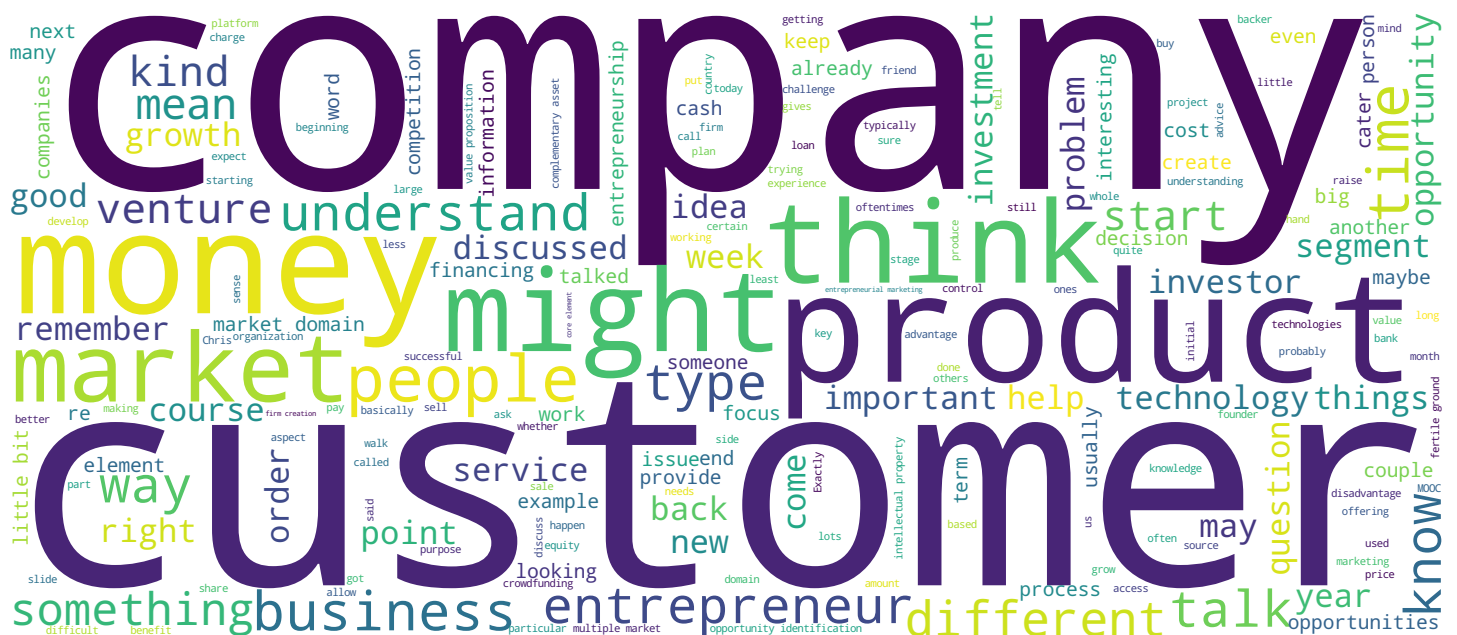




Prof. Chris Tucci and Prof. Marc Gruber





## Core Elements of New Venture Creation

### Business Opportunity

- Presents “fertile” ground on which you create your venture
- Shapes your firm’s identity

### Entrepreneur/ Venture Team

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Welcome back, this is already the final segment of this week, where I give you a summary of opportunities and the opportunity identification process. During this week we put opportunity to the center stage of what we learned and what we discussed. This is important, because the opportunity forms one core element in your venture creation process. Let's look at what we did in particular. Remember that the Business Opportunity and the Venture Team are the core elements of the venture creation process. The business opportunity as such, for one, presents the fertile ground on which you create the venture. Some grounds are more fertile than others, and we discussed this, and I'm going to briefly recap that issue in a couple of minutes. It also shapes the identity of your company, who you are as a firm.

