain new ideas.
6. Contact organisers of events in other areas to identify successful events, groups, themes, or concepts which could be used for local events.

Key Question:

What type of events could I plan and promote in my region?

17. Identifying Market Gaps Or Shortages And Filling Them

What Is It?

Identifying situations where customers want a product or service and cannot obtain it in sufficient amounts.

What Are Some Examples?

1. Lilly Mokoene gave up her profession as a teacher and began to assist her husband running a petrol station in the Northwest Province. In 1998 an opportunity presented itself. She said, "people used to come to the station and enquire about reasonably-priced accommodation. I saw an opportunity and grabbed it." She converted the family house into an eight bedroom guest-house, in time to house some of the delegates to the World Summit on Sustainable Development in 2002. Someone else suggested a conference centre was needed in the area. With her passion being in the "preservation of the African culture", she started a cultural village made up of small Zulu, Tswana, Venda and Ndebele mini-villages which portray the tribes' activities and beliefs. The village employs 41 people including traditional dancers, maintenance staff and artists. She identified the market gap and market shortage through listening and moved to action. Lilly Mokoene was awarded in 2003 the Emerging Tourism Entrepreneur of the year award at the World Trade Market in London, England. Congratulations Lilly.
2. Workwise Training Network (WTN) is in the process of giving away 100 franchisees to historically disadvantaged individuals and black-owned businesses. The initiative will take place over the next 18 months. Each franchisee includes access to a range of internationally recognised, locally registered programs, assessment tools and other WTN support structures. WTN recognises the shortage of HDI consulting and training firms and is filling that gap.
3. Brian Ross, MD Solar 2000 of Jet Park are supplying pool blankets to Virgin Active personal fitness centres as fitness enthusiasts demand reasonably warm water in gym pools throughout the year. The 400-micron thick Plastipack range of pool blankets have been imported from the UK and are specifically designed for South African climatic conditions. These blankets are also used in many gyms, schools, hospitals and commercial properties throughout S.A.
4. Each summer the demand for houseboats to rent was greater than the supply of boats available to boat rental companies in a resort area. One company began building houseboats, selling them, and renting them for owners when they were not being used.
5. A hotel employee noticed that there was no service provided for repairing mattresses. She quickly signed contracts with several hotels and opened a mattress repair business.
6. A computer store employee realised that there was no well developed source of second-hand computers for clients who could not afford or did not need a new one. He set up a second-hand computer store.
7. A builder created a specialty service offering 24 hour emergency home repair for a yearly membership fee, which provides a "band-aid" initial disaster response. Actual repair or restoration follows after the crisis has been resolved.
8. An entrepreneur saw a need for a magazine targeted specifically to home-based business owners, providing information and advice not offered in existing magazines on business and entrepreneurship. The magazine is now distributed across that country.
9. Sanlam has set up a department with a special focus called Nexus Financial Solutions. Specific Sanlam Personal Financial Advisers become Nexus accredited advisers. These Financial Advisers then are qualified to provide tailor-made products and services to address the specific financially related needs of the SME Owner. They identified a market gap and are filling it.

How Would I Do It?

1. Look for situations where there are customer waiting lists to obtain a product or service by:
 - a) checking delivery times and availability for orders of popular products and services
 - b) checking delivery times and availability for orders of popular products and services
 - c) asking distributors, agents, and retailers to suggest items which are in short supply
 - d) asking companies to list services they cannot obtain.
2. Analyse potential shortages in supply caused by companies going out of business, changing their production focus, shutting down for periods of time, or similar causes by:
 - a) analysing news stories, and reading trade publications
 - b) analysing lists of companies in receivership and bankruptcy.

Key Questions:

- Where is there a market gap which is not being serviced?
- What market gaps am I aware of?
- What supply shortages am I aware of?
- How could I find other market gaps and shortages?
- What market gaps and shortages could I meet by providing needed products or services?
- What potential customers have indicated that my perceived gap or shortage is genuine?

Exercise 1

From the Opportunity Description draw a line to the correct Opportunity Finding Title

Description	Business Opportunity
<p>Improving an existing product or service by making it:</p> <ul style="list-style-type: none"> (a) more valuable through upgrading the quality (b) more cost-efficient to produce or purchase (c) more convenient (d) more comprehensive (e) more economical to use (f) more powerful or durable <p>The new item is a “Plus” over the previous ones because it has one or more features which are an improvement. Its value is greater because of the improvements.</p> <p>The difference between Plusing and Adding Value to an Existing Product, is that in Plusing you do not purchase the product as a base for your additions; instead, you use the idea from the previous products and create a completely separate item or service.</p>	<p>Combining Two Or More Assets Into A New One</p>
<p>Taking by-products, left-over materials, and other resources discarded by individuals or companies, and processing them to produce useful goods.</p>	<p>Plusing An Existing Product Or Service</p>
<p>Obtaining goods through various low-cost sources and reselling them at a lower-than-market level.</p>	<p>Finding Uses For Waste Materials</p>
<p>Combining two different products or services to create a new offering. Ideally, the interaction of the original items creates something which is unique and more marketable than the separate items alone. These items can be products, services, people, businesses, or assets and they can be owned by separate people and companies.</p>	<p>Discount Selling</p>

Exercise 1 (Continued)

From the Opportunity Description draw a line to the correct Opportunity Finding Title

Description	Business Opportunity
<p>Planning, organising, and advertising special events. The events could include entertainment, education, special meetings, or other types of gatherings where large numbers of people meet together.</p>	<p>Adding Value To Existing Products</p>
<p>Identifying situations where customers want a product or service and cannot obtain it in sufficient amounts.</p>	<p>Planning And Promoting Events</p>
<p>Taking an existing product or service and adding materials or services to create a more valuable end product. To add value, you purchase the product or service and use it as a base for operations you want to do before reselling it in a changed form.</p> <p>The value can be added in several ways: (a) putting the product through an additional process (b) combining the product with other products (c) offering the product as part of a larger package (d) removing something to change the original use</p>	<p>Identifying Market Gaps Or Shortages And Filling Them</p>

Go back through this module and confirm your answers.

Exercise 2

Opposite the example write in the kind of Business Opportunity the example is. Do this without looking up the example in this module

Example	Business Opportunity
<p>1. A Canadian entrepreneur contacted a chicken processing plant which formerly discarded large volumes of chicken feet and asked to take them away. He froze the feet, sold and shipped them to China where they were cooked, combined with sauces, packaged and exported back to Canada as a Dim Sum delicacy.</p>	
<p>2. A hotel employee noticed that there was no service provided for repairing mattresses. She quickly signed contracts with several hotels and opened a mattress repair business.</p>	
<p>3. Wilfred Mphahlele, Gauteng business owner and entrepreneur has developed a luminous cover for vehicle seat-belts with the aim of promoting driver safety in a country renowned for its high number of road deaths. Mphahlele has sold his innovative products to the AA, the police, taxi owners and retail shops.</p>	
<p>4. A computer retailer joined with an educational company to provide full service sales and training on equipment.</p>	
<p>5. HBD - Venture Capital (Mark Shuttleworth's Venture Capital Company) is in its second year of conducting their around the country Big Idea conference for business owners and "would be" entrepreneurs. The goal is to inspire innovation, encourage entrepreneurship, improve entrepreneurial skills and increase awareness of the sponsors. It is an excellent contribution to the country by HBD - Venture Capital and at the same time they may find some good ideas to provide venture capital for. Everyone wins ... the true Mark Shuttleworth approach!</p>	
<p>6. Patrice Motsepo, a lawyer started his entrepreneurial career by coming to an agreement with a Gold Mining Company to utilise the dust left from the gold mining. With a special process for extracting gold from the dust he created a business.</p>	

Exercise 2 (Continued)

Opposite the example write in the kind of Business Opportunity the example is. Do this without looking up the example in this module

Example	Business Opportunity
7. Engen Garage and Foodstore on William Nicole Drive now houses a Woolworths Food Stop within the Engen Garage... the Engen Garage's Food Store sales have gone up 100% in volume (Not including Woolies sales)	
8. Brian Ross, MD Solar 2000 of Jet Park are supplying pool blankets to Virgin Active personal fitness centres as fitness enthusiasts demand reasonably warm water in gym pools throughout the year. The 400-micron thick Plastipack range of pool blankets have been imported from the UK and are specifically designed for South Africa climatic conditions. These blankets are also used in many gyms, schools, hospitals and commercial properties throughout S.A.	
9. One woman writes alternative instruction manuals for computer software programs. The manuals are easier to use and understand than those enclosed with the software.	

Go back through this module and find the example to see if your answer is correct.

Module 5

Finding And Recognising Business Opportunities Part 4

18. Imitating Successful Products Or Business Ideas
19. Identifying Unique Client Groups And Tailoring Products For Them
20. Drawing Upon The Resources Of Under-used People
21. Gaining A Small Percentage Of A Larger Market
22. Packaging
23. Substituting Materials In Existing Products
24. Provide A Consulting Or Information Service
25. Franchising Your Business
26. Buying A Franchise

*Ntsika Enterprise Promotion Agency,
with a focus of rendering non-financial support to SMME's
is part of The Department of Trade and Industry in South Africa.
Ntsika, along with the support of The European Union
assisted in the Initial Development of the
Turning Entrepreneurial Spirit Into Business Opportunities program
in conjunction with Knowledge Brokers International Limited.*

18. Imitating Successful Products Or Business Ideas

What Is It?

Finding a successful product or service and imitating it.

What Are Some Examples?

1. A clothing manufacturer imitates high fashion originals and offers them at a lower cost.
2. When Trivia became popular as a game, several companies began producing imitations of specialised versions.
3. When Cabbage Patch dolls became popular, several women began producing look-alikes.
4. In S. A. there are several agents selling high quality "look alike" Rolex Watches for R1 200. The real thing could cost R30,000.
5. One South African motivational speaker took North America's Anthony Robbins - "Personal Power" and "Release The Giant Within" book content and processes along with Tony's style of presenting, and became a top motivational speaker and author in S.A.

How Would I Do It?

1. Look for what is selling well and assess future market potential.
2. Check for potential conflicts related to patents, copyrights, or licenses.
3. Identify key success factors of the product or service.
4. Find out how to make a similar product in a cost-efficient way.
5. Produce and market the item.
6. Identify potential products or services that can be imitated because they are not available in a particular market, value is added, cost is improved or they meet the needs of a particular niche market.

Key Question:

- Is there an item or service that is selling well, which I can imitate?
- What popular products or services could I imitate and make available to a new market, add value to or improve the cost?
- What potential customers would purchase my imitation?

19. Identifying Unique Client Groups And Tailoring Products For Them

What Is It?

Taking an existing product or service and tailoring or adapting it to meet the unique needs of a particular group of clients. These needs could relate to characteristics of the people (left-handed, over-weight, disabled); life styles (leisure activities, timing of life activities); own assets (cars, boats, houses); or similar factors.

This may also involve creating new products or services especially for unique needs of some client groups.

What Are Some Examples?

1. Brad McMahon recently started a company called Performance Achievers. He set up a call centre in Johannesburg to focus on assisting Personal Financial Planners. His team phones well qualified potential clients and sets up appointments for the Financial Advisers. Brad's company charges a certain fee for 10 appointments made. He has now expanded his service to include a CRM program that helps the Financial Planner follow people up on important dates and reminders. Brad's staff will even do the follow-up. He has also hired two compliance officers and for a fee they are doing the Compliance and Financial Services Board registrations which is a big headache for the Financial Planners at this time. The last service is an On-line discount buying service for stationary suppliers etc. that the Financial Planners can use and have supplies delivered directly to their door. Brad is solving problems and tailoring his services for each unique client group. His goal is to make their lives hassle free so they can be in front of clients.
2. Taking an existing education, recreation or other community service and offering it in a foreign language or one of S.A.'s many languages for a particular ethnic group.
3. One store was set up to supply products for left-handed people.
4. Another woman established a personalised service where boat owners could bring glasses, dishes, cutlery and other boat objects to have their boat names laser-engraved on these items.
5. A company producing embroidery and screen printing of logos on clothing or design lines to service corporate clients.
6. A company provides home renovations and consulting on upgrading homes and offices for people with allergies and environmental sensitivities.
7. A Health spa in Soweto! That's Thabang Kubhek's Growing Roots Health and Beauty Spa, situated at Diepkloof Shopping Centre. Her spa offers a variety of beauty treatments and attracts about 12 clients (mostly between 40 and 80 years) a day. Khubeka's goal is to either open more branches or franchises in the next two years.
8. Mutual & Federal covers a range of businesses; Floristsure for the florist stores and their owners, Dentisure, for dentists, Medisure, covers doctors and their practices and Veterinarian policies covering both the domestic and agricultural sectors.
9. Gavin Maggot is the founder of Roll-Ability which is a small Cape Town Company, that assembles various lightweight and durable wheelchairs for the local and export market. Gavin became paraplegic after a motorcycle accident, lost his job at the corporation he was working for and was put on early retirement. But it was adapt or die for Maggot who today has climbed back to successfully own and manage Roll-Ability.
10. Hollard Insurance, combines domestic and commercial insurance for small businesses.
11. Prepaid Cell Phone Cards were launched in a practical attempt to connect previously disadvantaged South Africans. It fits under this category as well.

How Would I Do It?

1. Find a unique client group you would like to serve. The group could be based on language, age, life style, geographical location, profession or any other important characteristic. To find special groups, try the following suggestions:
 - a) analyse the telephone yellow pages for specific activities and interest groups (truckers, sports groups, doctors, brides, seniors)
 - b) look through a Directory on Associations at your local library
 - c) analyse newspaper stories to identify special interest groups
 - d) observe unique sections of your city (ethnic areas, etc)
 - e) identify groups who live in remote or unique regions
 - f) analyse magazines available for special interest groups
2. Analyse the special needs of the group by:
 - a) studying unique characteristics of the people
 - b) observing their activities
3. Identifying products and services which are not offered to the group, or are not well tailored for the special characteristics of the group by:
 - a) listing complaints related to commonly used products and services
 - b) listing items that people express a need for
4. Find products, services, resources, or assets which can be adapted to meet the special needs of the group, or create new products for the group.

Key Questions:

- Where is there a group of people with unique characteristics which I could serve with specialised products and services?
- Where is there a product or service I could modify to serve the unique needs of a client group I want to serve?
- Have I talked with the people for whom I am considering providing a specialised product to determine whether there is a market for it?

20. Drawing Upon The Resources Of Under-used People

What Is It?

Identifying and using the skills, talents, and energy of under-used people who can provide useful services and are available for part-time or full-time work.

What Are Some Examples?

1. A project in Smitshfield in the Free State was modelled on a similar project run in Zimbabwe where 6 000 rural women were contracted to make hand-knitted cotton jerseys for export.
2. The Vukuzakhe road maintenance program "People at work breaking the back of poverty" is a good example. The Eastern Cape is the poorest province in the country with more than 70% of its people living in rural areas. The National Government through the President has committed itself to reversing this situation. Vukuzakhe is the name given to a road maintenance called the "Lengthmen". The Lengthmen systems are a road maintenance program in which communities maintain the gravel roads in their neighbourhood. Each household is given a kilometre of road to look after in turn they receive a monthly stipend of R400.00. The two main strategies are poverty alleviation and road maintenance. This is definitely drawing on the resources of under used people. Congratulations to the government.
3. A Cape Town firm hires people who work from home to type books in other languages.
4. A cooperative comprised of people with disabilities provides gardening and landscaping to residents and businesses.
5. A women handicrafts group, the Nos da Trama project in Araruama in the state of Rio de Janeiro, Brazil is growing in stature. Woman graduate from being poor, unemployed and uneducated housewives or single mothers into proud producers of garments and costumes. Some of these garments are sold in boutiques in the tourist town of Rio de Janeiro. The local theatre industry is using garments produced by these women.
6. SEBRAE in the state of Rio de Janeiro is introducing fishermen into fish farming, one of these success has been Alexander Bertolo (28) whose venture is now producing scallops, a favourite and up-market shellfish delicacy, for the Rio gourmet market.
7. One businesswoman started a word processing and computer data entry service, distributing piecework to people who had computers in their homes.
8. Three unemployed tradesmen pooled their resources, bought an older rundown home, and renovated it for resale and continue to do so.
9. An unemployed accountant and teacher designed a computer-based training package to teach accounting to high school students. They were joined by a retired marketing manager to promote the product across North America.

How Would I Do It?

1. Identify people with valuable talents and knowledge who are not working regularly by:
 - a) checking with job placement agencies
 - b) asking training agencies for names of graduates who are not employed
2. Identify your own employees who have specialised training in a field which is not related to their current job, and see how their skills can be used to exploit opportunities.
3. Locate employees with specialised training who are on temporary leave from their jobs for reasons such as maternity, academic studies, or personal renewal. They can be used as short-term, part-time members of special project teams.
4. Check lists of association members to find people who are not associated with existing companies.
5. Attend meetings of unemployed people with connections to specialised occupations, such as engineers or teachers, to identify valuable skills which can be used to explore business opportunities.
6. Analyse the skills of people you know are currently out of work, or handicapped in some way, and think of services which could be offered using their individual or group talents.
7. Investigate a project to determine if it could be handled by under-used talent that is available to you.

Key Questions:

- Where can I find under-used people with skills that I can work with to develop a business opportunity?
- What kind of business opportunity can I explore with people whose talents are currently not being used?
- How could I work with them to develop a new business opportunity?
- What customers exist for the product or service I am considering?

21. Gaining A Small Percentage Of A Larger Market

What Is It?

Taking a high volume market and attempting to serve a small piece of it. The market should be large enough so that a small portion of it will be profitable.

What Are Some Examples?

1. Madeleine Els previously restaurant manager and bartender in Gauteng and Myrard van Tonder opened up Georgetown Florists to provide Corporate and Event Management Firms as well as individuals with flowers. With a good hard working ethic combined with creativity and sales ability, they are gaining a small share of a larger market. Within a couple of months Madeleine and Myrard recognised another opportunity and have gone into the business of supplying "Pots" to businesses and individuals who need decorative plant pots.
2. A small brewery opened with the intention of serving only a small percentage of the market, and was successful and not a major threat to major breweries. (Micro Breweries)
3. Prestasi being a niche insurance broker, offers innovative insurance products to the low-risk end of the market. Nearly half of its 95 000 customers are senior citizens who, contrary to popular belief, are much safer insurance risks than younger age categories. GM Yolande van Esch said, "Our relationship with clients is strong because we maintain regular contact with them – something that is not that common in this industry – and we invest in service. This means claims are paid out faster and client queries are handled promptly."
4. Several software companies have recognised the profits available from serving only a small portion of the computer market. They focus on limited segments of the market with specialised products.
5. The fast food business is a large and growing market. A woman opened a small fish restaurant in a suburban area and succeeded despite the major fast-food chains operating in the area.

How Would I Do It?

1. Identify the large volume markets in South Africa by examining economic reports, trade association figures, and marketing studies.
2. Select a market to work in, and devise a way to compete effectively by seeking advantages such as location, type of facilities, personal reputation, level of service, selection of goods, price, business concept, advertising, or similar share in some highly competitive market where large organisations are battling for each single percentage point.

Key Questions:

- What product or service can I offer to gain a small percentage of a large volume market?
- What high volume markets exist in South Africa?
- Which would be the most suitable for a small operator to enter?
- Does my product or service have a unique element to capture a small percentage of the market?
- What potential customers have said they would buy the product or service I want to provide?

22. Packaging

What Is It?

Taking an existing product and developing a better way of packaging it for sale. The improved package might be more attractive, more convenient to use, preserve the product better, be reusable, be biodegradable, or other factors. Opportunities may also exist in taking free materials and packaging them as novelty items. Another aspect is breaking bulk, where supplies are bought in large quantities, sorted into smaller amounts, and re-packaged for sale.

What Are Some Examples?

1. Strawberries are bought in bulk, sorted into smaller volumes, and packaged in attractive boxes for resale.
2. A company buys steak and lobster tails, packages them together as a steak and lobster dinner, and sells them as gourmet meals in food stores.
3. One company buys salmon and packages it for passengers on airlines.
4. A natural beauty products company sells all of its products as bulk-products in an industry that products are traditionally packaged individually at a time.
5. A gift basket company buys specialty items in bulk cases and then repackages them into individual theme baskets.
6. A company identifies food sold in packages and offers these products in bulk with no packaging.

How Would I Do It?

1. Identify a product that is poorly packaged and then devise an improved package for it.
2. Find a product that is normally sold without a package and devise a package that would increase its sales.
3. Find a product that you can buy in bulk quantities and re-package into smaller amounts.
4. Identify products that consumers normally use at the same time, but buy separately. Devise a package to combine them for sale as a kit.
5. Look for products that are usually packaged, and consider whether you could sell them in bulk, to lower the price or address the environmental concerns of consumers.

Key Questions:

- How could I package or re-package a product so that it would sell better?
- Could different packaging open up new markets for a product or service?
- What alternative markets exist for products currently offered just one way?
- Could unpackaged goods be packaged? Could packaged goods be unpackaged?
- What markets exist for the product whose packaging I am considering changing?

23. Substituting Materials In Existing Products

What Is It?

Improving an existing product by changing the type of materials it is made of. This procedure can often make the product lighter, stronger, more flexible, or cheaper to produce.

What Are Some Examples?

1. One company substituted plastic for metal in fishing lures. The lures are now less expensive to produce, lighter in weight, and easier to keep shiny.
2. A plastics manufacturer makes plastic buckets for grain elevators. They are stronger than the previously used metal buckets, do not dent, and do not corrode.
3. By changing their packaging from wood crates to corrugated cardboard boxes, a wholesale gift company was able to reduce its shipping costs due to the lighter weight.
4. The new wine bottles that have a "Twist Cap" rather than a cork could be an example.

How Would I Do It?

1. Examine a product and identify where it might be improved through the use of alternative materials.
2. Identify a material you have in good supply, analyse its characteristics, and identify various products in which it might be used to improve their characteristics.
3. Find production processes which are hindered by use of current materials and find ways to improve the process by replacing the materials used. These might be examples where current materials are too expensive, too difficult to work with, unsafe, in short supply, or are consumed in the process. They might be replaced with other materials which are cheaper, easier to work with, safer, in greater supply, or can be re-used in the process.

Key Questions:

- Is there a better material I could use to produce a given product?
- What products can I think of that could be improved by substituting one or more materials?
- What materials do I have that could be substituted for an inferior material currently used in a product?
- What products would result in improved costs for the consumer if materials were substituted?
- What customer has stated they would purchase the improved product?

24. Provide A Consulting Or Information Service

What Is It?

Offering advice, services, and information to others in a subject area you know well. Search out, gather, assimilate, use and report information on specialised topics that are of importance to others. This might also include services of matchmaking for resources you know about and personal contacts you may have. This is done for a consulting or service fee.

What Are Some Examples?

1. Tradeworld: For R480 businesses and individuals can subscribe to this electronic database, which either faxes or e-mails the latest provincial tenders directly to you.
2. Medunsa, Organisation for Disabled Entrepreneurs: offers various business courses and workshops for disabled entrepreneurs including two-month training on how to start up a business.
3. Beehive Entrepreneurial Development Centre (BEDC) in Mpumalanga is a Khula accredited small business loans organisation, also known as a retail finance intermediary (RFI), which makes loans available to small business owners in Mpumalanga, Gauteng and Limpopo provinces.
4. Michelle Caldeira is MD of Blue Moon, a corporate communication consultancy that specialises in internal marketing and ensuring that the messages that management send out reach all levels of the organisation.
5. Mncedisi Babana runs Babana Business Solutions a company in Midrand who do web development, graphic design & IT Support
6. Enterprise SA, a Ntseka-endorsed Tender Advice Centre in Pretoria, is on the move offering small business owners various advice, workshops and affordable courses to move their businesses forward.
7. A researcher provides a clipping service to many major corporations. Her staff clip newspaper articles, on-line articles and record anything that is happening that may be of interest to clients who purchase the service.
8. Computer on-line searching services are provided by several companies. They connect to computer data banks all over the world. Information in these banks is gathered and reported to clients who want answers to specific questions.
9. A specialist in government operations provides a consulting service to companies who want to do business with government. She advises companies about efficient procedures to deal with government departments.
10. Ray Strodl of Ray Strodl Consulting (RSC) Johannesburg, was 21 years with NBS Bank. In his last 13 years he was involved with the sales training of Insurance Brokers within the bank.

Ray took an early retirement package and opened his own business 3 years ago. He specialises in "Outcome Based" education and training of Financial Planners and Financial Advisers. His clients include companies like Sanlam, ABSA, First National Bank and a host of others. Ray said, "It was the wisest move I've ever made, besides getting married! My earnings have more than doubled and I have the freedom of a Lifestyle Business!!"

How Would I Do It?

1. Develop expertise in an area which is important to others, in which they do not have the resources or ability to develop themselves.
2. Search for clients who can use your services. Typical situations include organisations which could use help in the following ways:
 - a) production problems
 - b) management decisions
 - c) marketing strategies
 - d) personal changes
 - e) computer and information operations
 - f) financial services
 - g) training and personnel development
 - h) political and public relations tasks
3. Analyse organisations and industry sectors to identify potential opportunities for your services. Some ways to do this include:
 - a) reading trade magazines
 - b) contacting association management
 - c) reading annual reports
 - d) reading business newspapers and magazines
 - e) talking to employees.
4. Analyse sectors of the community to identify potential opportunities for your services among the public-at-large. Some ways to do this include:
 - a) reading community newspapers
 - b) consult with community representatives
 - c) listening to radio talk shows
 - d) watching public affairs television shows
 - e) analysing statistical reports on the community
 - f) participate in community activities
5. Identify sources of up-to-date information which you can use as a base of information for your services.
6. Read books and attend seminars related to consulting and advising.

Key Questions:

What experience, skill, or knowledge do I have, or have access to, that can be marketed as a consulting or information service?

25. Franchising Your Business

What Is It?

Selling the rights and support systems for another person to operate a business patented after your concept or business, in another location. The contract usually provides for ongoing income from royalties and/or sales of supplies. It might also provide for shared costs for advertising.

What Are Some Examples?

1. Fontana Roastery, a successful restaurant sold franchises so that similar restaurants could be developed in other cities to form a chain in S.A.
2. A firm which rented used cars became successful and sold franchises to develop similar businesses in other locations. (Rent-a-Wreck)
3. A company franchised its concept for Internet business software solutions which provide small and medium-sized companies with e-commerce solutions to make powerful Internet tools available at a fraction of the cost and installation time?
4. SPUR which is a South African family restaurant chain has extended its activities into the Middle East, concluding a franchise agreement in Kuwait. Spur has more than 200 franchised outlets in SA and similar operations in Australia, Botswana, Ireland, Kenya, Mauritius, Namibia, Swaziland, the UK, Zambia and Zimbabwe. Spur has followed the franchising route for more than 35 years. Nic Louw, executive director of The Franchise Association of South Africa says "franchising is particularly suited to South African conditions because of its entrepreneurial inclination and its contribution to job creation and skills transfer. Franchising can achieve expansion objectives and solves many branch location and partnership problems. Today, even modest-sized businesses, such as sandwich bars, coffee shops, toy stores, real estate, cleaning and funeral services, can successfully franchise their operations."
5. ITO Focus is designed to offer the entrepreneur all the benefits of being a part of a larger group without any of the traditional restrictions of a franchise. Upon joining the ITO Focus Network

the entrepreneur gains immediate access to a wide range of HR products, some having originated from the ITO Focus' research and development and some from the consultant. "At the moment every one of over fifty consultants is developing two new training courses," says Pierre du Toit of ITO Focus. The ITO Focus business recipe is obviously a winning one. They currently have in the region of 35 (February 2004) units and about 50 consultants. They specialise in Employee Relations, Recruitment, ABET Life Skills, Computer Skills, Sustainability and HR and Training. A business unit investment is R38 500 (2004) and you pay a 15% monthly royalty on turnover and small marketing and product development fee. This is about "strength in number" it is a form of franchising your business. It is also combining talents

How Would I Do It?

1. Establish a successful business or concept for a business that is easily duplicated.
2. Buy a book and get professional advice related to selling franchises.
3. Decide where you wish to grant franchises.
4. Advertise through newspapers, trade associations, and other sources.
5. Talk to a franchise specialist for assistance and advice in the setup stages.
6. Get advice from The Franchise Association of S.A.

Key Questions:

- How can I develop a business or concept that I can franchise?
- What type of franchise operation would best suit my talents and abilities?
- Is there a market for the products or services offered by the type of business I would like to franchise?

26. Buying A Franchise

What Is It?

Buying the rights and support systems to operate a business that has been designed by someone else. Usually it is patterned after a successful business in another location and each location shares a company name, advertising, operating systems, purchasing procedures, and management support.

What Are Some Examples?

1. One Canadian businessman purchased a franchised mobile furniture restoration business which uses exclusive, patented, environmentally conscious techniques that allow work on-site in less time than conventional refinishing and repair. A great idea for S.A.
2. Many fast food outlets such as Steers, Debonairs Pizza, Kentucky Fried Chicken, Wimpy and FishAways are franchise operations you can buy.
3. Some of the other common types of business which have been purchased as franchises in South Africa include:
Real Estate Agencies, Restaurants, Hair & Beauty Salons, Building Supply Stores, Midas, Coastal Tool Hire, Dry Cleaning Shops, Picture Framing Shops, Lawn Maintenance Services, Fast Printing Services, Quick Photo Processing, Automobile and Parts Shops e.g. Speedy Tire and Exhausts, Quick Fit, Super Quick, Dunlop Dealers and HiQ. Others would be: Sports Shops, Computer Stores, Video Rental Services, Home Security Consulting, Machine Vending Services, and many other retail and service businesses e.g. Mug & Bean, House of Coffees, Brazilian Coffee Shop, Cash Converters, Vodashop and Spec-Savers.

How Would I Do It?

1. This is a common way of establishing a business in S.A. It has several advantages and also disadvantages, and anyone thinking about it can read specialised publications and obtain professional advice before taking action. Local libraries are a good source of information on this topic.
2. Identify a type of franchise opportunity you would like to explore. This can be done by:
 - a) reading advertisements in business magazines and newspapers
 - b) reading franchise trade journals
 - c) joining franchise trade associations
 - d) noticing franchised businesses in other locations which might be successful in your local area.
3. Work in a franchise location of an industry which interests you.
4. Attend franchise trade shows.
5. Contact The Franchise Association of South Africa.

Key Questions:

- What kind of business would I like to own as a franchise, and how can I obtain that franchise for my area?
- Is there a market for the product or service I would be offering?
- What is the reputation of the franchise?
- How much will the franchise cost and what are the monthly royalties?
- Do I have access to the necessary funds?
- Will my previous business experience support the type of franchise operation I prefer?

Exercise 1

From the Opportunity Description draw a line to the correct Opportunity Finding Title

Description	Business Opportunity
<p>Taking an existing product or service and tailoring or adapting it to meet the unique needs of a particular group of clients. These needs could relate to characteristics of the people (left-handed, over-weight, disabled); life styles (leisure activities, timing of life activities); own assets (cars, boats, houses); or similar factors.</p> <p>This may also involve creating new products or services especially for unique needs of some client groups.</p>	<p>Imitating Successful Products Or Business Ideas</p>
<p>Finding a successful product or service and imitating it.</p>	<p>Identifying Unique Client Groups And Tailoring Products For Them</p>
<p>Taking an existing product and developing a better way of packaging it for sale. The improved package might be more attractive, more convenient to use, preserve the product better, be reusable, be bio-degradable, or other factors. Opportunities may also exist in taking free materials and packaging them as novelty items. Another aspect is breaking bulk, where supplies are bought in large quantities, sorted into smaller amounts, and re-packaged for sale.</p>	<p>Drawing Upon The Resources Of Under-used People</p>
<p>Taking a high volume market and attempting to serve a small piece of it. The market should be large enough so that a small portion of it will be profitable.</p>	<p>Gaining A Small Percentage Of A Larger Market</p>
<p>Identifying and using the skills, talents, and energy of under-used people who can provide useful services and are available for part-time or full-time work.</p>	<p>Packaging</p>

Exercise 1 (Continued)

From the Opportunity Description draw a line to the correct Opportunity Finding Title

Description	Business Opportunity
<p>Selling the rights and support systems for another person to operate a business patterned after your concept or business, in another location. The contract usually provides for ongoing income from royalties and/or sales of supplies. It might also provide for shared costs for advertising.</p>	<p>Substituting Materials In Existing Products</p>
<p>Buying the rights and support systems to operate a business that has been designed by someone else. Usually it is patterned after a successful business in another location and each location shares a company name, advertising, operating systems, purchasing procedures, and management support.</p>	<p>Provide A Consulting Or Information Service</p>
<p>Improving an existing product by changing the type of materials it is made of. This procedure can often make the product lighter, stronger, more flexible, or cheaper to produce.</p>	<p>Franchising Your Business</p>
<p>Offering advice, services, and information to others in a subject area you know well. Search out, gather, assimilate, use and report information on specialised topics that are of importance to others. This might also include services of matchmaking for resources you know about and personal contacts you may have. This is done for a consulting or service fee.</p>	<p>Buying A Franchise</p>

Go back through this module and confirm your answers.

Exercise 2

Opposite the example write in the kind of Business Opportunity the example is. Do this without looking up the example in this module

Example	Business Opportunity
<p>1. A plastics manufacturer makes plastic buckets for grain elevators. They are stronger than the previously used metal buckets, do not dent, and do not corrode.</p>	
<p>2. One Canadian businessman purchased a franchised mobile furniture restoration business which uses exclusive, patented, environmentally conscious techniques that allow work on-site in less time than conventional refinishing and repair. A great idea for S.A.</p>	
<p>3. The Vukuzakhe road maintenance program "People at work breaking the back of poverty" is a good example. The Eastern Cape is the poorest province in the country with more than 70% of its people living in rural areas. The National Government through the President has committed itself to reversing this situation. Vukuzakhe is the name given to a road maintenance called the "Lengthmen". The Lengthmen systems are a road maintenance program in which communities maintain their gravel roads in their neighbourhood. Each household is given a kilometre of road to look after in turn they receive a monthly stipend of R400.00. The two main strategies are poverty alleviation and road maintenance. This is definitely drawing on the resources of underused people. Congratulations to the government.</p>	
<p>4. In S. A. there are several agents selling high quality "look alike" Rolex Watches for R1 200. The real thing could cost R30,000.</p>	
<p>5. Fontana Roastery, a successful restaurant sold franchises so that similar restaurants could be developed in other cities to form a chain in S.A.</p>	
<p>6. Strawberries are bought in bulk, sorted into smaller volumes, and packaged in attractive boxes for resale.</p>	
<p>7. Enterprise SA, a NetSika-endorsed Tender Advice Centre in Pretoria, is on the move offering small business owners various advice, workshops and affordable courses to put their businesses ahead.</p>	

Exercise 2 (Continued)

Opposite the example write in the kind of Business Opportunity the example is. Do this without looking up the example in this module

Example	Business Opportunity
8. Taking an existing education, recreation or other community service and offering it in a foreign language or one of S.A.'s many languages for a particular ethnic group.	

Go back through this module and find the example to see if your answer is correct.

