### Practical Entrepreneurship Training & Idea generation

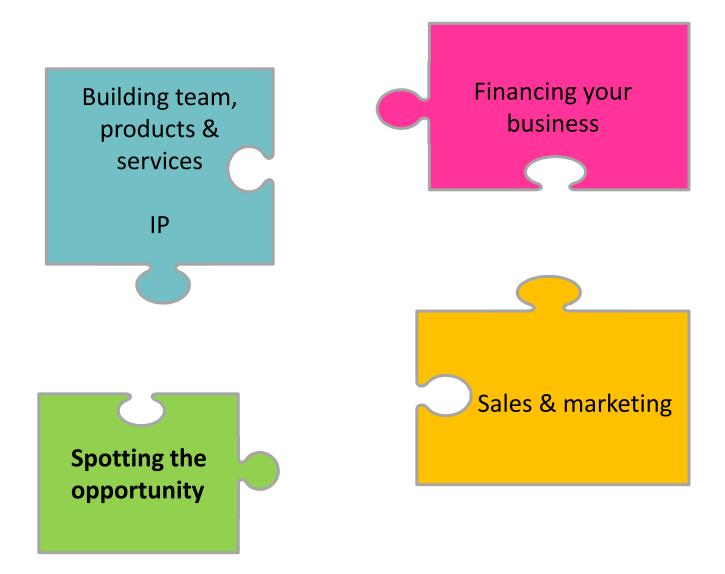
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September, 2012



### Spotting the opportunity – the key foundation



# Where do entrepreneurs find their opportunities ?

The word 'entrepreneur' is derived from the French verb *enterprendre*. It means "to undertake."

Entrepreneur is one who always searches for **change**, respond to it and exploits it as an opportunity . **Innovation** is the specific tool of entrepreneurs, the means by which they exploit change as an opportunity for a different business or services ( Peter Drucker )



In reality .... entrepreneurs

Identify a problem & a solution

 Improve on existing products/services in an area

 Replicate business idea from other geography or sector

– Franchise model is a specific case of this

Create something brand new

### Case study 1 – Comfort Keepers

Comfort Keepers			Stay Happy at Home 1850 818 100		u ↔ A <sup>+</sup> A_a <sup>+</sup> Q, Search						
	Contact Us	🏠 Home	About Us	Services	Practical Advice and Funding	Brochures	Media	Blog	Careers	🗾 Email Us	
	Meet Our Comfo	ort Keepers 🕴 🔾	uestions to Ask	Useful Reso	ources Privacy Policy Sitemap						



Comfort Keepers is a family owned and run Irish organisation operating 10 offices around the country. Home care is a fantastic solution for people for whom daily tasks have become too difficult to manage either through illness or other reasons. Care is from 1/2 an hour per week to 24 hour Live In care 365 days a year.

#### Service Listing

 Conversation And Companionship · Personal Care Meal Preparation Medication Reminders

I label I average along Observices

Name	for Advice?
Email	
Phone	

Identified the problem of increasing number of senior citizens wanting to stay in their homes and provide a flexible high-value service

### Case study 2 – AdaptiveMobile



#### **Global Security Insight**

#### **Global Coverage**

AdaptiveMobile provides security solutions for the world's leading Operators, protecting 600 million subscribers across mobile and fixed networks. This coverage gives us unparalleled insight into the issues facing Operators and subscribers today. Here we highlight the threats and activity causing the greatest impact to Operators and mobile phone users across the world.

#### SMS Abuse

SMS attacks continue to be a commercial threat, with Operators worldwide continuing to suffer the effects of SMS Fraud and Abuse on their networks. The majority of SMS abuse appears as legitimate SMS messages, bypassing the simple

#### Identified a growing problem of security and viruses on mobile phones



### Case study 3 – Apple











Apple didn't invent anything radically new – they just blew away the existing competitors by brilliantly designed products which were easy and fun to use

Their biggest innovation was iTunes and The App store approach

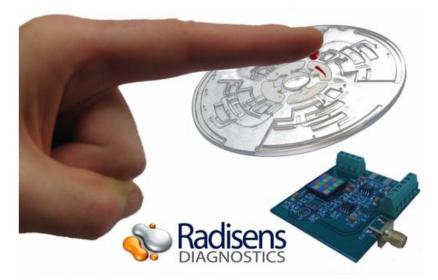
### Case study 4 – Radisens (CIT Rubicon company)



HOME TECHNOLOGY MARKET

TEAM INVESTORS CONTACT

#### **Radisens Technology**



The Radisens Diagnostics Multiplexed Point-of-Care Platform

Radisens are revolutionising the testing for infectious diseases from days/weeks in labs to getting results in minutes at your GP's office

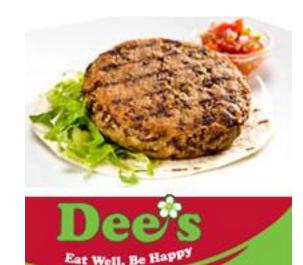
#### Case study 5 – Dee's Wholefoods

Dee's are an Irish based manufacturer of Organic burgers which are Gluten Free, Wheat Free, Soy Free, Meat Free, Dairy Free and Egg Free.

