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:

|  |  |  |
| --- | --- | --- |
| 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:

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

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

|  |  |  |
| --- | --- | --- |
| 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

“How We Got Started,” *Fortune Small Business*, October 2002, pp 70-72

“Where Do Great Ideas Come From,” *Inc*, October 15, 2002

“How We Got Started,” *Fortune Small Business*, September 2003, pp 81 – 82

“How We Got Started,” *Fortune Small Business*, September 2003, pp 32 - 34

“How We Got Started,” *Fortune Small Business*, October 2002, pp 85-88

“How We Got Started,” *Fortune Small Business*, October 2002, pp 30-31

Other Helpful Resources:

Bhide, Amar V. The Origin and Evolution of New Businesses. 2000. Oxford University Press: New York.

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

Timmons, Jeffrey A. New Venture Creation. 1999. McGraw – Hill: Boston.

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