Module 6

Finding And Recognising Business Opportunities Part 5

27. Manufacturing Under License
28. Assembling A Product
29. Rebuilding Or Remanufacturing Products
30. Becoming A Supplier To Another Producer
31. Import Replacement
32. Marketing Someone Else's Product or Service
33. Becoming An Import Distributor Or Agent For
Products And Services Made Outside South Africa
34. Becoming An Agent For Someone's Product Or
Service
35. Becoming A Distributor For Someone's Product Or
Service
36. Taking Local Existing Products To New Markets
37. Export Distribution

*Ntsika Enterprise Promotion Agency,
with a focus of rendering non-financial support to SMME's
is part of The Department of Trade and Industry in South Africa.
Ntsika, along with the support of The European Union
assisted in the Initial Development of the
Turning Entrepreneurial Spirit Into Business Opportunities program
in conjunction with Knowledge Brokers International Limited.*

27. Manufacturing Under License

What Is It?

Purchasing the rights to manufacture and/or sell a product. Alternatively, selling the rights for someone in another area to manufacture a product you own the rights to.

- The license can give you exclusive rights for a geographic area and/or a specific market.

What Are Some Examples?

1. The Workhorse' for woodworkers was invented by an Entrepreneur Inventor and the license to manufacture it was sold to Black & Decker.
2. Publishing books is a form of manufacturing under license. Authors create books, sell the rights for their materials to publishers, and receive royalties.
3. One young entrepreneur contacted a United States manufacturer of toy soldiers, and obtained the rights to manufacture the toys in his country. It would work for S.A.
4. Joanne Raphael-Katz has bought the world rights to O₂H a "chlorine free" water purifier which is quickly gaining market share from the chlorine based products. According to Raphael-Katz, water that is treated with O₂H is drinkable and rich in minerals and unlike chlorinated water it can be used for watering flowers. Raphael-Katz also says it lasts much longer than chlorine and is odourless. It costs pool owners a R158 per month to keep a pool clean and with O₂H it is R109 per month. Already she has between 10 000 – 20 000 users. She sees her growth in agricultural and industrial water. Her company Bonpure is financed by herself and The Woman's Private Equity Fund. Joanne obviously recognised the opportunity to gain the rights to manufacture and market a product with a great future locally and world wide.
5. CAV Holdings, a specialist export manufacturer of cars and boats is showing South African companies the way into niche markets around the world. CAV Holdings delivers its products to North America and Europe. "I believe our success is due, in part, to our strategy of identifying highly specific international markets and then delivering products that exceed both price and quality expectations," says CEO James Fisher.
 - The American market snaps up the GT, the car the company built its reputation on. They sell as fast as they can make them. The GT is a modern original based on the legendary car which beat Ferrari at Le Mans four years running in the late "60's". There is a huge following in the US and UK and quality versions are hard to come by. It takes 600 hours to handcraft the car.
 - CAV has also started manufacturing under license the legendary Shelby Cobra, which is one of the fastest accelerating production cars of all times.
 - CAV has also recently acquired the manufacturing rights on South Africa's leading rigid-inflatable boat (RI B) manufacturers "Prestige" which makes up the core of CAV Marine that is involved in a number of other original equipment manufacturing projects.The creating of these well engineered products takes up a 150 000 square feet and utilises the efforts of over 200 employees. Manufacturing under license works. There are lots of these opportunities here in SA if you decide to focus on this form of a business opportunity.

How Would I Do It?

1. Decide what type of manufacturing you would like to do.
2. Locate a product to manufacture by:
 - a) advertising for inventors to submit ideas
 - b) reading publications related to new products in your field
 - c) looking for products manufactured in other countries
 - d) approaching companies which may have rights to products they do not want to manufacture at the present time
 - e) attending trade shows
 - f) contacting venture capital organisations
 - g) reading the business opportunities sections in newspapers and trade magazines
3. If you want to sell manufacturing rights to a product or service, locate a manufacturer by:
 - a) contacting manufacturing associations in S.A. and other countries
 - b) advertising in the business opportunities section of newspapers
 - c) identifying manufacturers of similar products, or products which would go well together in a package with your item
 - d) contacting manufacturers' agents
 - e) displaying your products at trade shows
 - f) contacting venture capital organisations
4. Seek professional advice related to financial and legal matters.

Key Questions:

- For what product or service could I purchase the manufacturing rights?
- What product or service is available elsewhere but not in my market area?
- For what product or service could I sell the manufacturing and/or marketing rights?
- Is there a market for the product?

28. Assembling A Product

What Is It?

Purchasing all parts for a product and assembling them to produce the finished product, or providing an assembly service for parts purchase by others.

What Are Some Examples?

1. A mechanic offers an assembly service for customers who purchase car kits.
2. A company formed by a recreation student brings in playground equipment kits, consisting of pipes in various shapes, and assembles large playground structures.
3. A company assembles office furniture on contract for customers of office supply stores, at the customer's home or place of business.
4. Konplast, manufacturers of top quality plastic welding products secured a contract with Knowledge Brokers International to not only produce the binders for this program ... they also put the covers on the binders for us, insert the audio cassettes, audio CD's, and the manuals plus do the storing and shipping. They assemble our Business Success Series Products, probably including this one you are reading. The business is owned by Ernst Walter and his son Dirk. They are phenomenal when it comes to customer service.

How Would I Do It?

1. Look for products which are made of several parts, where one or more of the following conditions apply:
 - a) the assembly process is expensive for individuals to do, and costs can be reduced by using a central assembly service
 - b) the product is assembled from parts manufactured in various locations. Your location is conveniently located as a collection point for assembly of these parts
 - c) the product needs to be assembled into a single form before being shipped from your area to another
 - d) the assembled product is too expensive to ship into your area as a completed unit, but it is less expensive to ship the unassembled parts
 - e) the product is sold in parts to consumers, but the average person cannot or is not willing to assemble it
 - f) the product is a bulky item which is awkward to ship, but the separate parts are easier to transport.
2. Analyse various products and assemble operations to find situations where you can save yourself or someone else time, effort, or cost by setting up your own assembly unit.
3. Identify and talk to potential customers for the assembled product to determine whether there is a need for the item.

Key Questions:

- What product could I assemble, which would save someone time, effort, or money?
- Can I offer this product or service at a reasonable enough price that people would use it?
- Is there a market for the product? Have potential customer stated that they would buy the product?

29. Rebuilding Or Remanufacturing Products

What Is It?

Taking a product that has come to the end of its useful condition and rebuilding it to a newer condition, or remanufacturing it into another product.

What Are Some Examples?

1. A company takes alternators and starters from wrecked cars, rebuilds them, and sells them as reconditioned parts.
2. A handy man takes household appliances, reconditions them, and resells them.
3. A company takes motors out of wrecked cars and remanufactures them into inboard marine motors.
4. A company collects used computer printer cartridges, re-inks them and sells them as reconditioned units.
5. A firm takes the excess wood oil from mills and recycles it into an environment friendly furniture oil.
6. A clothing designer and second hand clothing store owner adds new elements to used clothing and sells these renewed fashions at a higher price.

How Would I Do It?

1. Identify a product which has the following qualities:
 - a) it wears out with use over time
 - b) it can be rebuilt by adding new parts or reconditioning the old parts to original standards
 - c) the original product is expensive enough to warrant a rebuild.
2. Identify a product which has component parts which can be used as the basis for some other product, and which has the following qualities:
 - a) the product wears out with use over time
 - b) the original product does not warrant rebuilding to its new condition for reasons such as obsolescence
 - c) the parts are cheaper to obtain from the used product, than they are to obtain as a new item.
3. Identify an economical and reliable way to obtain the used parts.
4. Identify a procedure to disassemble, rebuild, and reassemble the components.
5. Identify a market for the reconditioned or newly created products.

Key Questions:

- What product can I buy in a used condition and remake into a new condition or use the components to make another product?
- Can the rebuilt or remanufactured product be sold at a lower cost, saving consumers money?
- Is there a market for the reconditioned or new items?
- Can the recycling procedure be carried out practically and efficiently?

30. Becoming A Supplier To Another Producer

What Is It?

Produce a product or service which is needed by someone else to create a larger product or service. The opportunity might be to supply a specialised part or a large volume of simple parts. In some cases, becoming a second supplier of parts is an opportunity, where the larger producer does not want to rely on a single source for critical parts.

What Are Some Examples?

1. A company supplies brake harnesses to truck manufacturing plants.
2. A woman provides an editing and proof-reading service which helps consultants in various industries complete their project reports in a professional manner.
3. A software developer created a system to make appointments, do billing and manage patient case files for psychiatrists.
4. A high-tech company sells wireless cellular data modems, providing electronic commerce, Internet access and e-mail to mobile professionals, police, fire and emergency medical services, the transportation industry, and alarm monitoring companies.
5. Peter Nyathi, 35, a mushroom grower in the Magaliesberg region, harvests and yields about four tons per week, packs and delivers it to clients, mainly restaurants, retailers and some Pick n Pay stores. Peter Nyathi is the Africa SMME Entrepreneur of the Year, agricultural sector.
6. Godfrey Leswifi saw the opportunity created by the massive Reconstruction Development Program (RDP) Housing initiative. He began to manufacture and supply windows and door frames to contractors and small builders in and around Namakgale, where he is based.
7. BA Palaborwa Soil Rehabilitation is today a respected contractor to Foscor and is responsible for the rehabilitation of the tailing dams.
8. Everest Flexible Packaging from Durban is a supplier to another producer. They provide the packaging for Ola Ice Cream, Simba Potato Chips, Rainbow Chicken and several others. Tracy-Lee Singh the person responsible for exporting says they are also exporting into Botswana, Mauritius, Namibia, and other parts of Africa. This is a combination of a packaging opportunity, becoming a supplier to another producer and an exporting opportunity.
9. Broose Jones, a hard working, innovative, street smart young entrepreneur in Cape Town saw a niche and has become a supplier to people in the film industry. He accesses anything they need immediately. That could be hairspray, paint, lipstick, lumber, divers, a boat etc. He has had to hire space to set up a warehouse. At the time this publication was written, he was servicing 3 Films being made.
10. Johannesburg businessman, Gabriel Aqua, for years has carved out a living for himself, his family and several employees with Gabriel Foods. Every morning he is up at 4:00am and off to the market to pick up fresh fruit and vegetables to deliver to hotels, restaurants, cafes and Foodstores. He is a supplier to another supplier.

How Would I Do It?

1. Ask your current employer for rights to supply a component of the manufacturing process being used.
2. Ask purchasing agents in manufacturing companies for information about their needs for suppliers, trying to identify suppliers which are difficult to obtain, too expensive, or at risk from single supply sources.
3. Look for request-for-supply notices in newspapers and trade journals.
4. Read trade journals to identify problems in supply for particular industries.
5. Have your name added to mailing lists of public purchasing agencies which are required to advertise publicly for tenders on suppliers.
6. Read publications which explain how to sell products and services to specialised organisations such as the military or governments. Also read government publications which list opportunities for suppliers of goods and services.
7. Identify a product or service you can offer and analyse the range of producing organisations which could use it as part of their process.
8. Consider the components required to manufacture a product with which you are familiar. Determine how you can provide one or more of those components with improved quality, cost or reliability.

Key Questions:

- What products or services could I supply for use by another producer?
- Could these products or services be used as a component by another producer or supplier?
- Could supplying my product or service to another company save the company time or money, improve their product or service, or help them realise other efficiencies?
- Is there a market for these products or services?

31. Import Replacement

What Is It?

Identifying a product or service which is imported into South Africa, and then replacing the imported item by producing a similar one.

What Are Some Examples?

1. Denver Adonis was studying marketing and Danver Windvogel was studying finance at Boland College in Paarl in 1997 and spotted ads in the local newspapers and churches that suggested individuals come to Belgium for a year and study Belgium Chocolate making and then bring the skills back home. Off they went to Dilbeek the home of Belcolade, a factory that makes chocolate. A few years later the pair employs a staff of 7 in Franschoek, the town they were born and bred in, are eyeing the shop next door for expansion into coffee and patisserie shop and are presently producing up to 6 000 hand made pralines per day through their business Huguenot Fine Chocolates. Praline (pronounced pray-lean) is the general name for hand made and filled Belgium Chocolates. This is definitely a case of import replacement.
2. A restaurant that purchased primarily imported produce initiated a partnership with local farmers, and now offers mostly local produce in its menu items.
3. A Canadian company supplies the soft drink and food processing industries with an alternative to imported cane sugar using high fructose corn syrup.

How Would I Do It?

1. Identify a product or service which is imported into South Africa, which you could produce locally. These can be identified by:
 - a) examining import publications and import catalogues
 - b) contacting purchasing agents to identify goods which are purchased by local industries
 - c) examining products which are all around you to determine where they are made
2. Identify an area of your expertise, and then analyse imported products related to that area to find those which you could reproduce locally.
3. Identify imported products in your markets that are too expensive because of shipping costs or tariffs. Replace them with lower cost goods of similar nature.
4. Identify and talk to potential customers for the product or service you are considering, to determine whether there is a market for a locally produced item. Check this out thoroughly, as potential customers may continue to buy the imported item if the local item differs in some way, for example, in quality, colour or construction material.

Key Questions:

- What imported product could I replace by producing it locally?
- Have potential customers said they would buy a locally made product?
- Have I thoroughly researched the product or service I am considering, to make sure it equals or surpasses the standard set by the imported article?
- Will producing the product or service locally result in cost-efficiencies for the customer?
- How will exchange rates and labour practices related to the imported product affect my profitability?

32. Marketing Someone Else's Product Or Services

What Is It?

Finding a product or service made or developed by someone else and taking the full responsibility for all aspects of marketing the product.

What Are Some Examples?

2. A sales agent located an innovative game developed by a local inventor, and become the marketing agent for the game. She arranged for packaging, advertising, distribution, and general management of the marketing.
3. A marketing consultant markets the services of other consultants. He represents them, promotes their talents, schedules their appearances, and negotiates their contracts.
4. Independent manufacturers' agent often market similar but non-competing products for many manufacturers. For example, one agent sells sporting goods made by different producers.
5. An entrepreneur developed an on-line knowledge exchange auction, providing an arena for people to exchange their specialised expertise, ideas and discoveries where supply and demand determine the value of the knowledge offered and needed.
6. The increasing attention paid to the link between diet and health in recent years has led to a rise in the demand for "functional" foods; foods both nutritious and healthy. A yoghurt launched a few months ago by Woolworths contains probiotics first isolated by researchers at New Zealand dairy giant Fonterra and now manufactured under licence by Danisco. Probiotics are lactic-acid bacteria that boost the immune system when eaten regularly. Woolworths dairy manager, Chris Botha, says the yoghurt's launch pushed 2003 yoghurt sales up 52% on 2002. Woolworths has exclusive rights to Danisco's Howaru yoghurt trademark. Woolworths is Marketing Someone Else's Product.

How Would I Do It?

1. Look for a product or service which has not been marketed at all, or which has been marketed poorly.
2. Look for new businesses which have need of marketing services, but have not established a marketing department.
3. Ask business consultants and advisors if they know of products or services which need better marketing.
4. Examine newspaper classified columns or mail order advertisements, looking for individuals or small companies which are selling products or services on a small scale, where potential exists for expansion to larger volumes. Look for good products or services using inadequate advertising.
5. Look for inventor's clubs, read their newsletters, and attend meetings.
6. Contact marketing companies or advertising agencies looking for products or services which they were not able to serve for various reasons.
7. Contact trade or industry association managers, asking if they know of good products or services that need marketing.

Key Questions:

- Where can I find a product or service with good potential that needs a marketing service?
- Which products or services have a potential for increased sales if marketing is improved? Is there a strong market for the product or service?
- What marketing skills and services can I offer?

33. Becoming An Import Distributor Or Agent For Products And Services Made Outside South Africa

What Is It?

Bringing services and products into South Africa for distribution and sale. A wide variety of products and services are available from around the world. Many producers are looking for distributors or agents in S.A. to expand the markets for their items. Distributors would buy their products for resale, while agents would sell products on a commission basis.

What Are Some Examples?

1. Servaas de Kock, C-N. Louw, Kobus White, TPhana Whitehead and Jannie Rossouw pooled their resources and tied up the sole distributorship for the Moneymax® Money Personality Profile Instrument for Africa. Their company is called Investment Psychology Solutions (IPS) and they are located in Cape Town. The instrument generates a Moneymax® Money Personality Profile Report. It tells you your key financial traits in reference to your attitudes and feelings about money as well as how to make the most of your traits when dealing with money and investment issues. It helps you build on your strengths, work on shortcomings or obstacles and improve your chances to invest more successfully for the future and improve your knowledge of yourself. The instrument has received a Financial Services Board endorsement and Financial Planners and Bankers are utilising it with their clients. Individuals are also sourcing the instrument directly with IPS for their own better financial and investment management. The instrument can be filled out and sent to them or you can access it on-line. For more information go on-line at <http://www.ips-online.co.za>. The KBI Executives have been through it and it is accurate.
2. A businesswoman had a health problem which forced her to quit work. She could not locate an adequate medical apparatus in her country for her problem. She searched abroad and found a suitable model in Europe, and now is the importer for this line of equipment.
3. One company developed by a young entrepreneur imports Christmas cards in bulk from the United States each year. They are packaged 15 cards to a box and resold. This is an example of importing, packaging, and breaking bulk.
4. Chris Vortex, a South African Business Man took the initiative to import and distribute the latest craze of motorised bikes called the Zippy Nippy.
5. Andy Reid a South African businessman went to the Vespa factory in Italy to buy two Vespa scooters to bring back to S. A. He ended up buying the rights to import into S.A.
6. Graeme Rooke, South African entrepreneur has recently taken on the representation of Russian made Jet Planes to import into South Africa.

How Would I Do It?

1. Read overseas trade magazines such as International Trade Winds.
2. Identify marketable products made in other countries which have not been previously sold in S.A.
3. Contact trade associations in other countries to ask for information.
4. Identify a client group with special needs that can be met only with products from another country.
5. Look for new and innovative items made in other countries by travelling to those countries or reading advertising materials in their magazines.
6. Join import-export associations, read their newsletters, and attend meetings.
7. Look for successful products in other countries which have not been imported to S.A.
8. Ask friends who travel regularly for suggestions about foreign products which could be successful in the S.A. market.

Key Questions:

- What products or services can I import for sale in South Africa?
- What needs in the S.A. marketplace could be met by imported products or services?
- Taking into consideration currency exchange rates and shipping costs, is it profitable to import these products or services?
- Is there a S.A. market for the product or service I am thinking of importing?

34. Becoming An Agent For Someone's Product Or Service

What Is It?

Taking a contract to sell a producer's or distributor's products or services for a fee or commission.

What Are Some Examples?

1. Nicola Tyler is the agent and representative for Edward De Bono's Creative Thinking Seminars, Workshops and training products in South Africa.
2. The Cut-flower industry in South Africa is in excess of R500 million per year of which 50% is exported. The total floriculture industry employs approximately 17 500 people with at least 70 000 dependants. The industry consists of widely dispersed individuals small farmers, or small regional groupings, which generally compete for limited domestic market. A small number of well established agents do a fine job of selling their clients' product into targeted markets. Unfortunately the focus is on their own businesses not on the business of growing the industry or its market penetration as a national strategy. There are major agent export opportunities here as well as a business opportunity of helping to organise the industry for a major international exporting thrust.
3. Pioneer, Lionel Kelbrick, lives in Poortview on the West Rand in Gauteng and owns the Lionel Kelbrick pigeon breeding station. He has the progeny (of f-springs) of gold-medallist winner from all over Europe in his station, and SA fanciers who enter competitions with birds they acquired from him make waves in pigeon-racing circles. Lionel has extensive experience in the import and export of racing pigeons. Lionel Kelbrick is also the SA agent for this year's Vegas Classic Pigeon Race on 15 November in the US. If 1 300 birds are entered, the winning pigeon will receive US\$200 000, and there will also be 40 additional money prizes. The fee for entering four birds in this race is US\$2 000 – including transportation and quarantine. Lionel markets that opportunity to South Africans. This is the fourth race of its kind, where conditions are always tough and competitive. Lionel is capitalising on an opportunity by being the Agent for the Vegas Classic Pigeon Race.
4. One Gauteng man is the sole Gauteng agent for a binder producing company in Natal.
5. Short Term and Long Term Insurance Independent Brokers are agents for the Insurance companies.
6. The opportunities are unlimited in this category. Find manufacturers and suppliers of services from your market, other S.A. markets and from International Markets that could use representation of their products or services. This could include printers, posters companies, picture companies, candle manufacturers, training material companies, bedding companies, furniture companies ... the list is endless.
7. Cobus van Graan previously in Sales Management with Spartan Computer Rentals, Eli Lilly and Abbott Laboratories had worked as a senior consultant for Knowledge Brokers International (KBI) for 1½ years. He decided to open his own business which could be competitive to KBI. Both the KBI Executive and Cobus recognised each other's value. Cobus' company Scientia Performance Consulting (Pty) Ltd is now both an Agent and Distributor for Knowledge Brokers' products and services. A Win/Win Solution.

How Would I Do It?

1. Identify a type of product or service you believe you can sell directly to consumers or businesses.
2. Find producers or distributors of a product or service who require an agent's services for direct selling.
3. Examine business opportunities sections in newspapers and read classified advertisements for sales agents.
4. Join sales and marketing groups, attend meetings, and read their newsletters.
5. Contact manufacturers, read trade publications, and attend trade shows to find items not being sold in your area.

Key Questions:

- What product or service can I independently contract to sell as a sales agent for a producer or distributor?
- What manufacturers can I find who need the services of a sales agent?
- Is there a market for the products or service I would like to represent?

35. Becoming A Distributor For Someone's Product Or Service

What Is It?

Buying a producer's products or services for resale to retail outlets, manufacturers, other businesses, or directly to the public.

What Are Some Examples?

1. A woman who owns a direct mail distribution company buys local handicrafts from producers and advertises them for resale.
2. A training company contracts to conduct a series of management workshops for companies, and hires management consultants to act as workshop facilitators. The training company buys the consultants' services and markets them at a higher price.
3. A trucking contractor buys large quantities of topsoil and resells it by truckloads to garden supply shops.
4. A large retail carpet store utilized its volume discounts from carpet manufacturers, and became a distributor to small contractors.
5. A computer supply distribution company improved services and gained new customers by establishing a website that takes orders from businesses, then passes the orders along to the manufacturers for delivery within 24 hours. With no inventory to carry and no double shipping costs, the company was able to cut its prices by 20%.
6. Local SA distributor, Lipton Griffin International is carrying Motorola's new M900 mobile car phone. It is plussing existing products. It features voice activation, an enhanced display screen and hands free operation. You can use the spoken word to articulate functions with up to 20 pre-defined voice tags and with multi-lingual support in English, German, French, Italian, Spanish and Hebrew. It also has a high resolution enhanced illumination graphic display design for easy reading with character height of 8mm. It is combined with an adjustable backlight and contrast display setting making the screen viewable at a glance. A hands free jack if one wants to speak privately is part of it and a key pad with large illuminated tactile keys to make it easy to dial while driving.
7. Twincare International operated by Stav Dimitriadis is the S. A. distributor for beauty products like Matis, Paul Mitchell, Nioxin, Crew, Artdeco and Phytomer.
8. Oxygen for Life (PTY) Limited was founded in 1996 by Mike and Laurice Matulovich for the distribution of a range of unique products. Mike was first introduced to Cellfood, in 1996 when a Canadian nutritionist friend recommended the product. He first ordered 4 bottles of Cellfood from the USA. It was tough at first as a distributor, but once the University of Pretoria (UP) did some research on the product and was astounded by the results, the marketing of Oxygen for Life Products became easier because it was now officially respectable. They also now export to Australia, Holland, and Germany. The fact that air bubbles trapped in ice-core drillings in Antarctica indicate that the level of oxygen in our air has diminished from about 50% to below 21% there is lots of market for Oxygen for Life and a great future for Mike and Laurice as distributors.

How Would I Do It?

1. Analyse your current purchasing volumes and discounts to identify situations where you could act as a distributor to take advantage of your buying power.
2. Find producers or manufacturers who would give you exclusive rights to distribute their products in return for your advanced financial support for orders.
3. Find a producer who only wants to deal with large orders, but whose products need distribution in small order lots. You can become a distributor and relieve the producer of small-order problems.
4. Find a group of clients who have to wait for delivery of products from the manufacturer because of distance or production time. You can become a distributor with stock on hand to provide immediate delivery.
5. Look for "distributors wanted" advertisements in trade magazines and business opportunities sections of newspapers.
6. Contact manufacturers, read trade publications, and attend trade shows to find items without local distribution networks.

Key Question:

- What product or service can I buy, stock, and wholesale for my region in a profitable manner?
- What producers can I find that require a distributor for a product or service?
- Could I distribute the product profitably?
- What potential retailer or customers have indicated a need for the product I am thinking of distributing?

36. Taking Local Existing Products To New Markets

What Is It?

Taking a product which is made locally and is successful in the local area and expanding the marketing to new geographic areas.

What Are Some Examples?

1. Barlow Equipment presence is entrenched in Angola after 10 years in the country. Barlow Equipment is heavily engaged in power generation and supply of heavy-duty equipment such as 85-ton excavators and 65-ton bulldozers – to the diamond mining section.
2. Air travellers will have a window to S.A. through the proposed trade centre at Johannesburg International Airport. In a move that would offer business travellers to SA a very convenient shop window to the countries export industry, the Airport's Company SA is developing a permanent exhibition centre at Africa's busiest airport. Business travellers will be able to step off the plane at Johannesburg International Airport and walk less than 500m to shop for South African-made goods.
3. Khonzeka Magxekeza is a design/artist of African Textile Painting. In 2000 Khonzeka won a tender to train community members in textile printing and art. Since then, there has been an increase in the demand for her products. Tourists are amongst her major customers now and she exports her wares to Brussels, Germany and Atlanta besides supplying local stores at the Waterfront in Cape Town. All printing and art work is inspired by African history and culture.

How Would I Do It?

1. Identify products or services offered by your company within your own region that could be expanded to new markets in other areas.
2. Identify local made products or services made by someone else which are successful but are not distributed to other areas. Try the following suggestions:
 - a) talk to purchasing agents
 - b) put classified advertisements in newspapers
 - c) contact local chamber of commerce/ economic development staff
 - d) analyse local advertising
 - e) talk to local business people
 - f) look for locally made products in stores
 - g) look for local stories in business magazines and newspapers
 - h) through local tourists and travel industry personnel find specific products and services which attract visitors, and which could be imitated, franchised, or marketed in other areas.
3. Look for one-of-a-kind successful businesses that are obviously developed by local people. Some ways to identify them include:
 - a) analyse yellow pages
 - b) identifying local fashions and lifestyle activities
 - c) observing retail stores and services in local areas
 - d) listening for positive comments from local consumers and business people about local businesses
 - e) asking travellers and visitors for names of unique businesses they have noticed in the local area which they would like to have in their own region.

Key Questions:

- Where can I find a local product or service which can be transferred to a new market in another geographic region?
- What successful local products have not been distributed in other areas?
- What local businesses could be successful in another area?
- Is there a demand for the product or service in the new territory I am considering?

37. Export Distribution

What Is It?

Promoting and shipping South African-made products and services to other countries.

What Are Some Examples?

1. Johan Van Zyl – president of Toyota South Africa states that Toyota S. A. current export volume is 800 Corollas a month to Australia. TMC (Toyota Motor Corporation) selected Toyota to manufacture a new commercial vehicle range that will see them exporting in excess of 30 000 vehicles a year.
2. SA is sending high-quality orthopaedic implants out into the world. A smallish Western Cape company that designs, manufactures and exports products to more than 40 countries has been recognised repeatedly for its product quality and technical innovation. It also has the competitive advantage of low-cost production.
3. In the past twenty years Ceres Fruit Juices, SA's largest exporter of fruit juice, has built up sales to more than 60 countries in Africa, Europe, The Middle and Far East and North America. It's biggest export market is the US, followed by the rest of Africa. The group has been exporting fruit juices since the 1980's. Ceres Fruit Juices CEO Pieter Hanekom says among the most important attributes of being successful in export markets is to have a product that can be distinguished from others and which is sustained by consistent quality. SA's exotic fruit, and the group's ability to extract the juices, is the key to its success.
4. Exporting Service – the global call centre. It's the largest investment to date in an exciting area of exports – the offshore call centre - it is a \$20m contract. DiData's executive Andrew Briggs says "The project is called Operation Swordfish. The call centre industry is well established in SA, and many of the people who have been recruited to work in the Swordfish operation had previous experience in a similar job." As well as operating call centres in SA, DiData is also exporting its experience – sending people to other countries to set up call centres. "We have a very good skills base, and send call centre engineers and consultants across the world." explains Briggs.
5. Issy Penniken has a business called Petite Designs. The Petite factory on Johannesburg's West Rand now produces the haute couture of chairs and other objects d'art for the derriere (behind). Penniken first found his way into the global market after impressing Andrew Martin, one of the best known furniture and fabric retailers in the UK. And now his company is following Andrew Martin to New York and Athens where the UK retailer is setting up shop.
6. Environ Proactive, a locally developed skin care range produced by a family-run business, has grabbed a niche in the highly competitive global cosmetics market and is now exporting to more than 27 countries. 1998 Environ was awarded the Safmarine small exporter of the year trophy and in 1999 it won the Western Cape exporter of the year award. The Environ Skin Care operation currently exports 51% of its total production to countries in North America, Europe and Asia as well as Australia and New Zealand. Japan is the single biggest market. Distribution overseas is solely through beauty salons and doctors, compared to SA where in addition the products are sold directly to consumers to widen their accessibility. Many of the offshore distributorships were given to personal friends of Fernandes or by expatriate South Africa doctors who knew about the products and their success locally.

How Would I Do It?

1. Contact local producers who may want to sell their items in foreign countries.
2. Identify a country you would like to export to, then contact local producers of goods for the rights to distribute into that country.
3. Read federal government publications on export opportunities.
4. Examine foreign countries to study their need for types of products made in S.A.
5. Contact foreign trade counsels to identify needs which require service in other countries
6. Read how-to-do-it books on exporting, from libraries or bookstores.

Key Questions:

- What products and services can I export to other countries?
- What country would I like to export local products to?
- Is it profitable to export these products or services, considering currency exchange rates and shipping costs?
- Is there a market for the product or service I want to export?

Exercise 1

From the Opportunity Description draw a line to the correct Opportunity Finding Title

Description	Business Opportunity
<p>Finding a product made by someone else and taking the full responsibility for all aspects of marketing the product.</p>	<p>Manufacturing Under License</p>
<p>Taking a product that has come to the end of its useful condition and rebuilding it to a newer condition, or remanufacturing it into another product.</p>	<p>Assembling A Product</p>
<p>Produce a product or service which is needed by someone else to create a larger product or service. The opportunity might be to supply a specialised part or a large volume of simple parts. In some cases, becoming a second supplier of parts is an opportunity, where the larger producer does not want to rely on a single source for critical parts.</p>	<p>Rebuilding Or Remanufacturing Products</p>
<p>Purchasing the rights to manufacture and/or sell a product. Alternatively, selling the rights for someone in another area to manufacture a product you own the rights to.</p> <ul style="list-style-type: none"> The license can give you exclusive rights for a geographic area and/or a specific market. 	<p>Becoming A Supplier To Another Producer</p>
<p>Identifying a product or service which is imported into South Africa, and then replacing the imported item by producing a similar one.</p>	<p>Import Replacement</p>
<p>Purchasing all parts for a product and assembling them to produce the finished product, or providing an assembly service for parts purchase by others.</p>	<p>Marketing Someone Else's Product</p>

Exercise 1 (Continued)

From the Opportunity Description draw a line to the correct Opportunity Finding Title

Description	Business Opportunity
<p>Taking a contract to sell a producer's or distributor's products or services for a fee or commission.</p>	<p>Becoming An Import Distributor Or Agent For Products And Services Made Outside South Africa</p>
<p>Taking a product which is made locally and is successful in the local area and expanding the marketing to new geographic areas.</p>	<p>Becoming An Agent For Someone's Product Or Service</p>
<p>Promoting and shipping South African-made products and services to other countries.</p>	<p>Becoming A Distributor For Someone's Product Or Service</p>
<p>Bringing services and products into South Africa for distribution and sale. A wide variety of products and services are available from around the world. Many producers are looking for distributors or agents in S.A. to expand the markets for their items. Distributors would buy their products for resale, while agents would sell products on a commission basis.</p>	<p>Taking Local Existing Products To New Markets</p>
<p>Buying a producer's products or services for resale to retail outlets, manufacturers, other businesses, or directly to the public.</p>	<p>Export Distribution</p>

Go back through this module and confirm your answers.

Exercise 2

Opposite the example write in the kind of Business Opportunity the example is. Do this without looking up the example in this module

Example	Business Opportunity
<p>1. A restaurant that purchased primarily imported produce initiated a partnership with local farmers, and now offers mostly local produce in its menu items.</p>	
<p>2. Joanne Raphael-Katz has bought the world rights to O2H a "chlorine free" water purifier which is quickly gaining market share from the chlorine based products. According to Raphael-Katz, water that is treated with O2H is drinkable and rich in minerals and unlike chlorinated water it can be used for watering flowers. Raphael-Katz also says it lasts much longer than chlorine and is odourless. It costs pool owners a R158 per month to keep a pool clean and with O2H it is R109 per month. Already she has between 10 000 – 20 000 users. She sees her growth in agricultural and industrial water. Her company Bonpure is financed by herself and The Woman's Private Equity Fund. Joanne obviously recognised the opportunity to gain the rights to manufacture and market a product with a great future locally and world wide.</p>	
<p>3. Nicola Tyler is the agent and representative for Edward De Bono's Creative Thinking Seminars, Workshops and training products in South Africa.</p>	
<p>4. An entrepreneur developed an on-line knowledge exchange auction, providing an arena for people to exchange their specialised expertise, ideas and discoveries where supply and demand determine the value of the knowledge offered and needed.</p>	
<p>5. Peter Nyathi, 35, a mushroom grower in the Magaliesberg region, harvests and yields about four tons per week, packs and delivers it to clients, mainly restaurants, retailers and some Pick n Pays. Peter Nyathi is Africa SMME entrepreneur of the year, agricultural sector.</p>	

Exercise 2 (Continued)

Opposite the example write in the kind of Business Opportunity the example is. Do this without looking up the example in this module

Example	Business Opportunity
<p>6. Twincare International operated by Stav Dimitriadis is the S. A. distributor for beauty products like Matis, Paul Mitchell, Nioxin, Crew, Artdeco and Phytomer.</p>	
<p>7. Konplast, manufacturers of top quality plastic welding products secured a contract with Knowledge Brokers International to not only produce the binders for this program ...they also put the covers on the binders for us, insert the audio cassettes, audio CD's, and the manuals plus do the storing and shipping. They assemble our Business Success Series Products, probably including this one you are reading. The business is owned by Ernst Walter and his son Dirk. They are phenomenal when it comes to customer service.</p>	
<p>8. Chris Vortex, a South African Business Man took the initiative to Import and distribute the latest craze of motorised bikes called the Zippy Nippy.</p>	
<p>9. A company takes alternators and starters from wrecked cars, rebuilds them, and sells them as reconditioned parts.</p>	
<p>10. A trucking contractor buys large quantities of topsoil and resells it by truckloads to garden supply shops.</p>	
<p>11. A clothing designer and second hand clothing store owner adds new elements to used clothing and sells these renewed fashions at a higher price</p>	

12. Khonzeka Magxekeza is a design/artist of African Textile Painting. In 2000 Khonzela won a tender to train community members in textile printing and art. Since then, there has been an increase in the demand for her products. Tourists are amongst her major customers now and she exports her wares to Brussels, Germany and Atlanta besides supplying local stores at the Waterfront in Cape Town. All printing and art work is inspired by African history and culture.

