Teaching Toolkit for Entrepreneurship Education

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COURSE I: Fostering Ideas & Recognizing Opportunities
PREFACE

The present paper introduces the Entrepreneurship Teaching Toolkit which has been developed within the framework of the Embedding Entrepreneurship Education (EEE) Erasmus+ Project funded by the European Union (https://eee-project.eu/).

The aim of this entrepreneurship teaching program is the development, testing and comparison of innovative teaching methodologies in order to widen the knowledge and improve the skills of graduates and academic staff. The toolkit seeks to promote the involvement of the business sector in educational programs at HEIs (higher education institutions) and wants to support the creation of further student entrepreneurship initiatives in Europe.

The Entrepreneurship Teaching Toolkit is designed and implemented as innovative teaching material, embracing the target groups of lecturers, teachers, instructors, scholars etc. who may use and integrate the Entrepreneurship Teaching Toolkit in their educational courses and programs. A second group which is targeted indirectly are students and individuals interested in the topic of entrepreneurship, including also e.g. start-ups or inventors etc. who may be educated and trained with the help of the Entrepreneurship Teaching Toolkit.

Furthermore, the Entrepreneurship Teaching Toolkit has been designed in such a form to serve individuals coming from very different fields, independently of their already existing skills or previous knowledge base in management, business or entrepreneurship. Individuals having different backgrounds are welcome to make use of the Entrepreneurship Teaching Toolkit, and are invited to be trained in order to acquire solid entrepreneurial competences and/or to further improve them.

A modular approach has been selected for the Entrepreneurship Teaching Toolkit as it does not only support the development of new academic courses, but gives the opportunity to extend existing lectures, courses, etc., by adding and connecting them with specific, single and individually-chosen modules presented in the toolkit.

The toolkit consists of 23 single modules (hereafter also referred as tools) which can be combined in flexible ways in order to create academic courses (combination...
of a bundle of modules presented in the toolkit), but also to extend existing courses (using only one or some of the single modules presented in the toolkit).

The structure of the toolkit has been inspired by the EntreComp Framework, initiated and developed by the EU and the European Commission. The EntreComp Framework sees Entrepreneurship as a key competence for lifelong learning and draws out different key competences in entrepreneurship. The modules/tools in the toolkit have been developed accordingly, and assigned to the entrepreneurial competences outlined in the EntreComp Framework.

All of the presented modules focus on entrepreneurship education and introduce different aspects of theoretical, but especially also practical entrepreneurial knowledge. By applying a problem-based approach and fostering university-business collaboration, the involvement of the business sector is promoted. Accordingly, the Entrepreneurship Teaching Toolkit is transferred into interactive learning materials that pursue the successful implementation of student-business projects as a substantial learning outcome.

Moreover, the toolkit includes course material that specifically addresses and highlights the topic of social entrepreneurship with the aim to widen and deepen the knowledge in social entrepreneurship and to foster individuals engaged in entrepreneurial activities following a social purpose.

For this purpose, also three different course options are proposed on how to combine modules in order to establish:

- A basic entrepreneurship course (especially relevant for students with other backgrounds than business or management to get a solid overview and learn basics)
- An advanced entrepreneurship course (relevant e.g. for innovative thinkers or founders in the early stage and others to improve, enhance and deepen entrepreneurial skills and knowledge)
- A social entrepreneurship course (relevant for individuals interested in the social purpose of entrepreneurial activities)

The course materials will be made openly available, enabling external lecturers to implement the courses and tools in their own classrooms. The provided material
allows customised creation of student-business and social entrepreneurship courses as open educational resource.

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Finally, we would like to take this opportunity to thank our project partners of the EEE project consortium, Univations (Germany), University of Szeged (Hungary), Canice Consulting (Northern Ireland) and UIIN (Netherlands), as well as our associate partner the La Trobe University in Australia for their support and feedback which has been significant for the development of the Entrepreneurship Teaching Toolkit and was substantial for its finalization.
COURSE I: Fostering Ideas & Recognizing Opportunities

This course targets first of all newcomers i.e. individuals experimenting with entrepreneurial activities for the first time. It has the aim to foster entrepreneurial ideas coming from different fields and supports also individuals who have not yet made experiences with entrepreneurship or management before, in sharing, spreading and eventually also commercializing their ideas.

The delivery of the course through an ‘Idea Competition’ could have many advantages, as first of all a university-wide outreach (everybody is allowed to submit ideas from various fields). The tools ‘Creativity I & II’ are suggested to be included into the idea competition as preparation for the students, where they learn how to write down and present ideas using different methods as diaries or digital brainstorming tools. An interactive tool which is especially useful for beginners and fosters experimenting and exploring with innovative approaches, as well as collaboration is the ‘Marshmallow Challenge’. It can serve as preparation, but also as nice distraction during the idea competition itself (e.g. before awarding ceremony). Furthermore, theoretical inputs are provided with the tools ‘Opportunities’ and ‘Decisions to Make’, making students familiar with the fundamentals of entrepreneurship. The final outcome of the course, and at the same time a base for assessment, is the tool ‘Final Project – Business Plan’ where students have to work out a business plan, presenting their ideas in a formal and reasonable manner.

In this course, students benefit first of all, as they can improve their creativity and learn how to spot opportunities on the market. They are supported in formulating valuing ideas and encouraged to turn and translate these ideas into visions. Hence, throughout the course especially competence area ‘Ideas & Opportunities’ is embraced and highlighted. A focus lies also on how to take the initiative, how to work in a team and profit thereby from the experience of peers and others as e.g. external actors involved (competence area ‘Into Action’). Moreover, students’ motivation is strengthened by fostering their self-efficacy and awareness (competence area ‘Resources’).

After this course students will be able to present their ideas on a formal basis in front of investors, costumers, organizations etc., using an elaborated and well thought out business plan. This step will bring entrepreneurial thinkers closer towards the goal of commercializing their own innovative ideas.
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<td>IDEA COMPETITION</td>
<td>max. 3 ECTS</td>
<td>This module helps to structure and organize the course in an attractive, flexible and inviting manner (also throughout different departments and faculties possible – university-wide competition)</td>
<td>• Jury members &lt;br&gt; • Presentation about the key elements of a successful participation in an idea competition &lt;br&gt; • Speaking about experiences as successful participants in an idea competition / as a jury member</td>
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<td>CREATIVITY &amp; INSPIRATION (I) + (II)</td>
<td>max. 2.25 ECTS</td>
<td>This module supports students in developing and presenting ideas. The overall idea is to induce a novel perspective. The ideas and inspirations developed in this module can be the basis for a business plan or for a business plan sketch.</td>
<td>• To commenting on the insights or ideas the students present &lt;br&gt; • Adapting the non-disclosure agreement to the national legal regulations &lt;br&gt; • Presentation about legal issues pertaining to secrecy</td>
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<tr>
<td>PREPARING THE CLASS TO DISCUSS</td>
<td>max. 0.25 ECTS</td>
<td>The aim of this module is to ensure that students in the class can freely discuss and share insights and ideas. This will be accomplished by having students sign a confidentiality agreement.</td>
<td>• Role of the observer during the challenge &lt;br&gt; • Discussants in the reflection section after the challenge</td>
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<td><strong>Interactivity</strong></td>
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<td>MARSHMALLOWS CHALLENGE</td>
<td>0.25 ECTS</td>
<td>Through this tool teamwork and prototyping skills are fostered. Teamwork is a relevant competence which lies at the core of all entrepreneurial activities.</td>
<td>• Inviting external actors that are knowledgeable about trends &lt;br&gt; • Arranging an excursion to a company in your region and discuss how this company responds to certain trends</td>
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<td><strong>Content</strong></td>
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<td>OPPORTUNITIES</td>
<td>0.5 ECTS</td>
<td>This module provides an overview of finding opportunities for entrepreneurial activities.</td>
<td>• Including entrepreneurs who report about their decisions</td>
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<td>DECISIONS TO MAKE</td>
<td>0.5 ECTS</td>
<td>This module teaches students how to make decisions of strategic relevance, applying two basic analyses: &lt;br&gt; – industrial structure analysis (Porter's five forces) &lt;br&gt; – PESTEL analysis.</td>
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<tr>
<td><strong>Outcome/Assessment Base</strong></td>
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<td>• Involving start-up coaches or entrepreneurs in the grading process</td>
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<tr>
<td>FINAL PROJECT – BUSINESS PLAN</td>
<td>max. 3 ECTS</td>
<td>Target for the module is to induce students to think about their entrepreneurial idea and prepare a business plan sketch or a business plan (depending on the time available to students).</td>
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Idea Competition

Overview

The idea competition module consists of two parts. The aim of part one is to give an overview on how an idea competition could look like, how such competition might be structured and organized.

The purpose of part two of this idea competition module is to support students in preparing for a successful participation in an idea competition.

Entrepreneurial Competences

- Spotting Opportunities
- Creativity
- Vision
- Valuing Ideas
- Self-Awareness & Self-Efficacy
- Motivation & Perseverance
- Taking the Initiative
- Planning & Management
- Working with Others
- Learning through Experience

Learning Outcomes

Part one the module intents to give helpful input on how to organize an idea competition. Part two of this module provides the students the tools they need to successfully participate in an idea competition and to arouse the students’ interest in participating in such a competition.
After the completion of this module students are aware of what is needed to participate successfully in an idea competition. Furthermore, they know how to give a good elevator pitch and are aware of the importance of a good structured business plan.

**Prerequisites**

No prior knowledge is required.

