



Generate Your Business Idea

Module 4: Business Concepts

August 2020

Module overview

Objectives

- To learn different ways to generate a business idea.
- To learn how to conduct a brainstorm session.
- To learn how to conduct a business research in your local area.
- To learn the importance of looking for 'out of the box' business ideas.
- To develop and expand an Ideas list.

Materials

- Flipcharts and markers
- Papers and pens
- Figure of 3 elements of a good business idea
- Figure of Brainteaser (see attachments)
- Example figure of structured brainstorming (attached)
- Table with an example of a research of local businesses (attached)
- Booklets with MBC business examples

Duration

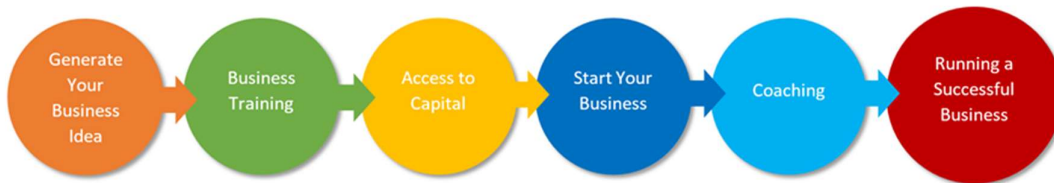
Element	Duration
Introduction	15 minutes
14. List Your Ideas	30 minutes
15. Brainstorming (in a group)	60 minutes
16. Brainstorming (in pairs)	60 minutes
17. Visit your local business area	45 minutes
18. Inspiring Business Examples	45 minutes
Closure	15 minutes
Total	4 hours and 30 minutes



Introduction

- Welcome the participants and make sure everybody feels at ease.
- Introduce the session of today to the participants and go through the objectives of this module.
- Show them schedule of the day, including the breaks.
- Explain the ground rules of the training.
- Make sure that everybody understands how the current module fits within the total picture of the Generate Your Business Idea training (make reference to the below roadmap towards a successful business).
- Go back to the previous module about personal assessment and shortly discuss the main learning points.

Roadmap to a Successful Business



14. List Your Ideas

Introduction

Read the theory 'List Your Ideas'. Before going into the different ways of developing business ideas, we will make a list of business ideas that have come up so far. This list may change or become longer during this module.

Exercise

- Give each student a piece of paper and a pen.
- Ask the students to make pairs of 2.
- Ask each student to think back about the previous modules and to review their notes. Ask them to write down the business ideas that have come up until now.
- Let the students look at each other's business ideas and comment on them. Business ideas must be as concrete as possible (instead of "Retail shop", it is better to specify more, for example: "Selling agricultural inputs to local farmers").
- Tell students to take good care of their list as they will use them in the following sessions.



Reflection

Some participants may have a longer list than others. Also, some people may not be sure about their business ideas. Tell them not to worry about this as the list will be expanded during the following sessions. And the ideas are still draft ideas: nothing is carved in stone yet!

Theory: List Your Ideas



Maybe you already had a business idea before you started with this course. Or maybe you developed a business idea during the previous sessions. This is a good sign. It shows that you are committed to starting a business – you have already started the “thinking” work. But you should be careful not to hold too tightly to your first idea. There are many opportunities and the first idea can lead to an even better idea.

When generating business ideas it is best to try to keep your mind open to everything. Your first goal is to think of as many ideas as possible and make a list of all the business opportunities you can think of.

Business ideas can be generated in a lot of ways. In this module we will look at the following ones:

- Brainstorming
- Visits to the local business area
- Scanning a booklet of business examples



15. Brainstorming (in a group)

Introduction

Read and explain the theory 'Brainstorming (in a group)'. Use examples to make sure that participants understand the different business lines. Show them the figure with the example of structured brainstorming.