13. SA is sending high-quality orthopaedic implants out into the world. A smallish Western Cape company that designs, manufactures and exports products to more than 40 countries has been recognised repeatedly for its product quality and technical innovation. It also has the competitive advantage of low-cost production.

Go back through this module and find the example to see if your answer is correct.



Module 7

Finding And Recognising Business Opportunities Part 6

- 38. Locating A Patent Opportunity
- 39. Inventing A New Product Or Service
- 40. Buying An Existing Business
- 41. Pool Small Groups Of Customers With Special Needs
- 42. Start A Co-operative
- 43. Conduct Market Research For Other Businesses
- 44. Take Advantage Of Changes In Government Regulations

*Ntsika Enterprise Promotion Agency,
with a focus of rendering non-financial support to SMME's
is part of The Department of Trade and Industry in South Africa.
Ntsika, along with the support of The European Union
assisted in the Initial Development of the
Turning Entrepreneurial Spirit Into Business Opportunities program
in conjunction with Knowledge Brokers International Limited.*

38. Locating A Patent Opportunity

What Is It?

Looking for a patent to a product or service which has commercial value, but which has never been produced or has not been marketed well. This could also include patents which have expired and can be duplicated without a license.

What Are Some Examples?

1. A farmer noticed a need for mechanical rock pickers and wanted to manufacture and market that product. He then had a patent search done, and several rock pickers were found. He contacted the patent owners and found one person who had not started to build his rock picker for commercial sale. The farmer bought the patent rights and started manufacturing the equipment.
2. In 1944 the president of Haloid Corporation read a magazine article about a dry copier which had been invented in 1938, but had not been produced for the market. He contacted the inventor and purchased the patent rights. Over the next several years, Haloid developed a line of dry office copiers based on that patent. The patent was for the Xerox copy process, and in 1960, Haloid changed its name to Xerox Inc.
3. One young patents searcher makes a practice of searching for old patents which were ahead of their time, and could still be marketed today.
4. Thomas Rötzig, started life 18 years ago as a small business unit within T able Bay Engineering, making implants for the local market. "We didn't reinvent the wheel," says Thomas Rötzig and eldest son of company founder Hermann Rötzig. "So we produced generics using blueprints where the patent protection had lapsed". The firm (Roth Medical Components) earns its bread and butter from these products.

How Would I Do It?

1. Select an area of patents you wish to search. Some terms used to describe the various categories include electrical, mechanical, chemical, seeds and plants, and style design.
2. Start your search in one or more of the following ways:
 - a) go to the Patents Office. The classification examiner will suggest which category to look under after you have described your purpose.
 - b) locate a patent attorney or agent for professional assistance. They can be found in the Yellow Pages of large city phone directories.
 - c) locate a company or organization related to the design or marketing of patents. They can be found in the Yellow Pages in the category, "Patent Development and Marketing". Ask for information about rights to patented products or services they are currently developing for clients.
 - d) read the Patent Office Record at the local library. Each month the library gets a list of new patents. The librarian can help you conduct the patent search using the library materials. Professional searchers can save time and effort for you with their knowledge, skills, and modern tools.
 - e) advertise for inventors to contact you in reference to their patented products and services. Another source might be major companies who own patents to products they currently are not producing.

Key Questions:

- What patent can I find that could be used as the basis for a business opportunity?
- What area of patents most interest me?
- What available patents have commercial value and could be used as the basis for a business opportunity?
- What potential customer have said they would buy the product I am considering developing?

39. Inventing A New Product Or Service

What Is It?

Devise an innovative product or service which meets a need in the marketplace.

What Are Some Examples?

1. CommsWizard Pro, it was developed by Merlin Communications. The SMS-software program, after being downloaded onto your desktop, allows users to send individual or bulk SMS messages to customers and suppliers anywhere in the world.
2. Carmel Miller, designer and producer of hand-painted tablecloths uses hand-painted material that does not need to be washed. Her idea was to use a light polyurethane coating on the material which translated into a manufacturing success. The tablecloths are now widely used by restaurants for their aesthetic value and low maintenance.
3. Lisa Becker & Beverly van Wyk own Stretch-A-Tac, a small company in Vereeniging that manufactures a handy coloured clingwrap used as gift wrap to cover odd shaped gifts that are normally difficult to wrap. They recently won a TWIB (Technology for Women in Business) award for best manufacturer.
4. Burnshield, which previously won a global award for "best medical invention of 1998" and have been featured in various medical journals, specialised in the manufacture of antiburn treatment gels, creams and burn kits, for local hospitals and pharmacies and for export to America, Europe and the Middle East. Their cream is water-based and not oil-based, meaning it is safer and more efficient in healing.
5. Roth Medical Components, MD Thomas Röthig. The aptly named Harvestmaster is one of the company's most successful products and is unique. Until now, the process of removing bone chips, usually of the hip and usually during bone grafts and spinal cages, has been a crude affair involving either a hammer and chisel or a "reamer", a manual device similar to a cheese grater. The bone harvester, in contrast, is a pneumatic device (driven by high pressure) that allows surgeons to control exactly the amount of bone to be "harvested" and the precise area from where it is taken.
6. How is this for results! This innovative process used on broccoli showed an 18.8% increase in head weight and a 20% increased head weight in lettuce. Using six liters per hectare on beans increased the crop yield by 10% and represented a 1,678% return on investment in the product. Onion yields increased by 30% providing a 7 400 return on investment, tomatoes a 13% yield increase and a 1,174% return ... the list is as long as that of the fresh produce market. This is a patented one-of-a-kind process and it is only the starting point for kelp products according to MD Peter Friedman. Kelp products, a Cape Town based company has revolutionised an industry with this innovative new patented method of processing food without destroying or altering it plus has become a strong exporter in the process. It has all come from the seaweed and the innovative minds of the people at Kelp Products and their product reaches clientele from China to California to Thailand to a Table Top frozen vegetable giant in South Africa.
7. When a cash-strapped student by the name of Garth Camsay started keeping a beehive and caught his gardener taking some of the honey he had no idea where it would take him. The co-operative gardener quickly explained he was using it to make an alcohol beverage called Iqhilik a. Camsay, who was working towards his PhD in biotechnology, and his supervisor, Dr Winston Leukes and fellow student Vuyani Ntantiso began researching a legal and more effective process of manufacturing the mead ... an African tradition. They opened the Mokana Meadery site in the industrial area of Grahamstown, South Africa. They can produce an 8% alcohol content in just 79 minutes, when overseas manufacturers produce beverages with 8% alcohol in 12 hours. They sell about 2 000 bottles per month, mainly as gifts on the Internet. 40 People are employed directly or indirectly by the meadery. The meadery aims to be environmentally friendly in its recycled products and using only local products in the manufacturing of mead. They intend to also supply the Japanese market in the near future and help other illegal manufacturers make their product legal by purifying it for them and controlling the process.

How Would I Do It?

1. Concentrate on products and processes which are familiar to you.
2. Observe products or services that could be made more effective to save time, effort, or money; or look for products or services which people are requesting and do not exist.
3. Examine present products and services from a variety of perspectives to see if there are elements which could be added, subtracted, changed, or combined to produce improvements.
4. Read newspaper columns and magazine sections devoted to people's ideas about products and services they would like to see invented.
5. Use processes of creative thinking to develop a new product or service.
6. If your innovation is sufficiently valuable, seek professional advice from a patents attorney. They are listed in the Yellow Pages under "Patent Attorneys and Agents Registered". Each city has a patents receiving office which will accept and deliver our patent to the federal patents office.
7. Obtain free booklets on patents, copy rights, industrial designs, and trademarks from Government departments.
8. Look for products and services that people are requesting, but do not exist.

Key Questions:

- What new product or service can I invent?
- What services or products are needed but don't exist?
- What familiar process could I improve by inventing a new procedure, product or service?
- What ideas do I have that I could develop into inventions?
- Is there a market for my invention?

40. Buying An Existing Business

What Is It?

Finding an operating business, buying it, and taking over its activities. You may want to buy the business because it is not doing well and you believe it can be improved with your talent and energy, or because it is already successful and can be bought for a good price because the owners want to get out of the business for various reasons.

In some cases, you may want to buy a business and resell it quickly. Here, your talents would centre on abilities to identify businesses which can be turned around quickly and resold at a profit.

What Are Some Examples?

1. A businesswoman purchased a successful business engaged in testing hearing for employees in noisy environments. The business included contracts to test employees at major manufacturing plants. The previous owner wanted to become less active and free up capital for other uses.
2. Another businessman loaned money to owners of a clothing store, only to find out later that the company was about to fail. He met with the bank to make financial arrangements to buy the business with no additional money beyond the original loan. Through good management the business was saved.
3. A hotel was in receivership. A local businessman agreed to operate it for the receivers. The hotel began to turn around and the creditors agreed to let the businessman buy it with no down payment. He now owns a successful hotel.
4. A company providing training services to on-line investors was in difficulty due to poor management and marketing. The owner approached a partner with the necessary skills who bought half the company. It is now highly profitable and expanding into many new products, services and markets.
5. Heather Graas worked for several years as the manager and sole employee of a vitamin and Health Food store in Sandton. She became an expert on the subject. Eventually she convinced the absentee owner to sell her the shop with very reasonable terms. She re-named her vitamin and health food shop Graasroots and also opened Graasroots Restaurant and Juice Bar. She's doing 10 times the volume the business did when owned by the original owner.
6. It began quite literally – with a dream Paul Randall awoke one morning inspired to make fact of a strange fiction; he saw himself as a candle magnate with a huge candle-making empire. He began by taking over Waxworks (2003), an existing company originally established in 1995 by Anton Swart. In the nine months since Randall has taken over, profits have sky rocked, he has tripled the size of the factory and by the close of the next financial year will be making over 6 million. Waxworks stays away from general purpose candles, as the market is flooded. His candles are hand-crafted and have a

unique flair. With dedicated mould-makers and a committed design team, Waxworks tailor makes candles to customer's needs ... some made especially for exporting. Examples of these are candles into lion's heads, unusual ethnic designs, monster sized pyramids as well as classic dinner table variety. He has adopted a proactive approach and has picked up 80% of the new business from the website. Every e-mail or visitor to the website gets followed up and they attend overseas and local trade shows which give them valuable opportunities for trade enquiries, brand awareness, networking and finding agents. In South Africa there are seven representatives on the road. Waxworks currently exports to the USA, the UK, Europe, Australia, Botswana and Namibia. Randall says Waxworks is designing candles with two things in mind.

- Fill a gap in the local market
 - Take opportunities to the export market
- With the new technology that allows corporate logos and company names to be branded on candles he hopes to reach the next level with export and local markets.

How Would I Do It?

1. This is a widely used method of getting into a business. It is more complex than can be described here. As a beginning point, read books which explain how to buy a business.
2. Identify potential businesses to buy by reading classified advertisements, contacting real estate agents, reading advertisements in trade-related publications, or visiting businesses to observe their operations.
3. Examine businesses you would like to operate, looking for owners who want to retire or get out for various reasons such as boredom, partnership disagreements, divorce, or poor health.
4. Look for businesses which are not doing well, and which your talent and energy could make successful.

Key Questions:

- What existing business can I buy and operate?
- What types of businesses am I interested in and would enjoy operating?
- What types of businesses could I run, based on my previous experience?
- What funds are available to me for the purchase of a business?
- Why is the business for sale and what is the business' reputation?
- Is client loyalty to the owner personally or to the business?

41. Pool Small Groups Of Consumers With Specialised Needs

What Is It?

Rather than offering products or services to large groups of customers, many successful businesses can be built by meeting the unique needs of smaller groups. While your customers are fewer, they are often prepared to pay more for the specialised offerings. Unique needs often arise from specific lifestyles or demographics.

What Are Some Examples?

1. An entrepreneur in a remote location recognised that many of the local restaurants had a problem with bread supply and delivery. By making 2 – 3 trips per week to the closest major centre, he was able to purchase from different bread suppliers, with local restaurants collectively sharing the delivery costs.
2. A small group of retail store owners had little access to the specialised training services required for their employees. They found it difficult and expensive to send their employees out of town. By pooling the owners' varied retailing skills and experience, they were able to form a consulting company that delivered the necessary training.
3. One company launched a web-based buying group that offers members businesses discounts on name-brand office supplies, computer equipment and technical repairs and maintenance, as well as a "buying exchange" where members post purchase orders and desired price for suppliers to bid on.
4. A group of artisans joined to form a retail marketing co-operative, allowing them to share the necessary work and expenses that previously had prohibited them from starting their individual stores.
5. Tonight Film Write-Up, Shalandra Bunseelall gives readers a taste of what you can expect from the capital of Indian cinema in 2004. 5 Indian film reviews.
6. Grain SA is inviting developing farmers to join the organisation at a reduced membership fee of R250 a year. Normal membership fees are R750. According to Grain SA's manager of farmer development, Cois Harman, members will, among other benefits, be able to attend farmers' day and training courses in grain cultivation and tractor mechanics at Nampo Park in Botshaville. "The three

best candidates in the tractor-mechanic course qualify for huge discounts when buying a New Holland tractor," he said. Groups of developing farmers can join Grain SA at the reduced fee, but the newsletter and other information will only be provided to the chairperson, who will have to keep the other group members up to speed. Grain SA's Annual Development Farmer of the Year competition has become an established event. In the past, the winner has received a cheque of R20 000, and the runners-up R8 000 each. This is definitely the Grouping of Small Groups with Specialised Needs.

How Would I Do It?

1. Identify some of the difficulties people encounter in starting or doing business in your community, as well as services or products they need but cannot access. Explore whether any of these provide business opportunities for you.
2. Talk to your local Chamber of Commerce to determine what services or products are lacking in your area. Find out why. Are there obstacles you could overcome that would allow these businesses to start up locally?
3. Based on your own experiences, identify a business where you have encountered difficulty making local purchases or accessing services locally. Look around to find other individuals who have the same specialised needs. Develop a business cooperative that meets these needs.
4. Look for other entrepreneurs trying to start business ventures but are intimidated by the time and money involved. See if there are ways you could combine skills or products to work together and share the responsibilities of a business.

Key Questions:

- What have I tried to purchase locally that has been unavailable?
- What service or product could I provide to a particular industry to enhance its efficiency or save time and effort?
- For specialised products, will there be enough of a demand on a regular basis to support a business?
- Have I considered taking a co-operative approach to starting a business? Would this work for me?

42. Start A Co-operative

What Is It?

Co-operatives are found in business and community sectors across S. A., including in the fisheries, childcare, housing, entertainment, tourism, transportation, agriculture and high-tech industries. Legally, co-operatives operate much like other businesses, but they are owned and operated equally by their members, who are also their shareholders. Each member of a co-operative has one vote to ensure every member has an equal opportunity to participate in the decision-making process.

Co-operatives can provide a creative alternative to traditional businesses. By working together, co-operative members can pool resources for start-up costs and achieve better purchasing power, more dynamic joint marketing and less individual risk.

What Are Some Examples?

1. A group of ladies combined their skills to start Thembelesizwe Clothing Co-Operative, manufacturing school uniforms, hospital linen, nurses uniforms and caterers uniforms. There are a total of 13 employees who began as unemployed women doing the odd sewing job to secure some kind of an income and through joining their work force they have been able to position themselves to win larger tenders that are available. At the beginning of 2001 they expanded their business to incorporate a training centre to teach unemployed people in their community on how to make clothing.
2. Another example is Weskuns Arts and Crafts Store at St. Helena Bay Hotel. Monica Cloete, Marie Nell and Ralph Cloete are proud owners of this vibrant establishment. As a group of previously unemployed locals, they now manufacture different products out of raw materials (clay and fabric) such as ornaments, tablecloths, cushions and placemats. They are also training newcomers in artistic skills or exhibiting their work with pride.
3. SEBRAE, Brazil SMMEs have common problems and it is easy for them to find common solutions if they act in a group. The benefit of this strategy is evident in the Central Flores, a horticultural initiative in Brasilia where 41 Brazilians have now formed themselves into a consortium in floral agriculture. Each operates independently until SEBRAE in Brasilia brought them together and showed them the benefits of cooperation. Through doing things together, they have now built their own large greenhouse

and the whole of Brasilia town comes for all kinds of flowers. In addition to selling plants for replanting the flower market they are getting into pot plants, as more Brazilians want flowers in their offices. The group of 41 buys fertiliser as a group, thus enjoying healthy discounts; advertises as a group and some even have their own laboratories where they produce new strains of flowers. They then repackage the research to their colleagues at a fee.

How Would I Do It?

1. Identify the type of business you'd like to start up.
2. Determine whether you could add value to or reduce the cost of the product or service by joining with other entrepreneurs in the same or a related field to form a co-operative.
3. Talk to other entrepreneurs who could be potential members of the co-operative to see if they are interested in forming a co-operative structured venture.
4. Determine if a market exists for you co-operatively offered products or services.

Key Questions:

- Can I add value to my product or services by offering them in conjunction with other entrepreneurs.
- Are there other entrepreneurs who recognise the opportunity presented by offering the products or services in a co-operative arrangement?
- Can the co-operative structure achieve better economies of scale, or add value to the products or services, thereby passing along benefits to the consumer?
- Would taking a co-operative approach to starting a business work for me?

43. Conduct Market Research For Other Businesses

What Is It?

Companies may lack the time, resources or expertise to do the necessary research in starting or building their business. By becoming a specialist in market research, as your customers' businesses grow, so does yours.

What Are Some Examples?

1. Forge-A-head is a Fourways business referral centre focused on the IT and communication sector and offers assistance with business plans, market research and consulting work.
2. Recognising an ongoing need for companies to continually source out new suppliers, a business published a "Catalogue of Mail Order Catalogues." Each mail order company in the catalogue paid an advertising fee as well as a small royalty each time a catalogue was ordered.
3. A computer company began specialising in the research of business ideas through the Internet and downloads the information directly to its customers' computers.
4. Two recent graduates started a business providing guidance on successfully marketing to youth, an increasingly important consumer group.

How Would I Do It?

1. Identify small business owners who are in an expansion mode and require research on other business opportunities. Approach them regarding the future opportunities and work with them to research the best plan of action.
2. Contact your local Chamber of Commerce to identify potential businesses starting in the area. Contact them directly to offer research assistance on local area needs.
3. Examine your market knowledge from past professional or personal experiences. Identify businesses that would benefit from this knowledge and are willing to pay for your expertise.
4. Become a specialist in conducting research on targeted groups of consumers based on age, gender, income and/or lifestyle. Publish this information and make it available for sale.
5. Assess the industries or sectors with research requirements (e.g., institutions, project oriented companies). Determine how you might best meet their research needs—Internet, personal interview, survey, etc. Approach specific companies or industry associations with your ideas.

Key Questions:

- Where do I see the greatest market changes in the next 5- 10 years.
- What group of consumers or businesses will be impacted by these changes?
- What experience (personal or professional) do I currently have about other markets that would be helpful to businesses in my community?
- Can I identify individuals or businesses that have a need for research and would be willing to pay for this service?

44. Take Advantage Of Changes In Government Regulations

What Is It?

Government regulations have a significant impact on business. As government modernises and updates its regulations and operations, business opportunities may arise.

What Are Some Examples?

1. When motorists had to change their drivers license from being printed in their I.D. document to a stand-alone License Card. One entrepreneur developed and sold a key ring that you put car keys on plus a plastic sleeve for the drivers card.
2. There is an opportunity to help companies become aware of the new skills development act in S. A. (National Qualification Framework) that requires accredited suppliers and accredited courses in order for companies to claim back a percentage of their contribution.
3. Cecile Dick and Elna Greyling of C&E Consulting were one of the first to see the need that S.A. businesses would have in reference to these new regulations and capitalised on it. They have 27 consultants working with them at this time helping corporations, trainers, government and program developers comply properly with these new regulations.
4. The new regulations in reference to a percentage of suppliers to government and large corporations having to be Black Empowered or Black owned. There is an opportunity in consulting on the best way to become a black owned or black empowered company. The whole HDI level issue (Historically Disadvantaged Individuals) is full of opportunities.
5. Libya's pact with France creates opportunities. Paris – Libya's agreement to pay compensation for the bombing of a French airliner had cleared the way for French firms to bid for massive aviation, tourism and military contracts in the one-time pariah state.
6. Recognising the opportunity presented by the provincial legislation requiring municipalities to reduce solid waste dumped in landfills, a B.C. company began offering a plastic recycling service promoted widely by the regional district.
7. Seeing the need for businesses to be made aware of changes in government regulations with an impact on their operations, a group of consultants began producing a monthly newsletter updating its customers on relevant regulatory changes.
8. When a Canadian municipality passed laws banning smoking from all public buildings, a local pub began to market to the non-smoking market. Another pub catered to its smoking customers by renovating its outdoor patio to create an inviting area for smokers to frequent.

How Would I Do It?

1. Cultivate an approach of seeing changes as opportunities.
2. To recognise business opportunities presented by regulatory changes, stay abreast of government activities:
 - a) monitor the news reported by newspapers, radio and television
 - b) check the provincial and federal web sites regularly for new releases
 - c) keep informed about local events
 - d) attend municipal council meetings.
3. Create a product or service that takes advantage of regulatory changes.

Here are some changes in other countries that may alert you to possibilities in S.A. and how to capitalise on them:

6. When the federal government in Canada made it mandatory for boaters to get a pleasure craft operator's license, a Canadian entrepreneur started up a pleasure boater's training service.
7. When the Canadian Mint phased out two dollar bills and replaced them with coins, an innovative inventor developed a compartment for holding the new coins that fit into existing cash drawers.

Key Questions:

- What regulatory changes have recently occurred?
- What business opportunities may arise from those changes?
- Is there a market for the product or service I have thought of to capitalise on those changes?

Exercise 1

From the Opportunity Description draw a line to the correct Opportunity Finding Title

Description	Business Opportunity
<p>Devise an innovative product or service which meets a need in the marketplace.</p>	<p>Locating A Patent Opportunity</p>
<p>Rather than offering products or services to large groups of customers, many successful businesses can be built by meeting the unique needs of smaller groups. While your customers are fewer, they are often prepared to pay more for the specialised offerings. Unique needs often arise from specific lifestyles or demographics.</p>	<p>Inventing A New Product Or Service</p>
<p>Looking for a patent to a product or service which has commercial value, but which has never been produced or has not been marketed well. This could also include patents which have expired and can be duplicated without a license.</p>	<p>Buying An Existing Business</p>
<p>Finding an operating business, buying it, and taking over its activities. You may want to buy the business because it is not doing well and you believe it can be improved with your talent and energy, or because it is already successful and can be bought for a good price because the owners want to get out of the business for various reasons.</p> <p>In some cases, you may want to buy a business and resell it quickly. Here, your talents would centre on abilities to identify businesses which can be turned around quickly and resold at a profit.</p>	<p>Pool Small Groups Of Customers With Special Needs</p>

Go back through this module and confirm your answers.

Exercise 1 (Continued)

From the Opportunity Description draw a line to the correct Opportunity Finding Title

Description	Business Opportunity
<p>Companies may lack the time, resources or expertise to do the necessary research in starting or building their business. By becoming a specialist in market research, as your customers' businesses grow, so does yours.</p>	<p>Start A Co-operative</p>
<p>Co-operatives are found in business and community sectors across S.A., including in the fisheries, childcare, housing, entertainment, tourism, transportation, agriculture and high-tech industries. Legally, co-operatives operate much like other businesses, but they are owned and operated equally by their members, who are also their shareholders. Each member of a co-operative has one vote to ensure every member has an equal opportunity to participate in the decision-making process.</p> <p>Co-operatives can provide a creative alternative to traditional businesses. By working together, co-operative members can pool resources for start-up costs and achieve better purchasing power, more dynamic joint marketing and less individual risk.</p>	<p>Conduct Market Research For Other Businesses</p>
<p>Government regulations have a significant impact on business. As government modernises and updates its regulations and operations, business opportunities may arise.</p>	<p>Take Advantage Of Changes In Government Regulations</p>

Go back through this module and confirm your answers.

Exercise 2

Opposite the example write in the kind of Business Opportunity the example is. Do this without looking up the example in this module

Example	Business Opportunity
<p>1. A group of ladies combined their skills to start Thembelesizwe Clothing Co-Operative, manufacturing school uniforms, hospital linen, nurses uniforms and caterers uniforms. There are a total of 13 employees who began as unemployed women doing the odd sewing job to secure some kind of an income and through joining their work force they have been able to position themselves to win larger tenders that are available. At the beginning of 2001 they expanded their business to incorporate a training centre to teach unemployed people in their community on how to make clothing.</p>	
<p>2. An entrepreneur in a remote location recognised that many of the local restaurants had a problem with bread supply and delivery. By making 2 – 3 trips per week to the closest major centre, he was able to purchase from different bread suppliers, with local restaurants collectively sharing the delivery costs.</p>	
<p>3. Thomas Röhig, started life 18 years ago as a small business unit within T able Bay Engineering, making implants for the local market. “We didn’t reinvent the wheel,” says Thomas Röhig and eldest son of company founder Hermann Röhig. “So we produced generics using blueprints where the patent protection had lapsed”. The firm (Roth Medical Components) earns its bread and butter from these products</p>	
<p>4. Two recent graduates started a business providing guidance on successfully marketing to youth, an increasingly important consumer group.</p>	

Go back through this module and find the example to see if your answer is correct.

Exercise 2 (Continued)

Opposite the example write in the kind of Business Opportunity the example is. Do this without looking up the example in this module

Example	Business Opportunity
5. Heather Graas worked for several years as the manager and sole employee of a vitamin and Health Food store in Sandton. She became an expert on the subject. Eventually she convinced the absentee owner to sell her the shop with very reasonable terms. She re-named her vitamin and health food shop Graasroots and also opened Graasroots Restaurant and Juice Bar. She's doing 10 times the volume the business did when owned by the original owner.	
6. When motorists had to change their drivers license from being printed in their I.D. document to a stand-alone License Card. One entrepreneur developed and sold a key ring that you put car keys on plus a plastic sleeve for the drivers card.	
7. Lisa Becker & Beverly van Wyk own Stretch-A-Tac, a small company in Vereeniging that manufactures a handy coloured clingwrap used as gift wrap to cover odd shaped gifts that are normally difficult to wrap. They recently won a TWIB (Technology for Women in Business) award for best manufacturer.	

Go back through this module and find the example to see if your answer is correct.

Module 8

Finding And Recognising Business Opportunities Part 7

- 45. Capitalise On Changing Computer Technology
- 46. Help Other Businesses Take Advantage Of New Technology
- 47. Creating An On-line Business
- 48. Expand Your Business Over The Internet
- 49. Meet The Same Needs In A Different Way
- 50. Take Advantage Of Global Markets
- 51. Mind Directing Questioning

*Ntsika Enterprise Promotion Agency,
with a focus of rendering non-financial support to SMME's
is part of The Department of Trade and Industry in South Africa.
Ntsika, along with the support of The European Union
assisted in the Initial Development of the
Turning Entrepreneurial Spirit Into Business Opportunities program
in conjunction with Knowledge Brokers International Limited.*

45. Capitalise On Changing Computer Technology

What Is It?

Technology is a part of almost everyone's life today. However, few businesses (or people) have the time or skill to become experts in all applications and stay abreast of the rapid changes. Becoming a technology expert by staying current with hardware/software changes can provide many opportunities to develop a business. You may be able to offer advice, services or information in a subject area you know well.

What Are Some Examples?

1. An existing computer retailer started publishing a newsletter to keep its customers aware of new technology on the market and what it could do for their business, thereby making their store the expert in the area.
2. A group of university computer graduates pooled their computer hardware and software knowledge to provide consulting services regarding technology purchases. This expertise allowed people to buy the hardware and software that best suited their needs without feeling obligated to buy a particular line.
3. A computer operator became an expert on the Internet and offered specialised communication and research services.

How Would I Do It?

1. Determine which software programs are the most popular in the market place. Become a specialist in all program upgrades and/or modifications use this information as a saleable tool to individuals or companies through training, publications, consulting, etc.
2. Find companies or individuals that are interested in computerising but have no idea of the hardware and software most suitable to their needs. Work them through this process.
3. What impact is technology having on your business and the lives of your customers? Identify ways that technology could provide more opportunities for your existing business and/or allow you to provide better service to your customers.
4. Look at the needs that have been created by computerisation – for example: people being laid-off; staff not properly trained; changing office furniture needs; etc. Think of ways you can meet some of these needs.

Key Questions:

- What technology knowledge or skills do I currently have (or could improve upon) that would be of benefit to potential customers?
- How could I turn this knowledge into a business opportunity?
- Where do I see the greatest change coming in the world of technology? What needs or problems will this create?
- How will I be able to ensure that I stay current with all new hardware or software changes in advance of my customers? Will I be able to cover the expense of continuous upgrades?

46. Help Other Businesses Take Advantage Of New Technology

What Is It?

Many businesses lack the technical expertise to take advantage of emerging technologies. Developing products or services that utilise a new technology to allow companies to achieve efficiencies, improve profit margins, expand markets or offer their customer better value, quality or service can present a good business opportunity.

What Are Some Examples?

1. Specialising in media convergence, a company assists television and radio broadcasters with delivering on-line content.
2. Another company helps clients develop and integrate e-commerce applications, enabling them to greatly expand their markets.
3. Stellenbosch Vineyards, one of South Africa's leading wine exporters, has plotted a unique software solution with the potential to reshape the future of global trade transactions according to Dave Stanford, Finance Director of Stellenbosch Vineyards. Visage Solutions, a South African IT company has developed this innovative software application replacing the old manual paper trail with a streamlined e-commerce solution that electronically manages the whole export process. The TMC (Trade Management Console) helps international buyers to make trade enquiries and place orders via an electronic product catalogue on a website gateway. It also enables producers to handle sales and delivery via a revolutionary electronic trail that generates more than 12 different export documents. It provides the e-commerce infrastructure to enable South African companies to conduct trade with international business partners with model efficiency. Stellenbosch Vineyards and Visage Solutions are definitely helping other businesses to take advantage of new technology.
4. Australian farmers are trialling a satellite-based pasture-monitoring system that dramatically improves their ability to make informed farm management decisions. Utilising the Modis sensor in the Terra satellite, a consortium in Australia known as Pastures From Space can now deliver much more detailed data relating to pasture growth rates (PGRs). Instead of providing estimated PGRs for districts or farming areas, the consortium can now offer farmers information at the paddock level for any area of more than six hectares. The information is delivered to farmers via a website that allows them to zoom in on an image to access PGR information about a specific area. The satellite's Modis sensor remotely estimates PGRs and then validates them again on-ground measurements. The trial involves 60 farmers throughout Western Australia's Mediterranean climate zone. This is definitely helping other businesses take advantage of new technology.
5. Steve Erland, Managing Director of the Faculty Training Institute, says demand for training that bridges the gaps between "techies" and business leaders has been growing over the past 5 or 6 years. "Historically, training in technology has focused on high-end skills, but there is a growing need for executives who are not technically trained to understand what technology is capable of." Erland says "business people don't have to be experts in technology, but to extract real value and a return on investments made in technology, they need not only to understand how technology can be used to drive business processes, but also need to understand the complicated process involved in getting ideas converted into technology based business solutions. Young graduates have a knowledge of technology, but lack business experience and "can't be expected to run a R1 million project. There are great opportunities here to help equip experienced decision-makers for the technological environment and to help technical people become more business minded.
6. A Canadian company has developed software that converges telephone and Internet technology. Using that technology, the business offers toll-free telephone services to real estate agents that potential buyers call for information on a property; the system generates an e-mail to a sales agent, providing a "warm" lead to follow up.

How Would I Do It?

1. Familiarise yourself with emerging technology. Read trade magazines and explore the Internet.
2. Determine how that technology can improve the services or profit margins of businesses.
3. Think of new technologies that could be used in current business processes or practices and develop the technology. If you do not have the expertise to do this, partner with someone who does.
4. Talk to businesses in the industry to find out if they would buy the service or product.

Key Questions:

- How could emerging technology advances be used to benefit businesses or their customers?
- Can I think of any technology that could benefit businesses or their customers, but hasn't been developed yet? How can I get that technology developed?
- What are the logistical considerations of implementing the technology for the use I've thought of? Is it a do-able idea? Is it a profitable idea?
- Is there a market for that technology?

47. Creating An On-line Business

What Is It?

The exploding growth of the Internet presents opportunities in a burgeoning new market. The rise in e-commerce, growing consumer confidence in its security and a continuing increase in the computer and Internet literacy of consumers are making way for many new businesses. Revenue sources other than direct sales, such as banner advertising, are enabling entrepreneurs to cater to markets where the end-consumers don't pay for the product or service provided, because other businesses are willing to pay for access to the consumers.

What Are Some Examples?

1. Kobus Momberg, business development manager at Damelin Corporate Solutions says that the flexibility of e-learning makes it an ideal way for busy executives to acquire new skills. "Courseware is normally developed in such a manner that units of learning can be covered in short sessions of 10 to 15 minutes at a time", says Momberg. E-learning products are user-friendly and can be accessed through a number of channels, offering executives options tailored to their needs. The internet possibilities for on-line or CD training is just starting to be tapped. There are lots of opportunities for creating an on-line business focused on training.
2. Jeff Skoll is co-founder of eBay the world's most popular online auction site. Skoll said, "One of the things we were proudest of was that there were people who were buying and selling on eBay who were able to improve their lives substantially. So disabled folks and seniors were able to make a living because of our Auctions."
3. Another company launched an Internet-based tee-booking service, offering golfers the ability to search a range of courses and tee-times and make a booking. (Perfect S.A. Business)
4. A British Columbia, Canada, company started an Internet based business selling Canadian-made foods and crafts, with province-specific specialties. This could be done in S.A. and have it Province specific as well.
5. A Canadian company started up an astrological web site, after developing personalised astrology software that computes personalised daily readings. Besides banner ads and sponsorships, the company earns revenue by licensing its personality-compatibility software to match-maker sites. (Do it in S.A.)

How Would I Do It?

1. Identify a product or service that you could offer over the Internet.
2. Talk to people with interests and hobbies like yours, either directly or through Internet chat services, and think of products or services you could offer that would be of interest to them. Consider products or services related to your interest that you would like to see offered online.
3. Search the Internet to find out what similar products or services are currently provided online. Determine how you could improve upon any, or how you could create a different, more profitable business structure.
4. Read business and technology magazines to see what other new products and services are being developed. This may trigger ideas for you.
5. Consider how you could earn revenue through your venture. Determine if customers would be willing to pay for the product or service directly, or find other sources of revenues.

Key Questions:

- What product or service do people need that I could offer over the Internet?
- How could I earn income with the product or service?
- What are the logistical and technological considerations?
- Is there a market for the product or service?

48. Expand Your Business Over The Internet

What Is It?

The rapid growth of the Internet presents all sort of new possibilities; new markets anywhere in the world; new ways of providing your products or services; and opportunities for creating entirely new products and services .

What Are Some Examples?