**Preparation of the Teacher**

**Online**

If this module is used in an online or blended learning setting you have to make sure to involve the students in a proper way. Prepare some group work where the students are asked to write a submission for an imaginary idea competition. Make sure to set up a space in your online tool where students can upload their group work. This should be accomplished by a forum or a discussion board to enable discussions between the students and between the students and the teacher.

**Presence**

To make your lesson more vivid, provide the students an example of an idea competition’s entry form and ask them to fill it out. Alternatively, prepare a group work where the students are asked to write a submission for an imaginary idea competition. It could also be a good experience to organize a small idea competition where some of the students act as jury members and the other students (or groups of students) act as participants in an idea competition and present their idea / product / service.

**Involvement of External Actors**

External actors can be involved

- as jury members
- by giving a small presentation about the key elements of a successful participation in an idea competition
- by speaking about their experiences as successful participants in an idea competition or about their experiences as a jury member
Time

2-3 ECTS.

Assessment

In a first step, different student groups should develop an idea competition on their own and present it to the class. Afterwards, students should try to fill out the application forms developed by the classmates and present their work and experience to the class.

Content

Part 1: How to organize an idea competition

1. Engagement matters

Running an idea competition can be a great instrument to keep people engaged with your business, your brand, your mission etc.


This chapter will help you to prepare and to run a successful idea competition.

2. Planning

2.1. Outline your goals

At the beginning of the process it is important to outline your goals. Ask yourself what you want to accomplish by launching the idea competition. To know what your goals are will help you to structure the process and will also help you to find out if whether or not the competition was successful.
2.2. **Set up the competition**

Once the goals have been outlined, it is time to set up the competition. This is the most time-consuming phase in the process, but taking enough time for this will help to get a well-structured and successful idea competition.

The following aspects should be considered:

- **Who is the target group of the idea competition?**

- **Determine the assessment criteria:**
  
  An independent jury will evaluate the entrepreneurial ideas according to the following criteria:
  
  - degree of innovation
  - customers' benefit
  - market potential
  - USP

- Make sure that confidentiality is assured for the content of all submissions. There is no charge for entry to the competition. The prizes will be awarded at the discretion of the jury. The jury’s decision is final and cannot be contested by legal action.

- When does the idea competition take place? What other dates, events, holidays etc. may have to be taken into account in order to avoid overlapping to reach as many participants as possible?

- The start and the end of the submission deadline must be defined. Is the submission deadline sufficient? It is important to schedule the option for a potential extension of the submission deadline already in the planning.

- When planning the time frame of the idea competition it is important to be aware of the time needed for reviewing the submissions (do not underestimate!). The submissions will be evaluated during the first jury session according to predefined criteria. The ten best submissions take part in the second phase and will be presented by the participants during the second jury session.

- Who is on the jury? It is worthwhile if the members of the jury cover a wide range of subjects and topics and if they are practitioners. Make sure that there are enough jury members:
  
  - jury members for the first jury session
  - jury members for the second jury session

- Which premises are required for the first and second jury session? (room size, seating, technical equipment, catering etc.)
• Free presentation training for the ten best finalists has to be organized. The presentation training must take place some days before the second jury session.

• Creation of the participation forms. Team submissions will also be accepted.

• **The idea competition is divided into two phases.**
  o Phase I: submission and evaluation of the ideas
  o Phase II: presentation of the ten best ideas in front of a jury. This is followed by the official announcement of the best ideas during the prize-giving ceremony.

• **First jury session:**
  o Designation of the jury members.
  o When and where does the first jury meet?
    • date and time (from – to)
    • location
    • room (room size, technical equipment, beverages etc.)

• Ensure that the jury members receive all submissions in time and that they are informed about the evaluation criteria and procedure.

• After the end of the first jury session, the results will be communicated to the organizational team.

• **Second jury session:**
  o The organizational team informs the participants of the second round. The participants will be informed about the presentation of their submission at the second jury session. In addition, the participants of the second round are asked to submit their PowerPoint presentation to the organizational team within the day before the second jury session.
  o Time management: Each final round participant will be given ten minutes for the presentation and five minutes for the jury’s questions. After the first five presentations, a ten minutes break will take place.

• **Presentation of the best submissions, second jury session and prize-giving ceremony:**
  o Designation of the jury members
  o Small welcome gift for the jury members
  o Preparing the evaluation documents for the jury members:
    • Ensure that the jury members receive the submissions of the second round in time and that all jury members are informed in advance about the evaluation criteria and the evaluation process.
    • overview on the time schedule (i.e. when which submission will be presented)
    • arranging the printed PowerPoint presentations according to the time schedule
    • evaluation sheet for each presentation
When and where will the presentation of the submissions and the second jury session take place?
- date and time (from – to)
- location
- room (room size, technical equipment, beverages, catering etc.)

Sponsors’ invitation to the prize-giving ceremony
- Who leads through the prize-giving ceremony?
- Who is responsible for the welcome speech?
- Who is holding a speech?
- Who will award the prize?

a. Determine the prize

To give an incentive for the participants the organizer of the idea competition has to think about the prizes for the winner or the winners. In the best case the prizes are related to the organizer’s company. This is a good opportunity to show what the organizer’s business or company has to offer, to attract people who are genuinely interested in what the business or company of the organizer is doing and to make the brand visible to a wider market.

- Which sponsors can be attracted? Maybe they can be attracted from the organizer’s network.
  Are the sponsors suitable for the idea competition?

- Type of sponsorship:
  - financial sponsors (cash sponsors)
  - in-kind sponsors (companies that offer products or services for free in exchange for a similar level of sponsorship)
  - media sponsors
  - ...

b. Prize ideas

It is important to make sure that the prize is worth the effort it takes to win. The organizer of the idea competition has to think about prizes that are attractive, and which represent an added value for the participants. Here are some examples for prizes:

- use own products
- award money
- provision of free consultation, free trainings etc.
o provision of free participation in selected events, conferences, workshops, summer schools etc.
o voucher
o a unique experience that cannot be purchased
o ...

c. Competition length
The length of the idea competition is a very important aspect when planning the competition. The organizer has to be sure that the competition is not running for too short of time. However, the organizer has to ensure that participants will not lose their interest by running the contest too long.

The length of the competition should correspond to the requirements and to the scope of the idea competition.

d. Clarify the rules
It is very important to make the idea competition very clear and easy to understand. The organizer has to make sure that the competition is well structured, including dates for entry, and all steps the participants have to take. Furthermore, it has to be clear how the winner or the winners will be chosen and contacted. It is important to ensure that confidentiality is guaranteed for the content of all submissions. The organizer should provide information about if there is or if there is not a charge for entry to the competition. In addition, it is important to emphasize that the prizes will be awarded at the discretion of the jury. The jury’s decision is final and cannot be contested by legal action.

e. Create the layout
It is a good advice to add an eye-catching graphic to the idea competition. Use graphics and colours that will be recognizable and which are related to the organizer’s company or institution. The creation of the layout includes

  o the design and number of posters
  o the design and number of flyers
  o the design and number of checks for the best five participants
  o the design of the participation certificates for all participants
3. **Promotion**

It is important to make sure that the interested people will know all about the relevant details of the idea competition. A good advice is to make use of all your promotion channels such as your website, newsletter, social media (Facebook, LinkedIn, Twitter etc.) and to ask your followers to share the idea competition with their social network. Furthermore, create flyers and posters to draw attention to the competition.

One of the most important promotion activities is to send an email to the idea competition's target group. It is necessary to consider beforehand when the mailing should be sent out. It is important to schedule a reminder in case the deadline will be extended. If the deadline will be extended, a corresponding mailing must be sent.

4. **Monitor the idea competition**

Once the idea competition has started, check regularly if everything is going according to your plan. Make sure that you answer any posts, messages and questions interested people may have about the competition.

5. **Presentations, jury session and prize-giving ceremony**

Each final round participant will be given ten minutes for the presentation and five minutes for the jury's questions. After the first five presentations, a ten minutes break will take place.

After the end of all presentations, the jury will discuss the presentations taking into account the evaluation criteria and determine the winner or the winners. As soon as the result is fixed, the organizational team will be informed and writes the name of the respective prize winner or the winners on the checks for the prize-giving ceremony.

During the prize-giving ceremony the winner or the winners will be announced and awarded.

After the prize-giving ceremony a reception will take place.

The days after the prize-giving ceremony all participants receive a certificate of participation. The prize money will be transferred to the award winner or the winners. The winner or the winners will be publicized on the organizer’s website, on the social media channels, in the newsletter, in a press release etc.
6. Review

After the idea competition has ended it is time to reflect on the idea competition carried out.

- Was it worth it?
- Did you as organizer of the idea competition accomplish the goals you outlined before launching the idea competition?
- What worked and what do you want to do different next time?
- How can you make your next idea competition even better?

Part 2: How to participate successfully in an idea competition

In this chapter we want to give you some helpful input on how to participate successfully in an idea competition.

1. Selection of the idea competition

The first step is to select the appropriate idea competition with focus on themes and audiences aligned with your idea / product / service etc.

Read the application form very carefully. All idea competitions are different in their purpose, requirements, and target groups. Therefore, it is important that the submission is in line with the goal of the idea competition. It is helpful to have a deeper look on the details of the application form, to look at the submission guidelines, and to stick to them strictly. Furthermore, it is important to be clear about the assessment criteria, the requirements, as well as about the submission deadline. A helpful summary of all these aspects can be found at https://studentcompetitions.com/posts/5-tips-to-win-business-plan-competitions--3.

2. Filling in the application form

It is essential that you as applicant answer all the questions and that you are aware of what the tendering company or institution is asking for.

