

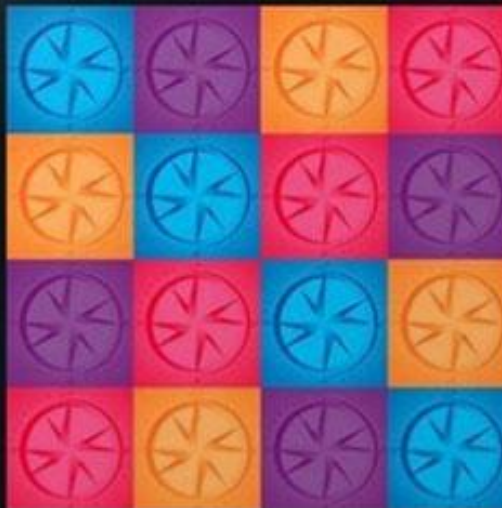
SOLUTIONS MANUAL



7e

SMALL BUSINESS

An Entrepreneur's Business Plan



J.D. RYAN • GAIL P. HIDUKE

Chapter 2

Spotting Trends and Opportunities - Opening Your Eyes

For this chapter, use everyday events, eating lunch or going to the cleaners to illustrate how to use "new eyes".

Learning Objectives

- Train your eyes, ears, and intuition to read market forces that forecast future needs.
- Understand the "big picture" and its affect on trends and opportunities.
- Learn to become your own "Futurist."
- Understand the changing family structure and its impact on businesses.
- Gain an awareness of the cultural changes and the splintering of the mass market.
- Research technological changes and their impact on your industry.
- Understand how to access the vast array of available secondary resources.
- Become excited about brainstorming techniques.
- Learn how to conduct "new eyes" research.
- Analyze the potential for small business success by applying the life-cycle yardstick to industries.

Lecture Outline

Opening Your Eyes and Mind to Vast Opportunities

Six Leading Success Factors

Responsive to Change

Market Opportunity

Market Expertise

Human Capital

Alliances and Partnerships

Prospects for Growth

Action Step 8: Opening Your Mind to New Information

First Stop

Large Bookstore

Second Stop

Music Store

Third Stop

Local Mall

Fourth Stop

- a. Favorite Store

Fifth Stop

- TV Time

Final Stop

- a. Log On

II. It's a Dynamic World

A. Environmental Variables

Technology

Competition

Social/Cultural

Legal/Political

Economics

Changing families

Women in the workforce

Dual-earner couples

The role of technology in employees' lives

Working for oneself versus someone else

C. Boomer Explosion

1. What Products Will They Need?

2. What Do They Want?

3. Where Will They Buy Them?

4. How Will You Reach Them?

D. The Splintering of the Mass Market

A shrinking middle class

Ethnic groups are shifting and growing throughout the United States

Living arrangements are changing and evolving

E. Information Overload

1. Our private lives and work lives are converging

- F. Franchisers Respond to Cultural Changes
 - 1. Entrepreneur Magazine's Top 10 New Franchises for 2004
 - 2. Entrepreneur Magazine's Top 10 Fastest Growing Franchisors for 2004
- G. Technology Revolution
 - Battelle's List of the Top Ten Strategic Technologies for 2020

Information is Everywhere

- A. Market Research
 - 1. The Internet
 - B. Secondary Research
 - Launch Your Industry Research
 - Encyclopedia of Business and Professional Associations
 - Directory of Periodicals
 - Media Kit
 - C. Primary Research
 - 1. Interviews
 - D. "New Eyes" Research
 - 1. "Mystery Shopper"
- IV. The Big Picture
- A. Industry Overview
 - 1. Industry Segment
- V. Brainstorm Your Way Into Small Business
- A. Brainstorming Techniques
 - 1. Pick a Time
 - 2. Find a Site
 - 3. Invite 10 - 15 People
 - 4. Schedule the Starting Time
 - 5. Allow Time for Self-Introductions

VI. The Life Cycle Stages

- A. Embryo
- B. Growth
- C. Mature
- D. Decline

VII. Summary

- A. Conduct Extensive Market Research Using "New Eyes".
- B. Trends Don't Develop Overnight, Watch for Trends in Related Industries.
- C. Don't Underestimate the Power of Brainstorming.
- D. Be Fully Aware of Where Your Industry and Product Fit in the Lifecycle.

Suggestions for Guest Speakers

- I would suggest an established entrepreneur. Let them mock an interview.
- Another suggestion would be someone familiar with leading brainstorming sessions, to run the class through a session.

Class Discussion: The Effect of Technology on Market Research

Key points include:

- The Internet
- Better Tracking by Large Media Companies
- Information Overload

Class Discussion: Brainstorming

Key points could include:

- How and When
- How to fit brainstorming into the business plan