Exercise

- Divide the participants into groups of 4-5 people.
- Give each student a piece of paper and a pen.
- Start the session with a brainteaser. Show the students the Brainteaser figure (see annex) and ask them to copy the figure on their paper. Give the following instruction: "Connect all the nine dots with FOUR STRAIGHT LINES without lifting your pencil/pen of the paper." After 10 minutes have a volunteer show the solution on a flipchart or blackboard. If no one found the solution, show them yourself.
- Give each group a flipchart and markers.
- Tell participants that each group will do a brainstorm session. Use the figure with the example of structured brainstorming and tell them that they are going to make a similar figure.
- Ask them to take one business idea from any student in the group. Let them draw that product or service in the middle of the flipchart. Ask them to brainstorm about possible other businesses related to that business idea, using the Selling, Making, Servicing and Spin-off lines. Tell them that all ideas are valid and that no objections should be made. Let them write down these businesses on the flipchart in the same way as in the structured brainstorming example.
- Let each group present their figure to the rest of the groups. Let the other groups comment and ask questions about the figures.
- Optional: give a prize to the group with most business ideas.



Reflection

Ask the students if some surprising businesses emerged which they had not thought about.

Theory: Brainstorming (in a group)



Brainstorming is a way of opening up your mind and helping you to think of many different ideas. You start with a word or topic and just write down everything that comes into your mind. You continue for as long as you can, putting down everything even if it seems irrelevant or odd. Good ideas can grow from strange beginnings.

Brainstorming works best when you brainstorm with another person or a group of people, but you can also try it on your own. Many large companies use this method to come up with new product ideas.

Instead of starting with a random word, you can also start with a particular product or service. From there you try to think of all the business activities that are related to that product or service (this is called structured brainstorming). You can make a distinction between 4 different activities, or lines:

- **The Selling line:** all activities related to sales that surround that particular product or service. The product or service can be sold in many different presentations and to many different kinds of clients. Many businesses will also be involved in selling materials that are used to produce the product or service.
- **The Making line:** all businesses involved in producing materials and inputs which are needed to make the particular product or the service.
- **The Servicing line:** all businesses involved in providing services that can be associate with the particular product or service. This may include transportation services, cleaning, accounting, marketing bureaus, etc.
- **The Spin-off line:** all businesses involved in making money from by-products and/or residuals that can directly be associated with the main product or service. For example: if your business is selling cow milk, you could have an additional spin-off business of selling cheese and cow dung.



16. Brainstorming (in pairs)

Introduction

Refer back to Exercise 15. Tell students that they are now going to use brainstorming to develop their own business ideas.

Exercise

- Give each student a big piece of paper and a pen/marker.
- Ask the students to make pairs of 2.
- Tell students to pick their favourite business idea from the Ideas list and repeat Exercise 15 for this idea. Instead of doing it in a group, they will do it in pairs. Let them do it first for 1 person, then for the other. They should write down the results on the paper they received.
- Let them write down the new business ideas on the Ideas list.



Reflection

Tell students that they can also do this on their own for other business ideas they have. They can then add the new business ideas to the ideas list.



17. Visit your local business area

Introduction

Read and explain the theory 'Visit your local business area'. Tell the students that they will do a research in their own community or village as homework. Show the example of the research in a community, with the different types of businesses. Show them what kind of information you can extract from that research, making reference to the businesses that are missing and the ones that are over represented. Refer back to the 3 elements of a good business idea (module 1) and tell the students that this exercise has a lot to do with identifying which needs have been covered and which needs haven't been covered.

Exercise

- Make small groups (max. 4 people) of students who live in the same village or community. There may be several groups from the same place. Some students in the training may be the only ones from their community or village. These will work on their own.
- Tell students that as homework they will walk in the business area of their community or village and identify different types of businesses and count how many there are of each different type. Tell them to keep record of their observations on a paper or notebook.
- **After the research:** Give each group a flipchart and let them make a table similar to the example of the research shown before. Tell them that they will fill in their observations on the flipchart after they finish with their research.
- After they filled in the flipchart, they will discuss the following questions:
 - Which businesses are many? Which are few? Can you think why?
 - What does your list tell you about your local market and the way people spend money in your area?
 - Is there room for more businesses? Do you think there is a business opportunity in your area? Which?
- Tell students to add new business ideas to their personal Ideas list.



Reflection

After returning from their homework assignment the groups will present their findings to each other. Groups can discuss about positive experiences and about challenges encountered.