An application form might enclose the following questions related to the entrepreneurial idea / product / service and its potential in detail:
• The entrepreneurial idea / product / service (max. 400 words):
  o How would you describe your idea / product / service?
  o What was the point of departure / background to the idea / product / service?
  o What is the current status of the proposal (initial idea, design phase, prototype etc.)?
  o What is the driving force behind the idea / product / service for you (and your team)?
  o How do you intend to implement the idea / product / service?

• Benefits to customers (max. 200 words):
  o What idea / product / service do you intend to offer?
  o Who are the potential customers for your idea / product / service?
  o Why will customers be interested in your idea / product / service?
  o What fundamental problem or problems will your idea / product / service solve for customers?
  o What are your customers’ needs in the context of your idea / product / service?

• Market potential (max. 200 words):
  o Can you describe the market / segment in which your idea / product / service will offer benefits?
  o How big is the market / segment?
  o What are today’s trends on this market / segment?
  o Is the market / segment growing or shrinking?

• Competition (max. 200 words):
  o Who are the players on this market / segment?
  o What competitor products or alternatives are there on the market / segment?
  o What are the key arguments employed by other vendors?

• Development potential: USP (max. 200 words):
  o What is the innovative aspect of your entrepreneurial idea / product / service?
  o What is the advantage of your idea / product / service compared to your competitors?
  o Does your idea / product / service have an USP?
  o How big is the information or time gap between you and potential imitators?

• Development potential: risk (max. 100 words):
  o What are the greatest risks in the implementation of your idea / product / service?
  o How much time (months / years) and which resources (financial, personnel, equipment etc.) will you need to implement the idea / product / service?
o What are the next planned / necessary steps?

- **Summary of the entrepreneurial idea / product / service (in one sentence):**
  o Can you formulate the unique nature of your entrepreneurial idea / product / service in a single sentence?

Keep in mind that the first impression counts. This applies not only to persons, but also to application forms and presentations. Therefore: Make your application and presentation stand out from the crowd.

### Business plan

Make sure that your business plan addresses the core subject of your idea / product / service. Ensure that your business plan is realizable and practicable by having all the right numbers and statistics, indicating from which you have obtained them.

Be an expert on your developed idea / product / service, on its market, including potential competitors, and on its future customers. Make sure that your business plan covers all relevant data, figures and information, and that it is well structured, and easy to understand.

The more time you have for writing the business plan the better it is. You should be able to explain your idea / product / service in a clear way, so the members of the jury – maybe not experts in the specific field of your idea / product / service – can easily understand what and how you want to do it.

It is important that you are able to answer questions related to the potential market for your idea / product / service, about competitors, and how you will finance your idea / product / service. If you can present a serious market research by showing the results of a customer survey or of pilot sales programs, the members of the jury would be impressed.

### 3. Presentation

When creating your presentation, please avoid long text blocks and descriptions. Instead, insert interesting pictures, figures, and statements in order to draw attention to essential and important points and explain them in a clear and comprehensive way.

Design your presentation in a way that looks professional, clear, and easy to understand.
Some participants make the mistake to being vague in their presentations and to not having a concrete concept about their idea / product / service. Being concrete and precise about what you are presenting shows that you have thought about the details of your idea / product / service, and that you know and understand what you are talking about.

A helpful summary about how to prepare for a presentation can be found at [http://www.rohit-bhargava.com/2013/07/7-tips-to-win-a-business-competition-or-pitch-contest.html](http://www.rohit-bhargava.com/2013/07/7-tips-to-win-a-business-competition-or-pitch-contest.html).

As for the members of the jury it might become almost impossible to remember the details of all presentations, it is the more important to make your presentation stand out from the crowd. You have to capture the audience. This could be achieved by telling a story to underline why your idea / product / service is important and worthy to be realized.

Keep in mind that the buying behaviour of all of us is based on emotion. Only in a second step we justify our buying through logic. To deliver a successful presentation it is essential to get your audience to self-identify with your idea / product / service.

**Material**

The following example of an application form of an idea competition will show you how an application form could look like.

**Business Idea Sketch**

**ENTRY FORM / DETAILS OF ENTRANT**

<table>
<thead>
<tr>
<th>DETAILS OF ENTRANT</th>
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</thead>
<tbody>
<tr>
<td><strong>Name (contact):</strong></td>
</tr>
<tr>
<td><strong>Private address:</strong></td>
</tr>
<tr>
<td>street, city, ZIP code, country</td>
</tr>
<tr>
<td><strong>Telephone:</strong></td>
</tr>
<tr>
<td><strong>Study program: (if the idea competition is organized by a University or a Higher Education Institution)</strong></td>
</tr>
</tbody>
</table>
* In case of team submissions, please list the names of all participants on the last page.

**TITLE OF THE ENTREPRENEURIAL IDEA**

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**THE ENTREPRENEURIAL IDEA AND ITS POTENTIAL IN DETAIL**

**THE ENTREPRENEURIAL IDEA (max. 400 WORDS)**

**Questions:**
- How would you describe your entrepreneurial idea?
- What was the point of departure / background to the idea?
- What is the current status of the proposal (initial idea, design phase, prototype, etc.)?
- What is the driving force behind the idea for you or the team?
- How do you intend to implement the idea?

**BENEFITS TO CUSTOMERS (max. 200 WORDS)**

**Questions:**
- What product or service do you intend to offer?
- Who are the potential customers for your product / service?
- Why will customers be interested in your product / idea?
- What fundamental problem will your product / service solve for customers?
- What are your customers’ needs in the context of your product / service?
### MARKET POTENTIAL (max. 200 WORDS)

**Questions:**
- Can you describe the market / segment in which your product / service will offer benefits?
- How big is this market / segment?
- What are today’s trends on this market / segment?
- Is this market / segment growing or shrinking?

### COMPETITION (max. 200 WORDS)

**Questions:**
- Who are the players on this market / segment?
- What competitive products or alternatives are there on the market?
- What are the key arguments employed by other vendors?
## DEVELOPMENT POTENTIAL: USP (max. 200 WORDS)

**Questions:**
- What is the innovative aspect of your entrepreneurial idea?
- What is the advantage of your product/service compared to your competitors?
- Does your idea have an USP?
- How much of a knowhow and time advantage do you have over imitators?

## DEVELOPMENT POTENTIAL: RISKS (max. 100 WORDS)

**Questions:**
- What are the greatest risks in the implementation of your idea?
- How much time (months/years) and what resources (financial, personnel, equipment, etc.) will you need to implement the idea?
- What are the next planned/necessary steps?

## SUMMARY OF THE ENTREPRENEURIAL IDEA (1 SENTENCE)

**Question:**
- Can you formulate the unique nature of your entrepreneurial idea in a single sentence?
Useful literature and helpful links

The following list contains helpful links for a successful idea competition.


• How to give a good elevator pitch: [http://articles.bplans.com/the-7-key-components-of-a-perfect-elevator-pitch/](http://articles.bplans.com/the-7-key-components-of-a-perfect-elevator-pitch/)


• 12 things that successfully convert a great idea into reality: [https://www.forbes.com/sites/glennllopis/2013/04/01/12-things-successfully-convert-a-great-idea-into-a-reality/#6add83f64e86](https://www.forbes.com/sites/glennllopis/2013/04/01/12-things-successfully-convert-a-great-idea-into-a-reality/#6add83f64e86)

• A very helpful overview on what a successful business plan should include: Warrington College of Business – University of Florida: The nuts and bolts of great business plans: [http://warrington.ufl.edu/centers/cei/docs/NutsAndBoltsOfGreatBusinessPlans.pdf](http://warrington.ufl.edu/centers/cei/docs/NutsAndBoltsOfGreatBusinessPlans.pdf)

• Archive of podcasts and videos of lectures delivered at Stanford University by entrepreneurs from companies such as Google and Facebook: [http://ecorner.stanford.edu/](http://ecorner.stanford.edu/)

• MagPortal.com: Search directory for finding online magazine articles. This portal helps startups by providing access to magazine articles about their product / service and industry of interest. Since January 2016, there are no new articles added: [http://www.magportal.com/](http://www.magportal.com/)


• Useful tips for brainstorming: [https://www.mindtools.com/brainstm.html](https://www.mindtools.com/brainstm.html)

• Six reasons to participate in student competitions: [https://www.topuniversities.com/blog/six-reasons-participate-student-competitions](https://www.topuniversities.com/blog/six-reasons-participate-student-competitions)

• Helpful tips to understand your competitors (although the website is created by the Chamber of Commerce of Metropolitan Montreal, Canada, the general content is useful regardless where you are from): [http://www.infoentrepreneurs.org/en/guides/understand-your-competitors/](http://www.infoentrepreneurs.org/en/guides/understand-your-competitors/)

• 10 strategies to be successful in business: [https://www.successharbor.com/5-simple-strategies-to-make-your-business-more-successful-08292014/](https://www.successharbor.com/5-simple-strategies-to-make-your-business-more-successful-08292014/)
• Helpful article on how to write a business plan:
  http://articles.bplans.com/how-to-write-a-business-plan/

• 8 common business plan mistakes:

• How to develop your business strategy:
  http://articles.bplans.com/how-to-develop-your-business-strategy/

• What business plan do I need?

• Business term glossary:

• How do you know if you have a good idea for a business?

• Is your business idea feasible?
  http://www.smarta.com/advice/starting-up/business-ideas/is-your-business-idea-feasible/

• The crucial steps for getting your business off on the right foot:
Creativity & Inspiration (I)

Overview

This module suggests how you can build a fruitful bridge between jotting down entrepreneurial inspiration with paper and pencil and the digital sphere that facilitates discussion of ideas even across time zones or geographies.