1. A human resources consulting firm expanded onto the Internet to provide job posting services, and has experienced huge growth in its business.
2. A British Columbia publisher of an annual directory of prospective donors for non-profit fundraisers set up a web site database now accessed by many Ivy League Colleges and national non-profit organisations. (S.A. Opportunity)
3. Business Day newspaper offers subscription to its publication on-line, reducing costs and improving its customer service by providing access to the newspaper much earlier each day.
4. Thompson Tours puts monthly travel specials on their Internet site.
5. Crafter Tholakele Hadebe, the 2003 TWIB (Technology and Women in Business) Award winner; believes in technology to further her business. Hadebe, the owner of Tholubonge Arts and Crafts in Durban owns an arts and crafts business, and pottery and beadmaking business. Hedebe started to make extensive use of the Internet to market her products to local and international customers. To market her products she developed a catalogue and she attends international exhibitions as well.
6. Using the Internet to get medical advice from Sweden. David Kekana and his wife, Nonu, were struggling to find funding and technical expertise for their small Katlehong clinic, TK Maternity Services Clinic, before they were linked up with a Swedish hospital in January 2004. Kekana is now benefiting from funds and technical advice supplied to the clinic by the Obstetrics and Gynaecology Department at Sahlgrenska University Hospital in Gothenburg. Kekana says the Swedish doctors are always just an e-mail away when they need help or advice.
7. Muzi Mhale founder of www.accomdate.co.za an online portal that focuses on community-based tourism across townships and rural villages in South Africa. He offers online booking facilities on accommodation and packaged tours. Our clients are establishments who don't have access to the internet, we provide them an online platform. We profile their businesses with a brief description, pictures and rates for tourists to have a good knowledge of the facilities that are available to them. Their services cost R60 for set up and thereafter 10% commission on every booking generated through the website.
8. February 2004, the section of the recruitment industry is seeing big growth. Careerweb notes that the number of candidates looking for work through their site has jumped 30% year on year and both them and Pnet state that January was the busiest month "We've ever had" in both terms of "career seekers actively" and the numbers of vacancies submitted. In the first two weeks of January, CareerJunction had more than 2 000 concurrent users at times. By January 15, the company had served 1 611 805 page impressions, with Monday January 12, recording an amazing 209 341 page impressions. Since January 8, the traffic on Pnet has picked up considerably, levelling at around 1 100 jobseekers on-line concurrently. Pnet last year recorded an average of about 580 concurrent users. Recent research indicates that on-line job-hunting in South Africa is set to increase. Part of the reason is because of the roll-out of high-speed or broadband wireless access by Sentech and the strength of the Rand-dollar exchange reducing the cost of equipment. There are lots of opportunities here. How about "How to get a Job" tips and books, interview tips, how to sell yourself advice ... all on-line at South African websites.

How Would I Do It?

1. Ask yourself what services or products you currently provide that could be offered on-line.
2. Look at similar businesses to see how they are making their product or service available over the Internet. Think about how you could do it better or more profitable.
3. Talk to your customers to see if they would be interested in seeing your products or services on the Internet. Ask them if there are any new or related products or services they would like to see you offering on-line.
4. Your customers may have ideas on how you could improve your customer service by expanding your business to the Internet. For example, an on-line newsletter could provide information and advice in your area of expertise related to your business.
5. Think about how you could attract new customers by providing your products or services over the Internet.

Key Questions:

- What product or services do you offer now that could be offered over the Internet?
- Are there new related products or services you could offer on-line to improve your customer service or attract new customers?
- Would customers buy these products or services on-line?
- What new markets could you access by expanding your business onto the Internet?

49. Meet The Same Needs In A Different Way

What Is It?

Many times opportunities exist for business owners to re-position their products or services to reflect more variety or different pricing. By starting a second business offering similar products or services, you are still meeting the same need but can appeal to a different group of consumers without confusing existing customers.

What Are Some Examples?

1. A bridal shop specialising in high-end designer wedding gowns recognised a need to sell more affordable fashions and diversify into graduation dresses. Her clients shop at her boutique because she offers very exclusive gowns. Rather than changing her image by expanding her line of gowns, she opened another boutique that caters to the second market.
2. An entrepreneur noticed that while many people frequent a local jewellery shop that carries many expensive collectables, few people make purchases. By opening a store that offers a different line of similar products, he is able to meet the same customer needs at lower prices.
3. A gift company started a new line of hand-sewn home products using low-end fabrics after many customers expressed a desire for less expensive gift items where the long-term quality was not as important.
4. A Canadian music store chain created an online ordering service, offering its products at a discounted rate and marketing areas previously not serviced by the company. (Try it in S.A.)

How Would I Do It?

1. Look at your customers:
 - a) are there products they have been asking for that you have been unable to provide?
 - b) is there something (price, colour, etc.) about your current products or services that prohibit them from buying?
2. Determine whether selling different products would damage the existing image of your business. Would there be an opportunity for you to start another "like" company?
3. Find creative ways to repackage successful existing products or services.

Key Questions:

- What gaps do I currently see in my area?
- Are there products or services I can duplicate and offer in a different way?
- If I diversify my existing business, will it hurt or enhance my image?

50. Take Advantage Of Global Markets

What Is It?

Additional opportunities for an existing product or service often exist in other markets around the world. Think about how you can take advantage of consumer demand or create consumer demand outside the borders of your current market.

What Are Some Examples?

1. Through an Ntsika assisted trade mission Chemlog, a South African-based cleaning-chemicals company from Durban with a well established plant in Mauritius, is to establish a new plant in Hyderabad, India with the view of expanding in to other Indian cities in the future, reports Krish Pillay.
 2. After an Ntsika assisted trade mission, Aubrey Hilapa of Limpopo, says his agreement for the manufacture, sale and distribution of "em onate" food products in both India and Mauritius will have a substantial impact on his business. On a previous visit to India, he concluded a partnership agreement for the manufacture and distribution of Aubs Argo Foods aimed at reducing the distance and cost factors in supplying clients in California, USA.
 3. Tshidi Maboge of Marwa Honey Queens from Rustenburg, North West will now be exporting honey to both Mauritius and India in the near future thanks to a Ntsika assisted trade mission.
 4. Khoisan Tea Import and Export is the second largest rooibos tea exporter in South Africa. It grows, harvests, packages and delivers organic and conventional rooibos and honeybush – healthy, herbal teas indigenous to SA. The company insists on superb quality and on providing innovative products. Its teas are certified in accordance with EV standards by Lacon a German Institute. Its products range from rooibos-based glycerine soaps, 100% pure rooibos bath bags, organic whole or cut Madagascar vanilla, and a unique rooibos skincare program developed in conjunction with a Cape Town leading plastic surgeon. Khoisan exports mainly to North America, Europe and Asia. How is that for taking "home grown" products and adding innovation and exporting to become an exporting global player.
 5. Christopher Lee started Container World in 1983. He custom converts marine containers. His containers have an endless list of industrial applications but it doesn't stop there. This top quality custom designed container appears as shops, kitchens, clinics, broadcast units, ice-cream shops, bakeries, accommodation units or tanks. Container World is regarded as the market leader in its field in South Africa and in 2001 enjoyed a 50% growth in exports. With the proudly South African logo and the 2002 Exporter of the Year award from the Johannesburg Chamber of Commerce and the Industry behind it... the future looks even brighter. Peter West, executive director said just in the last two years they have pushed up the demand by considerable proportions. All of sub-Saharan Africa is their market. The whole east coast has been especially good. Literally thinking "outside the box" and "inside the box" has given South Africa another global player in exporting. Where are the opportunities if you think "outside the box."
 6. In 1992 South African exports totalled R60 billion. By 2002 this figure has risen to R291 billion. This phenomenal increase was largely due to The Department of Trade and Industry's (**the dti**) support program, the Export Marketing and Investment Assistance Scheme (EMIA).
- Grants (about R150 million a year) aimed at partially assisting exporters for costs incurred in developing export markets and recruiting foreign investments include the following.
- The Primary Export Market Research in which financial assistance is provided to business people to allow them to travel to new markets.
 - The Foreign Direct Investment Research Scheme offers similar financial assistance to the Primary Export Market Research Scheme but for the purpose of recruiting new foreign direct investment into South Africa through personal contact.
 - Grants for travelling and participation in National Pavilions and Mini National Pavilions, in which SA products are introduced into foreign markets by participating in trade fairs, are also made available through EMIA.
 - Grants for travelling and participation are also offered for Individual Exhibitions where no national pavilion has been provided for. This is only available for exhibiting at recognised exhibitions.
 - Grants for Outward Selling Trade Missions are aimed at enabling a recognised organising body or industry association to make contact with foreign buyers in order to secure new export orders.
 - Travelling assistance for Outward Investment Recruitment Mission is provided to South African companies participating in the mission to encourage and attract foreign direct investment into the country.
 - Similar travelling assistance is offered to Inward Buying Trade Missions to enable prospective buyers to make contact with South African exporters.
 - Certain Inward Investment Missions, aimed at securing foreign direct investment into South Africa, also qualify for travelling grants.
 - Financial assistance can also be made available for the establishment of industry organisations to develop exports.
- More detailed information can be found at www.thedti.gov.za or from one of the EMIA Service Centers. These can be found at the **the dti** regional offices in Cape Town and Durban. The Durban, Johannesburg, Cape Town and Port Elizabeth Chambers of Commerce as well as SACOB also give more detailed EMIA information. In addition, provincial development bodies can usually assist.

How Would I Do It?

1. Look at international markets. Examine products and services produced in S. A. that would be sold abroad.
2. Talk to the local trade commissioners to see if there are companies looking for S.A. partners.
3. Investigate free trade agreements to see which markets you could most easily move into.
4. Use the Internet to expand your marketing outreach, provide exposure to different markets and create alliances in different parts of the world.

Key Questions:

- Are there needs in similar markets in other countries that my product or service could fill?

51. Mind Directing Questioning

What Is It?

A list of questions focused on specific situations and possibilities to help direct your mind to search for specific opportunities in specific opportunity areas.

What Are Some Examples?

Where are the Opportunities:

- If more people move to the big cities?
- If crime increases?
- If crime decreases?
- As more people become better educated?
- As more and more companies become black empowered or black owned?
- When even more women own businesses?
- If self help and human potential interests grow more and more?
- As more and more of the Historically Disadvantaged people become upwardly mobile and affluent?
- With the SAQA and NQF (National Qualifications Standards) becoming more and more part of our life?
- In reference to the "Aids Challenge"
- In reference to the shortage of housing
- Lack of good public transportation
- With a big focus being on Corporate Governance in the future
- With more and more Historically Disadvantaged people and women moving into senior executive positions
- For exporting and importing in 3 to 5 years time
- If the rand weakens over time?
- If the rand gets even stronger?
- If more and more people own a car?
- If more and more South African become computer literate?
- If pollution gets worse?
- Needs and wants of Pet Owners
- If you were to cater more for children?
- In catering to visitors to your area from within SA and abroad
- In helping people find ways to use credit less, saving money or stretching their money
- In helping small business prosper
- In helping BE companies grow
- In helping communities become stronger economically
- If the Parastatals privatise

- In helping SA become more productive with the budding "Film Industry" and assisting the large number of Family Owned Businesses in S.A.

How Would I Do It?

1. Think of many possible situations, trends, problems, challenges, changes that individuals, groups, small businesses, large corporations, parastatals, governments are faced with now and will probably face in the future
2. Jot down possible opportunities that relate to these issues

Key Questions:

- Who could I talk to that could offer insight on the questions to ask that pertain to opportunities in South Africa?
- Is there challenges, changes, issues etc that are occurring in other countries that indicate what may happen in S.A and how have entrepreneurs capitalised on those situations?

Exercise 1

From the Opportunity Description draw a line to the correct Opportunity Finding Title

Description	Business Opportunity
<p>Many businesses lack the technical expertise to take advantage of emerging technologies. Developing products or services that utilise a new technology to allow companies to achieve efficiencies, improve profit margins, expand markets or offer their customer better value, quality or service can present a good business opportunity.</p>	<p>Capatalise On Changing Computer Technology</p>
<p>The exploding growth of the Internet presents opportunities in a burgeoning new market. The rise in e-commerce, growing consumer confidence in its security and a continuing increase in the computer and Internet literacy of consumers are making way for many new businesses. Revenue sources other than direct sales, such as banner advertising, are enabling entrepreneurs to cater to markets where the end-consumers don't pay for the product or service provided, because other businesses are willing to pay for access to the consumers.</p>	<p>Help Other Businesses Take Advantage Of New Technology</p>
<p>Technology is a part of almost everyone's life today. However, few businesses (or people) have the time or skill to become experts in all applications and stay abreast of the rapid changes. Becoming a technology expert by staying current with hardware/software changes can provide many opportunities to develop a business. You may be able to offer advice, services or information in a subject area you know well.</p>	<p>Creating An On-line Business</p>
<p>The rapid growth of the Internet presents all sort of new possibilities; new markets anywhere in the world; new ways of providing your products or services; for creating entirely new products and services.</p>	<p>Expand Your Business Over The Internet</p>

Go back through this module and confirm your answers.

Exercise 1 (Continued)

From the Opportunity Description draw a line to the correct Opportunity Finding Title

Description	Business Opportunity
<p>Additional opportunities for an existing product or service often exist in other markets around the world. Think about how you can take advantage of consumer demand or create consumer demand outside the borders of your current market.</p>	<p>Meet The Same Needs In A Different Way</p>
<p>Many times opportunities exist for business owners to re-position their products or services to reflect more variety or different pricing. By starting a second business offering similar products or services, you are still meeting the same need but can appeal to a different group of consumers without confusing existing customers.</p>	<p>Take Advantage Of Global Markets</p>
<p>A list of questions focused on specific situations and possibilities to help direct your mind to search for specific opportunities in specific opportunity areas.</p>	<p>Mind Directing Questioning</p>

Go back through this module and confirm your answers.

Exercise 2

Opposite the example write in the kind of Business Opportunity the example is. Do this without looking up the example in this module

Example	Business Opportunity
<p>1. Through an Nt sika assist ed t rade mission Chemlog, a Sout h Af rican-based cleaning-chemicals company f rom Durban w ith a well established plant in Mauritius, is to establish a new plant in Hyderabad, India with the view of expanding in to other Indian cities in the future, reports Krish Pillay.</p>	
<p>2. Where are the Opportunities:</p> <ul style="list-style-type: none"> ➤ If more people move to the big cities? ➤ If crime increases? ➤ If crime decreases? ➤ As more people become better educated? ➤ As more and more companies become black empowered or black owned? 	
<p>3. An existing computer retailer started publishing a newsletter to keep it s cust omers aw are of new t echnology on t he market and what it could do for t heir business, t hereby making their store the expert in the area.</p>	
<p>4. Another company launched an Internet-based tee-booking service, offering golfers the ability to search a range of courses and tee-times and makes a booking. (Perfect S.A. Business)</p>	
<p>5. Stellenbosch Vineyards, one of South Africa's leading wine export ers, has plot ted a unique software solution with the potential to reshape the f uture of global trade transactions according to Dave St anford, Finance Director of Stellenbosch Vineyards. Visage Solutions, a South African IT company has developed this innovative sof tware applicat ion replacing the old manual paper t rail w ith a st reamlined e-commerce solution that electronically manages the w hole export process. T he T MC (Trade Management Console) helps int ernational buyers to make t rade enquiries and place orders via an electronic product catalogue on a website gateway. It also enables producers to handle sales and delivery via a revolutionary electronic t rail t hat generat es more t han 12 different export document s. It provides t he e-commerce infrastructure t o enable Sout h African companies t o conduct t rade w ith international business part ners w ith model efficiency. Stellenbosch Vineyards and Visage Solutions are def initely helping other businesses to t ake advant age of new technology.</p>	

Exercise 2 (Continued)

Opposite the example write in the kind of Business Opportunity the example is. Do this without looking up the example in this module

Example	Business Opportunity
<p>6. Crafter Tholakele Hadebe, the 2003 T WIB (Technology and Woman in Business) Award winner; believes in technology to further her business. Hadebe, the owner of Tholubonge Arts and Crafts in Durban owns an arts and crafts business, a pottery and beadmaking business. Hadebe started to make extensive use of the Internet to market her products to local and international customers. To market her products she developed a catalogue and she attends international exhibitions as well.</p>	
<p>7. An entrepreneur noticed that while many people frequent a local jewellery shop that carries many expensive collectables, few people make purchases. By opening a store that offers a different line of similar products, he is able to meet the same customer needs at lower prices.</p>	

Go back through this module and find the example to see if your answer is correct.

Module 9

Evaluate Your Opportunity

*Ntsika Enterprise Promotion Agency,
with a focus of rendering non-financial support to SMME's
is part of The Department of Trade and Industry in South Africa.
Ntsika, along with the support of The European Union
assisted in the Initial Development of the
Turning Entrepreneurial Spirit Into Business Opportunities program
in conjunction with Knowledge Brokers International Limited.*

Evaluating Your Opportunity

Learning And Business Development Outcomes

In this module you will:

1. Learn how to narrow down your opportunities to the “most likely” to succeed for you by utilising the One-hour Test, the One-day Test and the One-Month Test.
2. Understand the 4 areas of concerns you need to consider in any new venture idea. They are Personal Concerns, Marketing Concerns, Production / Development Concerns and Financial Concerns.
3. Be able to eventually identify which opportunity or opportunities you want to move forward with.
4. Receive and be able to use a simple common sense approach to assessing the “odds of success for you” when considering moving forward with any idea, project, business, investment or business opportunity.

Testing Ideas For Opportunities

A business idea represents a business opportunity only if it has a chance for success. The purpose of testing business ideas is to identify those which can be considered opportunities. Out of every 100 new venture ideas you think of, only one or two may prove to have sufficient merit to be considered an opportunity. This will explain how to find those one or two ideas.

A good business opportunity should satisfy at least four areas of concern:

- 1. Personal Concerns:** The activities and outcomes can satisfy your personal goals and interest.
- 2. Marketing Concerns:** The products and services can be successful in the marketplace.
- 3. Production/Development Concerns:** You can produce the required volume and quality of products and services.
- 4. Financial Concerns:** The required financial goals can be satisfied.

To assure yourself that a business idea can meet all four areas of concern, a lot of questions need to be answered. To use your time most efficiently, you need to eliminate poor ideas as quickly as possible, to avoid wasting time on them. The procedure explained in this chapter is intended to eliminate the poor ideas with only a minimal effort so that you can invest more time on the better ideas.

In this system, a business idea must be tested at three levels before you can feel confident to use it for a real venture. Three separate tests are used. The questions become more detailed at each succeeding level, but each test covers the same four areas of concern: personal, marketing, production, and finance.

These tests will help you find obvious flaws in a business idea, but they will not automatically tell you whether an idea is worth further consideration. After you gather answers to the questions, you must analyse the information and make your own judgement. In some cases one or more serious problems may suggest that the idea will not succeed, but in other cases a decision may not be clear. For each test, you will have to judge the importance and balance of different pieces of information. These tests are a tool to help you make better decisions. They are not a substitute for your own personal judgement.

The tests are valid for both products and services. Some questions appear to focus on products only. If you are testing a service idea, and believe that a question does not make sense for your idea, then try to translate the questions into a meaningful form for your purposes. Two easy ways to deal with the issue are to use the word “service” instead of “product” in the question, or to consider your proposed service the “product” of your business.

Test One: The One-hour Test

The purpose of the first test is to quickly eliminate those ideas which have obvious flaws. The questions in this test are very general, but they will help you to identify major problems almost immediately. Within an

hour of serious investigation, you should be able to tell if the idea is one which you would want to work at, has a chance to compete in the market, can be produced within your resources, and can generate enough money. On average, 80% of your business ideas will be eliminated by this test. You may find that you really would not like to be in that business, that your chances are slim for gaining a share of the market, that you cannot produce sufficient volume and quality with your resources, or that you cannot make enough money with the idea. The One Hour Test lets you eliminate a lot of ideas without investing too much time on them. This increases the efficient use of your time to explore more fruitful ideas. Those ideas which still appear to have promise after the One Hour Test, can then be examined in more detail with the One Day Test.

Test Two: The One-day Test

The One Day Test asks questions which require more detailed investigation. To answer those questions you may have to use a library, interview people, or visit work locations.

This test is designed to identify problems which may not be apparent at first glance, but can be found by gathering a moderate amount of information. The one day it may take to use the test is worthwhile if it saves several days of more detailed research before a major problem is found.

As a rough guide, out of 100 original ideas, 80 will be eliminated by the One Hour Tests, and a further 15 will be eliminated by the One Day Test. That will leave you with five or fewer ideas for in-depth assessment using the One Month Test.

Test Three: The One Month Test

The One Month Test asks questions in the same four areas of concern, but in greater number and detail than for previous tests. It is less expensive to invest a month to assess a business idea, or making it past your business of ferings, than to actually start it and fail. At this level, you may be close to going into business with the idea, and the test asks you to make a detailed assessment of your chances for success. From five ideas examined with this test, you may be left with only one or two which still appear to have a chance for success.

The information for this test will take you awhile to gather. You will have to study the market in detail; identify specific costs, locations, distributors, and suppliers, and examine a range of events which may affect your success. Once your idea passes the One Month Test, there is still no guarantee that you will turn it into a successful business or "money maker". However, you will have greatly increased your chances.

When your idea has passed the One Month Test, you will be ready to develop a serious business plan for this new venture or idea.

As your ideas progress through the three tests, you will have to invest time and effort to collect information. For the One-Hour Test, the information can be gathered quickly, without much effort. The One-Day Test requires more time and effort, and the One-Month Test asks questions which may require in-depth investigation. The following list gives some suggestions for locating information to answer various questions for the tests.

Sources Of Information

- a. libraries
- b. existing businesses
- c. telephone yellow pages
- d. purchasing agents
- e. company annual reports
- f. market research reports
- g. trade association literature
- h. journals
- i. informal contacts in the industry
- j. specialised books related to the trade

Procedures To Find Information

- a. inspecting facilities
- b. acting as a client or customer

- c. personal interviews
- d. observing business activities
- e. telephone interviews
- f. conducting surveys
- g. conducting test marketing trials
- h. producing prototypes and sample products

Occasionally, you will make a mistake on these tests. Sometimes you may eliminate an idea which really has good potential, or eliminate earlier if you had noticed an obvious problem. Each time you use a test, keep a record of it in a file. From time-to-time, go back through your ideas to see if some should be considered again.

Testing new venture ideas is a skill which is developed with practice. At first, you may find the questions hard to answer, but after you have used the tests a few times, your skill will increase. Using these questions will soon become automatic, as you create various business ideas and think about their potential opportunities.

The three tests are illustrated on the following pages.

One-hour Test

Write a simple description of your business idea. Be specific. What is it that you want to do? Where do you want to do it? What is the product or service? Who will buy it? How will buyers use it?

Answer the following questions by checking Yes, Maybe, No or Don't Know.

	Yes	Maybe	No	Don't Know
A. Personal Concerns				
1. Is this idea something I really want to work?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Would I sacrifice important aspects of my lifestyle to develop a successful business or additional opportunities from this idea?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Is the work something I can get excited about?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Is the idea legal?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Will the idea be an advantage for my reputation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Do I want to work with the people who may be associated with this idea?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Is this idea more important to me than any others that I am now thinking about or working on?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Do I have enough time to work on this idea?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. Marketing Concerns				
1. Would anyone buy this product or service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Can I find enough customers to support a business or support the opportunity?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Does this idea have at least three advantages over the existing competition?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. Production/Development Concerns				
1. Can I produce the product or service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Can I find facilities to use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Can I find materials or resources at a reasonable price?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Can I find a good production or development staff?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D. Financial Concerns				
1. Can I obtain the money required for this idea?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Can I sell each unit service or process for enough to cover all of my direct and indirect expenses and still make a profit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Checking Your Results From The One-hour Test

The 17 questions in the One-Hour Test will give you a general idea about the value of your business idea. To decide if your idea is worth further investigation, try the following steps:

1. For every question you answered “Don’t Know”, try to find an answer.
2. For every question you answered “Maybe”, try to decide between a “Yes” or “No” answer.
3. Add up the “No” answers.
4. If there are more than three “No” answers, you should do the following:
 - a. Make some basic changes to improve your idea and test it again
 - b. File the idea and move on to test a different one.
5. If you believe that the idea should be tested further, despite the “No” answers, you should proceed with the One-Day Test. Sometimes ideas can turn out to be good opportunities after more detailed testing. And sometimes you can waste your time with further testing because you don’t want to believe the “No” answers. Use your own judgement. It’s **your** time and **energy**!

One-day Test

Write a simple description of your business idea. Be specific. What is it that you want to do? Where do you want to do it? What is the product or service? Who will buy it? How will buyers use it?

A. Personal Concerns

- Does the required work match the type of activities I like?

The following list describes six elements of work. Think about the type of work you like to do, and circle the number on the scale to represent your level of interest in each element.

Example: If you like mostly indoor work, you would circle the 1 or 2 on the scale; if you like mostly outdoor work, you would circle the 9 or 10. If it did not matter, or you liked either indoor or outdoor equally well, you would circle the 5 or 6.

Indoor	1 2 3	4 5 6 7 8	9 10	Outdoor
Physical	1 2 3	4 5 6 7 8	9 10	Mental
Individual	1 2 3	4 5 6 7 8	9 10	Group
High Travel	1 2 3	4 5 6 7 8	9 10	Low Travel
Rigid Schedule	1 2 3	4 5 6 7 8	9 10	Flexible Schedule
Routine Activities	1 2 3	4 5 6 7 8	9 10	Diverse Activities

After you have placed your personal choices on the chart for each of the elements, use the same scale to describe the work required to be successful with your business idea. Analyse the work required by your idea and place a triangle around the number on each scale which represents the characteristics of the work that you would have to do.

Example: If your idea requires a lot of indoor work, put a triangle around the 1 or 2; if it requires mostly outdoor work, put a triangle around the 9 or 10. If it requires equal amounts of each, put a triangle around the 5 or 6.

Count the difference in numbers between the circle and triangle on each scale, and write that number in the "DIFFERENCE" space in the following list.

			DIFFERENCE
Indoor	----	Outdoor	_____
Physical	----	Mental	_____
Individual	----	Group	_____
High Travel	----	Low Travel	_____
Rigid Schedule	----	Flexible Schedule	_____
Routine Activities	----	Diverse Activities	_____
		Total	_____

It does not matter whether the circle or the triangle is the greater number. Only the difference between them counts.

Example: On the first scale, if your circle is around 6 and your triangle is around 9, write 3 in the DIFFERENCE space to the right of that scale.

When you have listed the DIFFERENCE for each scale, add up those numbers and write the total in the TOTAL space.

If the total was more than 20, you may not get much satisfaction from the type of work required for your idea. At that point, you could either modify the idea so that it required a different type of work, or file the idea and move on to another.

2. What knowledge, skills or experience do I have which would suit the work required for this idea?

Answer the following questions by checking the appropriate "Yes", "Maybe", "No", or "Don't Know" space for each item.

	Yes	Maybe	No	Don't Know
Personal Characteristics				
a. Do I have the energy and health to operate this business?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Do I have the personality to succeed in this business?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Do I want to live the lifestyle required to operate a business in this industry?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Knowledge Of The Industry				
a. Do I understand the nature of the marketplace for this business sector?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Do I understand the buying habits of customers in this business sector?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Do I understand the products and business practices of competitors?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Do I understand the current state of technology for this business sector?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Do I understand the financial aspects of this business sector?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Personal Abilities				
a. Do I have the technical skills to produce the product or service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Do I have the managerial skills to operate a business in this industry?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Do I have the marketing skills to operate a business in this industry?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Do I have the financial skills to operate a business in this industry?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

A. Specific Skills To The Business

In the following spaces, list the special areas of knowledge and skill which are needed to operate the business you are considering. For each item, ask yourself, "Do I know how to do this?"

	Yes	Maybe	No	Don't Know
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

When you have answered the questions, follow these steps:

1. For every question you answered “Don’t Know”, try to find an answer.
2. For every question you answered “Maybe”, try to decide between “Yes” or “No” answer.
3. For every question you answered “No”, ask yourself two more questions.
 - a) Can I learn this knowledge or skill in time to succeed?
 - b) Can I employ someone with this knowledge or skill at a reasonable price?
 - c) If the answer to either question is “Yes”, consider your answer to be adequate for continuing to
 - d) plan the business or move forward with the idea.
4. Examine the “No” answers. If you have more than three, you should consider modifying the idea, or filing it and moving along to test another one.

B. Marketing Concerns

Briefly describe your answer to the following questions:

1. What will be my trading area?
2. Who are the major customers in that area?
3. Who are my competitors in that area?
4. What advantages does my product or service have in that market area?

If any answers suggest to you that the business does not have a good chance of being successful, modify the idea or file and move along to test another one.

C. Production/Development Concerns

Briefly describe your answer to the following questions:

1. How have I assured myself that the product or service will really work?
2. How much developmental work is needed before units can be produced?
3. What legalities need to be checked, such as patents, zoning laws, etc?
4. How many units can I produce or contracts can I handle in the first year?

If any answers suggest to you that the business does not have a good chance of being successful, modify the idea or file and move along to test another one.

D. Financial Concerns

Briefly describe your answer to the following questions:

1. For the first year of business:
 - a) What REVENUE can I achieve from the sale of my product or service? (average price of products or services X estimated number of sales).
 - b) What will be the COST OF GOODS for the product or service I produce or distribute or deliver?
 - c) What will be the GROSS PROFIT for the business?
 - d) What will be the OPERATING COSTS for the business? (salaries, rent, suppliers, interest, office expenses, etc.)
 - e) What will be the NET PROFIT for the business?
2. Can I survive financially during the early phases of the business or the launching of the new idea?

If any answers suggest to you that the business or idea does not have a good chance of being successful, modify the idea or file and move along to test another one.

One-month Test

Write a simple description of your business idea. Be specific. What is it that you want to do? Where do you want to do it? What is the product or service? Who will buy it? How will buyers use it?

A. Personal Concerns

Write brief answers to the following questions.

1. How will my life be affected by the business?
 - a) marriage
 - b) relationship with children
 - c) social activities
 - d) hobbies
 - e) health
 - f) friendships
- Is the venture worth starting, considering its affects on my life?

B. Marketing Concerns

1. What does a detailed analysis of the competition illustrate?
 - a) What are the competitive ways to achieve the same goals as my product or service provides?
 - b) Who are the competitors for each of those ways?
 - c) What trends are evident in the market for use of those different ways?
 - d) How does each competitor fit into the market, in terms of market share, types of products and services offered, marketing strategies, profitability?
2. What share of the market can I achieve in one, two and three years?
3. Will my sales be at the expense of competitors, or will the market expand?
4. What motivates people to buy the product or service? What might change people's motivation?
5. What market segment will I try to compete in?
 - a) What are the characteristics of buyers in that segment?
6. What patterns of buying behaviour are important for this product or service?
 - a) What times of the year do people buy or need what I'm offering?
 - b) How do they buy similar products or services?
 - c) What is the typical size for orders?
 - d) Who makes the buying decision?
 - e) How much effort is required to persuade the buyer?
 - f) What is the "buying process" of the buyer?
7. Where will I locate the first customer orders?
8. How many orders can I have had in before I start the business?
9. What does a detailed analysis of distribution illustrate?
 - a) How will I distribute the units or my services?
 - b) How much inventory will be needed in product, intellectual capital or people?
 - c) Is one product line enough?
 - d) Is there enough repeat business involved?
10. Will others quickly copy the idea?
11. How much head start do I have over my competitors for this idea?

C. Production/Development Concerns

Write brief answers to the following questions?

1. What does a detailed analysis of supplies illustrate?
 - a) Where will I get supplies at an economic cost?
 - b) Can I get supplies in sufficient quantities and quality?
2. What does a detailed analysis of labour illustrate?
 - a) How many employees will be needed?
 - b) Where can the employees be found?
 - c) What employee training will be needed?
3. What does a detailed analysis of facilities illustrate?
 - a) Where can I locate suitable buildings, considering location, size, services, and zoning bylaws?
4. What does a detailed analysis of equipment illustrate?
 - a) What specific equipment will be needed?
 - b) Where can the equipment be bought or rented?
 - c) What service and maintenance will be required for equipment?
 - d) What are the delivery times for equipment and materials?
5. What does a detailed analysis of the management group illustrate?
 - a) Can I gather together a management team to develop the opportunity?
 - b) What management and technical skills are needed?
 - c) What skills are already available? Which ones are needed yet?
 - d) Does this group have the personal contacts which will be needed?

D. Financial Concerns

1. What product development costs will be incurred before commercial production is possible?
2. What start-up costs will need to be incurred?
3. Where will the money be obtained?
4. What terms can be negotiated?
5. How long before the first revenue is received?
6. What are the estimated figures for the first year for:
 - a) Equipment
 - b) Buildings
 - c) Materials
 - d) Labour
 - e) Office supplies
 - f) Advertising
 - g) Sales commissions
 - h) Travel
7. Will cash flow be sufficient?
8. Where is the breakeven point?
9. What credit can be obtained for materials and supplies?
10. How much will I need to draw out for personal expenses?
11. What are the expected profits for the first two years?
12. How does the profit level compare with those of existing firms in the industry? What are the causes of my lower or higher profit levels?
13. What is the level of financial risk? How much can be lost if it fails?
14. How can the idea be tested without investment up-front?
15. What legal protection can I get for the idea?

If any answers suggest to you that the business does not have a good chance of being successful, modify the idea and file it and move along to test another one.

If your business idea has passed the One-Hour, One-Day, and One-Month Tests to your satisfaction, you are ready to prepare a detailed business plan. The investment of time and energy to prepare the plan is worthwhile at this point because:

- a. Your idea has been proven worthy of the effort.
- b. You have already gathered much of the information you require.

As a final check review your answers to this test with one or two trusted associates who already own a business.

Riding The Right Success Horse

Al Ries and Jack Trout are the authors of the books Positioning, Marketing Warfare, Bottom-up Marketing, The 22 Immutable Laws of Marketing and a number of other excellent books. In 1991 they wrote a book called HORSE SENSE - "The keys to Success is Finding a Horse to Ride". HORSE SENSE hasn't had the recognition and popularity that some of their other books received even though it is an excellent book for helping an individual pick the right idea for success.

In their book they give the "odds for success" (like the odds in betting on horses, boxers, etc.) on each of 14 success horses. We are going to give you a brief description of each one of them and the "odds" for success that Trout and Ries put on each one of them.

A way to use these success horses is that when you are looking at an idea, business opportunity, or an investment into a business or career you can look at how many of these success horses are present in the opportunity and are they the ones with the better odds.

We will start with the Success Horse with the best odds for winning. These are called the Short Shots. From there we move to the Medium Shots and then to the Long Shots that have the worst odds for winning.

The Short Shots

The Family Horse: 3 - 2 Odds

Trout and Ries say that is hard to divorce a daughter, son, brother or sister. If you are lucky to have been born into the right family your odds for success increases. If your father was the Honourable Thabo Mbeki, Nelson Mandela, Harry Openheimer, Ernie Els, George Bush or Mel Gibson your chances of success increases. Doors open easier, more opportunities are put in front of you, the expertise is available to help you and positions in companies are accessible as well as an abundance of capital (money). Even prominent names in local communities and industries increase their "success odds" in those communities and industries.

