

First Steps for Entrepreneurs and Innovators

A Canadian Innovation Centre
How-To Guide

Entrepreneurship...

... is the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic (physical) and social risks, and receiving the resulting rewards of monetary and personal satisfaction and independence

What is an entrepreneur?

Create/control a new venture to create economic value for themselves and their stakeholders.

Top 6 characteristics

- Desire for independence and financial reward
- Optimistic outlook
- Action orientation
- Moderate risk taker
- Active user of external resources
- Strong and trusted leader



The entrepreneurial process

- The process through which a new venture is created by an entrepreneur
- Four distinct phases:
 1. Identification and evaluation of the opportunity
 2. Development of the business plan
 3. Assembling the required resources
 4. Management of the resulting enterprise
- Each stage depends upon the other



Starting the journey

Ten first steps for first time entrepreneurs:

1. Put the idea down on paper, explaining what it does and how it works
2. Identify what benefit it brings to potential users. Is it a pain killer or a vitamin?
3. Create a single value proposition statement, such as:

“With this new handle attached to a 2 litre juice carton, you will never have trouble lifting or pouring juice again”



Carry out your own market research

4. Ask two or three people¹ whom you trust and who might be potential users of this product or service, if they would use it:
 - Does it meet a need they can identify with?
 - Does it really solve a problem?
 - Have they seen anything else like it?
 - How much would they be willing to pay for it?
 - Where or how would they expect to purchase it?
 - Would they recommend it to others?

¹If it is a business solution, ask someone in the industry



Look at the competition

5. Check out the competition using Google search for both competitors and patents (keep records you will need later)
6. Create a competitive matrix with the top ten benefits of your product. Identify how each competitor is different. Remember to include features they have that you do not. Features may include:
 - Brand
 - Performance
 - Price
 - Distribution
 - Functionality
 - Current users

Look at how you can protect yourself

7. Identify how you can create a barrier to entry to stop others coming into your market. Possible barriers are:

- a) Patent:
 - i. Identify if your idea is patentable
 - ii. Check out US and Canadian Patent Office website to identify similar patents
 - iii. Identify any patents that might be relevant to your patent strategy
 - iv. Decide if patenting is a viable option - go see a patent lawyer who can advise you on the process (note – it may not be necessary to patent just yet)
- b) Copyright, Trade Secrets – see if this is a potential strategy
- c) Brand – can you create or license in a brand
- d) Can you sign up a key distribution partner
- e) Can you obtain a critical customer



Resource requirements

8. Identify what resources you might need to take your product to market. Use the following 3 columns:

Stage	What you need	Resources you have for this	Resources you need for this
Design			
Patent			
Development			
Production			
Distribution			
Marketing			

