

Business Concepts Evaluation Exercises

(Updated: June 16, 2017)

Discussion Questions

Please be prepared to provide written responses and/or discuss the following questions:

- 1) Can you think of any companies that successfully determined an unmet customer need, and succeeded because they were able to address that customer need? Provide detailed examples.
- 2) What are the different ways that an enterprise can create a "defensible competitive advantage" based on the definition provided in Resource 23-09?
- 3) Why is the most important factor for investors *always* the quality of the venture's leadership team?
- 4) What is the difference between financial equity and sweat equity? Do all entrepreneurs and small business leaders contribute "sweat equity" to their enterprises? Justify your answer.

Short Essays

- 1) What reasons attract entrepreneurs to forming new ventures despite the hard work, uncertainty and risk?
- 2) Rank the five factors that make a business concept "doable" in order of importance. Defend your ranking.

Match Concepts

Please match the concepts below with the appropriate explanation.

Concept		Explanation	
1	Opportunity and Risk	a	"I love my family, but I've practically raised my first-born at the office. We take vacations as a family to the sites of our mitigation projects, trying to loop in a day or two at a Disney resort to make things more fun for the kids. We've also celebrated Christmas as early as Thanksgiving and as late as Valentine's Day when I've been on international trips to negotiate with our joint venture partners."
2	Unmet (or Unexpressed) Customer Need	b	"We knew there were ways that we could use technology and social media outreach as valuable tools to craft environmental mitigation plans, creating two-way communications with key local stakeholders. We just weren't sure that stuffy old executives at the large institutions that buy mitigation services would understand what we're doing and buy our solutions before we ran out of money."
3	Defensible Advantage	c	Investors in Cajun Coastal Restoration have received a 20% dividend every year since the company was formed. In addition, new funding (\$10 million to fund the company's international expansion) was raised at \$5 / share, more than 12 times the price original investors paid per share.
4	Attractive Return on Capital	d	"We never imagined we could use social media to reach out to community members and get their input on our environmental mitigation plans. No one in our industry had even imagined this. Heck, I've never been on Facebook or Snaphead. CCR showed us how to do this. We'll never work with any other environmental mitigation company."
5	Tenacious Talent	e	Cajun Coastal Restoration's patent-pending, technology-driven environmental mitigation services, as well as the firm's tenacious dedication to solving its clients' most challenging environmental problems.

Role Play 1

Conduct one or more interviews with entrepreneurs, either local entrepreneurs or a Nepris entrepreneur.

Step 1: develop a questionnaire for this interview. Include questions that ask about the unmet or unexpressed customer need this entrepreneur sensed and pursued.

Ask questions about all five factors that make a business concept "doable," asking how the entrepreneur may have experienced / addressed these factors during the start-up phase.

Step 2: conduct the interview. After the interview, determine what you think were the key insights you learned during the interview.

Step 3: write a Thank You note to the person(s) you interviewed, indicating in your note what you believe were your key lessons learned