Many daughters, sons, fathers, mothers, brothers and sisters are too proud to utilise the Family Horse. Trout and Ries say it is an asset so leverage it for what it is worth. Remember some peoples' success assets are "their good physical looks", others may be "exceptional athletic talent" or "acting abilities", while others may be their "intelligence and brilliance" and another may be "access to money" ... so don't be afraid to capitalise on the Family Horse if it is one of your assets.

Even though you may not be part of a prominent family you can capitalise on the Family Horse if you are in business with someone who has the credibility, status and power of their family name on their side. It improves your chances of success in most cases.

The Spouse Horse: 2 - 1 Odds

History is full of examples of people who married the right person and that factor became a major contribution to their success. With many people it is not considered ethical. Trout and Ries' message is simple ... "Everybody needs, a success horse to ride". If you are married to the right person it obviously opens many doors to success, just like the family horse does. Utilise it ... it is your second best option in reference to the success horses available. The downside, compared to the Family Horse is the possibility of divorce. There are many cases where this happened but the two people kept the business relationship or partnership intact. Fred and Gale Hayman created Georgio Fragrance. They divorced but still worked together and later sold to Avon for \$165 million.

The Partnership Horse: 5 - 2 Odds

The advantage of a good partnership or strategic alliance is that "two of the right heads together are much better than one". Also an "equally valuable" partner can be generating revenue and opening doors to opportunities you may not have the time or ability to do. Also true partners trust each other and can be objective which is sometimes tough to be when you are by yourself.

We are often poor evaluators of our own ideas. With enthusiasm, energy and youth on our side we start strong as loners and often quickly experience the success we are looking for. With our hands on the

controls and our confidence building we can easily begin to believe we are the “only one” that can do what we do and “that we do it much better than everyone else.”

Very quickly we can hit the “ceiling of our own success potential” because the opportunities get bigger, more complicated and require additional talents and expertise. Remember, the basic talent of one individual can only grow so much. Trusted, equally talented partners open the doors to many new opportunities and helps spread the responsibilities, risks and yes the profits, but the profits may be much bigger. They also help keep our “egos” in check.

Word of Caution: Be sure you are getting involved with a partner, partners or “strategic alliances” that are equally talented in an area you need in your business and what they are receiving in shares profits and wages, is equal to what they bring to the business. Partnerships and strategic alliances must be sustainable and they are only sustainable if both parties continue to believe it is fair and equitable. A bad partnership can also destroy a business.

The Other Person Horse: 3 - 1 Odds

If F W de Klerk had stayed in power as the President of South Africa, Thabo Mbeki would probably not be President of the Country now. Nelson Mandela took a special interest in Thabo Mbeki and saw the potential. The relationship with Mandela (the Other Person) helped Mbeki eventually become President. In large corporations people often attach themselves to a rising star and rise with them. That is riding The Other Person Horse. A boxing promoter may ride the other person horse (a talented boxer) to the top or a boxer may ride the other person horse (Don King) to the top or bottom?

The Other Person Horse could also be an exceptional sales manager, top producing sales person, a marketing genius, a software developer or a financial wizard that you hire to work in your business. The key is be always alert for opportunities to associate, partner, affiliate, promote or hire others that increase your chances for success.

The Idea Horse: 4 - 1 Odds

To win with the Idea Horse you've got to be willing to stick your neck out and handle the criticisms and ridicule you may have to take. To succeed with an idea or concept you often have to be the first with it or the first with a “new twist” to the old. That means the experts may challenge you or say it won't work. The experts said the Beatles would never succeed in the United States and that people would never buy bottled water. They were wrong. Unique advertising concepts, different ways of marketing and selling would be viewed as Idea Horses. When it comes to the Idea Horse there are several questions to ask. Is it first, is it bold, does it have impact, is it unique, is it something obvious, logical, timeless and makes sense but no one has tried it. Is it simple to launch and produce, and can it upset or rock the market. Remember, it is easier to find a good idea, package it and market it rather than invent and develop it. The Idea Horse can also combine with The Other Person Horse by having Other People around you who are brilliant idea people. You also have to be sure others will buy into or market your idea.

The Product Horse: 5 - 1 Odds

The Product Horse or Business Concept Horse has great value because if done properly, it can make you money while you sleep. Often it is the person that recognises the value of a product or business concept and how to market it that makes the real success out of it rather than the inventor, originator or founders. Ray Kroc got wealthy off of McDonalds. The McDonald brothers did not. The importance here is that it should be a product, concept, process or business that can be replicated and others can market it, operate it, or expand it without you being present.

The Medium Shots

The Publicity Horse: 10 - 1 Odds

Rebecca Loos has definitely capitalised on the Publicity Horse claiming she had an affair with David Beckham, world famous football star. She received several hundred thousand pounds for her Sky One interview with Kay Burley called Rebecca Loos: My Story. At London's premier of Uma Thurman's new film in London, Loos showed up with her female TV presenter friend Emma Basden. Basden was dressed in a similar football outfit to the one David Beckham wore at a showbiz party the previous night ... sparking speculation that Rebecca was mocking the Beckhams. General Swartzkoff, just after the first Gulf War in Iraq was booked out solid at \$90 000 per speech as a public speaker. He was riding the Publicity Horse. The majority of people are not independent thinkers. They believe what they read in the newspapers, hear on radio or see on television or from “other” people and those “other” people usually get their information from newspapers, TV and Radio as well.

Donald Trump leverages The Publicity Horse, so do politicians, entertainers, professional athletes, corporate executives and even special interest groups. Can you, your idea, your product, your business or your people capitalise on the Publicity Horse. If you can create “publicity” and “celebrity status” with your assets you increase your odds for success.

The Geography Horse: 15 - 1 Odds

If you owned a piece of property where the developers decided to build the V & A Waterfront in Cape Town you would have had the Geography Horse working for you. If you were a security specialist living in South Africa you are in the right Geographical Area. A specialist in Small Business Development in Sweden could not capitalise on his/her small business expertise like he/she would be able to if living in South Africa with the big focus on SME's. If you own property next to Kruger National Park and you build a Game Lodge, geographically you are in the right spot. The Geographical Horse means increasing your odds of success because of Geography (location of you or your idea is in the right place at the right time).

The Hobby Horse: 20 - 1 Odds

Some people love to eat so they turn their love, passion or hobby into a marketable restaurant, a cookbook or TV show on cooking or restaurant guide. Others like to exercise so they become personal fitness coaches or open a health club. When you like to do something, you tend to do it a lot and the more you do it, the better you get at doing it. Your confidence builds and eventually with that increased knowledge you become a specialist. One gentleman who loved opera opened a part time business as an “Opera Tour” operator and promotes and markets opera tours to Europe. He goes along, sees the operas and makes money while doing it. One of the advantages of the Hobby Horse is you are doing what you love to do. The downside is it doesn't necessarily guarantee you business success. Many people who loved Golf, became Golf Pro's and now hardly ever play and golf because they are busy trying to run their Golf Pro Shop and Golf Lessons business and do not have time to play golf. Sometimes when your hobby becomes your business you lose the passion and enthusiasm because of the responsibility that goes with it.

The Creativity Horse: 25 - 1 Odds

Even though you may have been born with an exceptional talent ... in writing, playing an instrument, painting, acting, singing, speaking, you may need more than that talent to succeed. You need recognition. John Lennon's aunt told him “you'll never make a living playing that guitar”, Paul McCartney failed the audition for the Cathedral Choir in Liverpool and neither of them would've become famous with their talents if Brian Epstein had not recognised them, created an image and marketed them. The Creative Horse is a tough horse to ride because creative people get their priorities reversed. They believe their expertise, creativity and talent will get them there. More than any other horse the Creativity Horse requires outside recognition!! Whether you write, paint, act, sing, dance, photograph or what-have-you, invest a good portion of your time searching for the outside expert who can certify your creativity. Also look for ways to make yourself stand out ... be different, e.g. Bruce Springsteen - The Boss nickname, “Swim with The Sharks” is more powerful than “Getting Ahead in Business” as a book title.

The Long Shots

The Company Horse: 50 - 1 Odds

Out of 100 people in a company according to Trout and Ries, one will make it to the top of the organisation. The competition is heavy for upward mobility in a large company. “A company, especially a big company, might not represent much of a future to you, but it does have one major benefit” according to Trout and Ries, “A big, well-known company is a great place to get your ticket punched (utilise its credible credentials), provided it is the “right” big company.”

When joining a company it is important to ask what can I do for the company but equally important is to ask what this company can do for me. In South Africa, right now if you are a Historically Disadvantaged Individual and you can rise through the ranks of a well known company you are increasing your odds of success because of the shortage of senior executives of colour. There is a good chance you will be “head hunted” by executive recruitment companies eventually being placed into a phenomenal position with an excellent package even with share options.

Another way to make it is in a smaller company. The key is to get in early with a company with great growth potential and be next to the Founders and ride the Other Person Horse and Company Horse to the top.

The Education Horse: 60 - 1 Odds

Trout and Ries are not saying that education is not important. As a matter of fact, they are saying that the Education Horse is especially good “out of the starting gate.” Just like in a horse race getting quickly out of the Starting Gate is important in your business and career life. They also say, just like working for the right company to get the right credentials the same applies to the schools you attend. The Brand Name of the educational institution can make a difference especially in your early years. The Educational Horse is there to get you in the race. A degree by itself won’t make you successful! It is the application of that information and credentials that gives you your success. Many well educated people spend a business life time being frustrated because they see “less educated people than themselves” doing better than them. How they get caught is they believe their education entitles them to be ahead in the race. That is a myth. It is not true in the real world. Trout and Ries also suggest: “Be careful that you don’t lose that precious commodity called common sense. Many people are born with common sense and go to school and lose it. Remember, there are lots of people who are educated beyond their intelligence.

In a country like South Africa, where millions have been deprived of a good education, it is important to tread cautiously with the Trout and Ries comments, on this subject. Education is vital and there is and continues to be a need for making the education of our people a top priority at the same time we need to continue to re-enforce, “it is our attitude, our outlook, our life skills, ambition and application of the education that guarantees our success, not education alone! “What Trout and Ries are saying is: “If you bet on education alone it is a Long Shot.”

The IQ Horse: 75 - 1 Odds

Intelligence quotient (IQ) is a measurement of the intelligence of a person. The quotient is calculated by dividing a person’s mental age by her/his actual age and multiplying the result by 100. A mathematical genius would usually have a phenomenally high IQ. The world renowned elite organisation called MENSA, which is an elite group of people with extremely high IQ’s, only accepts those with an IQ of 140 or higher. So why would Trout and Ries only give the IQ Horse a 75 - 1 odds of success? The following research may shine a light on this. In Canada a number of years ago there was an article in the “Star Weekly” a weekly publication that came out on Sundays country wide. It talked about IQ levels of people in the various careers in the country. After putting hundreds of people through IQ tests they were able to determine which two careers have the people with the highest IQ’s. Guess which careers they were?

The people with the highest IQ’s were bartenders and taxi cab drivers. According to Trout and Ries “there’s a reason why intelligence doesn’t correlate very well with success. The smarter the people are, the more they depend upon themselves. After all, they know everything! They depend on themselves to get ahead. But it is a long shot to depend only on yourself!

Now in Canada, the researchers discovered something similar. They discovered that these very intelligent bartenders and taxi drivers did the jobs that they did because it gave them continual interaction with people, they could have many different conversations with many different types of people which was stimulating and above all they had independence and felt like they worked alone even though they were around other people. The researchers also found out that most people with high IQ’s had little patience for other people who did not mentally pick things up as fast as them. They preferred to work alone.

As one college President said to the faculty, “Be nice to your A students because they will come back and be your colleagues, but be exceptionally nice to your B and C students because they will come back and give us a new auditorium and a new science building.”

Less intelligent people usually know they are less intelligent and they usually look for others to help them up the ladder. In other words they look for additional Horses to Ride in order to succeed.

It is a blessing to be smart and an advantage if you can maintain a perspective on that fact and continually look for additional Success Horses to ride.

By the way, for the last couple of years there has been a lot of talk about the importance of EQ which is Emotional Intelligence. Successful entrepreneurs usually score higher on EQ than IQ. EQ is really “common sense.”

The Hard-Work Horse: 100 - 1 Odds

Hard work and a Winning Horse will get you anything in life. The hard work could be optional but the Winning Horse isn’t optional. You need it. What is being said here is that the belief that hard work will bring you success is not true. Now, you may say that successful people tend to work hard ... and usually harder than most people. Yes, they do. But, that is quite different than saying “people who work hard tend to become successful.”

Lots of entrepreneurs have been on “sinking ships” and they kept working harder and harder and it didn't solve the problem. W A Fields once said, “If at first you don't succeed, try again ... and then quit. No use in being a darn fool about it.” There are times you need to change horses. You may be on the wrong horse. Hard work alone is not the answer; it is the adding of the right horses with it.

To put in a good day's work and give it the best you've got is a necessary attribute in every job in every field. At the end of the day you walk away with the internal gratification that you are living within your own integrity and you are contributing your share to your company, organisation and country. Don't ever lose your good work ethic. It is valuable. All we are suggesting is that you add some of the other Horses to take yourself as far as possible.

The 14 Success Horses that you've just reviewed can also be utilised inside an organisation by an employee to improve their odds of upward mobility. They can also be utilised by those with Professional Practices to help themselves and business be more successful. Marketers, business owners, sales people, entrepreneurs, artists and entertainers as well as those in political careers and working within our parastatals and government organisations can receive great value by utilising these principles.

From an evaluation or testing perspective we've taken these 14 Success Horses and created a “Potential for Success Assessment Tool” that you can test your ideas, opportunities, career choices, investment possibilities, business options, success options with. If you have an idea, strategy or opportunity in mind see how many of these Success Horses you can make part of your success strategy. The more you have going for you, especially the Short and Medium Shots, the better your chances of success are.

“Potential For Success” Quick Assessment Tool

Your idea, Opportunity, Venture, Investment or Success Option “Description”

Tick the box for each one of the Success Horses that are present or could be part of your idea, opportunity, venture, investment, success option or strategy.

Success Horse	Odds	Shot	✓	Comments
The Family Horse	3-2	Short		
The Spouse Horse	2-1	Short		
The Partnership Horse	5-2	Short		
The Other Person Horse	3-1	Short		
The Idea/Concept Horse	4-1	Short		
The Product/ Process Horse	5-1	Short		
The Publicity Horse	10-1	Medium		
The Geography Horse	15-1	Medium		
The Hobby Horse	20-1	Medium		
The Creativity Horse	25-1	Medium		
The Company Horse	50-1	Long		
The Education Horse	60-1	Long		
The IQ Horse	75-1	Long		
The Hard Work Horse	100-1	Long		



Module 10

Using Creative Thinking To Find Opportunities

*Ntsika Enterprise Promotion Agency,
with a focus of rendering non-financial support to SMME's
is part of The Department of Trade and Industry in South Africa.
Ntsika, along with the support of The European Union
assisted in the Initial Development of the
Turning Entrepreneurial Spirit Into Business Opportunities program
in conjunction with Knowledge Brokers International Limited.*

Using Creative Thinking To Find Opportunities

Learning And Business Development Outcomes

In this module you will:

1. Learn 12 specific different Creative Thinking methods that you can practice or use to release your creative potential.
2. Be able to utilise these creative thinking methods to generate business opportunities and ideas, solve problems and improve both your business and personal life.
3. Become more creative as a person

Using Creative Thinking To Find Opportunities

Finding good business opportunities takes skill and practice. There is an abundance of opportunities around you, but your mind may not be “tuned in” to find them. Think about radio signals, which are all around you, but require a radio receiver to bring them to your attention. Business opportunity signals are around you as well, and you can receive them by training your mind to look for them. This chapter explains a few techniques which will help you “tune in”.

You may feel that you are not creative enough to think of new ideas, but with a little help you may be surprised at what you can do. The techniques in this chapter will give you the help you need. Some of them may seem a little strange to you, but try them anyway. One of the best ways to come up with new ideas is to change your normal activities. If you try something a little different, you may think of business ideas which are completely new to you. Don't be afraid to appear foolish when creating new ideas. You need to get outside of your normal self to be creative. With a little practice your creative thinking powers will increase and you will soon need to devise ways to keep track of your many ideas.

If you convince yourself that you are creative, and continually tell yourself that you can create, find, and recognise good ideas, it will turn out to be true. The process of affirming to yourself that you are creative can be done by regularly talking to yourself, to say it is so. This is often called “using affirmations”.

To take advantage of your new venture ideas, you will need to develop a system to make notes, store, and retrieve them. An idea won't help you if you can't remember what it was or you can't find your notes you wrote. Some of the methods in this chapter will help you to store and find your notes.

Over a period of time, you can increase your skills related to finding and testing new venture ideas. At first, you may have to make a conscious effort to think up ideas and record them, but with practice, your awareness of opportunities will become more sensitive, and keeping notes about your new ideas will become a daily routine. To build those skills, take time every few days to practice one or more of the techniques in this chapter. After awhile, working with new venture ideas will become second-nature to you and you will become more aware of the abundance of business opportunities which surround you.

As a final note: A large number of Engineers were recently part of research on Creative Thinking. Some Engineers were creative and some were not. The only difference between the Creative Thinking Engineers and the ones that were not creative was that the Engineers who were creative thinkers “believed they were creative ... the others didn't believe they were”

Repeat these affirmations (self-talk) 20 times a day and whenever you need to be creative. Watch the results.

“I'm brilliant, imaginative, creative and a visionary.”

“I'm intuitive, aware, open and receptive.”

“I see business opportunities everywhere.”

“My subconscious mind is my partner in creativity.”

Opportunity Brainstorming

What Is It?

A small group technique where people quickly contribute ideas or suggestions related to business opportunities. The group suggests as many ideas as possible in a given time period without evaluating any of the ideas, resulting in ideas which individuals might not think of alone. The purpose of this exercise is to list a large number of ideas which can be evaluated after the creative period.

HOW WOULD I USE IT?

1. Invite a group of people to help you think of ideas for a business opportunity.
2. Set a time period and explain the procedures to be followed.
3. Set a question related to business opportunities for the group to focus their suggestions on. The question should be carefully worded to help the group stay on target.
4. Have one person write down ideas as they are suggested. A large sheet of paper on a table or flip chart may be used. As the paper is filled up it can be taped to the wall. Some groups prefer to tape blank paper to the wall and then write on it. The idea should be visible to everyone as they are being recorded.
5. Start the process and have people contribute their suggestions quickly without evaluating their own or the ideas of others.
6. At the end of the time period, or when sufficient ideas have been recorded, the ideas can be sorted into categories. A simple system might be to use three groupings:
 - A. Excellent ideas with good potential
 - B. Fair ideas, or ideas which are difficult to use
 - C. Unacceptable ideas.
7. Put aside the ideas in groups 2 and 3, and focus on those in group 1. File the group 2 and 3 ideas, but do not throw them away. They may be useful later.
8. Evaluate the ideas in group 1 and decide which two or three are most useful.
9. Expand and refine the best idea and begin testing them using the questions suggested in the previous chapter.

Three other techniques you can use in conjunction with brainstorming are as follows:

- a. **Piggybacking** – have one suggestion directly built on the previous suggestion through association. The process can continue with each suggestion building on the previous ones.
- b. **Stepping Stones** – listing suggestions in a line so that each is an expansion of the previous one. One idea leads to the other in a series of steps going in a specific direction. The end point can be decided and the stepping stones can be laid to get there or you could start with the end part and move backward.
- c. **Clustering** – writing a map of ideas, starting with a core idea and branching out with associated ideas in many directions forming a visual cluster of ideas. Each idea is written in a circle, and the circles are connected with lines to show their relationships. This technique can also be effective for a person working alone.

To help you understand these concepts better, we are providing 4 examples. We are going to share with you a more elaborate description of brainstorming that Bill Gibson utilised with a Building Supply Store Chain as well as an example of Piggybacking, Stepping Stones and Clustering.

Brainstorming Example

(As used in generating a 1 000 ideas for the Building Supply Chain of Stores and eventually became part of the Store Manual for the owners of the franchises and Store Managers.)

Authentic Brainstorming - What is it?

Brainstorming is a process. A process that, if the main rule is strictly adhered to, is one of the most powerful vehicles for capturing the full creative potential of people. It is productive, solves problems, resolves conflicts and can provide direction for business growth for the employer as well as the employee.

Rule For Brainstorm Sessions

1. No evaluation during the free flow of ideas!

That means no comment, no discussion, no criticism, no reminder of past failure of the same idea, no ridicule, etc.

That is really the only hard and fast rule of brainstorming. But it is critical that it is followed - always. There is a very good reason for this. Evaluation of any kind stops the creative process cold. It shuts off the person who offered the idea. It intimidates others from offering their ideas. And it prevents the 'trigger' effect from taking place.

The Procedure For Brainstorming

"Let's take it to the wall" is a great way of saying let's solve this problem, or search for ways to implement an idea etc. or come up with new ideas. Here are the basic steps for holding a brainstorm session:

1. Choose a recorder
2. Review the rules
3. Set up a Flipchart or Sheets of Paper on a wall
4. Define the objective
5. The Free Flow
6. Evaluate
7. Brainstorm each idea individually
8. Set up committees to implement ideas
9. Schedule follow-up meetings

The Procedure For Brainstorming

1. Choose A Facilitator Or Recorder

The role of the facilitator or recorder is that of a referee. He or she is not here to censor or run the meeting, but to provide direction without directing. The recorder could be the boss, a volunteer, or someone appointed to the job.

2. Review The Rules

The recorder should remind everyone of the "No evaluation" rule at the beginning of every session. The rule is that important. Should any one at any time during the session 'forget' the rule, the recorder should point out and emphasise that evaluation takes place later.

3. Set Up an Idea Wall

Use tape or pins to put up sheets of paper on the wall. If the room is large enough, use large flip-chart type sheets of paper and thick felt pens to write on them. If the room is small, use smaller sheets and thinner pens. Having these sheets on the wall maximises the brainstorming process. It keeps the ideas visible and allows for the 'trigger' effect. Frequently, these sheets can be left on the wall so that ideas can be added, modified, or checked off as completed.

4. Define The Outcome

In other words, specify the purpose. Is it a meeting to brainstorm ideas for store promotions? Is it to resolve holiday schedules? Solve Maintenance problems? This procedure works well not only for the usual business problems, but also for wherever a situation creates a crisis or you want to create new opportunities.

5. The Free Flow

During the Free Flow, everyone has the opportunity to contribute his or her ideas on the subject, or object of the brainstorm session ... Whatever comes to mind. Remember, there is no evaluation at this point, so everyone should be encouraged to "really let their imagination go".

As with any new process or skill that we learn, we sometimes encounter difficulties. This will probably happen during the first few times that you have a Free Flow. Many of our ideas are self-evaluated and vetoed before we ever express them ourselves. If you do not encounter creative "blocks" or a hesitancy on the part of the group, or if you've gone just so far and the flow has stopped, there are ways to get things going again.

Here are some tips to get things going ... or going again:

- Give everyone a sheet of paper and 10 seconds to write down an idea. Look at your watch and time them (but in reality, give them about 20 seconds) ... Surprise! Everyone's come up with another idea! And the flow starts again.
- Use the trigger concept. Pick an idea and ask everyone to pivot from there.
- Focus on a single element of the discussion (i.e. "Let's invest a few minutes on "how-to signage" specifically").

During the free flow, the recorder writes every idea that comes up on the sheets on the "Idea Wall". If the ideas are really coming fast, don't tell everyone to slow down - get another person up there writing too!

6. Evaluate

Evaluation in this case does not mean determining which is a 'good' idea or 'bad' idea. Rather, it means classifying them as "A", "B", or "C" priority items.

We don't use democracy in evaluation! We operate by consensus as much as possible in the evaluation stage. What we mean by that is collectively, a decision is made on whether an idea is "A", "B", or "C" - with everyone in agreement. It isn't an "A" if 8 people in the group think so and 4 don't. It is an "A" only when no one is seriously opposed. But don't get hung up deciding what it is. Move quickly. Ask the "A" people if maybe it could be a "B". Move along and don't turn them into issues. Then, take a look at the items, marked "A" and use the same process to decide which a "A-1" item. Those that are really important. Those that have A-1 Top Priority.

7. Brainstorm Each Idea Individually

Take each A-1 item and brainstorm ideas specifically related to that issue. And decide which ones to get going on right away.

8. Set Up Committees To Execute

There is no way of converting ideas into reality without action. Whether it is volunteered or delegated or appointed, a committee of people must be set up to get the plan into action.

WHO will do WHAT by WHEN?!

9. Schedule Follow-up Meeting

Set the time, place, etc. of the next meeting.

Of course there is the usual mechanics to attend to when you are holding meetings. There are announcements to be read, etc. But we highly recommend that you dispense with these as quickly as possible during the time period set aside for the meeting. Incorporate brainstorming as the "meat and

potatoes” of your sessions. After all, that is the fun ... exiting part. It's the part that leaves people with feeling of “Boy, we really got something accomplished!” ... Because they did.

During a 6 stop tour with a “Building Supply Chain of Stores, Bill Gibson conducted a brainstorm session on ideas that could improve the business in many areas.

The staff and management came up with over 1 000 different ideas that eventually got sorted into various categories. We've listed about 10% of them to show you the hidden potential that lies within you and your people. You also may pick-up some useful ideas for your business.

We've only listed a few of the ideas that were categorised under the topics of In Store Merchandising and Displays and On-site External Promotion at the store and construction and building sites.

In-store Merchandising & Displays

- In-store demonstrations of how to build things, proper usage of necessary building tools, supplier and equipment as well as putting a shopping list together for specific projects, time factors to complete projects etc.
- **Topics, projects, items that could be built included:**
 - Bird cages, Children's Toys, Small Cabinets
 - Lawn Furniture, Stereo Cabinets, Fences, Parallel Walls
 - Sun Decks, Kitchen Cabinets, Gazebo's, Greenhouses
- **Other in-store merchandising and display ideas**
 - Wall Display - Elec. Wiring
 - In-store Broadcasts on Supplier Specials
 - How-to Video Cassette (Project)
 - Proper Interior Signage
 - Free Coffee & Pastries
 - Do-it-yourself Kits (Projects)
 - Paint The Floor - Brighter Colour
 - Different Colour Floor For Different Dept.
 - Daily Door Opening Specials
 - All Yard Prices Up On A Blackboard/Whiteboard
 - Highlight certain areas with lighting
 - Scale models of projects
 - Children's Projects
 - Build a “Plumbing Tree” for plumbers
 - Hand out sheets of “glossary of terms”
 - Wall display glossary of terms
 - Make stores more appealing to women
 - In -store Specials
 - Put accessories at the display - Clipboard with checklist
 - Pre-cut Units:
 - Sandboxes
 - Compost Boxes
 - Tree Houses
 - Backyard Gym Sets
 - Garden Sheds
- **Displays**
 - Stop people running in and out have Check - list right there
 - Displays to draw people to other departments
 - Paint a Tour Arrow on floor
 - Big, Bold Print so bi-focals are not necessary
 - Tie in with In-store demos
 - Make sure staff knows how it works
 - Put all small products on display
 - Change displays around
 - On busy day with thin staff, displays can “Add-On” sell, “Cross” and “Math” sell
 - Information centre with everything:
 - books
 - wholesaler's manual
 - library of do-it-yourself magazines
 - articles on wall
 - lending library
 - plans
 - information person
 - Sample of hard to get and exotic items
 - Feather dusters

- Have Clipboards everywhere, so you can figure things for clients, make project notes while interviewing, etc. (i.e. "Balance Sheet Close")
- Discount Bin
- Video games for children
- New product highlight each week
- Interior Designer in for the day re: colours, etc. (advice)
- Water fountain for kids - with products in use
- Signs re. other services offered:
 - delivery
 - cutting
- Sofa for people to relax on
- Refreshment centre
- Dress store up - plants etc.
- Have demo items out of packages
- Have box of cuttings and nails for kids
- Bulk cement ... bulk paint. bulk thinner
- Sunday shopping specials
- Smock (that staff are wearing) with sale items of the week on their back
- Group "how to" displays using all related products
- Have children's furniture demos
- Have shopping carts & tote bags
- Have lots of "loss leaders" on sale
- Hammer tree for selling hammers
- Model projects - step by step - deep etch a panel, etc. (With appropriate signage)
- Kids panel of wood to jump on
- "Blow Up Ad" - put around store
- Signage ... "Women! The Do-it-yourselfers!"
- Photos of women doing projects
- Have pens & scratch paper handy
- "How To" shopping carts (How to shop)
- Have building projects in your store. Kayaks, Canoes, Airplanes, Kites, Cabinets, Inlaid Walls, Braai Carts, Cedar Lawn Furniture, Tool sheds, Firewood Box, Junk Bin, Flower Boxes, etc.
- Create source book for suppliers, resources, teacher literature, and government assistance, etc.
- Free "Plans" for garages
- Reminder signs - "Have you forgotten something?"
- Photocopier on hand, photocopy articles
- Water bubblers
- Book or a handout of 50 projects, tools required, etc.
- Feature product of the week/month
- Employee of the week
- Tradespeople directory for people who need help
- Display of actual projects completed by customers
- Touch boards to feel
- Impulse item rack
- First 10 people entitled to discount on anything
- Soft drink machine in store
- Talking displays - pre-recorded with visual & audio
- Sign above the coffee - "Please Help Yourself" / "Please Do-it-yourself"
- Pictures/Blueprints of local contract jobs you are doing
- In-store demos by wholesalers/industrial art teachers
- Big piece of lumber for kids to nail on
- Use cubic foot display approach. Hang displays from ceiling
- Plan whole store so that things flow. Product and accessories lead logically to another line of products and accessories
- Have photos of all staff on wall with their names
- Bulletin board with contractors business cards by category
- Put more garbage cans around to help us keep premises clean
- More in-store displays - products for people to buy
- Table with old wallpaper books & crayons for children
- Bargain tables
- Each store make up Do-it-yourself displays (1 display each and distribute to other stores)
- Build displays that can be put outside during day, make sure they are protected from the rain!
- A clean public washroom
- Customer service area vs. cash counter

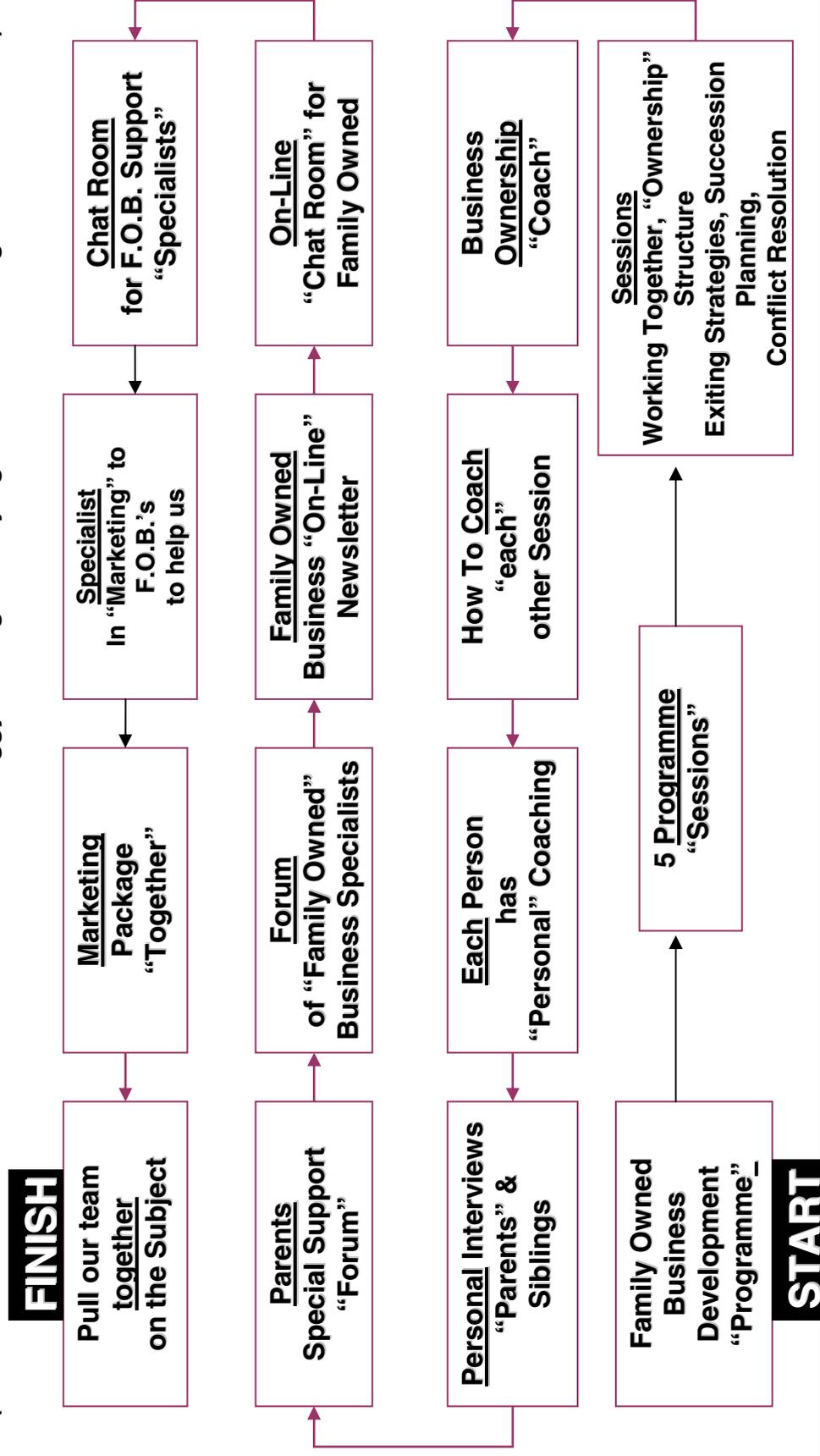
• **On-site External Promotion**

- Children's play area/house
- External signs saying what the store features
- Good signage on all company vehicles
- Sidewalk sale
- Ronald McDonald in to see us!
- On deliveries, check out extra business that could be there
- Big sign, "The How To Store"
- Go out and personally take photos of client projects
- Have a "carving" contest - carve the wood with specific tools
- Increase number of cold calls. Visit projects when deliveries have been made. Special sale list with every delivery
- Large 4' x 8' signs on yard fence
- Outside ... offer, giveaways
- Spectacular event ... crane holding something or someone in the air!
- Name on roof for airline passengers to see
- Fun rides ... amusement draw card in our parking lot
- Follow outside footprints that lead you to the store or to specific areas in the yard
- Sand box with coins in it for kids
- Boat for backyard for children to play in
- Have your delivery driver carry business cards & flyers etc. and drop off at projects
- On-site braai for kids
- Yard sale
- Trailer rentals
- Blackboard outside front door - daily specials
- Sign on all new construction sites ... lumber supplied by us
- Tours of "Jobs"!
- Put out welcome mats literally
- Have a chainsaw sculptor demonstration in the parking lot
- Put up displays in the parking lot
- Use the forklift in front of the store as a raised platform to catch the eye of passing motorists. Pick up a car, etc., raise the forks high and park it on the road
- Bright exterior signage (Action in Motion!)
- Huge banner re. "Sale" etc.
- Helium Blimp/Balloon outside store
- Hot Air Balloon rides outside store on cable
- Pre-recorded "Public Address" system welcoming people to store
- "Store Open" sign (With hours!)
- Turn garden shed into a playhouse

Note: All these ideas are real ones that were generated by management and staff. You could easily do this with a group of staff members and associates following the brainstorm process.