Resource availability

9. Identify what these types of resources might cost, how long you might need them for and how you will access them

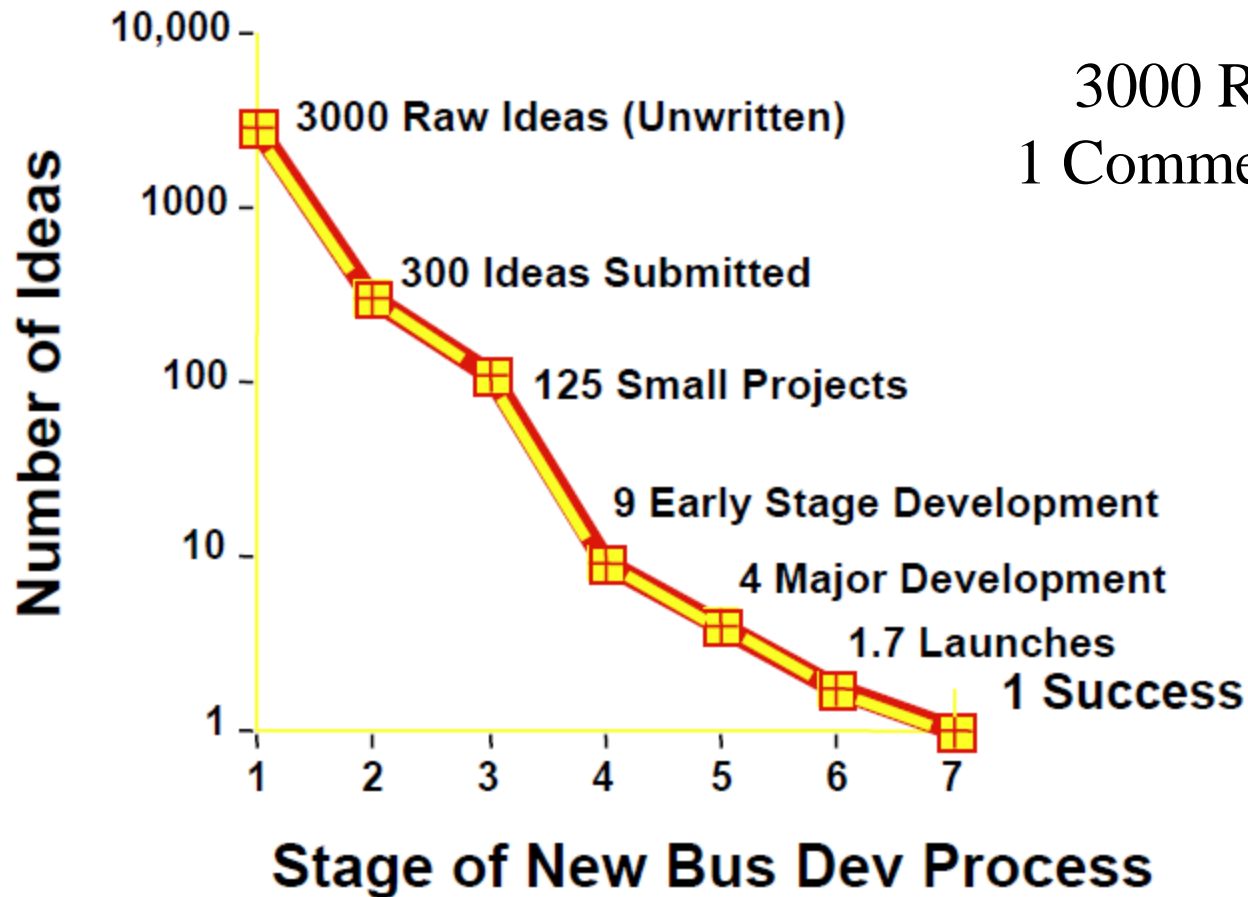
Specifically determine if you:

- Can raise enough money
 - Have enough time
 - Are determined enough
- ... to be successful

Remember, the odds of a new venture succeeding are low!



New venture success rate



Source: G. Stevens and J. Burley,
"3000 Raw Ideas = 1 Commercial Success!"

Developing your path to success

10. Armed with the information you have gathered so far, it is time to develop your business plan.

Your business plan will capture all of the critical decision and actions required in your go-to-market journey.

A business plan is a “must have” document for discussions with investors and partners.

It is dynamic and will change as your business evolves.

Most importantly, the process of developing the business plan forces you to think through all of the major issues around launching your new business.



The 8 most critical factors for new venture success

Performance advantage – is your innovation better than the competition?

Market readiness – are you ready to go or still in development?

Product uniqueness – does your innovation stand alone or in a crowd?

First customer – is somebody ready to pay?

Distribution & supply chain – can you get it to market?

Market size – is the market viable?

The entrepreneur – do you have the right stuff?

The financial plan – can you make money?

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How the Canadian Innovation Centre can help

The Canadian Innovation Centre (CIC) is Canada's leading organization dedicated to assisting entrepreneurs and innovators.

Since 1981 CIC has assisted over 70,000 Canadian inventors and entrepreneurs and has evaluated over 20,000 new product ideas.

CIC provides a portfolio of services to assist at each stage in the go-to-market journey. Our most popular services for entrepreneurs include:

Critical Factor Assessment – evaluates an initiative against the 42 factors most critical for venture success and identifies fixes for gaps.

Market Evaluation Validation – evaluates product against customer needs, clarifies value proposition and validates market potential.

Innovators Assistance Program – a one-on-one mentoring service for entrepreneurs and innovators.

For more information see www.innovationcentre.ca

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