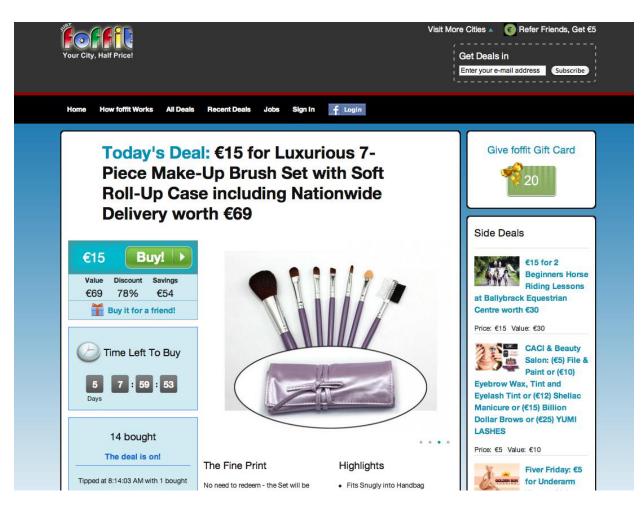
Founded by Irish Entrepreneur, Deirdre Collins, Dee's Wholefoods was the first company in Ireland to create an innovative range of fresh, organic wholefood burgers.

While working in a legal office, she noticed that colleagues were bringing in pitta bread for lunch and a couple of weeks later she made veggie burgers for friends at a barbecue and they were all eaten, while meat was left over. She brought one in and had it in pitta bread in work and all her colleagues wanted to try it. In March 2008, Collins gave up her job and concentrated full time on the business, selling her product at farmers markets all around Cork. She officially launched in July 2009.





### Case study 6 – Foffit (CIT Rubicon company)



Foffit, is a daily-deals website offering its members attractive deals

Foffit was founded by 2 Cork entrepreneurs, Bryan Jackson and David Buckley

### Case study 7 – Mind Candy





Founder : Michael Acton Smith

Moshi Monsters is an online world of adoptable pet monsters aimed at boys and girls aged 6–12, with 65 million registered users in 150 territories worldwide

Company is now worth several hundred million euros

### Case study 8 – Wavebreak Media (CIT Rubicon company)



BROWSE CLIPS Stock Animation Video Backgrounds **Business Footage** Food and Drink Medical Stock Footage Holiday Industry Landscape Lifestyle Miscellaneous Religious Sports and Leisure Technology Travel Nature Footage



HD Stock Footage / Photos

WBM provides the highest quality High Definition Royalty Free Stock Footage and Photographs on the international market. Whether it's for web projects, multimedia, corporate dvds, advertising, broadcasting, film production or power point presentations, browse our collection by subject, price or through our site links. You can then purchase speedily and securely by direct download 24 hours a day, seven days a week from anywhere in the world. It couldn't be easier!

#### Stock and Custom Animation

Our large library of 2d & 3d stock animation and backgrounds are available for immediate download. With WBM animation you will save time and get the quality you are looking for too. We are Europe's #1 bespoke animation provider, offering you our creative professional services at royalty free prices.

Wavebreak saw a future need of TV companies needing access to High-definition (HD) clips of places and everyday life

Approaches for spotting opportunity initially

- Most entrepreneurs spot opportunities in either their career area or an area they are passionate about
  - Sometimes it just comes to them, they have a problem or hear about other people's problems or they simply stumble on it !
  - Often they look for problems to solve through talking to businesses and consumers
  - In a small number of cases, they create something brand new



### **Opportunity due to Societal changes**

- Family and work patterns.
- The aging of the population.
- New models in the workplace
  - Outsourcing, flexible contract models
- The globalization of industry.
- The increasing focus on health care and fitness.
- The proliferation of computers and the Internet
  - Social networking, cloud computing
- The increase in the number of mobile users.
- New forms of entertainment.



## Validating the opportunity (1)

- Ask the potential customers !!
  - For a business customer, does this help you "make money or save money" ?
  - For a consumer, is this of real value to you ?



## Validating the opportunity (2)

- Checking the market
  - Is this out there today ?
  - Are other start-ups working on this ?
  - Are large/mature companies talking about or planning to move into this area ?