Piggybacking Example KBI Opportunities with Family Owned Businesses

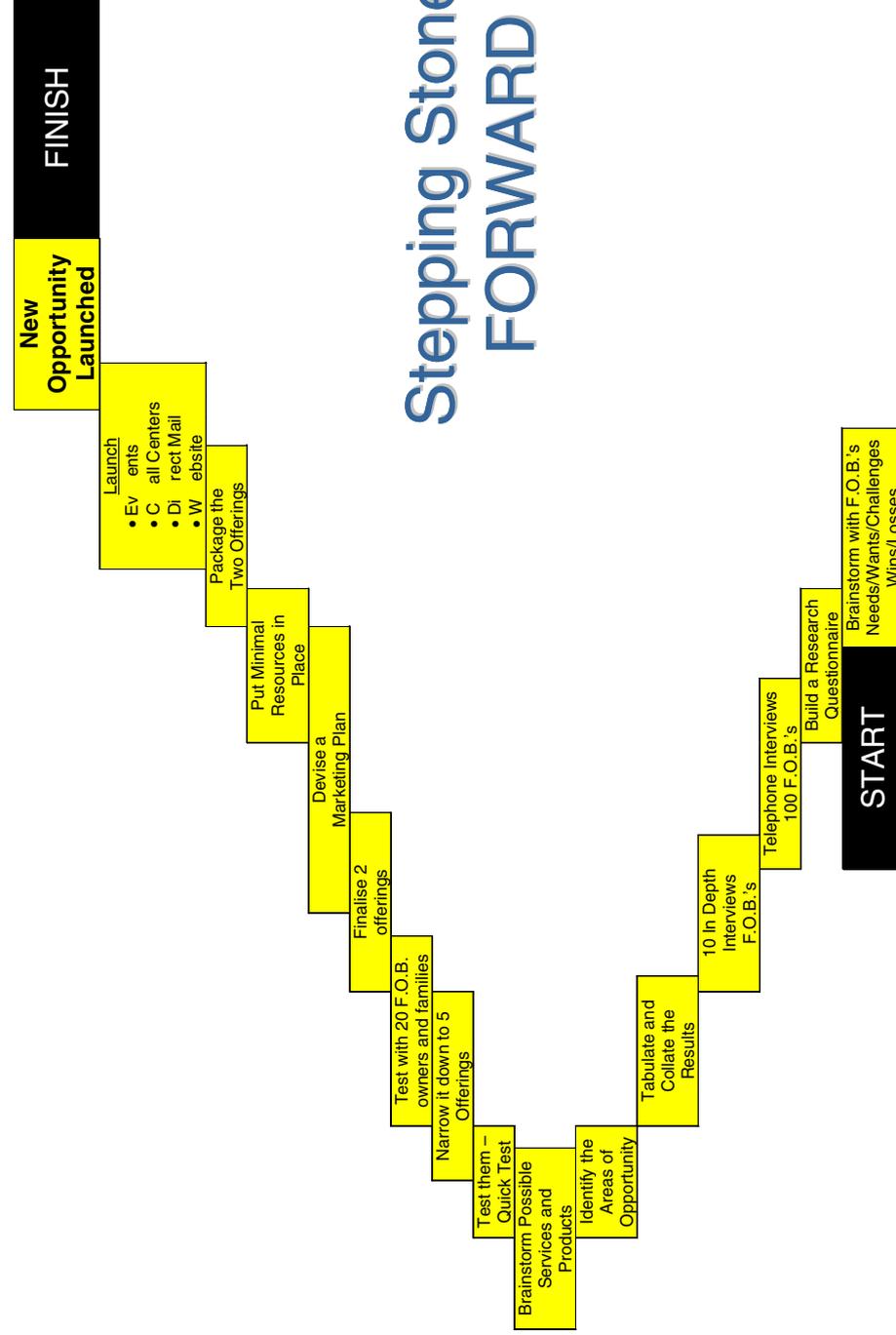
(One related word is carried forward each time. Piggybacking is carrying it forward through “association”.)





Stepping Stones Examples

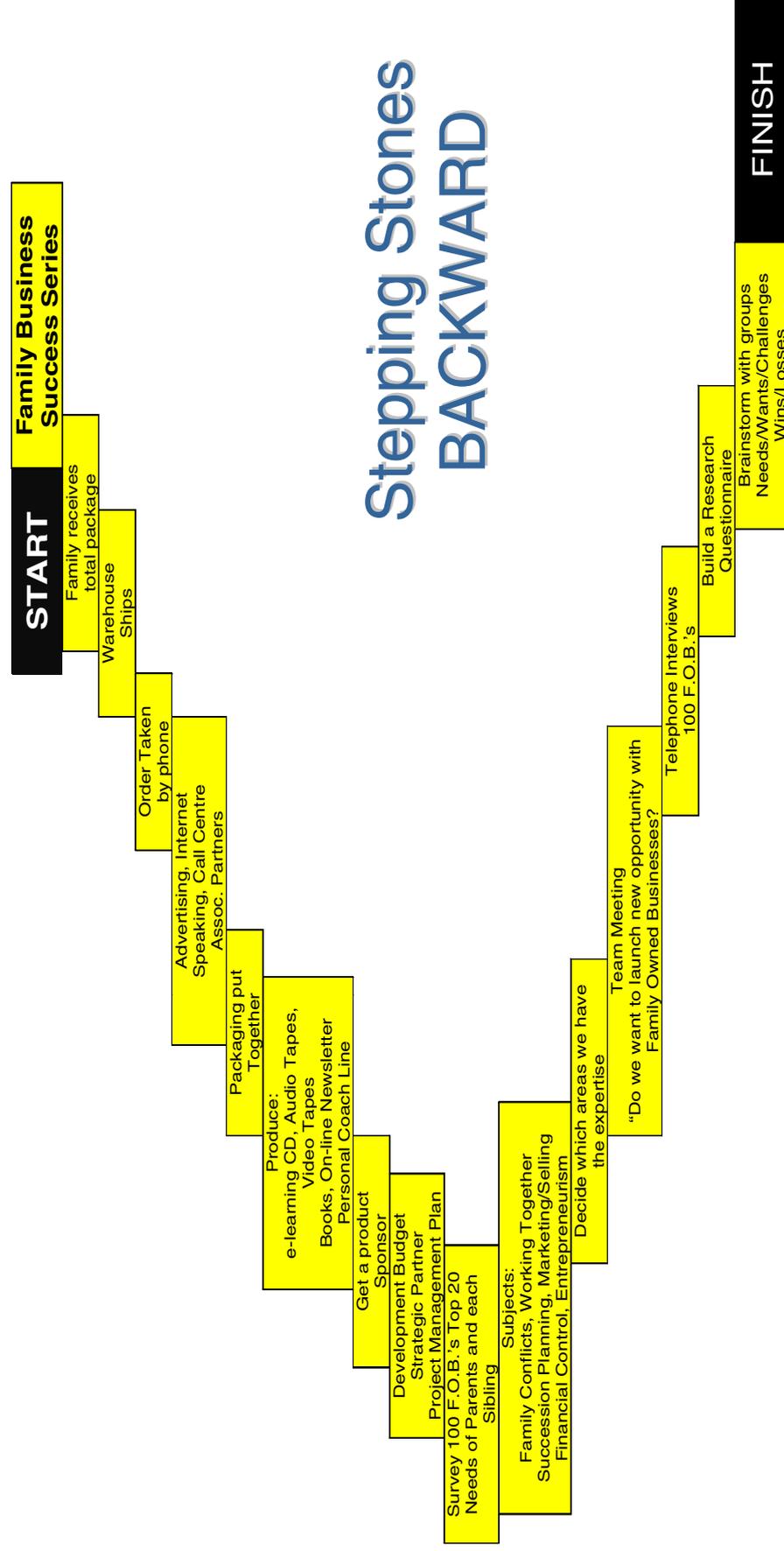
Example of using the “Stepping Stones Approach” to exploring Business Opportunities for KBI with the Family Owned Business (F.O.B.) Market.
(Suggestions in a line, so each is an expansion of the other one)



Stepping Stones
FORWARD

Stepping Stones Examples

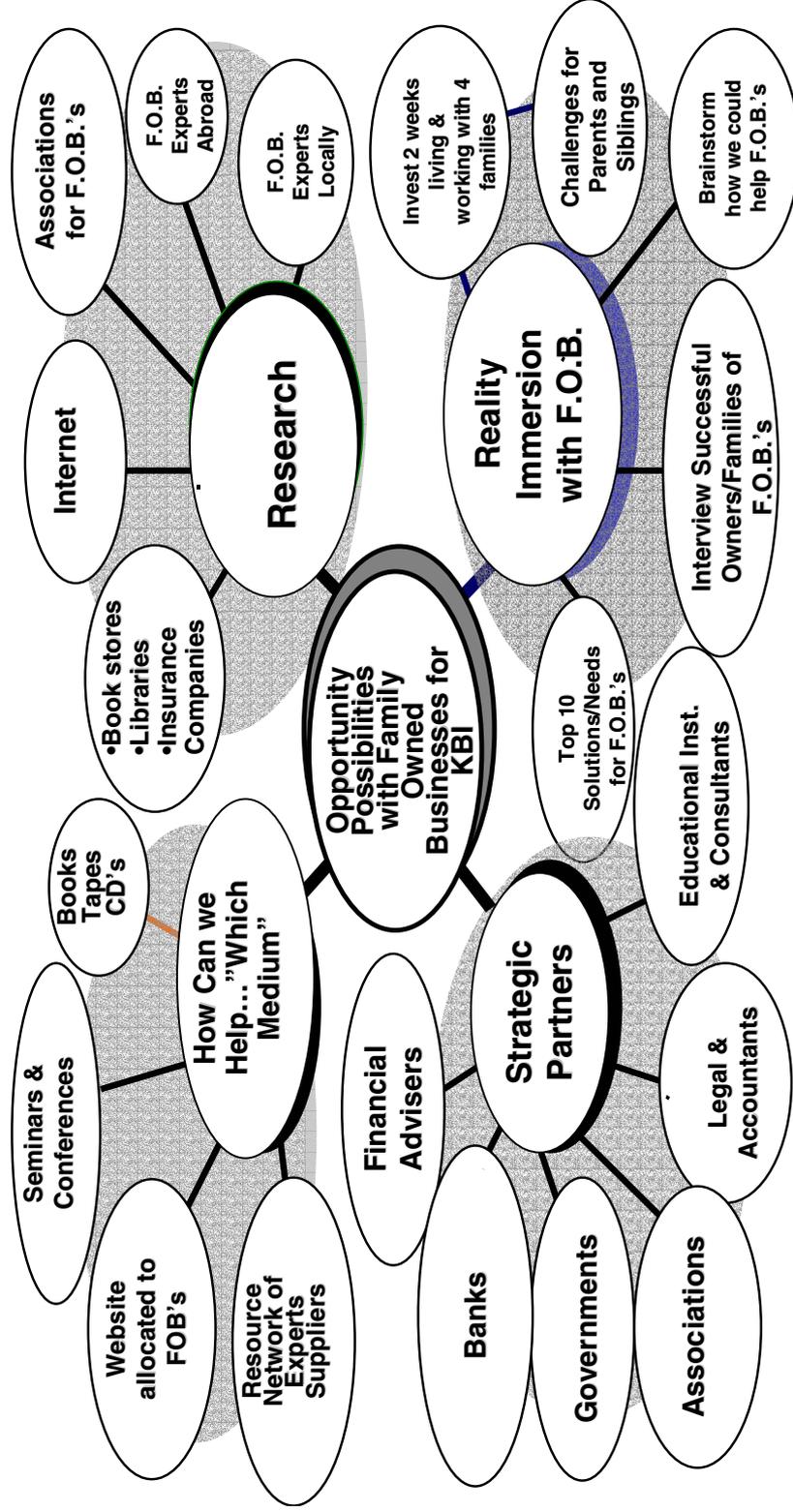
“We started with the “Family Business Success Series” which was the end point and worked backward to where we would have normally started”



Stepping Stones BACKWARD

Clustering

Examples of KBI using clustering to get the creative juices flowing for exploring opportunities with family owned businesses (Start with a topic and draw connecting lines to each idea that flows)



Opportunity Wall

What Is It?

A section of wall in your office or home used to display your business opportunity ideas written on sheets of paper or card stock. (It could be done with posted notes.) The wall is used to continually trigger new ideas usually associated with those already on your wall.

How Would I Use It?

1. Set aside a section of wall in your office or home. Tape the title "Opportunity Wall" to it and make a simple tape frame to identify it as a reserved area. You may want to mount a roller blind to cover it at times if the ideas are confidential or if they may interfere with other office activities.
2. As ideas for business opportunities come to you, write them on a piece of paper or card stock. Write them with a dark pen so they can be read from several feet away.
3. The paper can be taped to the wall, pinned to a cork surface, stuck with a wax backing. Special papers with adhesive strips may also be used.
4. Leave space on the paper to add further comments and reminders of things to do, and add them as the ideas occur to you.
5. Maintain the wall by removing and filing old ideas which you do not plan to use, and adding new ones as you think of them. Try to keep the wall from looking cluttered.

The following picture demonstrates the use of an Idea Wall when Bill Gibson conducted a Community Economic Development and Business Opportunity session for Aboriginal People in Northern Canada. Bill was utilising GIANT Storyboards with "posted notes". It became their Opportunity Wall.



For Strategic Planning Sessions, Bill Gibson's Giant Storyboard Action System will not only capture ideas, it organises them too. The Citizens Committee for Action (Do-it) of Lynne Lake can be seen here with Bill after using the system to generate economic development alternatives for their community.

Idea Montage

What Is It?

A display of pictures, drawings, diagrams, photographs, maps, graphic designs, logos, posters, or other visual aids that stimulate your creative thoughts and focus your energies for exploring a business opportunity. This living visual image is an extension of your thoughts and fantasies related to a venture opportunity. The montage changes and grows as you explore your opportunity and find visual items which reflect your thoughts about new business possibilities.

How Would I Use It?

1. Set aside a section of a wall in your home or office. Make a simple tape frame to identify your Idea Montage.
2. Start collecting visual aids related to your area of opportunity, such as tools; equipment; locations; uniforms; import/export countries; machinery; advertising; customers; staff; signs; offices; building plans; product designs; production layouts; or other items which visually connect you with your business idea.
3. Stick the visuals to your wall.
4. Continually update the montage with new visuals.
5. Reflect on the montage from time to time, and as ideas arise, transfer them to your nearby idea wall.

Idea Bank

What Is It?

An inventory of ideas that are banked for future use. These ideas may come from you or from other sources, as a seed for an idea or a finished concept.

How Would I Use It?

1. Set aside a box, file folder, large envelope, drawer, computer file, or some other device to hold a collection of idea notes and articles.
2. Keep a set of 3X5 cards and pen at hand to jot down ideas for business opportunities as they come to you. Keep sets of cards by your bed, in the car, in your home office, at work or other places you frequent, so that they are handy when you get, see, or hear of an idea.

Recognise times when you are extra creative and be sure to have cards on hand for those occasions. Those are times when it is valuable to focus your mind on business opportunities and keep notes. Your mind flows more freely when you are:

- a. laughing and having a good time
- b. making spoofs and satires about situations
- c. watching movies and videos
- d. reading books
- e. relaxing during quiet time
- f. relaxing after active sports and games
- g. during personal fitness activities such as jogging, rowing, or walking.

At these times creative ideas float into your mind without conscious effort, and you have to train yourself to become aware of them and capture them quickly before you forget them.

3. Keep a dictaphone or tape recorder to record ideas. You may want to explain your ideas in more detail onto a tape at regular intervals from sets of cards, articles you have collected, or notes you have made into computer files. When you listen to the tape at a later date, you will likely have additional thoughts about the ideas.
4. Sort and categorise your ideas into sub-topics. When you are searching for ideas in specific areas, review the relevant information from your files. This will act as a catalyst to mobilise your creative thinking.

Immersion In Reality (Reality Immersion)

What Is It?

A direct experience with the business opportunity you are exploring. This could include short or long periods of time in either active or passive roles. The purpose of immersion is to expand your ideas by exposing all your senses to the business. Your hands, eyes, ears, nose, and mouth will give your mind more information to create ideas with.

How Would I Use It?

1. Decide on the business opportunity you would like to explore.
2. List situations or examples where the business is being carried on already.
3. Make a list of the various ways that you could arrange for a direct experience. This could include observing aspects of the business, being a customer for products or services, producing items for the business, or taking a job within the industry. For example, a person who would like to become a manufacturer's agent may take three days and travel with an established agent, assisting the agent if possible.
4. Immerse yourself in the experience. Gather important information and make notes about the business and your reactions to it.
5. These notes can go onto your idea wall or into your idea bank. Any visuals you collect can be added to your idea montage.

Thought Stimulators

What Is It?

Business resources that can be used to motivate, stimulate, inspire, and trigger creative thoughts and ideas. Common examples of thought-provoking tools which may be used while alone or in groups include

- a. Cassette tapes
- b. Video tapes
- c. Magazines (trade publications, and also non-traditional types such as Mad Magazine)
- d. Newspapers
- e. Books (autobiographies, business books)
- f. Newsletters
- g. Conferences and trade shows
- h. Seminars and workshops
- i. Business luncheons and meetings
- j. Educational television
- k. Business speeches and addresses

How Would I Use Them?

- a. Decide what kinds of business ideas you are looking for.
- b. Locate the most credible suppliers of the above resource materials which will be of most use to you. The suppliers can be found by:
 - a. Contacting associations, distributors, successful companies, universities, colleges, technical schools, government advisors, private consultants, and librarians.
 - b. Examining catalogues, trade magazines, direct mail brochures, advertisements, association notices.
3. Locate and examine samples of resources.
4. Set priorities and select only those resources which provide the most valuable information for your needs. Your time is valuable. Don't waste it on resources that give you only a small return.
5. Block out time each day to stimulate your thoughts through reading, viewing and listening to your resources.
6. Use resources to stimulate your thoughts during waiting and travel times
7. Set goals for attending a specific number of stimulating functions each year.
8. Keep notes about the ideas you gather and store them in files or display them on your idea wall.

Break-out Thinking

What Is It?

A method of creating innovative ideas by not following traditions, expectations, assumptions, rules, regulations, or norms. These restrictions limit people's minds from exploring alternatives that could be available. By challenging traditional thinking, we can gain a different perspective.

How Would I Use Them?

1. Make a list of "break-out" words and phrases such as:
 - a. What if?
 - b. Why not?
 - c. Who says?
 - d. By whose standards?
 - e. Does it apply now?
 - f. Is there another way?
 - g. Is there another answer?
 - h. Is there another way of looking at it?
2. Put your list of phrases on the idea wall.
3. Use these phrases to explore opportunity situations. This does not mean you have to challenge everything. Break-out thinking is a productive tool which can lead to innovative ideas. If overused or misused, it can restrict your progress. Some people question everything to the point of being non-productive.
4. Play imagination and visualisation games such as Let's Pretend:
 - a. I own the company
 - b. The company is going bankrupt
 - c. There is no deadline
 - d. There are no rules
 - e. We are making the rules
 - f. We can do what we want
 - g. There is no such thing as gravity
 - h. There is no such thing as time
 - i. There is no such thing as plastic
 - j. There are no telephones
 - k. I am a customerSimilar games could be "I Wish" or "If Only", where your imagination can be used.
5. Invent solutions, products, services, or improvements for "let's pretend" situations. Try to transfer your ideas in whole or part to real-life opportunities. Some great inventions were made using this method in the medical field, where the inventors pretended they were germs.

In a recent article titled "Be aware of the un-known un-knowns, as well as the known un-knowns" Clem Sunter, chairman of the Anglo American / De Beers Chairman's Fund encourages business leaders to explore the uncertainties which can impact on a business and the need to prepare in advance. Break-out thinking would be a useful tool to bring out the un-known un-knowns and the known un-knowns in advance so the necessary preparation could take place.

"Pick n Pay had to face their food terrorism incident, which they did very well. Music companies are faced with the fact that their copyright recordings can now be downloaded free of charge off the internet."

Break-out thinking can help a company prepare for "What if" situations like these.

Random Mixing And Matching

What Is It?

The process of imagining ideas or creating new products or services by mixing and matching two or more ideas, objects, parts, services, systems, techniques, procedures, or units. This is often done in a game-like fashion without limiting our thinking.

How Would I Use Them?

1. Decide on one or more categories of business services, products, or markets that you want to explore.
2. List a number of specific items for each of the categories. Brainstorming is a useful method to develop the lists.
3. Make up different combinations of items to explore what the results could be. The combinations can be made up from two or more items within any list or from items between two or more categories. For example, what innovative products or services might result from combinations of the items listed below? Of the large number of possible combinations, some may provide opportunities for a business venture.

Product	Service	Market
Computers	Advertising	Manufacturers
Telephones	Hair care	Pets
Chairs	Accounting	Elderly
Brief cases	Home delivery	Women
Desks	Information	Japan

Some examples might be:

- a. A [dog's] descriptive statistics are fed to a [computer], which then displays on the screen a variety of [hair cutting] styles on the dog for the owner to choose from.
- b. The same [computer] service could be supplied for [women] who send a photograph to a computer operator. The computer calculates illustrations of various [hair] styles, and transmits them by [telephone] for the women to view on their home computer. [Information] on where they can get each type of cut also appears on the screen as paid [advertising].

A hair dressing business could be formed around this service.

Relaxation Techniques

What Is It?

A group of techniques which relax your mind to allow your inner creative thoughts to surface. Everyone is creative, but the ability to think creatively is often hampered by daily stress, preoccupations, and present concerns. Relaxation techniques reduce stress and allow your inner creative thoughts to break through at quiet times.

How Would I Use It?

1. Some common relaxation techniques include use of music, relaxation tapes, meditation, and self-hypnosis.
2. Select a piece of relaxing music. Some bookstores and record shops stock cassettes and albums for this purpose. Lie down or sit comfortably in a chair, and listen quietly. Headphones are ideal to shut out external noises. Let the activities of your day drift out of your mind. As you relax, fresh thoughts will come to your mind. Keep a pen and note pad or a dictaphone handy or record it on your new cell phone.
3. Purchase or produce a relaxation tape. The tape could consist of sounds of birds singing, ocean waves on the shore, or water trickling, combined with soothing music or a calming voice telling you how to relax your body and mind. Sit back, enjoy, relax and let your creative thoughts float to the surface. If you have a good thought, take the time to stop and record it, even though it breaks your relaxation.
4. Meditation and self-hypnosis are more difficult techniques to learn. If you are interested in trying them, find a teacher, buy a book or instructional tapes. Meditation and self-hypnosis tapes are often found in relaxation tape sections of stores. They are used in a similar fashion.
5. Another situation which relates to relaxation involves your dreams. We've all experienced a good idea in a dream, only to forget it within minutes of awakening. Keep a note pad handy by your bed to record inspirational ideas that may come to you during dream periods.

“Great Ideas Pop Up While Aslumber

Recent research shows that sleep is the ideal breeding ground for creative thinking.

“University of Luebeck researcher Ullrich Wagner and colleagues recruited 66 students to do a task in which they were given a string of eight digits, and told to transform it into a new string by applying two simple rules about how the digits should be paired up.

The calculation unfolded through seven lines, and the last digit in the final line gave the answer to the problem. Once the students got the hang of the technique, they became better about how to figure out the number pairing and work their way through the seven lines. But, unbeknown to them, there was a secret way of resolving the problem instantly: a mirror pattern of repeating digits meant that the second digit in the second line was always the same as the final digit in the final string.

The human guinea pigs were trained, then tested and, after eight hours, tested again. During the eight hours, half of the group slept, and the other half were awake.

When they were retested, 60% of those who had slept had twigged the secret way of resolving the problem.

Once they had completed the second string, they moved immediately to the seventh string to triumphantly write in the last digit. Among the non-sleepers, the insight was found only by 22%. Interestingly, though, if a volunteer was not given any training, but slept for eight hours and then did the test, he or she never got the secret.

In other words, the gift of insight only occurred if a memory of the task had been formed before the sleep period.

Wagner's team, whose study is published in the British science journal *Nature*, concludes that sleep is a form of offline data processing. During the third or four lives in which we are asleep, primitive representations are reorganised into new, conscious knowledge, they believe.

"Sleep, by restructuring new memory representations, facilitates extraction of explicit knowledge and insightful behaviour," they say.

Wagner believes it takes place in the hippocampus and the neocortex. These are the regions where freshly-acquired data is temporarily stored and then gradually assimilated into the brain's existing knowledge base.

"Sleep, by hippocampal-neocortical replay, not only strengthens memory traces quantitatively, but can also "catalyse" mental restructuring, thereby setting the stage for the emergence of insight," according to this theory. - Sapa - AFP

Suggestion: Before going to sleep think about a solution you need an answer to or an opportunity you'd like to unfold. Ask your subconscious to come up with answers or ideas while you sleep. Contemplate the subject for a few minutes. Go to sleep with a pen & paper by your bed "expecting" results.

Inventors Dream Solutions

For example, Alan Huang received the same dream for months. Every night Alan dreamt about two opposing ancient armies carrying pails (buckets) filled with data. The armies marched toward each other, but came to a halt just before confrontation. Occasionally, they collided in the dream, tying themselves into a big red knot. Then one night something different took place in Huang's dream - the armies marched right through each other ... without damage! Just like light passing through light!

For years, Alan, who was a computer genius, had been trying to solve the problem of creating an optical computer. A computer of this type would transmit data by means of tiny laser beams passing through prisms, mirrors, and fibre optic threads.

In theory, since light travels faster than electricity, it could work thousands of times faster than a super computer. Up to that time, the designs he developed were too cumbersome to build.

Finally the dream opened Huang's eyes to the solution. Unlike electric current, laser beams can pass through each other unchanged ... just like the opposing armies in the dream. It wasn't necessary to give each laser beam its own pathway.

With this insight, Huang went on to create the first working optical computer. The chunky, two foot wide contraption had about as much brain power as a washing machine, BUT, Huang demonstrated that lasers in a box can process information and perform calculations.

Today, Huang is in his early forties, an advisor of Bell Labs Optical Computing Research Department, and he directs a staff of 12 people, many of them considered geniuses in their own right. His role is to nurture and guide their creativity.

He tries to show them how to listen to the rich messages constantly spiralling up from their unconscious. Sometimes these messages come in dreams and sometimes in quiet moments while a person is walking or looking out a window. The secret is to take the most abnormal image or association and seriously stop and look at how this may be the solution to a problem. According to Alan, "Too often we are shamed into not going with our instincts". An inventor must be willing to look foolish. A truly unique idea can be lost after a few milliseconds, if the inventor allows self-censorship to creep in, with phrases like "oh, that's ridiculous", or "It's just a dream", or worse, "No one will understand".

Alan Huang is using THE ART OF CREATIVE THINKING in the scientific world.

Both waking and sleeping dreams can definitely guide us through the unpredictable rough waters of problem solving and on to the islands of opportunity ... providing we recognise their value and act upon them.

Excerpt from Bill Gibson's *The Art & Science of Problem Solving Tapes*
Published by Nightingale Conant-Chicago

Creative Thinking Exercise

Take a minimum of 4 of the methods. (View Piggybacking, Stepping Stones and Clustering as 3 different methods and don't include them as Brainstorming) and focus on one specific area of opportunities, or where you'd like to increase sales or your success and generate ideas, options and alternatives. Take the results from each of the idea generating methods and combine the best of them into the description below. Observe how each method added value. Always try and use more than one method when coming up with ideas.

Description Of Final Results

Module 11

Capitalising on Business Stages

*Ntsika Enterprise Promotion Agency,
with a focus of rendering non-financial support to SMME's
is part of The Department of Trade and Industry in South Africa.
Ntsika, along with the support of The European Union
assisted in the Initial Development of the
Turning Entrepreneurial Spirit Into Business Opportunities program
in conjunction with Knowledge Brokers International Limited.*

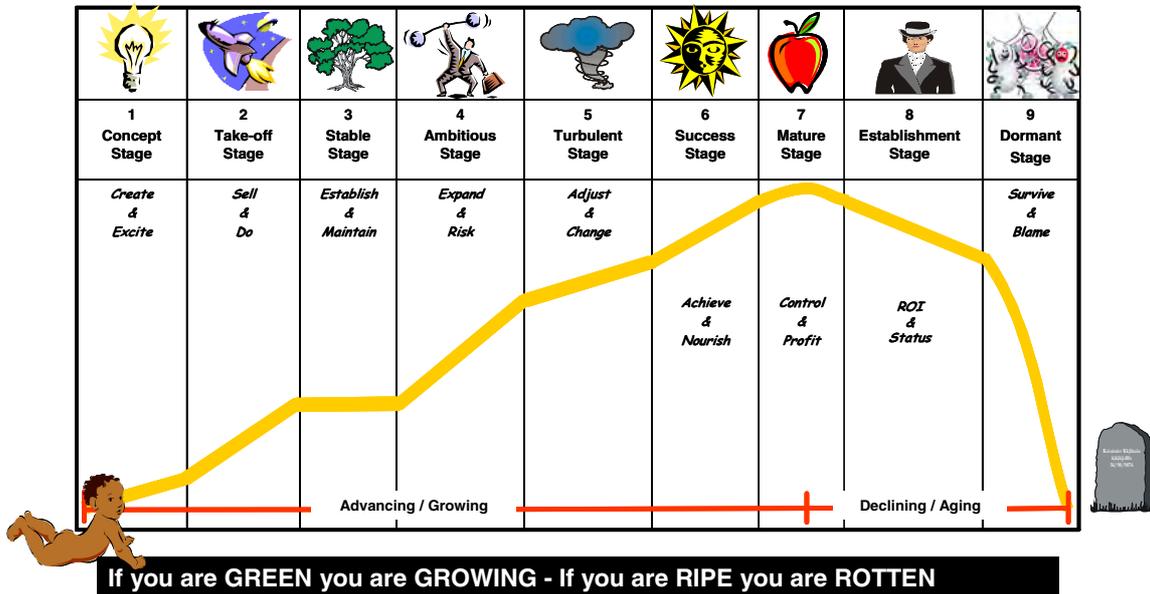
Capitalise on Business Stages

Learning and Business Development Outcomes

In this module you will

1. Be given ample information on the 9 stages of Business Growth and Decline so that:
 - a) You can easily identify at which stage a venture, business, department or division is at.
 - b) You know what the unhealthy and potentially dangerous characteristics and behaviours can be at each stage so you can avoid or summarise the typical problems of that stage.
 - c) You know which vital success factors and behaviours a business needs to focus on at each stage.
 - d) You know how to best market or sell to a business and its key people when their business is at a specific stage.
 - e) If you work for a company or organisation at a specific stage you know the most effective ways to market or sell for your business at the stage it is in.
2. Know the benefits of understanding the 9 stages of Business Growth and Decline.
3. Complete a valuable exercise on identifying possible opportunities for you, your business, its products and/or services with businesses, organisations, ventures, departments and divisions that are at each of the 9 stages of Business Growth and Decline.
4. Do a quick assessment as to whether your business is Advancing/Growing or Declining/Aging.

The 9 Stages of Business Growth and Decline



The Advantages Of Understanding The 9 Stages Of Business Growth And Decline.

By understanding the 9 Stages of Business Growth and Decline you:

1. Will operate and manage your business more effectively by understanding what to expect at each stage and "how to" move forward, sustain your success or re-invent or repair your business.
2. As a sales person it will help elevate you to a higher level of consulting and advisory abilities with your clients because you understand businesses better and what the business should be doing at the stage it is at.
3. Will have a "guide" that shows you "how to" interact with businesses and their key people at each stage resulting in more business.
4. Can more easily identify business opportunities with businesses at specific stages.
5. Will have information that can help you in advance evaluate the risks and opportunities in a business venture more effectively. Protect the investment of your time, energy, ability, money and your reputation.

The 9 Stages of Business Growth and Decline comes from Knowledge Broker's and Bill Gibson's Managing Complete Business Relationships System.

On the pages to follow we have given you the following:

- A brief description of each stage
- A summary of each stage
- A comprehensive "poster style" breakdown of the 9 stages that was extracted from our 3 Learning Posters in the Managing Complex Business Relationships System.
- A guide that helps you recognise the qualities of Advancing/ Growing and Declining/ Aging Organisations.
- An exercise on identifying possible opportunities.
- A quick assessment as to whether your business is advancing/growing or declining/aging.

A Brief Description on Each Stage

- | | |
|-------------------------------------|---|
| Stage 1: Concept Stage | - "Energy and excitement" build-up to equal risk and work to come. |
| Stage 2: Take-off Stage | - Everyone is "selling and doing". A cash and customer focus. Action! |
| Stage 3: Stable Stage | - Choice to "establish and maintain" and become a community or regional business. |
| Stage 4: Ambitious Stage | - Choice to grow. Opportunities everywhere. "Expanding and risking". |
| Stage 5: Turbulent Stage | - Slow down. "Adjust and change". Internal conflict and power struggles. Often change in Leadership or Leadership Style. |
| Stage 6: Success Stage | - Organisation has professionalised. Knows what, how & why? In it's Prime of Life! It is "achieving and nourishing". |
| Stage 7: Mature Stage | - "Control and profit" focus. Less risks! Beginning of a decline. "If you are green you are growing. If you are ripe you are rotten." |
| Stage 8: Establishment Stage | - "Focus on ROI!" Opulence, status and eliteness prevail. Now part of "The Establishment"! |
| Stage 9: Dormant Stage | - A bureaucracy! Administrators everywhere! Dies or survives with political and/or charitable support. Internal focus of "survive and blame". |

A Summary Of Each Stage

Stage 1 to 3 - 9 Stages of Business Growth and Decline

 Stage 1 Concept Stage “Create & Excite”	 Stage 2 Take-off Stage “Sell & Do”	 Stage 3 Stable Stage “Establish & Maintain”
<ul style="list-style-type: none"> • Build excitement, energy & commitment to equal challenges ahead • Who will do it? • Emotional commitment & ownership • What? How? When? • Generalities • Contradictions & continual changing of idea/concept 	<ul style="list-style-type: none"> • Now oriented • Urgency - cash & customers • Quick decisions • Inaccurate projections - no past experience • Founder - Key source of energy • Very little delegation • No deadwood • Very few systems 	<ul style="list-style-type: none"> • Branch, franchise or community business • Adding of a few professional staff members • Established name • Maintain market niche • Basic systems • Routine • Owner / Key person disengages • Needs periodic infusion of ideas, etc.

Stage 1 - The Concept Stage “Create & Excite”

- At the Concept Stage it is important to “talk it up”, get excitement and enthusiasm going and build the commitment to the level needed to handle the size of the challenges ahead.
- You need a person who will be the champion? It is usually the founders, inventor or key person.
- The emotional commitment of the champion has to be very high and that person(s) needs to feel “ownership” of the project. This is the person(s) that will keep things moving when things don’t go the way every one expects. If the financiers, or the mother company of a start-up has the emotional ownership and the entrepreneur does not, there is no one there to emotionally hold it together during the trying times in the early stages of the business.
- At this point there are a lot of generalities because the concept, the ideas are still being put together. The specific details as to exactly how things will go forward and will work out are virtually impossible because it is too early to know and in most cases it is uncharted waters. A big mistake made by entrepreneurs at this stage is they give too much of the business away to associates, attorneys, accountants, family, etc. without seeing the real contribution over time.
- Expect contradictions and continual changing of the idea or concept. One of the changes is when the founder or inventor will not adjust to the demands of the marketplace in the beginning.
- Once the concept or idea is in place, you move to the “take-off” stage.

