

## *Identifying & Finding Business Opportunities*

### **Sources of Ideas For Business Opportunities**

#### **Ideas from Your Previous Employment**

Many ideas for new business ventures result from jobs formerly held by an aspiring entrepreneur. Studies have found that between 20-70% of business startups were by entrepreneurs who started their enterprise in an industry directly related to their last job. Ideas from previous employment can take several forms; i.e. a self-employed consultant in some technical area using background and experience acquired in a previous job or developing a product or service for which a prior employer might be a prospective customer.

#### **Ideas From Hobbies**

Some people are deeply involved with their hobbies, often devoting more time to them than to their regular job. There are many instances where these lead to new business ventures. For example, athletes may open sporting goods store, amateur photographers, open portrait studios, hunters offer guiding services, philatelists open coin and stamp stores, and so forth.

Many of these ventures do very well but there can be considerable conflict between a hobby and a successful business. Hobbies, typically, are activities that you and others are prepared to do at your own expense. This can exert downward pressure on the likely profitability of your business. As a result, margins are quite low in such things as the production of arts and crafts, small scale farming, trading in stamps, coins and other collectibles, antique automobile restorations and similar hobby-type business operations.

#### **Ideas from Travel**

Whenever you travel, look for new business opportunities. Many products and services you see being offered may not yet have been introduced into the Canadian Market, or, at least, not into Manitoba or another local market you are contemplating entering. You may be able to negotiate some form of distribution rights for that product or duplicate the product or service yourself, as long as you do not infringe on any legal rights that the original owner might have.

#### **Ideas from Friends, Acquaintances, and Social Encounters**

Friends are generally a bountiful source of ideas. Advise them of your interest in looking for specific product or service opportunities. When you are at a social function, ask people what they do for a living. If they are in a business, ask them questions about the business, such as why they got started, what their future plans are, where they see a need in the market, and what they enjoy about enjoying their own business. Think of all the people you know socially. If any work in your area of interest, take them to lunch and ask them about their business.

#### **Ideas from Personal Observation**

Occasionally the idea for a new product or service results from keen observation of daily living situations. For example, the idea for “Q-tips” hit Leo Gerstenzany when he noticed his wife’s efforts to wrap cotton on toothpicks to clean their baby daughters ears, and the idea for the automatic toaster hit Charles Strite when he got mad at the burnt toast in the plant lunch room of the factory where he worked as a mechanic.

#### **Ideas from Business Publications and Other Sources**

There are a number of business publications and other sources, which can provide ideas that might stimulate our entrepreneurial thinking. Some of these include; newspaper, magazines, newsletters, trade publications, inventor’s shows, trade shows, and business show opportunities.

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### **Ideas from Government Agencies**

Parkland Community Futures, the provincial Department of Industry, Trade and Tourism (ITT), the Federal Business Development Bank (FBDB) as well as various provincial government agencies such as the Winnipeg Business Development Center are in the business to help entrepreneurs with business management seminars and courses, information and other help.

There are numerous other provincial government agencies that have publications and resources available to stimulate ideas for new business opportunities.

The range of sources discussed here is certainly not exhaustive. Through careful observation, enthusiastic inquiry and research, it is possible to uncover a number of areas of potential business opportunities, which require a further process of evaluation and analysis.

### **Methods of Starting & Finding Business Ventures**

#### **Buying an Existing Business**

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 the owners want to get out of the business for various reasons.

#### **Buying a Franchise**

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. Franchise guides are shown in the following selection.

#### **Franchising Your Business**

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 form royalties and/or sales of supplies, as well as for shared costs for advertising.

#### **Manufacturing Under License**

Licensing means renting the rights to manufacture or distribute a product within agreed rules or guideline. For example, you might purchase the right to manufacture tee shirts and sweaters with the logo of Garfield the Cat or other popular fictional characters or use the trademark of a popular product such as Coca-Cola apparel. The owner of the license retains ownership and receives a royalty or fixed fee from you as the licensee. There are a number of information services, which you can contact to locate licensing opportunities.

