Strategy #3: Tapping Into Your Vast Experience

One of the best places to look for new business ideas is in an industry where you have previously worked. Work experience provides a window into an industry that is much harder to see through by those who never had that work experience. In fact, Inc magazine conducted a survey of CEOs from America’s fastest-growing private businesses and found that 57% of the CEOs “got the original idea for their business by spotting an opportunity in the industry they worked in.”3

PAYCHEX: What should you do when you bring a good idea to your boss and your boss says “no thanks”? When that happened to Tom Golisano he decided to start his own company. He was originally working for a company that provided payroll processing services to mid-sized companies. With that narrowed target market they were ignoring the small business market which represented 95% of all businesses. Tom approached several executives where he worked about a proposal to start targeting small businesses. They each said no. Tom said goodbye to the old employer and started Paychex to provide payroll processing services to small businesses. It turned out to be a good idea. Paychex is now the second largest payroll processor in America.4

KRAGE MANUFACTURING: Sam Krage worked for years in industrial manufacturing, learning as much as he could from his current position then moving on to the next one to keep building up his skills. “Then I came across an accountant who became CEO of a manufacturing company. This was a big motivator for me,” said Krage, “I thought, if he could lead a manufacturing company then I could too.” Sam already had a business relationship with a major air conditioning corporation. He knew that they weren’t happy with one of their suppliers. So Sam offered to help with some sheet metal work for them. After much persistence he got the contract and that’s how Krage Manufacturing started with a major customer from day 1. Today Krage Manufacturing creates sheet metal enclosures for industrial air conditioners and the business is thriving.

@ LAST SOFTWARE: As a structural engineer, Brad Schell spent years working with 3D computer-aided design (CAD) software. But he was struck by how long it took to teach the existing 3D CAD software to others since it was so complex. “I wanted to find a way to make 3D modeling easy for anyone to use, even without lots of training,” said Schell, “I knew it was the right idea to pursue because I kept getting this gnawing feeling inside.” Schell shared his vision with a talented software developer and the two of them created SketchUp, the award winning software that’s made it so much easier to create 3D designs on the computer. You don’t have to work in a leadership role within a business to gain valuable insight into what some customer or employee pain points may be. Front line workers who have regular contact with customers are also in an excellent position to spot opportunities. Have you worked in a few companies before? If so, then the following exercise can help you spot new opportunities within those same industries.

Generate Ideas: Tap into Your Experience

1. Write the name of the most recent company where you have worked in the NAME OF COMPANY section.

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| NAME OR COMPANY #1: |  |
| PRODUCTS/SERVICES/PROCESSES | PAIN POINTS |
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2. List the primary products or services sold by this company or any key processes within the company in the PRODUCTS/SERVICES/PROCESSES column above.

3. As you look at each product, service, or process ask yourself ‘what did customers or employees not like about this product, service, or process?’ This will help you identify pain points associated with each product or service. Write down these pain points in the PAIN POINTS column above.

4. Circle your top three most painful pain points listed on the previous page and label them numbers 1 to 3. What could you do to resolve each pain point? How do you think each pain point will be solved? How will each pain point be solved in 5 years? Write your proposed solutions below.

Solutions to 1st pain point:

Solutions to 2nd pain point:

Solutions to 3rd pain point:

5. Each of these pain points and solutions represent customer needs that form the foundation for new business ideas. Circle the top new business idea in your list to review later.

6. Using the following pages, repeat this process using the business of the entrepreneur that you interviewed.

7. Remember the key steps to finding opportunities at places you’ve worked are to:

* Write the name of the company in the NAME OF COMPANY section
* List the main products or services sold by this company or key processes in the PRODUCTS/SERVICES/PROCESSES column
* Look at each product or service and ask yourself ‘what did customers or employees not like about this product, service, or process?’ Write down these pain points in the PAIN POINTS column

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| NAME OR COMPANY #1: |  |
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8. Circle your top three most painful pain points listed on the previous page and label them numbers 1 to 3. What could you do to resolve each pain point? How do you think each pain point will be solved? How will each pain point be solved in 5 years? Write your proposed solutions below.

Solutions to 1st pain point:

Solutions to 2nd pain point:

Solutions to 3rd pain point:

9. Circle the top solutions listed above to consider later as new business ideas. Now continue on with Strategy #4.

Strategy #4:

Recycle a Business Idea from Another Community

Would you love to explore the world? Then this strategy is for you. The number of businesses located across the country is amazing and across the world that don’t plan to target customers in your community.

If these far-away businesses address customer needs that are not being sufficiently met in your community, why not consider recycling some of these good business ideas by bringing them to your community? You can improve upon these business ideas, learn from a company’s strengths and weaknesses, and bring them to life in your community. You can market similar products or services to the same type of target customer or you could try targeting a completely different type of market segment.