Stage 2 - The Take-Off Stage - “Sell & Do”

- Everybody needs to be “Now” oriented. Don’t delay. You need action. Too much planning can be counter productive. People must be selling or doing something to support the selling and producing.
- There is an urgency for cash and customers and an urgency to deliver so you can get paid.
- Decisions are made quickly because of the urgency and the decisions are often made without ample information and when the best action is not always clear.
- Your projections will often be inaccurate because of no past experience. Bank’s, inventors and mother companies often expect accurate projections. It is virtually impossible to do this if it is a new project or opportunity into a new area. Negative cash flow is common as well as the need for additional capital (money).
- The founder or champion is the key source of energy. Others feed off that energy. Families and significant others need to understand that, and support the long hours and dedication of the founder or key person(s). To get an airplane off the ground it requires much more fuel than when it is in the air. A business or new idea requires excess fuel in the form of time, energy and ability to get it off the ground in the Take-Off stage.
- Usually there is a minimal number of people and a key person or persons with most of the “know how.” It is often too early for delegation. There is more directing than delegating and the founder is often the top sales person.
- The company cannot afford deadwood. Everyone must pull their weight and go beyond the call of duty. It is a “stay alive” strategy.
- The business is simple at this stage so there are very few systems and processes. Also there is not a lot of time and energy available to develop the systems and processes. “Get the business” first and then put the processes in is often the “call of the day” for this stage.
- Success at this stage will either move you to deciding to be a community or Generic Business that ends up in the Stable Stage or if you have “High Growth Business” expectations you may move from the Take-off stage to the “Ambitious Stage” of “Expand and Risk”. We will first look at the Stable Stage. What also happens is that the business stays in the Take-off stage too long and the key person or founder gets tired of the long hours and stress without the rewards and decides to “give up” ... and once the champion loses emotional ownership and commitment the business or idea doesn’t usually last long.

Stage 3 - The Stable Stage “Establish and Maintain”

- Stable Stage businesses are often branches of companies, franchisees, or a community business. They are local, and usually not regional or national.
- At this point we add a few professional staff members like a controller, production manager, store manager, sales manager etc.
- There is limited upward mobility for staff.
- You become an established name in the community or industry.
- Systems and processes are in place ... you are at the “establish and maintain” point so there is time to do that. It helps the owners have a smoother running business.
- The business must establish and maintain specific market niches. The danger can be apathy and not staying on top of customer needs, market changes, and what competitors are doing.
- With the professional help now on the team, the owner doesn’t have to be on-site 100% of the time. The owners or key person often disengages and puts time, energy and money into community activities, hobbies, interests and other business ventures. A common mistake is an owner investing time, energy and especially money into ventures (real estate etc.) that go bad and drain the cash of a healthy business often taking that business under as well.
- A business at the Stable Stage needs a periodic infusion of ideas, excitement and change to keep it alive and functional.

Stage 4 to 6 - 9 Stages of Business Growth and Decline

 <p>Stage 4 Ambitious Stage “Expand & Risk”</p>	 <p>Stage 5 Turbulent Stage “Adjust & Change”</p>	 <p>Stage 6 Success Stage “Achieve & Nourish”</p>
<ul style="list-style-type: none"> • Prospering – cash flowing • Opportunities every where • Growing, expanding, diversifying • Fingers in too many opportunities • Too much to do – Key people • Responding – not planning • Over confidence, excessive optimism, arrogance • Delegation without control systems • Pending crisis 	<ul style="list-style-type: none"> • Slows down to plan, systemise and professionalise • Conflict • Founder, professional mgr founder, board, old boys, new people • Often change in leadership or leadership style • Systemisation begins to take over from individualism • Sacrifice sales to adjust 	<ul style="list-style-type: none"> • Clarity & Momentum • Professional organisation • Very functional • No waste • Controlled planned growth in sales and profits • Plan for cash needs • Know what, when, why and how to get there • Prime of business life

Stage 4 - The Ambitious Stage - “Expand and Risk”

- The business is prospering ... the cash is flowing in.
- Still a selling organisation - not a thinking, planning marketing organisation and responds rather than plans.
- Opportunities are everywhere and the company is growing expanding and diversifying and often in an uncontrollable way.
- The company often has it’s fingers in too many businesses and new opportunities.
- Too much to do for the key people and they often begin to “drop the ball” on deadlines and customer service.
- Over confidence, excessive optimism and arrogance of the founder or key people is common.
- There is a pending crisis and the size of it will be equal to the level of arrogance and “egos” of the founder and/or key people.
- Because of the pressure there is delegation but without the proper feedback and controls in place.
- It is time to bring in systems, processes, procedures and professional manager.
- Common challenges or potentially dangerous behaviours and characteristics at this point are:
 - Assuming the success because of past results
 - Believing more and more sales means success
 - Not knowing the real costs
 - Losing money because of poorly thought out commissions, rebates and discounts.
 - Won’t develop controls and systems
 - Founder still acting as if the company exists only for him/her instead of fitting into the business.
 - Optimistically taking over a mature stage business and not being able to marry the cultures together.
 - Entrepreneur/founder not willing to work with and support the professional manager.
- There needs to be a “what not to do” approach rather than “what else to do” approach
- The business either stays here, goes backward, goes out of business or moves on to the turbulent stage.

Stage 5 - The Turbulent Stage - “Adjust & Change”

- At this point the business needs to slow down to plan, systemise and professionalise. Sales are sacrificed to adjust and change.
- There is often conflict - The Founder versus the Professional Managers, the board and the company as well as clichés of old boys and girls versus the new boys and girls. Founder often breaks the rules and policies.
- It is a commando type company trying to institutionalise.
- Often there is a change in Leadership. Sometimes the founding Entrepreneur gets ousted by the board or decides to quit or sell out. Change in Leadership should happen when sales are strong.
- Systemisation begins to take over from Individualism. The firm needs to Professionalise but it is dangerous if administration and finance take over and the entrepreneur spirit is lost.
- Leaders must serve the company not the company serve the people.
- Other unhealthy potentially dangerous characteristics and behaviours at this point are:
 - Founder won't co-operate and give up or share authority with the Professional Manager
 - Founder too loyal to the “Old Boy” group and unrealistic packages stay the same to keep old loyal people
 - Paying large incentives while the company is losing money
 - People lose sight of the dream vs. vision
- In this stage the professional managers often hires his own team.
- Once the organisation begins to become professionalised it moves to pro-activity and takes control of opportunities rather than being controlled by them.
- If successful it moves to the next Stage. If it isn't it may move back to the take-off stage or become a community or generic business in the stable stage or go out of business or sells ... usually for less than what is worth.

Stage 6 - The Success Stage - “Achieve & Nourish”

- The business is rolling ... it has clarity and momentum.
- The professional team knows what, when, why and how to get where they are going - they are very functional - it is calculated planned success.
- Operational procedures, policies and systems are in place.
- You plan for the required capital and there is well controlled growth in Sales and Profits.
- Knows how and will start up new ventures.
- Still a lack of sufficient executive and management training so there needs to be acceleration in this area.
- The company must maintain the Dream & Vision with controllable ambition and accurate forecasting of planned execution.
- It needs a leader that has the entrepreneurial spirit and can synthesise the departments and integrate the functions needed.
- Authority must be given to key managers and the Leaders need to continually ask “How can we achieve continual growth and finance that growth.”
- The continual nourishing and rewarding of creativity and an entrepreneurial thrust is needed to keep the vital momentum going.
- The dangers are:
 - Overly optimistic and not staying on top of sudden economic changes, competitive moves and new market trends
 - Won't invest in executive and management development
 - Too comfortable and the mental sharpness leaves
 - Senior management wants to control everything

- A lack of capitalisation that carries on too long
- Internal conflicts continue from the Turbulent Stage
- The key here is to continue with achieving and nourishing so you stay in the Success Stage. IF the Success Stage Business begins to get set in its ways and loses some flexibility it rolls into Stage 7 - The Mature Stage.

Stages 7 to 9 - 9 Stages of Business Growth & Decline

 <p>Stage 7 Mature Stage “Control & Profit”</p>	 <p>Stage 8 Establishment Stage “ROI & Status”</p>	 <p>Stage 9 Dormant Stage “Survive & Blame”</p>
<ul style="list-style-type: none"> • Company is strong • Still action & results oriented • ROI is prime performance measure • Sense of security • Well organised • Facts, figures & measurement begin to replace creativity & entrepreneurship • Lack of urgency • Past achievements & history is important • Starts to lose flexibility 	<ul style="list-style-type: none"> • Lots of cash • Eliteness & status • Formal • Elaborate buildings and poshness • Air of arrogance and intimidation • Rules & policies - don't rock the boat • Declining market share & negative cash flow starts • Senior executives untouchable • Beginning exodus of entrepreneurs, marketers & performers 	<ul style="list-style-type: none"> • Personal survival focus not customer focus • Politics – camps / cliques • A bureaucracy • Administrators everywhere • Tradition and habit not reasoning • Organisation dies or becomes a monopoly or subsidised by politicians, foundations etc. • Customers have to be experts at working through the maze

Stage 7 - The Mature Stage - “Control & Profit”

- The company is strong, lots of cash coming in.
- A feeling of security prevails - sometimes falsely.
- Well organised and past achievements awards and the history of the business is talked about and displayed and the company loses some of its focus on future possibilities.
- A more moderate approach to business ... and the company begins to lose its flexibility.
- Control, Profit and Return on Investment takes over from the “Achieve and Nourish” approach.
- Facts, figures and measurement take over from right brain creative thinking and entrepreneurship and short term profit thinking emerges.
- The needed Leader - a person who can pull people together and have systems and administration in place while still boosting that all important performance of the people.
- Key players need to be mature by thinking young and putting together spin off entrepreneurial ventures that focus on future possibilities. The new venture “champion” should be given the authority to run it without the formalities of the Mature Stage Business.
- Needs to be continual development of the Leaders and the balancing of the accumulating of pleasures and comforts with profit and growth.
- The Dangers:
 - Lack of urgency

- Reducing the investment in research and development of new products & services to show bigger profits on the bottom line
- If finance and Administration become the power “brokers” exclusively over the entrepreneurs, marketers, R&D people, engineers and product development people
- Executives spending more time with each other (meetings, socially etc.) than with the customers.
- Handled properly the company could slip back into the Success Stage or gradually slip into being an Establishment Stage company

Stage 8 - The Establishment Stage - “ROI & Status”

- Lots of cash and buying power. The company is still performing but not pro-actively. It is living on its “good will” of the past.
- There is an image of eliteness and status. The environment is more formal.
- There usually are elaborate buildings and poshness everywhere, and the Founders’ pictures on the walls.
- The organisation is “Rules and Policies” driven rather than people driven and it has a “Don’t Rock The Boat” Philosophy.
- There is evidence of declining share of market and pockets of negative cash flow starts.
- Senior executives are untouchable - there is a revolution going on but they don’t know it or acknowledge it because they are comfortable in their castles.
- There is a beginning exodus of entrepreneurs, marketers & performers. Controversial issues are discussed in private not in meetings.
- Increases profits by increasing prices and often without increasing value to the buyer.
- Growth comes through takeovers of affordable Ambitious Stage companies in order to pipe into new technologies and future markets.
- To succeed the organisation needs a Leader who can make the hard nosed decisions and has the style of an entrepreneur along with professional soldier strategies and thinking instead of a commando approach.
- The company needs a real face lift - not a cosmetic one.
- A few of the dangers:
 - Paying dividends when profits are down
 - Relying on markets changing, outside conditions improving and competition faltering rather than making internal changes
 - Trivial cost cutting
 - Merging with another Establishment Stage Business and can’t bridge the cultural differences
- If real meaningful changes are not made the organisation could gradually slip into the Dormant Stage.

Stage 9 - The Dormant Stage - “Survive & Blame”

- Early Stages:
 - Focus on personal survival not the customer
 - Policies abound - camps and clichés emerge
 - Energy spent on finding who to blame not how to fix the problems
 - Distrust, back stabbing and infighting is everywhere
 - Regular firing of the marketers, strategist and ambitious types
 - The administrators take over to see that rules, regulations and policies are followed

- Organisation is going down hill fast
- It is dormant, stale and will either go out of business or if politically it is important it will at this late stage be absorbed or subsidised or nationalised and it becomes a “Dormant” administrative Bureaucracy
- Late Stages:
 - Many systems
 - No one knows what the other person is doing - no continuity
 - No feeling of control
 - Union, politics or foundations and non-profit groups and some parent companies keep them alive - commitment is politically or status or pride based - it is not for the customer
 - The customers left long ago unless it is a monopoly or crown corporation or government department that people are forced to use or buy from
 - Customers have to be experts at working through the maze of red tape and unaccountable people to get service
 - Their customer service lines have 5 to 10 minutes waiting periods or you can't get through
- The Dangers:
 - The political and financial “angels” start to lose interest (Politicians, unions, foundations, etc.)
 - Early stages the organisation being totally run by Human Resource and Administrators and eventually being totally controlled by Administrators who grow in numbers
 - The continual firing of the creative, action and marketing types
 - No one at the top addressing the realities
- To Survive and Succeed:
 - Needs a leader who can pull people together, uplift their spirits, renew their energy, show them a vision and coach them through the tough times ahead
 - The leader and executive team needs to focus on performance and results not the politics of saving jobs
 - A no-nonsense, no frills hard nosed aggressive turn-a-round strategy needs to be put in place
 - It should have benchmarks for success along the way and the support and patience of the financiers and interested parties
 - A good example would be Lee Iacocca turning Chrysler around in the early 80's

Utilising The 9 Stages Of Business Growth And Decline

In the following 9 pages the 9 Stages of Business Growth and Decline are covered more deeply.

As you work your way through those 9 stages, do the following:

1. Identify at what Stage your business, idea, venture or opportunity is presently at and identify what it is you need to do to succeed at that Stage and move to the next one successfully if you are growing. If your organisation, department, project or product opportunity is in the Success Stage identify how you can keep it there and if in Stage 7 to 9 decide how you can improve things.
2. If you sell business to business determine “what” and “how” you could be selling and interacting with businesses at each Stage of Growth or Decline. If you sell person to person identify “what and “how” you could personally sell and market to individuals that are in those companies at each stage.
3. Look for products, services, ideas, concepts, programs, solutions that could be business opportunities with businesses at each stage.
4. If you are an investor then look at what Stage of Business Growth and Decline you prefer to invest in businesses and why. Also identify how the information on the 9 Stages can be of help to you to be a Wiser Investor.

Following are 4 worksheets you can utilise as you work your way through the 9 Stages of Business Growth and Decline.

**Identifying Your Own Business Stage
Worksheet**

<p>The Stage Your Believe Idea or Business Is At ...</p>
<p>Why You Believe That</p>
<p>Actions And Behaviours To Succeed</p>
<p>Dangers And Cautions</p>

Selling And Marketing to Organisations, Departments and Divisions
The Various Stages Of Growth And Decline
“Business To Business Worksheet”

Business Stage	Product / Service / Idea	Why?	How?



**Selling and Marketing To Individuals Within Organisations, Departments And Divisions
That Are At The Various Stages Of Growth And Decline**

‘Individual To Individual Worksheet’

Business Stage	The Individuals / Titles	Product / Service / Idea	Why?	How?

**Business Opportunities
Worksheet**

Business Stage	Opportunity - Products, Services, Ideas, Concepts, Programs, Solutions	Why?

Investment Opportunities

Worksheet

At Which Stage Do You Prefer To Invest Your Money?	Why Do You Prefer This Stage?	How Does The Business Stages Help?

 <p>Stage 1 Concept Stage “Create & Excite”</p>																					
<p>COMMON & NATURAL CHARACTERISTICS & BEHAVIOURS</p> <p>• Lots of talk and noise to build excitement, energy and commitment • Continual changing of idea/concept/product • Over projecting • Lots of generalities & contradictions • Defensiveness re-idea • Committing to deliver before the concept is complete.</p>																					
<p>UNHEALTHY & POTENTIALLY DANGEROUS CHARACTERISTICS & BEHAVIOURS</p> <p>• No real champion/founder that is committed • All fantasy – not tested • Focus on profits instead of emotional commitment • Founder giving too much away initially. (Associates, attorney, family) • Founder not flexible</p>																					
<p>VITAL SUCCESS FACTORS & BEHAVIOURS</p> <p>• Who & why? There is a champion who is prepared to commit the necessary energy and has a strong why • The entrepreneur’s excitement, passion and energy level is up to the level of the size of the job and risk ahead • The feeling of ownership & control is with the entrepreneur – not the financiers etc. • Entrepreneur is committed emotionally first, and then logically and for profit reasons secondly • The basic questions are answered • Who? What? How? When?</p> <ul style="list-style-type: none"> • Founder / Champion is obsessed but flexible 																					
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<p>WHEN MARKETING / SELLING TO AN ORGANISATION AT THIS STAGE</p> <p>• Listen to their ideas • Show excitement & support • Help with a reality test • Become a source – suppliers, mentors, etc. • Provide research • Assist with marketing ideas & channels • Educate • Display patience & flexibility • Be positive & optimistic • If it is just a fantasy – don’t waste your time</p>																					
<p>WHEN MARKETING / SELLING FOR AN ORGANISATION AT THIS STAGE</p> <p>• Pre-sell where possible • Project & promise conservatively • Utilise research data and comparable success stories to add credibility • Tell & show why you are so committed • Sell yourself as well as the idea/concept/product • Utilise the founder / creator / product champion on sales calls, at events, with write-ups, videos to educate clients • Sell the uniqueness & potential • Offer special incentives for pre-orders or early clients • Look for ways to continually keep the founder’s excitement up.</p>																					



Stage 2
Take-off Stage
“Sell & Do”

COMMON & NATURAL CHARACTERISTICS & BEHAVIOURS

• Push for cash • Negative cash flow is common • Company will need capital – inaccurate budgeting because of no history or experience • A stay alive strategy • Very little delegation • Minimal systems, planning and policies • Flat organisation • Product driven • Re-act and change to sell • Founder is often top salesperson • Work nights and week-ends to fulfill promises & deliveries.

UNHEALTHY & POTENTIALLY DANGEROUS CHARACTERISTICS & BEHAVIOURS

• Cash flow shortage that doesn't get fixed • Creating new ideas and concepts instead of selling what they've got • Loss of morale by key person(s) – too long for results • If entrepreneur loses emotional ownership • Slow decisions because entrepreneur has to get permission from partners/financers/mother company • Too much discounting • Formal budgeting – time consuming & frustrating • Investors want profits too soon • Entrepreneur not willing to adapt and be flexible to gain customers • Changing strategies/concepts/methods too quickly

VITAL SUCCESS FACTORS & BEHAVIOURS

• No deadwood – everyone must sell and/or do, do, do • Have to focus on gaining customers quickly
• Focus must be NOW orientated • Results thinking and actions • Key person needs spouse/significant other support & understanding • Decisions must be made quickly & with minimal information • Excitement & passion must be high and fueled often • Champion / Founder & Key People need to work long hours • Founder must feel emotional ownership and control • Key person must be the main source of energy & motivation • Cash flow focus and cash flow accounting.

ADDITIONAL CONSIDERATIONS & DETAILS

- Control of expansion and growth in balance with capital
 - Hiring usually happens long after the need
 - Shoe string budget
- People share space, phones, computers, vehicles, etc
 - Aggressive direct communication within
 - The dream and vision is the main motivator
 - People on first names
 - Dress is informal and so are the meetings
 - Unrealistic demands are made of people
- Once enough successes are experienced, habits and systems that help duplication emerge
 - Repeat business begins to come at the latter part of this stage
- Company will disappear or turn into a small lifestyle business or community business if at this stage too long – owner / key people lose interest in working such long hours with small rewards
 - If owner / founder is going for growth the business will enter Stage 4 – Ambitious Stage, if not he/she may establish and maintain at the Stable Stage (Stage 3) a community business.

WHEN MARKETING / SELLING TO AN ORGANISATION AT THIS STAGE

• Deal with owner / founder – decision maker • Family & friends have influence • Know the entrepreneur's dream • Solutions to gain customers • Be a resource & advisor re access to capital • Be willing to meet early mornings, nights and weekends • Provide contacts and leads • Help keep the motivation up – give positive feedback, provide books, tapes, articles and tickets to seminars
• Share 9 stages of business information • Be quick and to the point • Don't waste the decision maker's time • Offer to do extra to help • Demonstrate courage, excitement and passion for business and life in general – possibility thinking • Selling what's needed NOW • Don't be too formal or slick.

WHEN MARKETING / SELLING FOR AN ORGANISATION AT THIS STAGE

• Be creative – sell what you have got • Save on costs • Follow your own orders through to completion
• Don't discount too often – profits are needed • Explore all avenues before turning down or losing business • Be solution oriented and independent – inspire other team members • Sell in the day time & plan & create at night and weekends • Meet with the founder in off hours • Be patient with inaccurate projections, unfulfilled promises and unrealistic owner demands – it's a phase.



Stage 3
Stable Stage
‘Establish & Maintain’

COMMON & NATURAL CHARACTERISTICS & BEHAVIOURS

Decision to establish & maintain • Often this can be a franchisee that cannot expand because of contract restrictions with the franchisor • Also could be a one or two outlet retailer, restaurant, small manufacturer or service company • Adding of professional staff such as controller, production manager, store manager etc. • Limited upward mobility for staff • Becomes established name in the community or industry • Basic financial, merchandising, marketing, sales and production systems are put in place • Routines are established – this is possible because of the maintain and not grow philosophy.

UNHEALTHY & POTENTIALLY DANGEROUS CHARACTERISTICS & BEHAVIOURS

- If apathy sets in and founder/key person does not:
 - keep abreast of changing market needs
 - takes customer loyalty for granted because of name and history
 - doesn't adjust to new competition
- The owner drains cash flow and cash reserves to pay for risky investments (real estate ventures, buying unrelated business, etc) • A franchisee that won't adjust to changing economics & competition and blames the franchisor and expects the franchisor to fix it • Inexperienced family member takes over the business.

VITAL SUCCESS FACTORS & BEHAVIOURS

- Must establish good market penetration and a loyal customer base • When the owner disengages an efficient manager needs to be there to operate the business • Should accumulate and protect sufficient cash for rough times (they will come) • Continually maintain a market niche and competitive advantage • Periodic infusion of fresh ideas, concepts and new looks

ADDITIONAL CONSIDERATIONS & DETAILS

- Owner / Founder usually earns average or above average income
- Involved in industry associations, chambers of commerce, golf club
 - Establishes a good lifestyle
- Common for the owner to disengage more often and pursue hobbies, travel, education and other business interests to stay stimulated –the routine of the business may be boring
- The owner and the business are on automatic cruise control and most likely will stick with traditional suppliers and are less likely to risk or change too much

WHEN MARKETING / SELLING TO AN ORGANISATION AT THIS STAGE

- Sell and help with systems, products and ideas that make the business easy to manage and control • Provide periodic infusion of innovation and creative ideas to keep the business fresh – you become the resource... less work for the founder • Be part of the founder's business & social network • Show interest in the founder's hobbies and other interests • Put equal energy into managers who operate things while founder disengages • Know the business and buyers routines – fit in • Deliver information on market changes and competition moves • Mentor new family members, build long term relationships.

WHEN MARKETING / SELLING FOR AN ORGANISATION

- Stay fresh – selfeducate and source new concepts & ideas • Don't rely on the owner • Utilise and capitalise on the owner's business network, credibility and social circle • Treat customers as if you are the owner • Mentor, train and develop new family members • Be the eyes and ears of the company in reference to market changes and competitive moves.



Stage 4
Ambitious Stage
“Expand & Risk”

COMMON & NATURAL CHARACTERISTICS & BEHAVIOURS

Company is prospering • Cash flowing in • Opportunities are everywhere • Still a selling organisation – not a thinking , planning marketing organisation • Responds rather than plans • Very little consistency and focus • Uncontrollable growth, expansion and diversification • Very little budgeting • Too much to do – key people • Founder over confident, excessive optimism and arrogance – believes he/she can achieve anything • Fingers in too many businesses and new opportunities • Major crisis common in the form of failing ventures, false starts and even legal actions • Lack of delegation • Lots of media exposure (success story) • The pending crisis is usually equal to the size of the ego/arrogance of the leaders.

UNHEALTHY & POTENTIALLY DANGEROUS CHARACTERISTICS & BEHAVIOURS

• Not planning for results but just assuming it will happen – because of past successes • Believing that more and more sales and opportunities automatically means success • Not having a handle on real costs • Losing money because of poorly thought out commissions, rebates, discounts • Owner/entrepreneur putting too much time into hobbies, community, investments and ego driven activities • Won't develop controls and administrative systems, policies and procedures • Owner delegates authority without controls and systems in place • Founder acts as if the company exists for him/her rather than the founder fitting into the business • Owner continually gives authority and takes it back from new professional manager • Takes over a “cash rich”, “Establishment Stage” organisation without ability to change “don't rock the boat” mentality and ingrained clichés. (This sometimes happens)

VITAL SUCCESS FACTORS & BEHAVIOURS

• Must develop policies, procedures and philosophy that support the what not to do approach rather than what else can be done – slow down and focus • Must put authority and responsibility with qualified people but with policies and systems in place • Must bring on a professional strategic type manager to avoid major crises in order to move to stage 5 – The Turbulent Stage • Entrepreneur must be willing to work with and support the professional manager.

ADDITIONAL CHARACTERISTICS & DETAIL

• Shortage of physical space – company could be spread to several locations • No consistency with increases and incentives • Very few systems for salary administration, training, appraisals, responsibilities, etc • Dress has changed to suits and sports coats • Still first name basis • Decisions made quickly by the founder • Executives and key people bounce from one task to another • Some infighting starts and gossip is becoming common place.

WHEN MARKETING / SELLING TO AN ORGANISATION AT THIS STAGE

• Educate and sell products, services and concepts that help towards professionalisation, systemisation and control • Include both the founder and the new professional manager – authority will ping-pong back and forth • Be careful of political sides between the two- the outcome won't be clear • Decisions still made without budget constrictions • There is flexibility – planning is minimal • Openness to new ideas, opportunities and innovations • Watch the credit limit – don't let high profile success stories fool you • The founder and the company is “orbiting” during this stage. They may not see the problems that are there or will be there – utilise frequency and patience – Sooner or later they will get a “wake-up call”.

WHEN MARKETING / SELLING FOR AN ORGANISATION AT THIS STAGE

• Test your new ideas/concepts before implementing • Set up systems for sales forecasting, tracking results and database selling • Identify your most profitable areas, products, ideas to focus on and work hard at staying focused • Stick to sales results and be careful taking political sides – this phase will pass.



Stage 5
Turbulent Stage
“Adjust & Change”

COMMON & NATURAL CHARACTERISTICS & BEHAVIOURS

The expansion and risking of Stage 4 “Ambitious Stage” forces the company to adjust and change
 • Conflict – Founder versus the Professional Manager, the Board and the company at large • Cliches appear – old boys take on new boys • Founder breaks the new rules and policies • Inward focus • The board puts restrictions on the Entrepreneurs • Commando type company trying to institutionalise and be professional • Founder could fire Professional Manager or the Board ousts the Founder.

UNHEALTHY & POTENTIALLY DANGEROUS CHARACTERISTICS & BEHAVIOURS

• The organisation needs to be professionalised but it is dangerous if administration and finance take over and the entrepreneur spirit is lost • If founder won’t give up or share authority to the Professional Manager • Founder too loyal to the “old boy” group • Unrealistic packages to keep old loyal people • Paying large incentives while company is losing money.

VITAL SUCCESS FACTORS & BEHAVIOURS

• The founder has outrun his individual capabilities • Professional specialised expertise is needed • This must happen by (a) hiring a competent professional (b) have professional parent organisation take over or (c) co-operation of the founder on passing over authority • The transition must have total co-operation and input from everyone • The company must sacrifice sales to allow the planning and implementing of the needed systems • Change of authority should happen when sales are strong – allows the professional to operate with his/her own style • The professional management must develop systems, create rules and policies, put together consistent compensation packages, redefine roles, develop operational and strategic plans • Leaders must serve the company, not the company serving the leaders.

ADDITIONAL CONSIDERATIONS & DETAILS

• Old guard feels threatened – pay packages, authority etc • Old guard by-passes the system and goes directly to the founder • Often the Professional Manager hires his own team • People can lose sight of the dream and vision • Once the organisation begins to become professionalised it moves to pro-activity and takes control of opportunities rather than be controlled • Systemisation takes over from individualisation and then the company moves to the Success Stage (Stage 6).

WHEN MARKETING / SELLING TO AN ORGANISATION AT THIS STAGE

• Be careful of politics – focus on what is really good for the company and build relationships also with the new executive team • Major investments will be made in systems, new compensation packages, computer systems, financing, tracking systems, recruiting, the creating of operational strategic plans as well as new marketing and sales plans • There will be a relooking and assessing of present suppliers
 • Old guard will leave or often lose control – don’t put all your eggs in one basket • Be sure you’ve identified all the potential influencers in a decision • Re-assess relationship stages.

WHEN MARKETING / SELLING FOR AN ORGANISATION AT THIS STAGE

• Avoid the trap of the internal focus and wasted time gossiping – keep selling and focus on the customer
 • Give your full cooperation in reference to the planning and implementing of new directions • Don’t let changes in remuneration, commissions and control systems demotivate you – to grow there has to be changes • Insulate yourself by enrolling in marketing, sales and personal development seminars, plus listen to tapes, read books, and associate with an outside network of successful people during this conflict and turbulent time in your company • Keep your customers away from the internal turmoil.



Stage 6
Success Stage
“Achieve & Nourish”

COMMON & NATURAL CHARACTERISTICS & BEHAVIOURS

The organisation is rolling - it has momentum • The professional team is in place - they know what they are doing • They plan so they know where they are going • The experience and history of the other stages coupled with qualified people - the “how to” get there is in place • It is calculated planned success - they know why • Organisation set-up is done • Operational procedures, policies & systems in place • Plans for required capital • Well controlled growth in Sales & Profits • Knows how and will start-up new operations & ventures • Still a lack of sufficient management training.

UNHEALTHY & POTENTIALLY DANGEROUS CHARACTERISTICS & BEHAVIOURS

• Overly optimistic and not staying on top of sudden economic changes, competitive moves and new market trends • Doesn't see the need for investing in Management Development • Too comfortable and the mental sharpness leaves • Senior management wants to control everything • If inward focus on conflict continues from the Turbulent Stage • A lack of capitalisation that carries on too long.

VITAL SUCCESS FACTORS & BEHAVIOURS

• Must maintain the dream & vision with controllable ambition and accurate forecasting of plan execution
• Accelerated training and development of executives and managers • Needs a leader that has the entrepreneurial spirit and can synthesize the departments and integrate functions needed • Must put proper management resources in place • Continually ask “How can we achieve continual growth and finance that growth” • Authority must be given to key managers • Focus on both short and long term results • Continually nourish and reward the creativity and entrepreneurial thrust to keep that all vital momentum going.

ADDITIONAL CHARACTERISTICS & DETAILS

• No excessive extravagance, pretentiousness or self-indulgence • There is clarity - people know what, why, when, how and who • People think about what they say • Activities are challenging but attainable
• Departments and divisions are probably brought together into one complex • Offices and meeting rooms are practical, well lit and lots of writing space for brainstorming and group work • The look is businesslike - there is uniformity • Both first and last names get used • To keep the momentum of the Success Stage the philosophy “ If you are green you are growing, if you are ripe you are rotten” has to prevail throughout
• Once the Success Stage organisation begins to get set in it's ways and loses some flexibility it rolls into Stage 7 - The Mature Stage.

WHEN MARKETING / SELLING TO AN ORGANISATION AT THIS STAGE

• Computer networks, human resource solutions for integration and anything that will help people work better together will be of interest • Be clear and professional in your approach • Check your own image
• Know your products, services, industry and the clients business - it's expected • New ventures will be started properly - network and dig out these in advance so you are in early • Utilise research, facts, figures but be innovative • Talk both short and long term solutions and results.

WHEN MARKETING / SELLING FOR AN ORGANISATION AT THIS STAGE

• Turn into a team player - utilise team selling and participate in team solutions and team planning
• Utilise available technology and automation to become more efficient • Be professional in your social skills with co-workers, secretaries and other personnel • Improve your own business image • Stay fresh and innovative - don't get too comfortable.