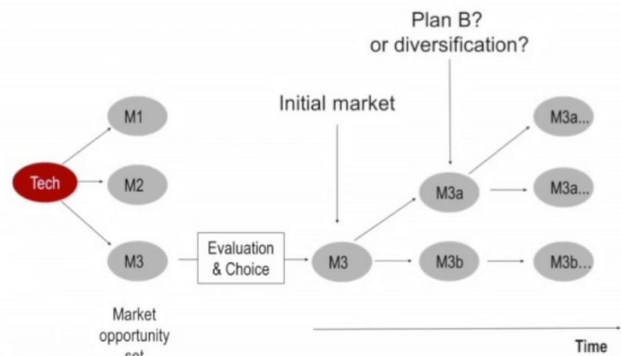
Notes

Summary



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# Opportunity exploitation roadmap



One core element that we discussed over this last week is the opportunity exploitation roadmap. You see it drawn up here on my side, and it basically shows that technologies are fungible, meaning that they can be used to cater to multiple market domains alone, or when combined with other types of technologies and competences that you might have. We discussed all of this content of opportunity exploitation and identification in the context of technology entrepreneurship, and oftentimes, at the beginning of a technology entrepreneurship journey, you have a technology that you want to commercialize in search for a market need. You might wonder, how does this apply to the other way around, meaning, you start with a market need and you do not have a technology yet. Actually, it's not so different here, because if you think about it, the process starts with you having a market insight, you develop the technology that could be used to cater to that market domain that helps you to produce the product to cater to that market domain, and you could ask the very same question, "I have all this technology, maybe given these technological competences, could I cater to other domains which might be even more interesting than the initial one that I saw?" So this market driven or this technology driven view actually oftentimes ends in a gray zone where you can do both.

Notes

Summary



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## In a Nutshell

### Launching New Ventures: Entrepreneurship & Strategy for Technology-Driven Startups

Prof. Chris Tucci and Prof. Marc Gruber

You say, "I have a technology that allows me to cater to multiple market domains," or "I start with a market and I see which technologies could provide that service." In order to understand technological fungibility, we had come up with a three step process that is starting with the understanding that you typically have a closely linked technology and market, and though you develop a technology particularly with a purpose and that purpose is a certain market need, customer need that you had in mind. In order to understand fungibility of a technology, however, you would have to de-link that technology from the initial market insight, and then re-link it to new market options. Within that process there's an opportunity identification stage, and we talked about this at length as well. We looked at key factors driving the opportunity identification process i. e., which opportunities can you see, and which opportunities can't you see. We saw that this is your alertness, your knowledge that you already have. Your knowledge of customer segments, customer needs, and it was your cognitive flexibility, meaning, can you look at problems from multiple angles? Are you able to zoom in and zoom out from your problems?

Notes

Summary



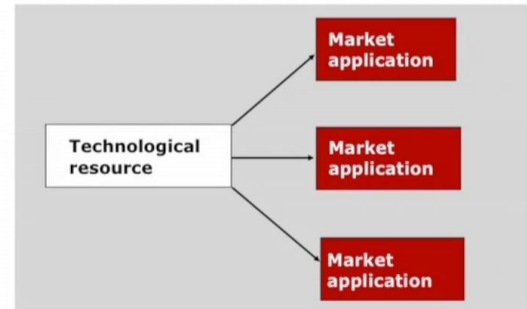
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## I. Close Linking between Tech and Market

## II. De-Linking: Understanding Technological Resource in its own right

## III. Re-Linking:



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Of all, this provides you with the ability to identify multiple market opportunities, but this skill can also be augmented by reaching outside, trying to involve other players who might have different repositories of knowledge that can benefit you in opportunity identification, because these people just know about market needs that you might have never heard of. In sum, this will produce or give you then the opportunity to say, "We have a technology and we link it to multiple market applications," and that's shown in this bottom chart here.