Entrepreneurial Competences

- Spotting opportunities
- Creativity
- Vision
- Valuing Ideas
- Ethical & Sustainable Thinking
- Coping with Uncertainty, Ambiguity & Risk
- Learning through Experience

Learning Outcomes

This module contributes to the students’ ability to visualize ideas and insights.

Prerequisites

No prior knowledge is required.

However, it is helpful to work through this module before you embark on a journey that offers you continuous input for your inspiration. The journey does not have to be a journey with all the travel and so forth. It can also be a (virtual) journey, which can be a sequence of events or inputs that finally lead to inspiration.
Preparation for the Teacher

Prepare a padlet at [www.padlet.com](http://www.padlet.com). Have the padlet password protected and write down the link to the padlet and the password you created. It will be important for your students to access the padlet and to work with it.

It is important here that students sign an NDA, which is provided in the module ‘Preparing the Class to Discuss’. The combination of notebooks and padlet as a sharing platform require that good ideas are not public. The NDA should take care of that.

Involvement of External Actors

You can also involve external actors to comment on the insights or ideas the students post to padlet.

Time

As this is only a supporting tool for the idea generation and inspiration. It will probably take less than an hour to get familiar with the notebook and the app (if used). If you need to assign credit points you can assign up to 0.25 ECTS.

Assessment

This module will not be graded as this only gives students a tool to present their ideas in analogue and in digital space.

Content

Tasks for the Students: Bridging Analog and Digital – Get a Notebook!

This section uses ‘you’ to address students directly.

During this course you will certainly be inspired by discussions you have, by stories you hear and by assignments you have to complete. If you are a part time student or a working professional, these insights and ideas will enable you to look at your current business from a slightly different angle. If you are not working, yet, then these ideas and insights might trigger a business idea that you might want to explore during your studies or after graduation.
All this seems important to me as it will – hopefully – support you in generating insights and getting inspiration that will finally lead you to develop an idea for your final business plan project.

You can also see that visualizing ideas is important in Herting and Willems (2016), which also contains good advice how to sketch certain components of your ideas.

1. **Get a notebook!**

I strongly feel that inspiration and insight sometimes need the tactile dimension of a paper notebook, pencil, ink, or water-colour. So please drop by the closest stationery shop and get a blank book. I recommend at least A5 sized books, A4 or letter sized books are preferable. I prefer plain or dotted notebooks to ruled or squared ones. But you may have other preferences, which is totally fine.

I have pretty good experience with Moleskin Notebooks or with notebooks by Leuchtturm 1917.

If you purchase a notebook I recommend purchasing one that supports capturing with your smartphone camera. This should facilitate the sharing of your insights and ideas (see below).

Leuchtturm 1917 white lines is one of those. This particular notebook – through the white lines technology – has the nice property that the content can easily be scanned with the White Lines smart phone app. This app seamlessly integrates with your Email, Evernote or Dropbox. It works perfectly with iOS phones and with Android phones.

![Image of a Leuchtturm 1917 whitelines notebook]

This is how a Leuchtturm 1917 whitelines notebook looks like.
Also, Moleskin notebooks from Moleskin's Evernote collection are pretty nice as well.

Please set the notebook aside and use it for your inspirations related to entrepreneurship and for the ideas and inspirations during this course only.

- Write down inspirations.
- Jot down ideas as they come.
- Draw sketches of new products and services.

Make the notebook your companion for the duration of the entrepreneurship course. Take it with you, wherever you go. At night put it on your bedside table to have it available when ideas strike in the middle of the night.
Please share your ideas! You do not have to be afraid that sharing your idea will impact its novelty. I will provide a Non-Disclosure-Agreement that I ask all of you to sign and to send back to me. So, your ideas are safe within the group.

2. **Share your insights on padlet.com**

To be able to share your insights and ideas, to provide inspiration to others I have decided to change the platform and head over to [www.padlet.com](http://www.padlet.com).

You can imagine a padlet as large blackboard, where you can post all sorts of media: text, images, sounds, videos. Everybody in the group can see and comment.

![Padlet screenshot](image)

Please access the padlet through [Link] and use the password: [Password].

**References**

Creativity & Inspiration (II)

Overview

This module offers a set of interventions that can be used as assignments or tasks to spark the inspiration of students. The overall idea is to look at everyday issues and to induce a novel perspective. The ideas and inspirations developed in this module can be the basis for a business plan or for a business plan sketch that, in the end, can be the final paper for an entrepreneurship course.

Entrepreneurial Competences

- Spotting Opportunities
- Creativity
- Vision
- Valuing Ideas
- Ethical & Sustainable Thinking
- Coping with Uncertainty, Ambiguity & Risk
- Learning through Experience

Learning Outcomes

Students experience how interesting it can be to look at familiar issues from a new or changed point of view. Students use these changes in the point of view to get inspirations for entrepreneurial ideas. After this module each and every student has developed his or her way to scribble down, write down or record (otherwise) the ideas that originate from this inspiration. Additionally, students can discuss the ideas of others and can defend their own ideas, accept criticism and improve and refine initial ideas.

Prerequisites

There are no prerequisites for this module.
Preparation for the Teacher

In this sequence of messages there is one that points students to padlet.com. This facilitates the exchange of ideas, mutual inspiration and commenting. If you want this in your course to happen, please make sure to have a padlet set up and have the students sign an NDA.

When you prepare a padlet at www.padlet.com, have the padlet password protected and write down the link to the padlet and the password you created. It will be important for your students to access the padlet and to work with it. Make the link to the padlet and the password available to your students in the course material.

The content section below contains a number of short tasks each introduced with a short text providing the rationale for this task.

1. These tasks can be used as a creativity session at the end of each class when the course spans over the 15 to 16 weeks of a semester.

2. These tasks can also be used as interventions during the off-hours of a course. Say, between classes. These interventions can be sent to the students with whatever is available.
   a. The announcement functionality of your LMS, if you are teaching online.
   b. The blackboard close to your office door.
   c. Twitter, Facebook or LinkedIn when you tell your students to follow your account on social media.

If you use this module and if you augment the list of interventions by adding your own ideas to the list, please share your interventions with the instructor [insert email address of instructor here]. The instructor will add you to the list and will of course attribute them appropriately.

Involvement of External Actors

You can also involve external actors to comment on the insights or ideas the students post to padlet.
Time

Overall this module consists of 15 interventions. In total students might work on this for 25 to 50 hours, depending on the intensity of recording and sketching ideas and insights. So, this module amounts to 1 to 2 ECTS.

Assessment

For grading of the module you can use the contribution to the padlet. However, I do not recommend trying to grade the originality of the contributions but rather the frequency (without a high number of contributions the likelihood of coming up with something good is low) and the way students respond to the ideas of others.

Content

This section uses ‘you’ to address students directly.

1. Inspiration - Preparation

This is about getting prepared for the exercises that I will sent to you in parallel to the readings and discussions. This will be a parallel stream of activities that – I hope – will spark some insight and initiate some creativity. Maybe it is fun. Maybe it helps you to come to an entrepreneurial idea for your business plan exercise.

So, before you get started, get prepared.

I. Take the notebook provided. This notebook will be your partner for the whole period of the course. I have already written about the bedside table that this notebook is intended to sit on during your nights. Make yourself familiar with the notebook.

II. If you have purchased a notebook with white lines, then you can have a look at the video https://www.youtube.com/watch?v=IXiZgVaRkSM to learn about the notebook and its digital integration.

III. As indicated already you should share some of the inspirations with all your fellow students’ inspiration and ask for comments. I have opened a padlet for that. Please have a look at the padlet address provided in your course documentation. This should be password-protected so that your ideas are secure. The password for this group is provided in your course
documentation as well. Just have a look and try it out. As you can see you can post images to the padlet-wall. This is the very point why I would recommend you to get an easy to digitize notebook. It should be easy for you to share visualizations of ideas and insights on padlet.

Note: The padlet will be a wall of inspiration and ideas that you all contribute to. Frankly, this is a rather new approach for me. But, if not in this course, where else could I give this a try? At the end of the course I am really interested in your feedback.

2. **Inspiration - Innovation and entrepreneurship need support ... and so do you.**

Companies often suffer from the fact that important innovation initiatives just disappear in everyday business life. In daily business, there is often not the time and no attention can be devoted to remotely-related matters, to wild ideas or even just to innovation.

The objective of this intervention is to prevent the exercises and inspirations I send you during the course and the activities that I intend to stimulate getting forgotten in your daily business life. Or that you direct your attention to potentially more important things.

I. Take the notebook and start on the first blank page. Use pen, pencil, colour pencils, ink or watercolour to create a page that you like. If you are afraid to start with a blank page, search for a photo, a picture or an image that you can glue onto the first page. Or create a collage from images that you find inspiring. It is important that you personalize the book. Start creating so that you always like to open the notebook!

II. Search for a mentor. Within the cohort of students, please build teams of two. You will be your buddy’s mentor and your buddy will be your mentor during the course.

III. As a mentor please ask your buddy at regular intervals about his or her experiences and activities. I assume that you always give benevolent feedback on your buddy’s experiences, insights and ideas. Start creating, start sharing, start discussing.

3. **Inspiration - Innovation is everywhere**

Carefully observing your environment will help you to be creative and to be attentive to changes and you will learn to appreciate changes. As some of the exercises to follow, this will show you
that taking a different perspective will offer new insights into your every-day environment. Eventually the exercise will help you to understand that every object, every service and every production process was once a successful innovation borne by some innovator’s creativity and entrepreneurial spirit.

Explore your environment (mentally) ...