Stage 7
Mature Stage
“Control & Profit”

COMMON & NATURAL CHARACTERISTICS & BEHAVIOURS

• The company is strong • It looks like a Success Stage business but it is losing its flexibility • It is ripe... it is beginning to decline but it isn't visible • A feeling of security prevails... it could be false • Still action and results oriented • Well organised • Very little differences among members • Weight put on what made us successful in the past instead of future possibilities • Past awards and accomplishments displayed and cherished • Well organised operation and a more moderate approach to business • More time with each other now, instead of the customer • Return-on Investment is the prime performance indicator • Facts, figures and measurements replace the right brain thinking of creativeness & entrepreneurship • Short term profit thinking emerges

UNHEALTHY & POTENTIALLY DANGEROUS CHARACTERISTICS & BEHAVIOURS

• When management back off on the investment into research and development of new products & services • If marketing research and marketing investments begin to get dropped to show bigger profits on the bottom line • If Finance & Administration become the power brokers exclusively over the entrepreneurs, marketers, R&D people and engineering

VITAL SUCCESS FACTORS & BEHAVIOURS

• Must be leader who sees the big picture and has vision. A visionary that can pull people together and have systems and administration in place while still boosting the all important performance of people • Continually audit the psychological age of the executive team – Key players need to be mature and think young • reward for entrepreneurship and creativity and courage • Spin-off entrepreneurial ventures that focus on future possibilities and give the “new venture champion” the reigns to run with it without the formalities of the Mature Stage budgeting etc.
• Continually develop the leaders and executives • Balance the accumulating of pleasures and comforts with growth and development

ADDITIONAL CHARACTERISTICS & DETAIL

• Usually bursts of creativity and courage and entrepreneurship appears but fizzles out quickly • Lack of urgency throughout • Meetings and group sessions are more formal and ideas are not presented with passion • Organisation takes less risks • Less focus and incentives to keep the emotional proud commitment to the vision of the early stages • Growth in relations to Sales and Profit can still be there but decline happens as the entrepreneurial spirit fades away • Less expectation for growth and gaining new markets • Decreased focus on new technologies • Cautious about change
• Rewards & recognition for following the “Status Quo” • “Old Boy” network emerges • Interpersonal relationships replace passion, vengeance and risk

WHEN MARKETING / SELLING TO AN ORGANISATION AT THIS STAGE

• Talk immediate profits and return on investment rather than growth • Facts, figures and how to measure results • Compliment and respect past achievements • Relationships focus is important
• Know and work close to the “Status Quo” • Sell, service and help in the development of management • Calculated risks okay

WHEN MARKETING / SELLING FOR AN ORGANISATION AT THIS STAGE

• Be creative but within the framework of the professional system • Less support for risk and change
• Expect less flexibility • Institutionalise your presentations and proposals • Be careful that you don't lose your own “urgency” • Set deadlines and do work habit and time management audits



Stage 8
Establishment Stage
“ROI & Status”

COMMON & NATURAL CHARACTERISTICS & BEHAVIOURS

- The organisation has lots of cash • Now has elaborate buildings and offices • There is an air of eliteness and status • The organisation is now part of “The Establishment” • There is an air of arrogance and intimidation that says “fit in” and “don’t rock the boat” • The company is still performing but not from pro-active moves • Focus on status, follow the rules and policies instead of the customers and the future • Increases profits by boosting prices • Controversial issues are discussed in private not at meetings • Latter part of “The Establishment Stage” products and services are not up to date, customers and sales people know it... but things are still good... No one acts • Growth comes through takeovers of affordable “Ambitious Stage” companies to pipe into new technologies and future markets

UNHEALTHY & POTENTIALLY DANGEROUS CHARACTERISTICS & BEHAVIOURS

- Paying out dividends to shareholders while profits are down • Self-centered thinking – living in the castle and refusing to see the revolution outside • Relying on markets changing, outside conditions improving and competition faltering rather than making changes inside • Trivial cost cutting • Buying “Ambitious Stage” organisation and stifling the Entrepreneur with formalities • Merging with another “The Establishment Stage” organisation and can’t bridge culture differences • “Ambitious Stage” company takes over and the entrepreneur doesn’t have the savvy and professionalism to handle the job, Entrepreneur burns out and both companies get in trouble

VITAL SUCCESS FACTORS & BEHAVIOURS

- Needs a leader who can make the hard nosed decisions and has style of an entrepreneur along with the professional soldier strategies and thinking instead of a commando approach • Pull back on dividend payouts and invest in product and service innovations • Move to pro-active selling and servicing • A real face lift – not cosmetic • Enlist outside consultants to show realities • Get close to the customer • Become lean and keen • Have open forums and action meetings • Reward and recognise for real contribution instead of meaningless ones • New venture entrepreneurs and new “take-over management” needs room to make decisions and act

ADDITIONAL CONSIDERATIONS & DETAILS

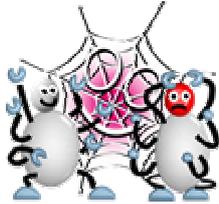
- Recognised by posh offices, thick carpets, founder’s picture on the wall, dark mahogany furniture, big hallways and huge senior executive offices and floors with all the luxuries • Titles and last names are often used in meetings • Senior executives are untouchable by the lower down people • People know there is trouble on the horizon but no one will “rock the boat” because it could cost them dearly – not worth the risk at the later part of Stage 8 • Exodus of people starts • A sense of control being lost • Declining market share, negative cash flow and a beginning exodus of people takes place... Still no action • The management team often rides the “goodwill horse” of yesterday years right into Stage 9 – The Dormant Stage

WHEN MARKETING / SELLING TO AN ORGANISATION AT THIS STAGE

- You are dealing with the establishment – respect the hierarchy • Participation in the business and social circles helps • Gather the real information in private conversations • Presentations, proposals and visuals should reflect conservatism
- Address people by last names and titles within meetings unless told different • Peer networks open doors • If the top people are on your side your proposal will usually go through – nobody wants to “rock the boat”

WHEN MARKETING / SELLING FOR AN ORGANISATION AT THIS STAGE

- Lost of emphasis on past history, credibility and tradition of the organisation • Ride the goodwill wave of the past • As prices go up you need to give even more personal services yourself • Have an outside network that is connected to the top of your organisation – utilise it to influence changes needed • Look like the establishment but sell like you are in “The Success Stage”



Stage 9
Dormant Stage
‘Survive & Blame’

COMMON & NATURAL CHARACTERISTICS & BEHAVIOURS

Early Stages:

- Focus on personal survival not the customer • Politics abound – camps and clichés emerge • Energy spent on finding **who** to blame not how to fix the problems • Distrust, back stabbing and infighting is everywhere • Regular firing of the marketers, strategist and ambitious types • The administrators take over to see that the rules, regulations and policies are followed • Organisation is going down hill fast
- It is dormant, stale and will either go out of business or if politically it is important it will at this late stage be absorbed or subsidised or nationalised and it becomes a “Dormant” Administrative Bureaucracy

Late Stages:

- Many systems • No one knows what the other person is doing – no continuity • No feeling of control • Unions, politics or foundations and non-profit groups and some parent companies keep them alive – commitment is politically or status or pride based – it is not for the customer • The customers left long ago unless it is a monopoly or crown corporation or government department that people are forced to buy from

UNHEALTHY & POTENTIALLY DANGEROUS CHARACTERISTICS & BEHAVIOURS

- The political and financial “angels” start to lose interest (Politicians, unions, foundations, etc) • Early stage the organisation being totally run by Human Resource and Administrators and eventually being totally controlled by Administrators who grow in numbers • The continual firing of the creative, action and marketing types • No one at the top addressing the realities

VITAL SUCCESS FACTORS & BEHAVIOURS

- Needs a leader who can pull people together, uplift their spirits, renew their energy, show them a vision and coach them through the tough times ahead • The leader and executive team needs to focus on performance and results not the politics of saving jobs • A no-nonsense, no frills hard nosed aggressive turn-a-round strategy needs to be put in place • It should have benchmarks for success along the way and the support and patience of the financiers and interested parties • A good example would be Lee Iacocca turning Chrysler around in the early 80’s

ADDITIONAL CONSIDERATIONS & DETAILS

- Organisation runs on tradition and habit not by reason • Customer services e.g. Is a telephone # that is always busy • Customers are frustrated • Customers have to be wizards at working through a maze to get results • Some customer companies have departments that specialise in by-passing the hurdles of Dormant Stage companies

WHEN MARKETING / SELLING TO AN ORGANISATION AT THIS STAGE

- Have your own network inside and outside the business and work it • You may have to utilise a lobbyist • Have several navigators – the right hand often doesn’t know the left hand • Be conservative • Be politically correct • Sell and meet within your working hours • Don’t ask individuals to risk • Protect reputations • Study the Analytical profile – analyticals are usually in charge

WHEN MARKETING / SELLING FOR AN ORGANISATION

- To get the job done – have and develop your own internal follow through processes • Strong personal customer relationships and personal service can hold clients even when the company is in the Dormant Stage • Have your clients meet some of the key players to influence the service the client may get

Recognising Growing / Advancing And Declining / Aging Organisations

(An organisation, company, department or division can be growing or declining at any of the 9 Stages. Growth and Decline is determined by the attitudes, beliefs, habits, behaviours and characteristics of the people and the organisation in general.)

Reflect on the lists in the following grid and tick the box that describes you and your people and your organisation most of the time in most situations. It can help identify whether you are Advancing / Growing or Declining / Aging.

Growing / Advancing		Declining / Aging	
• Customers are opportunities		• Customers are intrusions	
• Driven by the people		• Driven by the structure	
• Personal success through contribution, individualism, courage and spirit		• Personal success through autonomy, good impressions and follow the “status quo”	
• Many problem solvers		• Many problem makers	
• Innovative, open and liberal		• Restrictive, conservative and cautious	
• Risk takers		• Risk avoiders	
• Results fall short of high expectations		• Results exceed low expectations	
• Momentum		• Inertia	
• External focus		• Internal focus	
• Internal influence power is with the entrepreneurs, performers, sellers and marketers		• Internal influence power is with the administrative, financial, legal and HR people	
• Line and field driven		• Corporate and head office driven	
• Sales and action focus		• Profit and control focus	
• Goal oriented		• Politically oriented	
• Informal		• Formal	
• Lean and functional		• Excessive and dysfunctional	
• Organisation’s behaviours and results can be changed by a leadership change		• The system has to be changed in order to get a change in the organisation’s behaviour and results	
• Direct communications and open door policy		• Indirect “pecking order” communications and closed door policy	
• Do the “right thing” to personally get ahead		• Do “things right” to personally get ahead	

Growing / Advancing Improvement Plan

Write down the Declining / Aging attitude beliefs, habits, behaviours and characteristics that you ticked in the previous grid and write down your plans of how you will change those to move more to The Advancing / Growing side

Declining / Aging Characteristics	Action Plan To Change Things



Module 12

Staying Forever Entrepreneurial

*Ntsika Enterprise Promotion Agency,
with a focus of rendering non-financial support to SMME's
is part of The Department of Trade and Industry in South Africa.
Ntsika, along with the support of The European Union
assisted in the Initial Development of the
Turning Entrepreneurial Spirit Into Business Opportunities program
in conjunction with Knowledge Brokers International Limited.*

Staying Forever Entrepreneurial

Learning And Business Development Outcomes

In this final module you will:

1. Learn about the Four Stages of Learning / Change and why it is a benefit to you.
2. How to stay forever entrepreneurial in your business through building an entrepreneurial culture.
3. How to Develop An Entrepreneurial Development Plan for your business and for your people.

The Four Stages of Learning / Change

It is important to look at change as a positive influence in our lives. When we go through changes we usually have to learn new ways of doing, thinking, speaking and being. The understanding of the four stages of learning can help you see the benefits of change.

Four Stages of Learning / Change



If you search back through your life and explore the process you went through while learning new things in your life, you will notice that you experienced these four stages of learning.

Think about when you:

- learned to drive a car
- learned the skill of typing
- learned to use a computer
- learned to dance
- learned to change a diaper on a baby
- learned a new communication skill

Firstly you started at stage 1 and that is where you did not even know that you really did not know i.e. **unconsciously unskilled**. Then you tried to drive a car with your limited experience. You suddenly realised you could not drive (stage 2). You were **consciously unskilled**. That means you **knew** you could not drive a car. You felt very awkward, slow, stupid, etc. This is the stage many of us give up because of the discomfort.

Now, if you persevered you eventually reached stage 3 - **consciously skilled** where you became quite happy with your driving and were conscious that you were getting skilled at it. You were alert and had an

awareness of all your driving moves. At this point there is a great feeling of achievement and it creates excitement. This is the result of advancing from the **consciously unskilled** stage to the **consciously skilled** stage. You experience what it is like to accomplish.

The final stage is the **unconsciously skilled** area of learning. This is where you are driving down the road and leaning down changing radio stations or the cassette tape in your cassette deck and suddenly wonder who has been driving the car and whether or not cars have passed by. If you were not consciously driving, your unconscious must have been driving. The **unconsciously skilled** area is where you are so experienced at doing something that you do not have to think about it.

Now, by understanding these four stages of learning it makes it easier to comprehend why you may resist change in the **consciously unskilled** stage of learning something new. But the real benefit is that feeling of accomplishment, exhilaration, and achievement that comes to us when we conquer this stage and end up at the next stage. Accomplishing something new creates spirit and spirit is youthfulness.

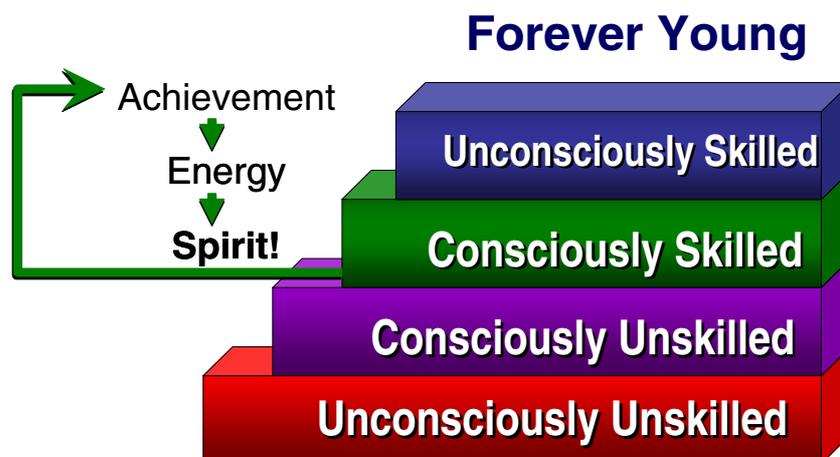
We all know someone in their late sixties, seventies or eighties who look as if they are ten to fifteen years younger than they really are. These people are always out participating in new adventures and activities uncommon to their age group. In my opinion, these people have found the fountain of youth. They are not afraid to venture through the awkward growth stage of learning something new. (Consciously Unskilled). They do it continually.

For most people it is much easier to stay secure with the old and what is comfortable. However, when you begin to master that new venture, new challenge, new skill there is a great sense of achievement, that creates energy in turn creating spirit.

Talking about spirit, if you look into the eyes of these active elderly people you see spirit. They have found the fountain of youth and it is in their attitude of always learning, progressing and trying new things.

Individuals, departments, companies, communities and countries, which are willing to accept and tackle change with vengeance, have spirit. Change is an opportunity to rejuvenate and grow. Opportunity can be found in change. So grab that opportunity to infuse a new energy into yourself and others around you. If you do this, you will always have the energy to continually developing your company, selling, leading, learning and enjoying business and life.

Four Stages of Learning / Change



By the way, it is important to never judge your age or someone else's age by the date of their birth. Age can be measured in three ways:

1. **Calendar Years:** That is how many years you have been on this earth. (Society has a tendency to think in calendar years.)

2. **Biological Years:** Think of five people that are all the same age in calendar years. Example 50 years of age. None of them look exactly the same age. Some have grey hair, some don't. Some have more wrinkles than others. Some have youthful bodies, some don't. You can affect the age of your body. (Marius Liebenberg has a guest house in Paarl, Western Cape. 2 Years ago just before the ARGUS Cycle competition a 72 year old man showed up to stay overnight. He cycled from Durban to Cape Town. How old was his body?)
3. **Psychological Years:** Some 32 year olds are 104 years of age. You hear them say "There is nothing new, life's a bore, I am getting old, there is no future, etc." Then you have the 70 year old who says there is a lot that is new, life's exciting and they are childlike and happy. This is the one that can have a major influence on your biological years and the way you treat yourself. Your psychological age is the most important one. Be open to change, adventure, growth, risk, learning, challenges, new ways, new places, new people, fun and excitement and you will be forever young.

How Old Are You?

Calendar years _____?

Biological years _____?

Psychological years _____?

Are you open to ...Change? Adventure? Growth? Risk?
Learning? Challenges? New ways? New Places? New
People? Fun? Excitement?

Building An Entrepreneurial Culture

Everything in this program has been about innovative open minded entrepreneurial thinking. We've looked at the Characteristics and Qualities possessed by Successful Entrepreneurs; you've assessed your own Entrepreneurial Qualities and Characteristics and developed a plan for improvement. You've been exposed to 51 different ways to Recognise and Find Business Opportunities, several ways to evaluate your ideas to narrow them down to actual opportunities, plus utilise several methods to use Creative Thinking To Find Opportunities. Then we took a thorough look at the 9 Stages of Business Growth and Decline and how to Capitalise on those Business Stages.

The start of this module showed us "how to" stay Forever Young and now to finish off the program we will look at Staying Forever Entrepreneurial through Building An Entrepreneurial Culture within a business. The following suggestions can help your business Stay Forever Entrepreneurial.

Hire Top Producers

Top producers and top performers come from that group of people who usually will succeed even if you try and stop them! They succeed from the inside-out. The biggest mistake often made by business owners, executives, managers and sales managers is that they "hire down" instead of "hiring across" or "hiring up". "Hiring down" means you hire someone who is less experienced, less knowledgeable etc. than you instead of your equal or those who actually may have more experience and "know how" than you. If on a scale from 0 - 10 you are an 8 and you hire 6's and 7's what happens to your company? You lower its overall performance and have to continually manage and make most of the decisions. If you are an 8 and you hire 8's, 9's and 10's you grow yourself and elevate the performance of your business.

If you hire top producers, you are hiring independent thinkers who are "high action" oriented entrepreneurial type thinkers. These type of people cannot be managed in the normal sense. They need to be treated as peers, given the tools and support to excel as well as the authority to innovate and make decisions within guidelines they have been involved in creating with you. It is more of an associate, partnership type relationship. Tie them into performance type incentives as well. They are confident people that create their own results as a team member.

Another great benefit of having top performers around you is they will tell you in your own best interest when they think you are wrong or about to make a wrong decision. Last but not least don't be afraid to let your talented people acquire equity in your projects, because that will give them an added incentive to stay with you. Also know that the reality is ... that some people will not stay with you.

Earn More Authority

Even with junior people, the less experienced and those that don't seem to possess those independent qualities of top producers can be shifted to more of an entrepreneurial approach to working within your business.

With each one of these people take the time to "develop a plan" for them to take more and more authority. Set up small incremental increases in responsibility and authority and at the same time monitor and give feedback on the actions taken by them. Most important of all is "allow them to make mistakes" ... people learn from mistakes. Providing you make incremental increases in authority the mistakes in most cases should not be costly. As you give the authority, give clear guidelines, tips and monitor the actions. This protects the downside and assures them they are not in over their head, which can be scary. We've provided a form titled "Authority and Responsibility Growth Plan Worksheet" to assist you with this approach. It is on the next page.

Remember ... creativity is always blocked or dropped if people feel they have something to lose. Help people to remember failure is part of success not opposite to success.

Authority And Responsibility Growth Plan

Worksheet

Staff Member	Date	Authority / Responsibility	Guidelines / Monitoring

Good Mentors

“If there are no good mentors in place, on the way up in the workplace, ambitious employees will find a new place to work”.

It isn't just about money. Nic Slack, the Sales Director of Knowledge Brokers International made it very clear what one of his top reasons for joining the company was. He saw the opportunity to learn things from the chairman in the area of sales, communication, personal development and presentation skills that could improve him as a business person. He said he just couldn't stay with a company where he wasn't growing and learning from one or more of the key people.”

Set up official mentors within your company and definitely be one yourself. For top producers find “outside mentors” if necessary that they can learn from.

Another advantage of having top producers in your organisation is they can mentor the other people. The key is to officially set up a mentoring program and be sure that the person doing the mentoring receives benefits for mentoring. Those benefits should come from the staff member as well as you and the company.

Benefit examples:

- Staff member takes on some of the top producer's administration work
- Staff member does research and follow-up for the top producer
- First 12 months of mentoring the top producer receives a mentoring fee or a percentage of the new person's sales commission

You could set up a simple form similar to the one below to help with the mentoring plan.

Mentor Being	Mentored	Expected Mentoring Actions	Benefits/Incentives For The Mentor

Send Them In Your Place

If you want to grow someone send them in your place. Many business owners and entrepreneurs get invited to business functions, sit on business and community committees and have to attend many meetings internally and externally. If you cannot make it to the Chamber of Commerce Luncheon, then send one of your staff members whom you want to see grow. The fact that they will be at the function surrounded by your peers, they will be on their best behaviour and stretch themselves to be part of what is going on. It will be a growth opportunity. Let one of your close associates know he or she is coming and could they introduce him or her to the others at the table and take a very subtle support role. There are many opportunities to send someone in your place. See it as an opportunity for improving the person's entrepreneurial skills. According to Zig Ziglar, author of many business and motivational books, "If you think it then ink it!" In other words put it in writing. Design a worksheet similar to the one below to help with a "Send Them In Your Place Plan" Many entrepreneurs actually send their PA's to high level internal meetings on their behalf as their "voice of authority". It is one of the reasons why PA's to senior executives are so astute and strong.

Send Them In Your Place Plan

Staff Member	Date	Event / Function / Meeting	Support Person

Reward For Innovation

Create a workplace that rewards curiosity and recognises that new innovative ideas are the seeds to success. One idea can totally transform your organisation.

Robin Sharm says "Encourage your people to set a weekly "idea quota" for themselves. Develop a formalised system to reward the best idea so that people learn their "originality matters".

People do what they are measured on or are rewarded for. Put together a Weekly Innovation Reward Plan and give everybody a small reward for their "two ideas" and then have a weekly winner. Make it fun. Set up a Weekly Innovation Trophy and the winner keeps it for the week. At the end of the year the one that won it the most number of weeks receives a "Grand Prize" and their name goes on the Yearly Innovation Award Plaque that is on the wall in the lobby. Be creative ... I'm sure you can surpass our suggestions. Develop a form similar to the sample below.

Weekly Innovation Reward Plan

Manager: _____ Week of: _____

Staff Member	Idea / Innovation	Reward

Business Within A Business

“Indwe food Services founded by Anita Pistorius, Jubulani Khumalo, J Pillay and Khangeze Buthelezi in Richards Bay is empowering its workers to start their own satellite food hawking businesses with freezer push carts that excites the employees, expands the opportunities for Indwe and further services the community.”

The above example literally supports people to set up a business within Indwe. Explore the possibilities for your own people. Are there needs that your company has that one of your employees could take on part time and fill it or hire someone to do it while he/she supervises the work.

You also can take specific jobs and have people run their area as a business and they share in the rewards of efficiency, productivity etc. Someone with computer graphic abilities could take on outside work and share the profits with you. An underused call centre could be rented out at night time but handled by one of your people. The list is endless. Brainstorm some “business within a business ideas” with your partners and key people. You could be amazed where the opportunities are to set up a “business within your business” with some of your people. Caution: Don’t lose your core focus.

Creative Thinking Sessions

Once a month have a Creative Thinking Session where you pull your people together for Creative Thinking. In advance as a team take two subject areas that could improve the business and then focus on ideas, opportunities and solutions by using the processes and tools in the Creative Thinking To Find Opportunities Module. Because it is a Creative Thinking session, be prepared to “think out of the box” in reference to the location and atmosphere.

- Have the meeting by the ocean, under a tree, by a lake
- Why not use somebody’s boat, farm or recreation room in their home
- How about at a local “playhouse theatre” and wear costumes and hats

You could even give each person a brief description of the topic that you are focusing on over the next couple of hours then as a team you go for a walk through a park, go to the zoo etc. During that period they jot down ideas and when you arrive back you list the ideas as a team.

“Swiss designer George de Mestral came up with the idea for Velcro after taking long walks in the mountains. He noticed that his dog’s fur was covered by burdock burrs after these jaunts. When he looked at these closely under a microscope, he noticed they were made up of hundreds of tiny hooks that had stuck to the fur. He realised that these would be far more effective than zippers and ultimately produced the first Velcro fastener.”

Walking is a great way to renew, revitalise and open up your mind and the minds of your team members. Be open to these kind of alternatives.

Some of the topics could be ideas to:

- Take hassles away from clients to make their life or job easier
- Promote the business
- Increase morale on the team

You could brainstorm a “list of topics” to draw from once a month and then pick a couple of them.

Business Opportunity Sessions

Once every 4 to 8 weeks have a “Business Opportunity Session”.

Take 1 to 4 of the 51 methods of Recognising and Finding Business Opportunities that best fit your situation and have the team in advance (2 weeks) start trying to create, find and recognise opportunities under those categories. If you have a team of 6 to 10 people you could divide them into 2 to 3 teams and have them work on the project together.

At the meeting list the ideas and possible opportunities. Then, by utilising brainstorming and other creative thinking processes, focus and expand on the ideas that have the most potential at this time.

Set up specific criteria that the team agrees upon to eliminate ideas or put them in the Idea Bank for later. That will help narrow down the ones you want to focus on that you see as opportunities.

The few prime ones then need to be evaluated tested and then within 4 to 6 weeks decide when and how you can move forward. Utilise the one hour, one day and one month test to assess the short list of ideas.

Remember to set up some kind of reward for innovation.

Guest Speakers

Invite successful local entrepreneurs to your meetings or for a special evening and have them explain how they think, how they come up with their ideas, how they test them and implement them. Get them to share their Success Stories as well as the stories about the ones that didn't work. Be sure to have a 30 minute social (tea and coffee, refreshments etc.) where your people get to personally talk to your guest. Be sure to have a meeting immediately afterwards or within a few days for your people to share the wisdom they picked up and how it can apply it in your business.

Study Entrepreneurs

Set a schedule to study entrepreneurs as a team. For example you and your team could study one Successful Entrepreneur every 2 months. That is 6 per year.

Every team member would find out what they could to share with the team. Sources of information could come from on-line, magazines, newspapers, hear-say, books, T.V. Radio, audio and videotapes, CD's etc. If you decide to interview the entrepreneur make sure it is only one person making contact.

Again, if you have a large team you may divide the team into two groups and each group studies a different entrepreneur.

The value of studying someone else is that they become “Models of Possibility”. Also once you begin to study them you realise they are “far from being perfect” which means if he / she did it with those “flaws” it is possible for you too.

Entrepreneurial Development Plan

Put together an Entrepreneurial Development Plan for your business that includes:

- Entrepreneurial Development Goals for the year
- The Steps and Actions you need to take to get there
- Time Lines for the activities
- Development, training or assistance needed
- A budget
- Incentives and Rewards and Celebrations
- Who, what, where, when, why and how in reference to the actions needed to put your plan into action

You can do one for the company and each key staff member or partner needs to have their plan of action. Design and utilise a form similar to the one on the next page.

Turning Entrepreneurial Spirit Into Business Opportunities



The Entrepreneurial Development Plan

(Enlarge to an A3 size)

Page ____ of ____

Who's Plan? (Company / Individual): _____ Time Period: From _____ To _____ Prepared By: _____ Today's Date: _____		Expectations / Goals / Outcomes Wanted				
What? Areas of Focus	Why? The Reasons / Benefits	How & Where? Actions	Who?	By When?	Incentives / Rewards Celebrations	Budget Needed

Turning Entrepreneurial Spirit Into Business Opportunities



The Entrepreneurial Development Plan

(Enlarge to an A3 size)

Who's Plan (Company / Individual): _____						Page ____ of ____
What? Areas of Focus	Why? The Reasons / Benefits	How & Where? Actions	Who?	By When?	Incentives / Rewards Celebrations	Budget Needed

Book / Tape / Video Of The Month

Repetition is the key to learning and moving to action. Set yourself a budget to have everyone receive, read, listen to or look at an article, book, tape or video “of the month” around entrepreneurship and business opportunities. Take feedback and discussions on what is being learned and what could be applied in your business. Have a 10 minute slot in your weekly or bi-weekly meetings for this. If everyone is focusing on the same learnings at the same time, it is much more effective (it provides support, motivation and additional insight) than one person going off to a seminar or reading a book and the other team members are not part of it.

Design a form similar to the one below to help you implement the idea for yourself or your business

Monthly Book, tape, video, CD, article etc.	Month	Who's Responsible	By When	Budget	Complete Date

Responsibility And Accountability

According to Herzberg the 5 main motivators are Recognition, Responsibility, Advancement, Achievement and The Work Itself (doing something you love to do or on a team you love working with).

Look for areas that you can delegate more responsibility to your people and with those areas of responsibility decide in conjunction with them what a “good job done” will look like therefore providing some “form of reference” for feedback and coaching. This will help them become even more accountable. Following are a few action suggestions that may help you in this area:

- To help them think more like a business owner, entrepreneur, sales manager have every second or third meeting be designed and run by the staff members rather than management. To ease the pressure two of them could jointly run the session.
- Have a different staff member each month be responsible to “Shop The Competition” for new opportunities or new competitive information and give a report at the first meeting of the month.
- Have a staff member be responsible to bring “an entrepreneurial skill, characteristic or tool” to your regular meeting you have and share it with the others.
- Make one of them responsible to pick, organise and set-up the next “Creative Thinking Session” Venue.

If you unlock your creative mind the list is endless in reference to the ways you could help your people become more responsible and accountable.

A form like the one below can assist you.

Responsibility & Accountability Plan

The Person Who	Responsibility What / Where / When	Expectations How	Results Reached	
			Yes	No

Opportunity Venture Teams

From your Creative Thinking Sessions and your Business Opportunities Sessions you will definitely identify some new Venture Opportunities. At that point put an Opportunity Venture Team together who become the champions in digging into the evaluation process more deeply, set up a business and marketing plan around the idea or venture and actually launch it. In other words be responsible and accountable. Have a budget per project.

Visit Entrepreneurial Companies

Once every three months do a “Field Trip” with your people to visit an Entrepreneurial Company. You may want to set up some criteria to identify an Entrepreneurial Type Company.

Here are a few that may help:

- They are innovative and lead their field with new opportunities.
- The company has energy and momentum.
- Staff are excited about working there.
- Seen as a dynamic leader in the community or in their field.
- The founders and the company have received credible awards for their efforts.
- Often receive good “Press” in the media because of how they do things.
- They are profitable but continue to achieve and nourish the business.

When you go on the “Field Trip” be sure to set out objectives for what you want to learn while visiting that company.

Another approach may be “one of your staff members” gets to work in that company for a week ... and brings back tips for your business that they picked up at meetings, interviewing staff and management, going out on sales calls and looking at their processes and systems. You could even do a staff member exchange for a week.

Again, we are assisting you with a form “Visiting Entrepreneurial Companies Plan” that can assist in building an entrepreneurial culture and staying entrepreneurial forever.

Visiting Entrepreneurial Companies Plan

Identification Criteria To Identify Entrepreneurial Companies			
Possible Entrepreneurial Companies We Can Visit			
Visit Plan			
Entrepreneurial Company	The Contact	When	Learning Goals

Strong Work Ethic And Culture

If you take 2 hours lunch, never work through lunch and generally work 9 to 5, never work week-ends, don't accept phone calls on off hours, you can only expect the same from your people. Also expect "that to be the culture" of the organisation.

If your business is in the Take-off Stage, Ambitious Stage or Turbulent Stage, it will be the pace and example you and your key people and partners "are the example of" that will either set up the culture that makes or breaks you.

One entrepreneur named Irv Nelson who sold his shares in his business before he was 50 years of age and has been retired since that time asked a certain question to key people before hiring or partnering with them. "What do you want 'Lifestyle' or 'Money'?" If they said "Lifestyle" he didn't get involved with them.

Irv's philosophy was focus on what you have to do to make the business successful and build your wealth. Eventually that will look after your Lifestyle. If your focus is Lifestyle, you will never focus enough to make the money you need to have a "Real Lifestyle". That is one successful entrepreneur's opinion. Irv now travels the world, has all kinds of rewarding hobbies and activities that he is involved in, has lots of time for his family and his children's family because of his approach.

Here are a couple of tips that may help:

- Set the example by having phenomenal work habits.
- Have only key people that have excellent work habits and commitment.
- Put posters around that remind all of us the value we receive by doing a job properly and with integrity.
- Acknowledge and let people know that you understand the sacrifice they've made to put extra time and energy into projects.
 - Been away from their family
 - Missing out on sleep
 - Couldn't go to certain activities or participate in certain functions
 - Worked the holiday
- Surprise not only them but their family with "thank-you" surprises for the commitment and work done.
 - A week-end away
 - A gift to the spouse or children
 - Free tickets to events
 - Invited to special functions as your guests, etc.

Raymond Ackerman of Pick n Pay a number of years ago sent a large cheque (worth several thousand rands) to the wives of his Store Managers to say thanks for their support and that this was their money to spend any way they wanted to. The husbands did not know he was going to do it. Do you think it helped in the future when the Store Manager had to work late or had an offer from another company? It definitely helped to keep the support.

It is important to also accept and understand you will have staff who are more 9 to 5 oriented. If they are, it is important that both of you know that from the start. Still, with a 9 to 5 person you need people that have a great work ethic during the 9 to 5 period.

Boss "Entrepreneur" For A Day

This is a fun one but it does have an impact. Set up an internal contest, and the person that wins gets to be the Boss "Entrepreneur" for the day. You then go and do or attempt to do their job for the day or "they shadow you" for the day. Be sure that you set up some special privileges and fun meaningful surprises for them as well. Have them report their experience to the rest of the team. Topics they could focus on would be:

- The fun they had.
- What they learned about being in charge
 - (a) The Positive Realities
 - (b) The Negative Realities
- Insights they got that could help improve the business.

Good Luck!

New Venture Fund

Set up a New Venture Fund for your business. The fund could include budgets for:

1. Support Materials, learning and education

2. Rewards, incentives and celebrations
3. Small venture projects
4. Large venture projects

Plan what you want to do with this fund and explain to staff how to tap into it. You could give a budget of R2 000 to each staff member that they decide how to invest it in their personal entrepreneurial growth. Be creative and open with your thinking in this area.

Your Own “Money Game” Within The Business

Most of us in S.A. saw the Sanlam Money Game that ran for a short period on SABC TV over a 2 year period. Each week 3 participants got selected and were given a certain amount of money (R30,000) to try and make as much money as possible over a 3 day period. The winner got to keep 100% of the money he / she made over and above the R30, 000 and also got to keep any rands the other two people had made over the R30,000 mark. After several sessions the top 3 became the finalists and there was a final game where one of them was the winner.

In your business, 3 people could be selected or win a chance to play in your money game. You give each of them R 5000 for a month to try entrepreneurial ventures on their time ... week-ends and nights and maybe 1 hour of the work day. At the end of the month they get to keep 50% of what they've earned over the R5 000 you initially gave them. Before the contest starts there should be some good tips and ideas on how to best succeed. One of those tips should be “how do you take that money and get it working for you” and “how do you get others working for you with that money”.

Best of Luck!

Teach The Principles Of Building Wealth

Most people have never been taught the principles of building wealth. Just think how great it would be if all your people understood the principles of building personal and corporate wealth and they applied it. If your people are not stressed out because of poor money management they are more productive at work. Here are some suggestions:

- Over a 60 day period have every one study the book “Rich Dad’s Guide To Financial Freedom” and meet every two weeks to discuss the principles learned and how people will apply them. Other books could be “Mind over Money” by S. A. Authors Louis Fourie & Graeme Codrington with Sue Grant-Marshall as well as Suze Orman’s book “Road to Wealth”.
- Send your staff to seminars with speakers like Robert Kyosaki the author of Rich Dad Poor Dad, Rich Dad’s Guide To Financial Freedom, Suze Orman, the author of The Road To Wealth, Bruce Cameron and other reputable speakers.
- Invite a Trusted Financial Planner to join a meeting once a month to teach the principles of building wealth. Make sure the person is there to truly help and guide not just sell investments etc.
- Consider contacting Investment Psychology Solutions (IPS) and have each one of your staff members complete their Moneymax® MoneyPersonality Profile Instrument and have a Personal Money Profile Report done on each one of them. It becomes a personalised guide to building wealth for that person’s specific personality profile. They can be contacted at <http://www.ips-online.co.za>. Under opportunity 33, Becoming An Import Distributor or Agent For Products and Services Made Outside South Africa, example #1 you will find more details on what they do.

Quick Summary

As you can see in this module your success will only come through being “open minded” and moving to “positive right action”. It takes courage and boldness. This final statement may help.

If not you doing it ... then who?

If not now ... then when?

If not this way ... then what way?

... and remember to continually revisit this program.

Remember

Revisit this “Opportunity Resource Manual” often to continually open your mind as well as internalise the processes and information so it becomes part of you ... **The Successful Entrepreneur.**

Please contact us at Knowledge Brokers International and let us know about your success with the information, processes and tools provided in this program.

T

Thank You.

Bill

Gibson

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Thank-you for your contribution.

- The Saturday Star
- Sunday Times
- Business Day
- The Citizen
- This Day
- The Sunday Independent
- Weekend Argus
- Big News
- Ntsika - Success Stories 2002
- Time
- The Economist
- Global Trade
- CEO
- Succeed
- Fortune
- Financial Mail
- Intelligence Total Business
- Entrepreneur
- African Leader
- The Industry
- Farmers Weekly