WILLIAMS-SONOMA: Even though Chuck Williams started his first gourmet kitchen specialty shop in Sonoma, California the idea was actually imported from Paris. During a European tour with some friends Chuck became fascinated with Paris. “I spent about two weeks there, sampling small restaurants and seeing all the wonderful cooking equipment that was available to the French home cook. There were so many things we didn’t have in this country.” After a few years of planning he decided to open a store in Sonoma in 1956 to start selling some of the products he had seen in Paris. Last year Williams-Sonoma’s 478 stores generated sales of $2.3 billion.5

BET: When Robert Johnson struck up a conversation with an aspiring entrepreneur during a taxi ride he found that his fellow passenger had an interesting idea for a television channel for the elderly. Reading from the passenger’s business plan he found data for the population, purchasing power, and consumption patterns for the elderly, reinforcing that the elderly would provide an interesting customer segment to target. Robert replied, “You could say the same thing about the black population.” The passenger concurred and shared a copy of the business plan so Robert could plug the appropriate numbers into the business plan and change “elderly” to “black.” Robert, who already worked for the National Cable Television Association, approached some wealthy friends in the industry for funding. He found a receptive ear from one smart investor who saw the potential and Robert launched the Black Entertainment Television channel. In 2001 Robert sold BET to Viacom for nearly $3 billion.6

Where do you find out about these interesting business ideas?

Many aspiring entrepreneurs find out about these interesting ideas while traveling or talking to friends, but the internet is a less expensive and more efficient way to learn about these business ideas from companies far away. The following exercise will help you more easily find out about these business ideas.

Generate Ideas:

Recycling Business Concepts

1. Spend a day searching the internet to find stories of entrepreneurs who started interesting businesses that are located in another country or another state. The best places to look are smaller business newspapers. Some good websites to begin with are:

• American City Business Journals – includes links to 40+ local U.S. business journals with interesting stories of small businesses: www.bizjournals.com/headlines.html

• Mondo Times - covers 13,000+ media outlets in 200+ countries [www.mondotimes.com](http://www.mondotimes.com) follow links to “local media” to find city-sized newspapers with news of local entrepreneurs in other parts of the world including Canada, the UK, and Australia.

2. As you read an article about each small business ask yourself some questions:

• What is the primary need this company appears to be trying to fill?

• Would the people in my community likely have a similar need for this type of business and could I introduce something similar locally?

If the answers are “yes” then document the business concepts below:

|  |  |  |
| --- | --- | --- |
| Name of company #1: | City, Country of Headquarters | Website: |
| Business concept & need being filled: | | |
| How I could improve upon this idea: | | |

3. Another approach is to call a member of the family or a friend located far away and ask them if they know of any innovative or note-worthy businesses near where they live. Or if you are going to school far from home you can always just walk around town and see if there are any local businesses worth emulating back at home. Either way, write down a few notes about each idea so you can add these business concepts to the interesting ones you learned about via the internet.

4. Repeat Step 2 as you read articles or hear about other small businesses:

* What is the primary need this additional company appears to be trying to fill?
* Would the people in my community likely have a similar need for this type of business and could I introduce something similar locally? If the answer is “yes” then document the business concept below:

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| Name of company #2: | City, Country of Headquarters | Website: |
| Business concept & need being filled: | | |
| How I could improve upon this idea: | | |

5. Repeat this process in the spaces that follow:

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| --- | --- | --- |
| Name of company #3: | City, Country of Headquarters | Website: |
| Business concept & need being filled: | | |
| How I could improve upon this idea: | | |

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| --- | --- | --- |
| Name of company #4: | City, Country of Headquarters | Website: |
| Business concept & need being filled: | | |
| How I could improve upon this idea: | | |

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| Name of company #5: | City, Country of Headquarters | Website: |
| Business concept & need being filled: | | |
| How I could improve upon this idea: | | |

6. Review the business concepts listed above the circle the top concept(s) that you feel are most interesting and promising.

If you’d like to generate more business ideas then you may want to try:

* Combining two of your existing ideas together to create an interesting new idea
* Analyzing an industry that is rapidly growing or that you find interesting to seek what problems people in this industry may be facing and what opportunities may exist to solve these problems
* Re-doing any of the four Strategies already reviewed in this packet to generate even more ideas

If you have already generated all the business ideas you need you may continue on to the next section where you can better evaluate each of your new business ideas.

Sources:

“How We Got Started,” *Fortune Small Business*, October 2002, pp 64-66

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Other Helpful Resources:

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Edwards, Paul & Sarah and Economy, Peter. Why Aren’t You Your Own Boss. 2003. Prima Publishing: California.

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