I. Write down three innovations – either from your everyday environment or from your corporate environment – that were introduced between 2000-2016. Do not only write the innovation down, try to sketch it and start creating. Do so for the following two tasks as well.

II. Write down three innovations – either from your everyday environment or from your corporate environment – that were introduced between 1970-1999.

III. Write down three innovations – either from your everyday environment or from your corporate environment – that were introduced between 1900-1969.

Note: If you have only listed innovations that still exist today, then you have collected comparatively successful innovations.

Please, do not be discouraged by the obvious success of what still exists today. Please never think that innovations in the past have been better and you will never be able to match those products from the past. Never even start thinking along these lines! The entrepreneurs and the innovators in the past have not been greater, not been brighter, not been more creative, and not been more successful than you are!

It is all a misconception:

Just think about why we believe that the Romans were such great constructors? The answer is as obvious as it is amazing. The Romans appear to us to be so successful simply because we only perceive the works of Roman architecture, which have survived over the millennia. We no longer perceive the poorer quality buildings. Those have vanished in dust. As a matter of fact, the same is true with rather unsuccessful innovations (“flops”). Of course, they have vanished as well. Nevertheless, those flops can still teach important lessons. This will part of the next exercise.

4. Inspiration - Failures are instructive

Naming successful innovations as you have done in the previous exercise is a relatively easy exercise. A slightly larger challenge is to recall your own failures or other people’s flops. One’s own
failures are often banished from the active memory by mechanisms of repression. The flops of others are often not visible because no-one likes to talk about failures. Failures are likely to be swept under the carpet.

Try it anyway in the following exercise.

I. Try to find a few innovations that you would classify as unsuccessful. Focus here again on your everyday or your current corporate environment.

II. Why were these innovations not successful? Try to analyse in retrospect the factors that were responsible for the failure. Collect reasons for the failure and write them down in your notebook together with the failure or flop.

III. Now seat back and start pondering what can you learn for yourself and your company from that very failure?

Use your notebook sketch or write down your insights.

5. **Inspiration - Creative destruction**

Creative destruction describes the economic phenomenon of the new displacing the old. New technologies displace old technologies. New products displace old products. And new companies displace old companies. By the way, this is what you strive for as entrepreneurs!

In terms of the latter, see the German language documentation of the “Creative destroyers in the German economy” in the Financial Times Germany (FTD) at [https://web.archive.org/web/20130716014528/http://www.ftd.de/karriere/karriere/:kreative-zerstoerer/437770.html](https://web.archive.org/web/20130716014528/http://www.ftd.de/karriere/karriere/:kreative-zerstoerer/437770.html). Please note the irony here: You can access the Financial Times Germany only through The Internet Archive (Way Back Machine) because on Dec 7th, 2012 the last issue of the FTD was printed and the Financial Time Deutschland ceased to exist. FTD could not get a sustainable foothold in the German market. It set out to rejuvenate the German landscape of management and economic journalism but failed.

Try to find examples of creative destruction. Consider also what effect the creative destruction had.

I. Which technologies have disappeared and were replaced by others?

II. Which products have disappeared and were replaced by others?

III. Can you find creative destruction perhaps in other areas? Maybe in sports? Think of strategies and positions in football. Think of movement sequences during the high jump.
Use your notebook and visualize the creative destruction.

6. **Inspiration - Destruction and creativity**

As we have seen creative destruction is the economic phenomenon when new displaces the old. Sometimes there are things destructed - in the real sense - that give rise to new opportunities. So, this destruction has to be met by creativity to solve the problem. If you think about traditional patterns of social interaction or societal and environmental structures that are destructed and you meet these with new ideas, then we could say that you are exercising social entrepreneurship.

1. Think about a societal or environmental phenomenon, that you care about or the development of which makes you unhappy.

2. Brainstorm about solutions to this problem. Even if the problem you might have in front of your eyes is huge (some speak about 'grand challenges') you might consider starting small.

   Please note, that an idea that addresses a societal problem does not have to be a non-for profit organization in every case. Making profits can be really helpful even if your business is driven by a cause. To get an idea about this please talk to a management accountant who you know about how hard it is for a company to survive when it strives to make no profits at all. Talk to an innovation manager how hard it is to invest in innovation (and hence in future sustainability) when the organization may not have profits that can be invested in innovation projects.

7. **Inspiration - Competence-destroying innovations**

Creative destruction does not only apply to companies or products. Technological change can also make skills, abilities and knowledge obsolete. This so-called competence-destroying technological progress means that the skills, the knowledge, abilities and routines of formerly very successful companies no longer have any meaning in the context of the new, changed in technology.

Watch this short film about Polaroid [https://vimeo.com/46696217](https://vimeo.com/46696217) and see what people do to struggle and to fight still exploit the technological capabilities that once created Polaroid’s competitive advantage.

Technological change that destroys the expertise of companies, leads to new opportunities and changes in the sectors affected. Only companies that can quickly adapt to the technological changes can successfully weather this technological change.
I. Look around in your sector. In doing so, pay special attention to new technologies. Pay attention to initially small changes that may affect only small areas of your current market. Do you notice signs of technological change that could render specific skills of your company obsolete?

II. Think about which steps are necessary for the benefit of your company to take advantage of this change.

For a more theoretical take on competence-destroying and competence-enhancing technological shifts you can read Tushman and Anderson (1986).

8. **Inspiration - Effects of innovation**

Innovations can cause different effects. These effects can be short-term or long-term, positive or negative. They can be intended, and they can be unintended.

For example, consider the digitization of music that was ushered in with the CD as a music medium. This innovation was very successful in the short as well as in the medium-run. Just think of the prices of CDs and their associated economic successes. It's not too presumptuous to argue that precisely this digitization almost gave rise to the long-term demise of the music industry. The obsolescence of the music industry’s business model was triggered by the innovation of the CD.

I. Generally, which areas can be influenced by innovations, where might the effects of innovation occur? Do not think of economic effects only! How do these effects come about?

II. Does it generally matter where these innovations originate from - whether these innovations originate from large incumbent companies or whether they originate from small start-up companies new to the industry?

III. Select one of the innovations you chose for the period from 1970 – 1999. What effects did this innovation have? Can you distinguish short-run effect and long-run effects? Evaluate whether they are positive or negative effects. Please pay particular attention to the changes in the industry structure that these innovations presumably caused.

9. **Inspiration - The potential of non-customers**

A very simple – almost trivial – arithmetical exercise shows that the group of people, organizations or companies who do not currently belong to your customers is larger than the group that you
already call your customers. So, it can be a rather entrepreneurial move in your given organization to analyse how to convert non-customers into customers.

You can learn from the group of non-customers. Perhaps there are certain barriers that prevent these non-clients from buying your products. Perhaps these non-clients do not need your products because they use other means to solve the problems that your product solves. Or because these non-clients do not appreciate the benefits that your products (goods or services) can offer. From the knowledge of the obstacles and barriers of your non-customers you can derive opportunities for innovation.

These innovation opportunities will not only help you to increase the satisfaction of your existing customers, but also to convert a – possibly small – number of the non-customers to actual customers. So, be open not only to the problems of your customers, but also be open to the problems of individuals or organizations that are not yet among your customers.

Ask the following questions to identify new opportunities for innovation and entrepreneurship:

I. Which people, companies, organizations are not customers yet?
II. Which obstacles and barriers are causing this? How can you overcome those obstacles or barriers? Think about new features of existing products and services. Think about new pathways of delivery.

10. Inspiration - Without exaggeration

The German speaking economies owe much of their success to the precision engineering that accounts for a lot of innovations. But for economic reasons, these feats of engineering are disadvantageous, if customers do not or cannot appreciate this level of precision. Or if this precision gives rise to a number of functions that are used only by a small number of customers.

For the first case, consider for example, the very successful Gillette wet razors. We read that Gillette has been represented in the German-speaking countries since 1908 and was very successful with a single-blade razor. In 1971, Gillette introduced razors with two blades. In 1998, Gillette introduced razors with three blades. In 2006, the latest generation of Gillette razors already combined five blades. If we extrapolate this exponential growth in the number of blades we would expect a Gillette razor to have 70 blades in 2016. So the ‘additional blade’-approach is clearly not a rational approach to innovation.
As an example of the second case Microsoft Word is often quoted, the sheer amount of functions and commands exceeds what most users require and use by some magnitude.

Please have a look at the following sources:


I. Think about what would happen if you could save 20 percent of the functionality of one of your products and thus would be able to reduce the price by 80 percent.

II. Think about which customers you would lose by this measure, which customers you could win. Consider also what effect this measure could have on the production and product maintenance. Would this be a measure to gain new customers?

III. Please relate your thoughts to frugal innovation, which might not only be an interesting innovation strategy but also inspire a new way of thinking about entrepreneurial ideas.

11. Inspiration - Not for profit?

Throughout the course you have to bear in mind that entrepreneurship is not only about starting a business that is intended to earn enormous monetary profits.

Entrepreneurship skills can also be employed to start projects or social enterprises that address local, regional or even global challenges in a new way and hence contribute more to the societal welfare than they contribute to fattening the entrepreneur’s wallet. So, during the course do not only think profits but also think societal welfare!

I. Watch this TED-talk highlights three cases of local eco-entrepreneurship and observe that entrepreneurial spirit can attack societal and environmental problems from a completely different angle.

II. Look at an area or a cause that you care about. Think about the problems there. How can you contribute with your entrepreneurial spirit to solve some of those problems?

12. Inspiration - Business models

Innovations often provide the possibility for completely new and innovative business models. Briefly, innovative business models consist of new products and services, a new added value logic
and a new revenue logic. More detail about business model innovation is coming up during the next two weeks.