You would be amazed how quickly a web search will tell you this

## Validating the opportunity (2 ....)

• Don't be worried if other companies are either in this market or planning to enter

- This is positive as it validates market
- Most markets can handle several local and global players
- You then need to assess how your value proposition will differentiate with other players

## Validating the opportunity (3)

- Ask experienced veterans in this area
  - It is invaluable to get an independent view on an opportunity from an expert in an area
  - Through contacts/family/friends, find an experienced veteran to get their brutally honest assessment
  - You do have to be careful about balancing disclosing a strong business idea but most folks respect confidentiality & would be anxious to help a new start-up



## Validating the opportunity (4)

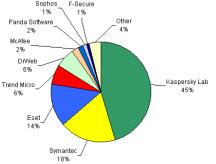
- Asking for feedback & support from enterprise support agencies
  - Enterprise Boards
  - Business Support networks
  - Enterprise Ireland
  - Banks



 You would be surprised how clear the feedback can be when you're asking would you support this with funds ! Assessing is there a viable business model (1)

 Can you build/source and supply the product or service at a price customers will buy at and which you can make a sustainable profit ?

- Preliminary assessment of "how big is the market"
  - Local
  - National
  - International



### Assessing is there a viable business model (2)

- How much will it cost to
  - Build/provide the product/service ?
  - What is the cost of sales ?
  - What's the pricing model to ensure attractive to customer and I can make a profit ! ?

• How much investment would you need to bring the product to market ?

## Think big !

- Don't be constrained by
  - Could I pull something like this off
     ?
  - It would need a lot of money to build this business
  - No one has ever thought of this so it can't be that good !
  - How would I find a team to build this business ?



### Face up to the truth early !

- While entrepreneurs are by nature optimistic, you are better facing up to the brutal reality early if you see enough evidence that the business idea isn't viable
- Sometimes, you can re-cast the original idea but often you just have to face the truth that it's not viable
- Far better to focus energy on other opportunities rather than waste your own and other people's time and money



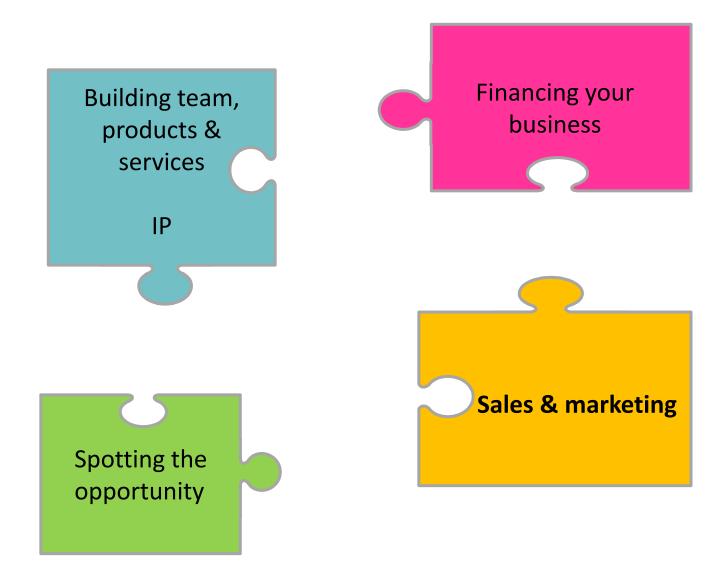
### You have found a genuine opportunity !

- How will we build
  - Team
  - Product/Service
  - Intellectual Property
- How will we sell this ?

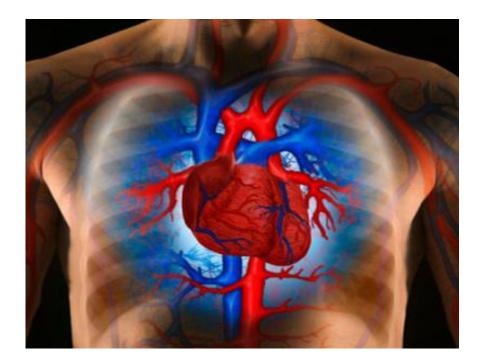


How will we finance this business ?

### Sales & Marketing – lifeblood of a business



### Sales .... Lifeblood of a company



### Without sales, there is no business !

### What is sales ?

 Sales is placing value in the hands of a customer at a fair price that creates sustainable profit for your business



### Sales principles are the same ....







## **Perception of sales**

 Sales can have a lot of negative associations to it

– Sneaky, slimy .....



# You need to develop a very positive attitude to sales & customers





The sales person for this incubator equipment company placed a lot of value in the hands of this hospital

## Successful sales requires genuine belief and passion in helping your Customer !

What makes for a good sales-person?

- There are a small number of people who could sell sand to the Arabs !!
- Most people feel uncomfortable selling initially.....
- But sales is a process, a discipline, a skill that can be learned
  - Sincerity, honesty, a strong value proposition and practice
- In a start-up, everyone is in sales !



### Sales process

- Your value proposition
- Your target market
- Your routes to market
- Definition of "what" you are selling
- Pricing model
- Your differentiators
- Engaging the customer



### **Customer Value Proposition**



What is the Customer Value Proposition ?

- A customer value proposition is a business or marketing statement that describes why a customer should buy your product or use your service.
  - designed to convince customers that one particular product or service will add more value or better solve a problem than others in its competitive set.