Notes

Summary



3m 37s

# Evaluate & test your potential target markets



1. PROTOTYPE



2. DESK RESEARCH



3. FIELD RESEARCH



4. COST ESTIMATES



5. PRICING



6. CUSTOMER OUTREACH



7. ANALYSIS



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This gives you a number of markets that you have identified. The natural question thus arises, "Which of these market domains provides me with the most fertile ground for a new firm creation?" As you remember, not all markets are as fertile, as helpful, as supportive in firm creation as other markets, so you want to understand which ones actually produce or give you the best chances for firm success. We've listed here on this slide a couple of these key questions that help you understand your markets, evaluate your markets, and I don't want to walk you through all of these elements again. We have covered them very well and thoroughly in the previous segments, but let's just remind us that we need to understand very well on the very micro level the customer demand, the customer needs, and we need to understand on a more macro level, how much demand is out there? How many customers with that need are out there and would actually be there to buy our service, our product? This type of analysis will then give you the opportunity to focus on one opportunity, and you should focus on one opportunity or at least on very related opportunities, because you don't want to spread yourself too thin. You know you have limited resources in a start-up, limited attention, so you need to focus.

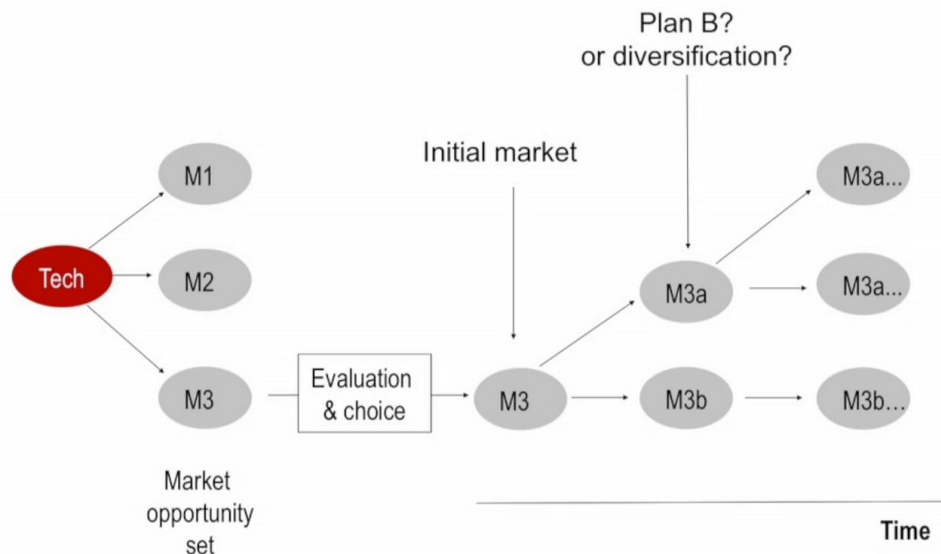
Notes

Summary



4m 10s

# Opportunity exploitation roadmap



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This will then bring us to the overall opportunity exploitation roadmap again. As you see on this slide, we have identified the market opportunities at the initial one, we have chosen the initial market opportunity, and then we can say, "If this one is successful, we are sticking to that market domain to explore it, and over time, because we are successful, we can then diversify into other domains," or what we could do is to say "if this market should not work out, we can at least have this market as a side." These are a couple of key points that we discussed during this past week.

Notes

Summary



5m 27s





Launching New Ventures

What I want you to remember is that entrepreneurship in that early stage is a process that is shaped by you and the opportunity that you're seeking to exploit, by the activity and the domain that you're engaging in. But I also want you to remember one key thing: you're the entrepreneur, you're in charge. So, use this type of approach also to look from the outside onto your venture. You are in charge of saying, "I want to go into this market," "I want to cater to these customers," so if something doesn't go right, don't feel like a hamster in a wheel and keep on running even faster. Step back and look at your venture from the outside. Ultimately, that's also one of the most beautiful parts of entrepreneurship: you're in charge, you can make the key decisions. You do not have a boss that tells you to make this or that decision, but once in a while, you have to remind yourself, this is your firm that you're creating and look at it from the outside. So with this said, the next segment, the next week, we'll talk about entrepreneurial marketing and I look forward to seeing you back then. Thank you.

Notes

Summary



6m 05s