Innovative business models variously also change the way in which money is earned with products and services. Have a look at this inspiration and start thinking about business models even before we have covered them in the 'official' part of the course.

Ask yourself the following question:


II. Do you know of companies that separate payment and use like JCDecaux?

III. Could you adapt this component of the business model to your company or specific product groups within your company? What impact might such a change have? Think about the number of customers interested in your service and also consider your price range.

### 13. Inspiration - Customer is King

Procter & Gamble had considerable economic difficulties at the beginning of the millennium that were caused inter alia by the fact that the organic growth targets were not achievable using conventional innovation strategies. Under the leadership of CEO H.G. Lafley from about 2000, Procter & Gamble then turned to an opening-up of innovation activities (= Open Innovation). Btw: H.G. Lafley left the company after a couple of successful years. His successor was not really successful so H. G. Lafley was brought back to P&G – I even heard that he was called back from retirement (but this may be a myth).

Check out the interview at the following link [http://www.youtube.com/watch?v=xvlUSxXrff](http://www.youtube.com/watch?v=xvlUSxXrff)

For Procter & Gamble, the customer is at the centre of the innovation.

Take this idea of Procter & Gamble.

Also place your customer at the centre of your considerations.

I. Consider first what your client looks like. Portray your customer. Imagine an image of your customer.

II. Where do they come from? What is their biography?
III. What is their everyday life like?
IV. What activities do they perform?
V. What problems do they have to overcome?
VI. Now write down a brief (fictional) story, create a collage using pictures of your customer. You might as well draw and sketch a picture of your customer - This is to get a picture of your customer in the metaphorical and in the real sense. If you have a clear picture of your customer it might be much easier for you to come up with new goods or services for your customer. You might have a better understanding of his or her needs.

The world would probably be (almost) perfect, if all products worked as the respective innovators had imagined.

Unfortunately – or thank goodness – the world is not quite so perfect. This offers certain opportunities. It allows you to improve your products continuously - it also allows you to improve on your competitors' products, if you approach this cleverly.

Observe your customer in interaction with your products.

Whenever the user of your products hesitates or curses when handling it, then you have discovered a dimension in which you can improve your product.

First, look at the user-friendliness of your products or services. For the further development of your own products, ask yourself the following questions:

I. Which inconveniences apply when acquiring your products?
II. Which inconveniences apply when using your products?
III. Which inconveniences are there with the disposal of your products?

15. Inspiration - Yeah!
In the previous exercise, you started thinking about how you can reduce inconveniences in acquiring, using, and disposing of your products.

Ultimately, you want to increase the willingness to pay of your customers. This of course does not only increase with reduced inconvenience. It is also largely determined by the quality of your products.
Usually it is assumed that higher product quality also leads to a higher willingness to pay.

Now try a thought experiment to find out what you need to do if you want to increase the quality of your products. Do not be offended by the questions rather radical nature. Try to answer this, you can always downgrade and reduce. But for the time being, please stick with the radicalness of the question.

I. First, you need to have clarity about what your customers perceive as quality. So what is the product quality for which your customers are ready to pay?

II. What would you have to do to increase the quality of your products by a factor of 5?

III. Which parts / modules / construction principles / processes would have to be improved in order to increase the quality of the products significantly?

References

Preparing the Class to Discuss

Overview

The aim of this organizational module is to ensure that students in the class can freely discuss and share insights and ideas. This will be accomplished by having students sign a confidentiality agreement.

Entrepreneurial Competences

- Valuing Ideas
- Ethical & Sustainable Thinking
- Financial & Economic Literacy
- Working with Others

Learning Outcomes

- Students realize that secrecy can be achieved through agreements.
- Students sign a non-disclosure agreement and make it available to all other students in the course.

Prerequisites

None.

Preparation of the Teacher

Online

If the confidentiality agreement is used in an online or blended learning setting, then you have to prepare a template for the confidentiality agreement and make it available online. It is also very important to set up a space where students can upload the confidentiality agreement in a way that each student can observe that all other students have signed the agreement as well. This can be accomplished through a forum or a discussion board in the LMS you are using.
Presence

Prepare a template, bring enough copies to the class and have students sign the template in class. You might also give time for students to think about the document they are signing. You might therefore offer the possibility to students to sign it until the next class and email the signed agreement to you. Make sure you use about 5 minutes in the next class to ensure all the students that all other student have signed the agreement.

Involvement of External Actors

Below you find a draft version of a non-disclosure agreement. This can and maybe has to be modified to fit to the national regulations.

External actors can be involved

- through adapting the non-disclosure agreement to the national legal regulations
- by giving a small presentation about legal issues pertaining to secrecy

Time

If you want to assign credit points, you can assign students up to 0.25 ECTS. The assignment of credit points is however not obligatory within this module, and depends upon its integration into the course.

Assessment

None.

Content

This section uses ‘you’ to address students directly.

Please share your ideas! Sharing your ideas and insights in this course is essential. By sharing your ideas - i.e. by writing about your ideas, by sketching out your ideas and by talking about your ideas - you will benefit in two ways.

First, you will realize that it is quite a step to take from having an idea in your head to be able to formulate what it is, what it is about, how it will work, what the benefits are and what the associated
risks are. In our heads ideas always look more complete, more convincing and more detailed than they actually are.

Take the advice of a German writer and poet about the construction of ideas while speaking about them. In 1805 the German writer and poet Heinrich von Kleist (1805) wrote the following:

**Concerning the Gradual Formulation of Thoughts While Speaking**

*If there is something you want to know and cannot discover by meditation, then, my dear, ingenious friend, I advise you to discuss it with the first acquaintance whom you happen to meet. He need not have a sharp intellect, nor do I mean that you should question him on the subject. No! Rather, you yourself should begin by telling it all to him. I can see you opening your eyes wide at this and replying that in former years you were advised never to talk about anything that you do not already understand. In those days, however, you probably spoke with the pretentious purpose of enlightening others - I want you to speak with the reasonable purpose of enlightening yourself...*

Kleist essentially says that you should talk about your thoughts but not with the intention to educate others about your ideas but with the intention that you learn about your thoughts and ideas while you speak.

The second benefit you will receive from talking about your ideas is that you receive feedback on your ideas. You receive information about whether or not the assumptions underlying your ideas...
are plausible or even correct. You will not get this feedback if you let your ideas stew in their own juice.

You certainly see the benefits of talking about your ideas. However, you will certainly have a bad feeling in your guts that when talking about your ideas (in whatever stage they are) you are revealing too much and others might jump on those ideas. In certain situations this can really be an issue. What can you generally do to prevent this and to establish secrecy for your ideas. What can you do that you do not have to be afraid that sharing your idea will impact its novelty?

A confidentiality agreement is a good tool to make sure your ideas are not communicated to others or used by others. This holds also for this course.

We will provide a Non-Disclosure-Agreement / Confidentiality agreement that all students must sign and return. This agreement binds everybody in the course that all ideas, inspirations, inventions etc. are not to be used or communicated to others.

Hence, keep in mind now that your ideas are save in this course. You can discuss your ideas openly with your fellow students.

Material

The following text is a suggestion for a confidentiality agreement. It was developed in collaboration with Guido Donath from Donath Law.

CONFIDENTIALITY AGREEMENT

Name: _______________________
(hereinafter „Undersigned“)

I, the Undersigned, hereby represent as follows:

1) In the context of the course ______, taught at the _______________________________<, files, information, documents, records, data and facts may come to my attention (irrespective of method), which pertain to other individuals or undertakings, e.g. lecturers, personnel, students (hereinafter, collectively and individually, “Disclosing Party”) and/or constitute a valuable asset of Disclosing Party and may not be generally known or accessible. This may include, without limitation, information concerning research and development, production-processes, test results, production facilities, methods, systems, processes, products, know-how, business secrets,
ideas, inventions, patents/utility models, designs, works under copyright, plans, sketches, drawings, graphics, photographs, software/computer programs, customer base, actual/potential contractual relations, contract partners, corporate data, corporate-, marketing-, sales- and distribution-strategies, financial information, business-forecasts, business-plans (hereinafter, separately or jointly, irrespective of form, appearance, carrier or method of making accessible, “Confidential Information”).

2) I, the Undersigned, hereby irrevocably undertake and warrant to

a. keep the Confidential Information in strict confidence and secret at all times and not to disclose the same or make the same accessible to third parties without the prior written consent of Disclosing Party;

b. refrain from using the Confidential Information for own and/or third-party purposes, irrespective of whether this were for commercial or non-commercial purposes;

c. employ suitable measures to ensure that the Confidential Information in my sphere of responsibility is at all times and sustainably secured against access;

d. instruct employees, representatives, contract partners and other persons in my sphere of responsibility about the content of this Confidentiality Agreement in suitable form and obtain from the aforementioned respective declarations of obligation (unless a confidentiality obligation on their behalf is already in place, provided, that the scope of protection for Disclosing Party envisaged by this Confidentiality Agreement is sufficiently secured).

3) Any and all rights and titles in and to the Confidential Information and in connection with the same (including, without limitation, any and all intellectual property rights) vest in and remain exclusively with Disclosing Party. I understand, that I do not acquire any license, right of usage or other right therein.

4) Upon Disclosing Party’s request, any and all files, documents, data-carriers (of any form) as well as reproductions, which contain Confidential Information shall be returned to Disclosing Party, completely and without delay. This applies irrespective of who has produced or made the same. No retention right or similar right will be asserted in respect thereof.

5) I understand that my obligations hereunder remain in full force and effect also upon termination of the contact or relationship with Disclosing Party, in perpetuity.