### What makes for a great Customer Value Proposition ?

- Short
- Specific
- In customer's language
- Passes "seat-of-the-pants test"
  - Moves customer to take action !



### How are you bringing this product to market?

Direct or through channel partners ?



How do you price your offering ?

Is it a once-off, pay-as-you-grow ....?

Can a customer easily understand your pricing model ?

Competitor pricing model ?



### What uniquely differentiates your offering ?

How are you different than the last 2 competitors who have tried to sell to this customer ?

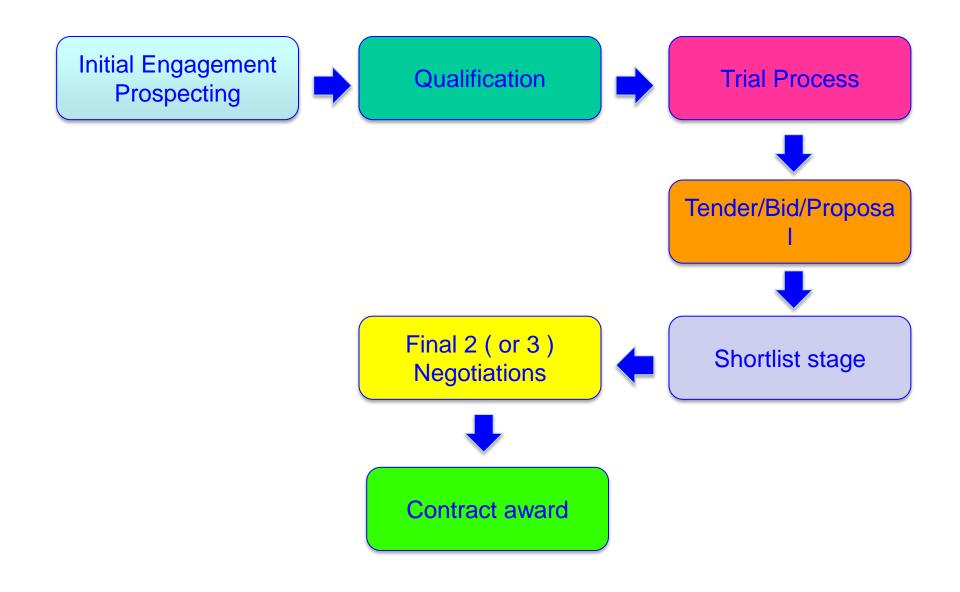


### Engaging the customer

- Customers are busy
  - But open to a clear engaging professional approach around helping their business
- Ideally it is best to be introduced to a key person in the target customer organisation from another customer of yours, partner or contact
- Often the first step is a cold call which needs to be done properly



# Sales process



# Marketing

 Core function of marketing is <u>to support</u> <u>sales</u> by <u>communicating your value</u> <u>proposition</u> to your <u>target market</u>



#### Sales define a business's future



#### Building the team, product and Intellectual Property (IP)



### **Composition of founders**

Group



#### Individual



Larry Page, Sergey Brin - Google

Rory McCann, Localmarkets.ie

## Dynamics of founding group

- Usually
  - Friends, Class mates
  - Work colleagues
  - Business acquaintances
- Important to get along  $\ensuremath{\textcircled{\odot}}$



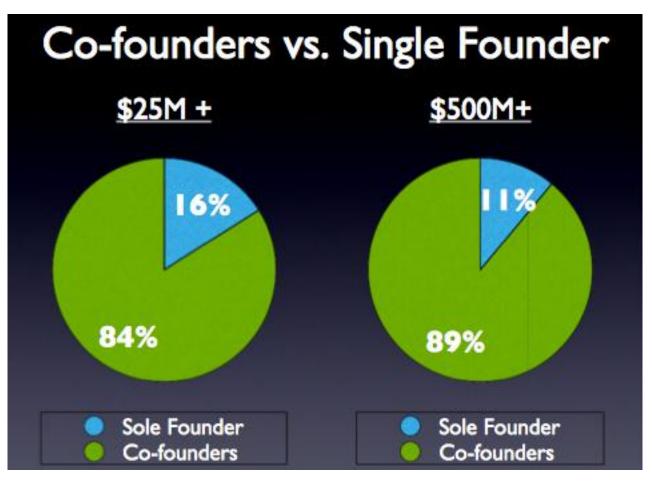
- Key to define roles and leader early on
- Several shoulders can help spread the pressure of a start-up environment

### Dynamics of single founder

- Can be lonely but works for some people
- Stress levels can be greater than founding team
- Important to build a team around you early on
  - Particularly important in start-ups building out a team for the founder to find trusted lieutenant



### Which works better in practice ?



Source : Ron Conway, US Angel Investor, May 2011

My own belief is that in most cases, co-founders have a greater chance of success

### Be prepared for a tough journey

• 99% of entrepreneurs have a tough journey to eventual success or failure

• Important not to get "too up or too down"

Celebrate successes

• Expect set-backs



### Building out a team

 Need to cover as best you can different roles (commercial, technical, finance ...)

