

Entrepreneurship Lecture 3 The Assessment of Entrepreneurial Opportunities

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The Risk

The Entrepreneurs must calculate their risk well



The Risk vs The Uncertainty

The risk → known

The uncertainty → unknown





THE RISK VS THE UNCERTAINTY

Economic condition of 2020

The risk: The inflation

The uncertainty: The Covid-19

The Opportunity

Opportunity refers to the likelihood or a chance, so it is important the Entrepreneurs take that chance wisely



Critical Factor for New Venture

Kuratko stated there are critical factors for new-venture assessment:

1. Uniqueness
2. Investment
3. Growth of Sales
4. Product Availability
5. Customer Availability



UNIQUENESS

New process of technology, new market, new products/services



INVESTMENT

The needs of capital, monetary
value



GROWTH OF SALES

Sales and profits, high or low
growth? Significant?



PRODUCT AVAILABILITY

The product/service is not ready to be sold, it needs more modification or testing.



CUSTOMER AVAILABILITY

Customer willingness to pay, enjoy the product/service. (Loyal customer)
“Their buying habits”

Why New Ventures Fail

Kuratko stated there are 3 major reasons for the failure of new venture:

1. Product/Market Problems
2. Financial Difficulties
3. Managerial Problems



PRODUCT/MARKET PROBLEMS

1. Poor timing
2. Product design problems
3. Inappropriate distribution strategy



PRODUCT/MARKET PROBLEMS

4. Unclear business definition
5. Focus on one customer only



FINANCIAL DIFFICULTIES

1. Initial capital
2. Debt
3. Venture capital relationship problems



MANAGERIAL PROBLEMS

1. Team Approach
2. Human Resource Problems



EVALUATION PROCESS

1. Profile analysis
2. Feasibility Criteria

(Kuratko, 2017)



DESIGN METHODOLOGY

1. Proof of Concept Feasibility
2. Proof of Concept Desirability
3. Proof of Concept Viability

(Kuratko 2017)



LEAN CONCEPT

Increase “value-creating” practices and
eliminate “wasteful practices”

(Ries, 2011)

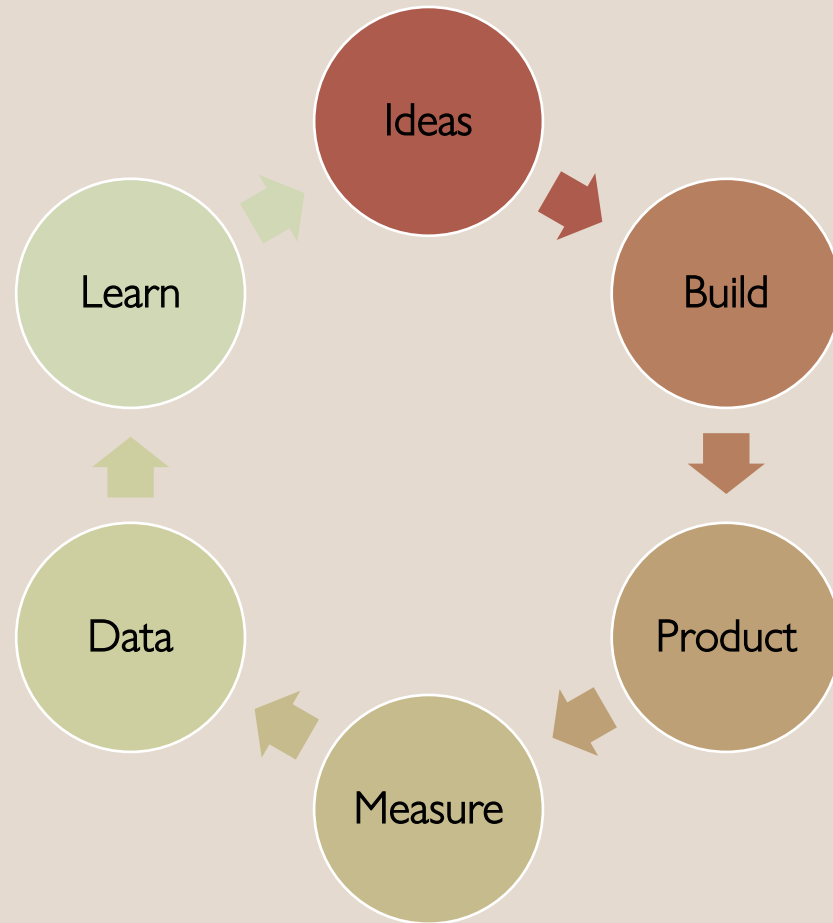
MINIMUM VIABLE PRODUCT

Three A's of Metrics:

1. Actionable
2. Accessible
3. Auditable

(Ries, 2011)

Build-Measure-Learn Feedback Loop (Ries, 2011)



Reference

1. Kuratko, D., 2017. Entrepreneurship: Theory, Process, Practice. 10th ed. Canada: Cengage Learning.
2. Ries, E. 2011. The Lean Startup: How today's entrepreneurs use continuous innovation to create radically successful businesses. Crown Business.



thank you

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