6) Should any provision of this Confidentiality Agreement prove to be or become invalid or legally ineffective, the overall validity of the Confidentiality Agreement shall not be affected thereby. Until the parties agree on an amended provision, the invalid or ineffective provision shall be
deemed to be replaced with a valid and effective provision accomplishing as far as possible the purpose and intent of the parties.

7) This Confidentiality Agreement shall be governed, construed, performed and enforced in accordance with the laws of the Republic of Austria, excluding its conflict-of-laws provisions and the UN Convention on the International Sale of Goods (CISG). In respect of any dispute arising out of or in connection with this Confidentiality Agreement, the parties agree to submit such dispute to the exclusive jurisdiction of the competent court for the registered domicile of Disclosing Party.

Date, signature
Marshmallow Challenge

Overview

The Marshmallow Challenge has been developed by Peter Skillman and is a design collaboration game intended to help teams experience fundamental dynamics of teamwork. This collaboration game is often used to break the ice in brainstorming and collaboration sessions.

Teamwork is a relevant competence which lies at the core of all entrepreneurial activities, as every successful entrepreneur has to work closely with people (team, customers, suppliers, stakeholders, investors, etc.). Leading and motivating skills are especially important for entrepreneurs, as well as good communication skills.

In this module students are challenged to work in teams where the collective output determines final success. Furthermore, they are challenged to create a prototype and to be then able to improve and continuously refine this prototype until the aim is reached.

Tag

- Interaction
- Interaction Game
- Teambuilding
- Training of Interpersonal skills
- Training of Hard and Soft Competences
- Innovating and Thinking Out-of-the-Box

Learning Outcomes

Students get aware of the fact that diverse skills matter, and that they have the best chances to win the challenge if they work as a team together and make use of a diverse pool of competences. Students will learn how to collaborate in a team, and how to integrate specialization and facilitation skills to reach the goal of the challenge. Students should finally develop a sense for shared experience, common language, prototyping and facilitation.
The marshmallow is a metaphor for the hidden assumptions of a project. The assumption in the Marshmallow Challenge is that marshmallows are light and fluffy and easily supported by the spaghetti sticks. In reality however, the marshmallows don’t seem so light at all.

Hence, if we compare the challenge to a real-world project, the lesson is that we need to identify the assumptions in our project first of all— the real customer needs, the cost of the product, the duration of the service – and test them early and often. That is the mechanism that leads to effective innovation.

Prerequisites

None.

Preparation of the Teacher

Running a Marshmallow Challenge does not require high efforts and includes the following steps:

- Finding a suitable venue e.g. classroom with tables big enough to build a ‘sculpture/tower’
- Organizing participants in teams: minimum of two teams, four people per team
- Acquiring the tools/ingredients
- Ingredients per group/team:
  - 20 sticks of spaghetti, one meter of tape, one meter of string, one marshmallow
- Other ingredients:
  - Stopwatch (mobile phone), measuring tape, photo camera for documentation (optional), incentive, e.g. symbol, food, money, etc. (optional)
- Preparing and equipping the tables
- Setting up the environment: introducing to the game by explaining the challenge, building teams, stopping time, etc.

Find the detailed steps below:

Step 1: Scheduling a meeting

- Teams should have 45-60 minutes of time to fully engage in the challenge.
Building teams of four people.

Preparing a table to work on for each team.

**Step 2: Assembling a Kit for each Team**

In advance a marshmallow challenge kit for each team is created, with each kit containing twenty sticks of spaghetti, one meter of masking tape, one meter of string and one marshmallow. These ingredients should be placed e.g. into a paper lunch bag, which simplifies distribution and hides the contents, maximizing the element of surprise.

- **Spaghetti**: uncooked; spaghettini or fettucini are not suitable for use.
- **String**: string which can be easily broken by hand or include scissors.
- **Marshmallow**: ‘standard’ size, about 3-4 cm. Mini or jumbo marshmallows, as well as stale marshmallow are not suitable for use.
- **Masking Tape**: standard masking tape.

**Additional tools:**

- **Measuring Tape**: to measure the height of the structures.
- **Countdown App or Stopwatch**: The actual marshmallow challenge takes eighteen minutes. Eighteen minutes seems to be the optimum time. Twenty minutes is too long and fifteen is too short. Idea: video projector to display the countdown time.

**Tip**

Video Projector and Sound System (optional): using a video projector and a sound system for music during the challenge (timing out a 18-minute playlist) to countdown time, e.g. time ends when the last song is over.

**Step 3: Delivering Clear Instructions**

- Clarification of goals and rules of the Marshmallow Challenge.
- Using a presentation to introduce the challenge as well as to visually reinforce the instructions.
**Step 4: Starting the Challenge**

Starting the countdown clock (and the music) with the start of the challenge.

- **Walking around the Room:** It’s amazing to see the development of the structures as well as notice the patterns of innovation most teams follow.
- **Reminding Teams of the Time:** Countdown the time. Usually, 12 minutes, 9 minutes (half-way through), 7 minutes, 5 minutes, 3 minutes, 2 minutes, 1 minute, 30 seconds and a ten-second count down are called.
- **Calling Out How the Teams are Doing:** Let the entire group know how teams are progressing. Call out each time a team builds a standing structure. Build a friendly rivalry. Encourage people to look around. Don’t be afraid to raise the energy and the stakes.
- **Reminding Teams that Holders will be Disqualified:** Several teams will have the powerful desire to hold on to their structure at the end. Usually because the marshmallow, which they just placed onto their structure moments before, causing the structure to buckle. The winning structure needs to be stable.

**Step 5: Finish the Challenge**

After the clock runs out, ask everyone in the room to sit down so everyone can see the structures. Likely, just over half the teams will have standing structures.

- **Measuring the Structures:** From the shortest standing structure to the tallest, measure and call out the heights.
- **Identification of the Winning Team:** Ensure they get a standing ovation and a prize (if you’ve offered one).
- **Wrapping up with the Lessons of the Marshmallow Challenge:** Deliver the attached presentation or just describe some of the key lessons of the marshmallow challenge:
  - **Kids do Better than Business Students:** On virtually every measure of innovation, kindergarten kids create taller and more interesting structures.
  - **Prototyping Matters:** The reason kids do better than business school students is that kids spend more time playing and prototyping. They naturally start with the marshmallow and stick in the sticks. The Business School students spend a vast amount of time planning, then executing on the plan, with almost no time to fix the design once they put the marshmallow on top.
Involvement of External Actors

External actors could get involved through the role of the observer during the challenge and in the reflection section after the challenge as discussants. Having an external observer who does not participate in the challenge might bring additional insights and perspectives.

Time

The challenge can be part of a regular lesson or implemented as separate session/class. Each challenge has a duration of 18 minutes, but a total time frame of 45-60 minutes has to be counted in. If you would like to assign credit points, you can assign a maximum of 0.25 ECTS.

Assessment

None.

Content

Marshmallow Challenge

Building teams of four people. Within 18 minutes each team must try to build a freestanding structure with spaghettis, a tape, a string, and a marshmallow. The tallest structure wins.

- **Building the Tallest Freestanding Structure**: The winning team is the one that has the tallest structure measured from the table surface to the top of the marshmallow. That means the structure cannot be suspended from a higher structure, like a chair, ceiling or chandelier.
- **The Entire Marshmallow must be on top**: The entire marshmallow needs to be on the top of the structure. Cutting or eating part of the marshmallow disqualifies the team.
- **Using as Much or as Little of the Kit**: The team can use as many or as few of the 20 spaghetti sticks, as much or as little of the string or tape. The team cannot use the paper bag as part of their structure.
- **Breaking up the Spaghetti, String or Tape**: Teams are free to break the spaghetti, cut up the tape and string to create new structures.
- **The Challenge Lasts 18 minutes**: Teams cannot hold on to the structure when the time runs out. Those touching or supporting the structure at the end of the exercise will be disqualified.
Reflection

Reflection afterwards about:

- Who tends to do the worst and why?
- Who tends to do the best and why?
- What improves performance and what does not?
- What was challenging during the competition and what was easy?

References

Opportunities

Overview

This section is about trends as one source of inspiration to find opportunities for entrepreneurial activities.

Entrepreneurial Competences

- Spotting Opportunities
- Creativity
- Vision
- Financial & Economic Literacy
- Coping with Uncertainty, Ambiguity & Risk

Learning Outcomes

After having completed this section students can identify trends. They know different sources where they can find discussions about trends. They can also work with trends and discuss the implication of certain trends on their business. They know that trends are a valuable source to point towards current or future opportunities.

Prerequisites

A basic understanding of entrepreneurship is important. Students should have completed the section that introduces entrepreneurship and the entrepreneur in detail.

Preparation for the Teacher

Make sure students have internet access in the classroom to access the websites below.
Involvement of External Actors

If you have access to external actors that are knowledgeable about trends, invite them to your classroom. You can also arrange for an excursion to a company in your region and discuss how this company responds to certain trends. The excursion is generally more impressive the larger the company is and the more systematic the company really engages in building scenarios based on different trend trajectories.

Time

0.5 ECTS.

Assessment

You can assign students a different industry each. Have them present the industry and relevant trends that will affect the industry in 10-15 years. You can grade the presentations then.

Content

This section uses ‘you’ to address students directly.

Tasks for Students: Trends

Please read through Fuduric (2008) on entrepreneurial opportunity. Fuduric (2008) distinguishes between Schumpeterian opportunities and Kirznerian opportunities. You should be able to distinguish both. Fuduric (2008) argues that an entrepreneur can be described from a Schumpeterian perspective and from a Kirznerian perspective. It is not ‘either ... or ...’ for the entrepreneur; rather the entrepreneur can be understood as being both Schumpeterian and Kirznerian. Both views have different ideas of what entrepreneurial opportunities are. It is important for you to distinguish both for the assignment below.