Require clear definition of who is responsible for what

- Hire and attract people smarter than you
- Use equity to attract strong people



Key characteristics of successful start-up team

- Absolute trust & teamwork
- Integrity
- Work-ethic



- Passion to deliver for your customer
- Adaptible & flexible
- Gets the job done whatever it takes

#### Getting it done - whatever it takes



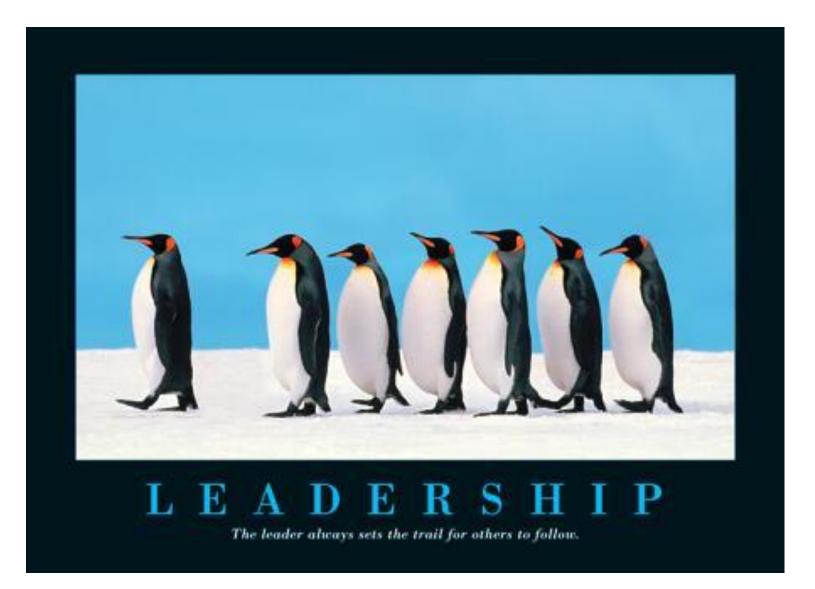
At critical moments, successful teams simply do whatever it takes to win

#### Key role of the leader

- Sets the tone for the business
- Huge influence on attracting investment, support and people to the business
- Works harder than anyone else
- Has to make the hard decisions
- Huge influence on success of company
- The buck stops with you <sup>(2)</sup>



### True leadership inspires !!

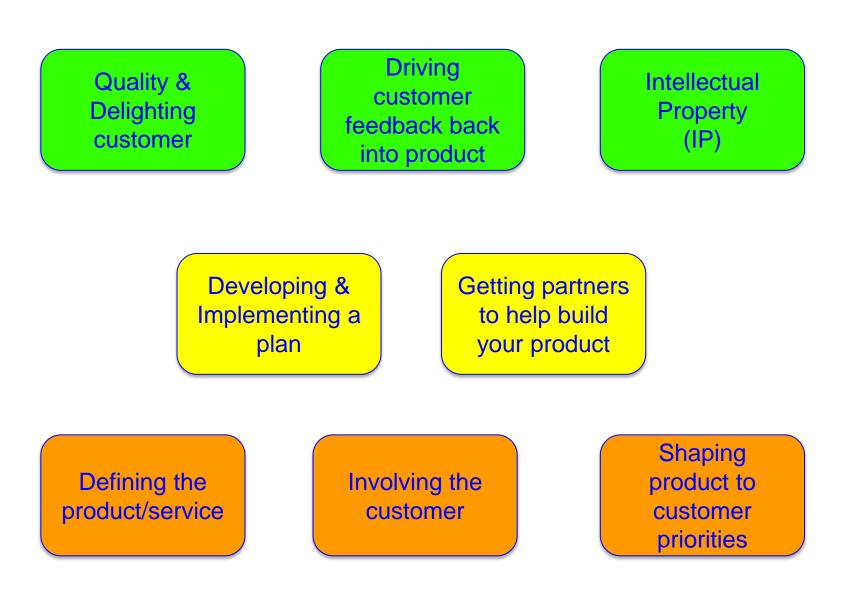


#### Key role of a team mentor

- A mentor who has a lot of experience in business and in start-ups brings huge value to a start-up team
- Provide a sounding board to test strategy and get advice on major decisions
- Help the team avoid some of the mistakes all entrepreneurs make !
- A strong mentor can bring the tough love needed to a team to help them be successful
  - Kick them up the ass if needed
  - But always constructively helping by telling it as it is and getting stuck in to help



### Building your product/service



#### Financing your business for success



Key areas for financial support for start-ups

Market feasibility

- Product development
- Building a sales machine
- Supporting the company until
  - first sales
  - profitability



Handling of financial support by start-ups

Huge influence on success or failure of a start-up

Getting the **right level** of financial support from the **right people** at the **right times** is a huge factor in building a **successful business** 



Types of financial support for start-ups

#### Grants

- From local state bodies such as enterprise boards, LEADER programmes etc.
- Usually require matching funding
- Loans and overdraft facilities
  - Provided by banks and credit unions

#### Equity investment

Cash investment by investors in return for a stake in the company

#### Who provides financial support to start-ups?

Venture Capitalists (VC), Strategic investors ( large companies )

Enterprise Ireland, Private Investors, Angel Investors, Business expansion Scheme (BES)

Banks, Credit Unions

State (Enterprise Boards, LEADER, Councils ....)