Theory: Visit your local business area



Another way of discovering good business ideas is to look around your local area. Find out what type of businesses are already operating in your area and see if you can identify any gaps in the market. This is an activity that will be much easier to do together with another person. While walking around in your village or community you should write down your observations. It is advised to make a distinction in types of businesses that you identify: retailers, wholesalers, service providers and manufacturers.

Once you finished making this list, you can analyse it and see which businesses are currently not (or on a very small scale) operating in your area. Perhaps these could be good business opportunities for you.

Perhaps you also see a lot of similar businesses operating in your area. Maybe there is an opportunity to provide some product or service that are related to those businesses. Think back on the structured brainstorming exercise.



18. Inspiring Business Examples

Introduction

Read the theory 'Inspiring Business Examples'. Tell students that they are going to look at the MBC booklet of business examples. Tell them that it is important to look outside one's own immediate environment if they want to find innovative ideas.

Exercise

- Give each student a piece of paper and a pen.
- Ask the students to make pairs of 2.
- Provide each pair with an MBC booklet of business examples. Ask them to go through the examples and let each student choose 3 business ideas that appeals to him/her. Let them write these ideas down.
- Let the students look again at the 3 elements of a good business idea. Let the students check on each other's business ideas: do they combine the 3 elements? Will it cover a need in their area? Do they have the abilities that are required from them? Would they really like and enjoy working in that kind of business? If the answer to these questions is yes, let them add their ideas to their personal Ideas list.



Reflection

Ask the students if they found surprising business ideas. Let some of the students share some business ideas that they considered appealing. Ask them if the idea combines the 3 important elements of a good business idea (see module 1).

Theory: Inspiring Business Examples



A common problem in many communities and villages is the lack of innovative business ideas. Many people just copy business ideas from other people in their neighbourhood or community, which leads to an oversaturation of the same businesses in the same geographical area, preventing these businesses to make enough profit and to survive. Think back about the session on competition and market share.

Sometimes it can be useful to look at business ideas outside your immediate environment in order to provide you with new ideas. Some sources where you can find business ideas include newspapers, magazines, television ads, etc. The organization MBC has compiled a booklet with 40 small business examples which are easy to implement and which are a bit 'out of the box'. This booklet could lead you to new business ideas which you can add to your Ideas list.



Closure

Evaluation

Discuss the lesson with the students. What went well, what could have gone better, and what have they learned?

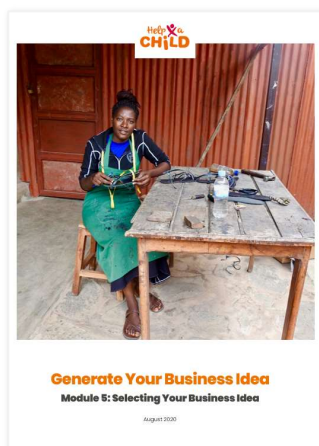
Annexes

On the next pages, you find the annexes for this module:

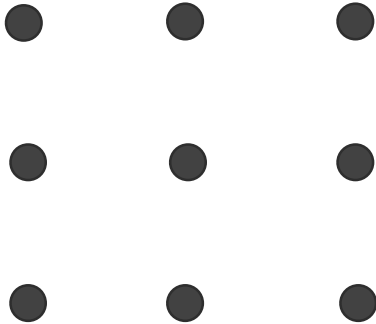
- The nine dots
- Structured brainstorming (picture)
- Business Research Overview (example)

Follow-up

This is the end of module 4 of the 'Generate Your Business Idea' training. Continue with module 5: 'Selecting Your Business Idea'.