#### **Assembling Product**

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

#### **Rebuilding or Remanufacturing Products**

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.

#### **Becoming a Supplier to Another Producer**

Produce a product or service, which is needed to create a larger product or service. The opportunity might be to supply a specialized part or a number of simple parts.

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### **Import Replacement**

Identifying a product or service, which is imported into Canada, and then replacing the imported item by producing a similar product locally.

### **Catering to Left-Behind Markets**

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 are 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.

### **Gaining a Small Percentage of a Large Market**

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.

### **Adding Value to Existing Products**

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 additional operations you want to do before resulting 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 of services
- d) Removing something to change the original use of the product

### **Substituting Materials in Existing Products**

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

### **Finding Uses For Waste Materials**

Taking by-products or services to create new offerings. 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.

### **Drawing Upon The Resources Of Under-Used People**

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

### **Packaging**

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 degradable, or other factors. Opportunities may also exist in taking free materials and packaging them as novelty items. Another aspect is breaking the bulk, where supplies are bought in large quantities, sorted into smaller amounts and re-packages for sale.

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### **Locating A Patent Opportunity**

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

### **Marketing Someone Else's Product**

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

### **Becoming An Agent For Someone's Product or Service**

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

### **Becoming A Distributor For Someone's Product or Service**

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

### **Becoming A Distributor Or Agent For Products And Services Made Outside of Canada**

Bringing services and products into Canada 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 Canada to expand the markets for their interns. Distributors would buy their products for resale, while agents would sell products on a commission basis.

### **Export Distribution**

Promoting and shipping Canadian-made products and services to other countries. Opportunities around the Pacific Rim countries are especially relevant for British Columbia.

### **Taking Local Existing Products To New Markets**

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

### **Identifying Unique Client Groups And Tailoring Products For Them**

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 style (leisure activities, timing of life activities); owned assets (cars, boats, houses); or similar factors. This could involve creating new products.

### **Discount Selling**

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

### **Taking Advantage Of Situations And Circumstances**

Providing goods and services for consumers as a response to situations and circumstance 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.

### **Provide A Consulting Or Information Service**

Offering advice, services and information to others in a subject area you know well. Search out, gather assimilate, use and report information on specialized 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.

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### **Retail Population Thresholds**

The following has been compiled from a variety of different sources to help determine the need for a particular type of retail business in a community. A caution in using these statistics: they are averages and meant as a guide only. Some are U.S. figure, which are very often reflect larger metropolitan areas and may not be consistent with trade areas and practices in the Parkland. They should not be used as the sole basis for determining the type of business to establish in a community following this is listing of Parkland communities and their trading area size.

### Number of Inhabitants to Support Store (by selected kinds of business)

	<b>Minimum Number of Inhabitants in trading area to support business (Estimated Averages)</b>
<b>Food Stores</b>	
Grocery Stores	419
Meat & fish (seafood) market	12,647
Fruit stores, vegetable market	21,259
Candy, nut, confectionery stores	12,594
Dairy product stores	25,712
Bakery products stores	10,212
<b>Eating, Drinking Places</b>	
Eating Places	130
Drinking places (alcoholic beverages)	130
<b>General Merchandise</b>	
Department Stores	1,869
General merchandise stores	658
Variety stores	8,430
<b>Apparel, Accessory Store</b>	
Family clothing store	9,574
Shoe stores	5,756
Women's clothing, specialty stores and furriers	3,856
Children's, infants' - wear store	33,057
Men's and boy's wear	8,403
Furriers and fur shop	112,946
<b>Furniture: Home furnishings, Appliance Dealers</b>	
Furniture; home furnishings stores	1,638
Household appliances	6,148
Music stores, records and musical instruments	15,577
<b>Automotive Groups</b>	
Passenger car dealers (new & used)	729
Passenger car dealers (used only)	729
Gasoline service stations	304
Tire, battery, accessory dealers	4,538
Boat dealers	30,497