Founding team, Family & Friends

### So how do we attract financial support ?



Excite them to understand, believe in and back you & the business

Engage potential financial supporters in professional manner



Develop a strong sound sensible business plan

### Why give equity away?





Apart from the fact that the majority of businesses with serious ambition need equity investment to succeed, it is far better to have a decent slice of a big cake than all of a tiny cake  $\bigcirc$ 

## Great teams give it heart and soul !



## A time of tremendous opportunity



#### Entrepreneurs are made as well as born !

Entrepreneurship: One of the hardest yet most rewarding personal journeys you can take



# Potential idea areas

- Health
- Gaming
- Telecoms & mobile
- Retail

- Fashion & Beauty
- Apps
- Food
- Home/Personal/lo cal



# Health – key trends

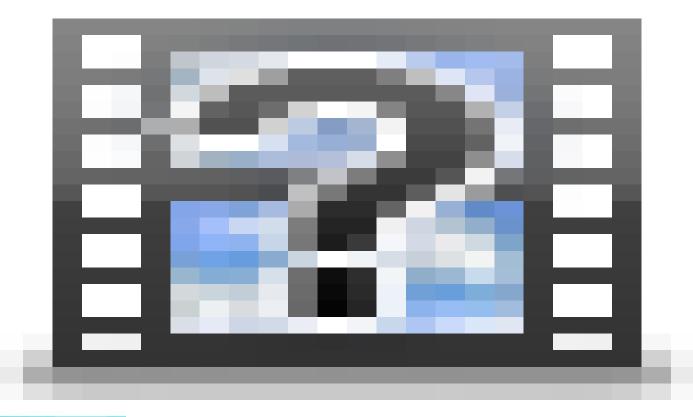
- Use of smartphones & tablet computers to replace paper
- Explosion in number of senior citizens
  - Use of technology to help them live at home
- Telemedicine
  - Connecting up a patients home to the hospital using broadband to monitor serious conditions
- Huge number of apps
  - Track your fitness workouts
  - Remind you about diabetes medication for example

## Health (1) – ( sunburn detection )



 A new paper wristband from Scotland's University of Strathclyde responds to UV light levels, turning from yellow to pink when the levels have reached their safe limit and thereby alerting the wearer to the danger of sunburn.

### Health (2) – (tablet reminders)





Over half of people on prescription tablets forget to take their medicine – Glowcaps help the patient to take the tablets at the right time with special reminder lights as well as smartphone reminders

- It also organises automatic refills with your chemist !

# Gaming – key trends

- Mobile games !
- Games on social networking sites
   Eg Bubble Safari, Farmville
- Augmented reality games
   e.g. Shadow Cities on iPhone
- Continued growth in multi-player online games
- Huge growth in kids online worlds
   Club Penguin, Moshi Monsters, .....

## Gaming (1) – Sheep Up!



 Sheep Up! is a new iPhone game from a start-up called Badseed, where you have to help a sheep get through a 3-D maze avoiding all sorts of characters to get through loads of levels !

### Gaming (2) Gamesflicker.com

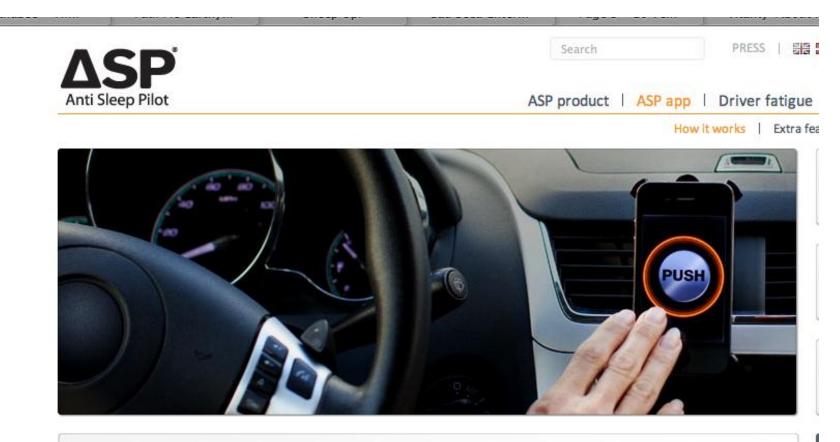


- Gamesflicker.com was founded by Paul McCarthy, a 19 year old student in Limerick and was launched in June 2012
- It allows you to to discover over 3000 high rated and popular games from all other popular online games site in one space.