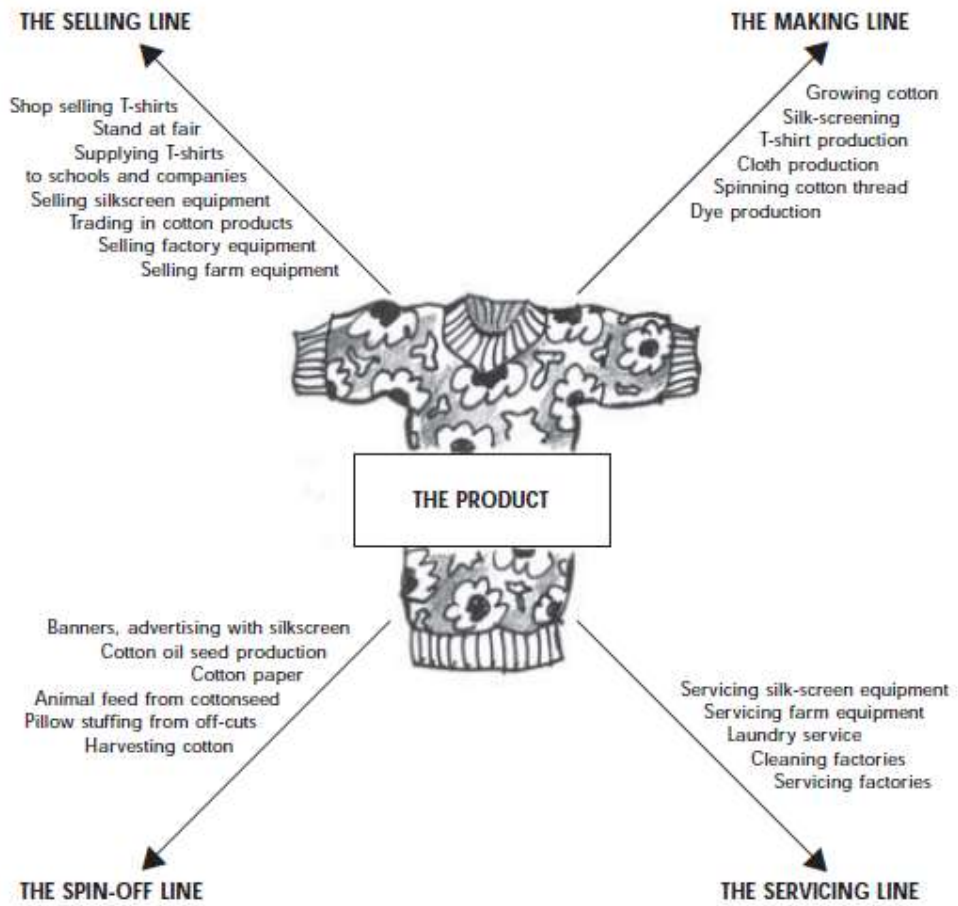
Annex: The nine dots



Connect all nine dots with **four straight lines** without lifting your pencil/pen off the paper.



Annex : Structured brainstorming



Annex : Business Research Overview



Businesses in my area: RIZAL			
RETAILERS	MANUFACTURERS AND SMALL FARMERS	WHOLESALEERS	SERVICE PROVIDERS
15 restaurants 27 fruit and vegetable roadside vendors 6 roadside clothes vendors 23 small item roadside dealers 4 furniture shops 3 gas stations 2 grocery stores 1 fruit and vegetable shop 1 clothing and shoe shop 4 hardware and farm supply stores 2 electrical goods and supplies stores 3 farm supply stores 2 farm machinery stores 1 stationery store 1 drugstore 1 meat stalls 2 liquor shops	11 furniture and wood fittings makers 9 metal fabricators 4 tailors 1 weaver 3 mat and wall hanging makers 2 soft furnishings makers 2 cement block makers 9 brick makers 16 poultry/egg farmers 18 small dairy product farmers 10 vegetables farmers 3 rice mills 2 spices producers 2 bakeries	1 feed, fertilizer and farm goods 1 plastic sheeting, ropes, and sacks 1 grains: rice, corn 4 timber dealers 5 building materials dealers	2 doctors/1 clinic 2 banks 8 vehicle repair 3 electrical items, radio & TV repair shops 1 building and office cleaning service 2 security firms 1 equipment rental firm 8 nursery schools 5 transportation companies 3 bicycle repair services 2 hotels 4 building contractors 1 accounting agency 1 printer 1 agency post office 2 grinding mills 3 shoe and umbrella repairs 2 building planners