## Telecoms & mobile – key trends

- WiFi everywhere !
- Paying for small items with your phone
  - Eg Google wallet using Near Field Communications (NFC)
- Internet of things everything will be connected
- A lot more spam and security problems on your mobile

#### Telecoms & Mobile (1) Anti-sleep device for drivers



• A new app from Denmark that significantly reduces the chance of a driver falling asleep at the wheel

### Telecoms & Mobile (2) – mTrac Mobile Health system using text messages

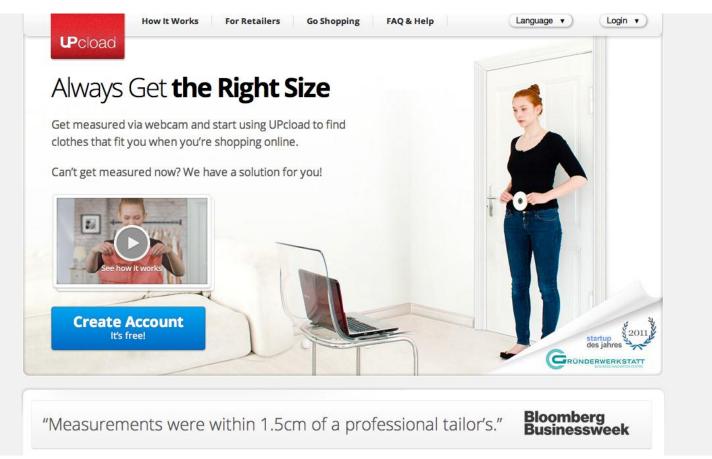


- Uganda had huge problems managing supply of critical medicine
- The use of a new mobile system based on text messages has transformed healthcare amongst millions of Ugandan citizens and saved 1000s of lives

### Retail – key trends

- Online, online & more online ③
- Pop-up shops
- Interaction with smartphones
  - Special dynamic offers
  - Intelligent retailing using smartphones such as location-based advertising
- Advanced loyalty schemes

### Retail (1) – Online clothes shopping



- 40% of all clothes bought online are the wrong size !
- A new Berlin start-up has discovered a way to measure your correct fittings using a webcam and software
- They are now getting online clothing shops to integrate with their system

### Retail (2) – Kids skincare range



- New startup in the UK
- Spotted an opening for kids-focused skincare range

### Fashion & Beauty – key trends

- Crowdsourcing influencing designs
- Customised design
- Ethical "green" clothing products
- Healthy organic beauty products
- New devices to assess quality of skin

### Fashion & Beauty (1) - Crowdsourcing

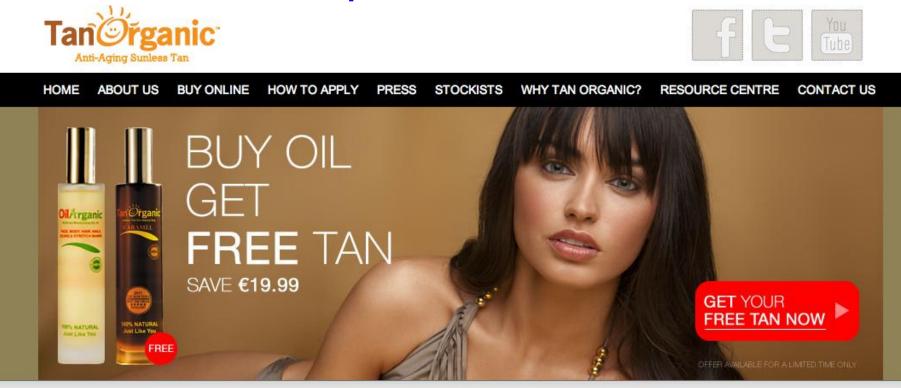
#### Fashion label uses crowdsourcing to design product range

Fashion start-up Velvet Brigade produce garments designed by young designers who submit sketches for the public to vote on.



- San Francisco start-up allows public to select from new designs from young and independent designers
- Each month winning design gets made and sold on website

# Fashion & Beauty (2) – Organic beauty products

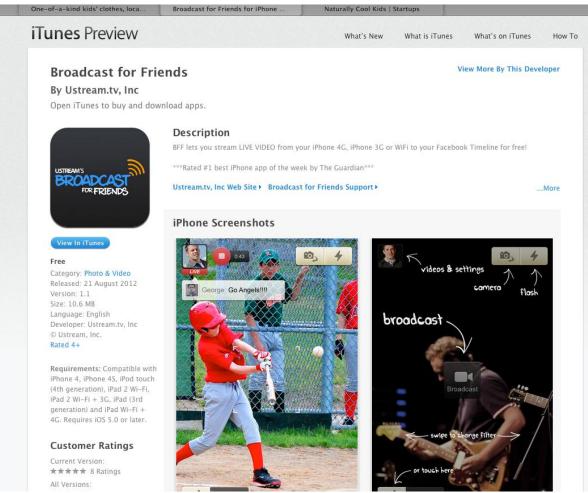


- Most successful Irish Dragons Den winner
- Noelle O'Connor spotted a huge opportunity for healthy tanning products – now selling to dozens of countries worldwide

## Apps – key trends

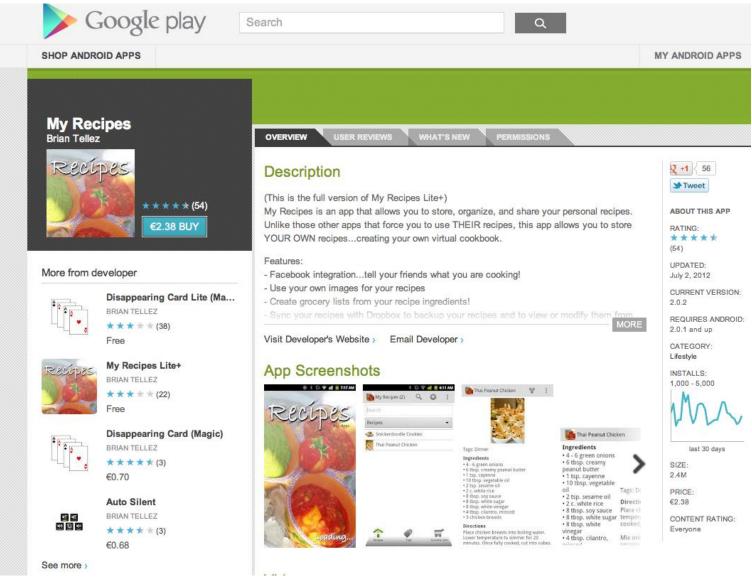
- Location-based services
- Social networking
- Mobile search
- Mobile commerce
- There is an app for almost everything !
- A lot of toolkits enable apps to be built quickly, easily and cheaply

### Apps (1) – Social networking



Free app that allows you stream video to your facebook friends !

### Apps (2) – Cooking App



• When people download your app around the world, €2.38 adds up !

### Food – key trends

- World is struggling to feed 7 billion people
- Huge focus on healthier food
  - Healthier ingredients
  - Tracking from source to where you buy it
- Huge growth in functional foods
  - E.g. probiotic yoghurts, margarine that reduces cholesterol etc.

### Food (1) – High-quality food

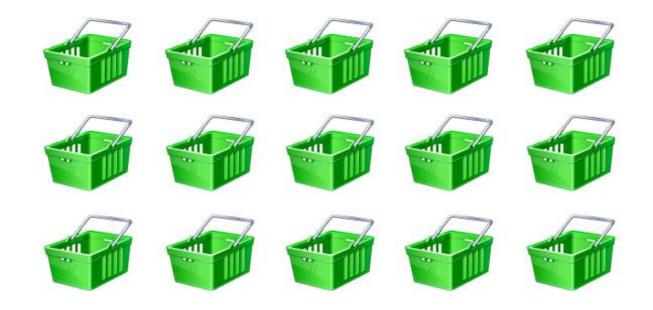


- Cully & Sully Outstanding example of local Cork food business which has been hugely successful
- Started off with pies and soups

#### Food (2) – Smart food sales

#### App connects consumers with discounts to reduce food waste

Zéro Gâchis aims to provide a platform for businesses to let consumers know in real-time when they have food reaching expiration, for sale at discounted rates.



 A new French start-up has come up with the idea of enabling food businesses offer special discounts vi your phone when food is getting closer to its expiry date

#### Home/Personal/local – key trends

- Personal security (safety, financial, children)
- Making it easier for people over 40 to use the web and technology
- Helping people organise their money, manage & reduce bills etc.
- Enabling local communities to help each other

#### Home/Personal/Local (1) – Smart deliveries

# In urban areas, local merchants accept package deliveries for busy consumers

Miss Nev is a new venture that aims to recruit local urban businesses to accept packages for residents in the neighborhood.



- This is a great example of a simple solution to a common problem !
- Helps local businesses fight back against the big guys !

Home/per	sonal/loca	al (2) – Orga	anising
weddingdates	venues • find suppliers • des	tination venues • get listed • blog	
find your perfect wedding Check Availability for Wedding Venues in Any Month : Any Year : in Any Cour	your area:		
<ul> <li>L. Search</li> <li>Use simple or advanced search to find wedding venues that match your exact criteria.</li> </ul>	2. Find Explore dozens of great places with availability on your wedding date.	3. Enquire Send enquiries directly to the venues you like the best and find your perfect matchl	Ciara Crossan ( CEO, Founder )

 A Cork start-up that has grown very successfully in Ireland and is expanding to the UK



There are opportunities all around you for new ideas for a business !!!!!

Look for problems in everyday life and believe you can figure out a solution to a problem and bring value to a customer





You