Additionally, note that recognizing opportunities requires prior experience in the field and it requires hard work and openness towards unusual points of view and the unexpected insights that might follow (https://www.fastcompany.com/3022490/why-openness-to-experience-is-the-key-to-creativity).
Discussion: A Whole Universe of Trends

Trends are an important source of insight and provide valuable inspiration for new products, services or processes. The analysis of trends is also extremely helpful for the assessment of the potential growth trajectory your ideas and your new ventures have.

Here are some web-site that offer trend analysis.

German language:

http://www.gdi.ch/de
http://www.trendbuero.de
http://www.trendone.de
http://www.z-punkt.de
http://www.zukunftsinstitut.de

International:

http://www.trendwatching.com
http://www.springwise.com
http://www.trendhunter.com
http://www.psfk.com/

Some of these sites offer a small part of their analysis for free.
MCI has licensed the Trendexplorer, a trend database generated by TrendOne. In the next couple of weeks, you will receive login information so that you can explore the TrendOne’s universe of trends. You can search the database in multiple ways.

The Trendexplorer aggregates the Micro-Trends into Mega-Trends:

But still I feel that the most important and the most interesting feature of the Trendexplorer are the Micro-Trends. TrendOne uses the term ‘Micro-Trends’ for innovations, new business models, new processes, ideas and technological developments (in the prototype-stage). The database currently carries over 20,000 Micro-Trends. You can search these Micro-Trends by category, by industry, by megatrend, by innovation type, by country and by time frame.

Please note: During our course you can use the provided login-information to analyse trends as long as they relate to the tasks assigned during the course. Please do not use the login-information for other purposes such as consulting other individuals or enterprises or for writing and selling
trend-reports with information from the Trendexplorer. This is not covered by the license we purchased for you.

**Question**

Please collect (from the Trendexplorer or from other sources – see above) trends that matter in your current industry or to an industry you know well. Briefly describe these trends and discuss how these trends will change the way business is done in your industry. Please also identify entrepreneurial opportunities from these trends.

Please note that one of the key success factors for entrepreneurial success is the entrepreneurial focus on solving customer problems. When you identify entrepreneurial opportunities please focus on customer problems that might occur based on the dynamic change generated by the trends you observe.

Please also note that the identification of trends and the assessment of their importance is a rather subjective endeavour. The trends I identify are probably not the trends that you identify. But your argumentation will have more punch, if you can convince others that the trend you analyse really exerts an important dynamic. So, you might also challenge your fellow students’ analysis.

**References**


Decisions to Make

Overview

Target for the course is to provide students with a small set of decisions that are of strategic relevance to the future business or social enterprise. The discussion of these decisions includes the introduction of the analysis of the industrial structure (Porter’s five forces) and the PESTEL analysis.

Entrepreneurial Competences

- Self-Awareness & Self-Efficacy
- Mobilizing Resources
- Financial & Economic Literacy
- Mobilizing Others
- Taking the Initiative
- Planning & Management
- Learning through Experience

Learning Outcomes

Once completed this module the students understand certain strategic decisions an entrepreneur has to make. Students can apply appropriate analyses for these decisions.

Prerequisites

It is helpful for this module to have some ideas about the Resource Based View of the Firm and about the concepts that are key to the Business Model Canvas. Only then the context of the decisions will be clear.
Preparation of the Teacher

Prepare the classroom or the online forum in a way that facilitates the discussion among students. Please make sure that either all students or no student have institutional access to the MarketLine database mentioned below. You may use the questions below as an input into the small group discussions.

Involvement of External Actors

External actors can be easily involved in this module. We suggest to include entrepreneurs who report about their decisions.

Time

0.5 ECTS.

Assessment

You can use the questions in the content section below to create assignments and grade these assignments appropriately.

Content

This section uses ‘you’ to address students directly.

Important Decisions to Make

“Make or buy” Decisions

In the context of resources and activities, you always have to decide which activities are better done by yourself (looking at your key competencies) and which should be outsourced to external service providers or partners. Moreover, also supportive tasks, such as for example accounting or human resource management, do not need to be performed by yourself. In fact, you should ask yourself for every activity: make or buy?
Within “Make or buy” decisions the respective advantages and disadvantages have to be considered. In this regard it is essential to determine where your key competencies are actually lying. Activities which claim your key competencies and key resources should remain in house, others instead, can be outsourced. Furthermore, such decisions are usually not permanent, meaning that decision about outsourcing or insourcing are indeed conceivable starting/cancelling anytime (evobis, n.d., p. 88).

**Criteria for “make or buy” decisions**

**Strategic relevance:** Activities that substantially contribute to your competitive advantage are of strategic relevance. Hence, these activities should remain under your control. For instance, technology firms would not outsource R&D activities, as for ex. Coca Cola would also never reveal its recipe.

**Best suitability:** Every entrepreneurial activity requires specific capabilities that are not necessarily available within the team. Thus, you need to consider whether it makes sense to execute certain tasks, demanding specific capabilities not (yet) available within your organization, by your own and to learn the needed skills, or whether it would be more advantageous to source them out to a specialized firm. Specialized firms do not only have more experience with executing the specific task but enable also cost benefits thanks to a greater volume of orders.

**Market offer:** Before making a “buy” decision, you need to clarify if the products and/or services are available on the market in the desired form or specification. Whenever possible, negotiate with multiple providers since you will usually receive more favourable conditions and simultaneously learn more about the to-be-bought service. Oftentimes, the cooperation with a supplier can even improve his performance. In case no provider is available for a certain task, you will maybe find a partner who is willing to develop the required capabilities.

**Question**

Describe your “make or buy” decisions considering the respective advantages and disadvantages.

**Industry around Your Enterprise**

You should never regard your business model in isolation. Instead, you need to consider the business environment and various market forces in place. In this regard, an analysis of Porter’s five forces helps you to assess the attractiveness of an industry that you might want to enter. Please note, that Porter’s five forces does not explicitly include innovation activities within the industry.
Hence, it is a rather static model of the industry. When you analyse the five forces always bear in mind that actors in the industry can come up with novel products, services, or business models, just as you do.

In this section we want to highlight what these five forces are. Barriers to entry are created by

- Economies of scale
- Proprietary product differences
- Brand identity
- Switching costs
- Capital requirements
- Access to distribution
• Absolute cost advantages
  o Proprietary learning curve
  o Access to necessary inputs
  o Proprietary low-cost product design
• Government policy
• Expected retaliation

The level of rivalry is determined by:

• Growth of the industry
• Fixed (or storage) costs/ value added
• Intermittent overcapacity
• Product differences
• Brand identity
• Switching costs
• Concentration and balance
• Informational complexity
• Diversity of competitors
• Corporate stakes
• Exit barriers

The threat of substitution is determined by:

• Relative price performance of substitutes
• Switching costs
• Buyer propensity to substitute

Buyer power depends on:

• Bargaining leverage
• Buyer concentration vs. firm concentration
• Buyer volume and buyer information
• Buyer switching costs relative to firm switching costs
• Ability to backward integrate
• Substitute products
• Pull-through
• Price sensitivity
• Price/ total purchases
• Product differences
• Brand identity impact on quality/ performance
• Buyer profits
• Decision makers’ incentives

The power of suppliers hinges on:

• Differentiation of inputs
• Switching costs of suppliers and firms in the industry
• Presence of substitute inputs
• Supplier concentration
• Importance of volume to supplier
• Cost relative to total purchases in the industry
• Impact of inputs on cost or differentiation
• Threat of forward integration relative to threat of backward integration by firms in the industry

**Question**

As an exercise take an industry that you know and try to find out about the five forces in this industry. If you have access to MarketLine ([http://advantage.marketline.com](http://advantage.marketline.com)) select an industry that you are interested in, select a geography. The MarketLine industry report will also contain an analysis of Porter’s five forces. Please do not underestimate the value of professionally researched market and industry reports.

**The Environment Around Your Enterprise**

The business environment around your new enterprise strongly determines the risk you are taking, the freedom you have to operate, the restrictions and obstacles you face, and finally the likelihood of your enterprise to survive. Find out what business environment surrounds you and systematically look for opportunities to further develop your business model (evobis, n.d., pp. 91–92).

A PESTEL analysis can be a helpful device to analyse the environment. The bullet list below provides you with a checklist of issues that would fall under the notion of political, economic, socio-cultural, technological, environmental, and legal factors that you have to consider (Jurevicius, 2013). You can certainly see why each one of these factors has a bearing on the likelihood of success for your profit or non-profit enterprise.
Usually, a PESTEL analysis is carried out on the level of a country or a region. In international business you look at the PESTEL analysis when you analyse the expansion of your business abroad. The analysis, however, is also valuable if you want to enter a market that you have not operated in before and - maybe even different options are available to you.

**Political factors:**

- Government stability and likely changes
- Bureaucracy
- Corruption level
- Tax policy (rates and incentives)
- Freedom of press
- Regulation/ de-regulation
- Trade control, tariffs
- Import restrictions (quality and quantity)
- Competition regulation
- Government involvement in trade unions and agreements
- Environmental law, education law
- Anti-trust law, discrimination law
- Copyright, patents / IP law
- Consumer protection and e-commerce
- Employment, health and safety law
- Data protection law
- Laws regulating environmental pollution

**Economic factors:**

- Growth rates
- Inflation rate
- Interest rates
- Exchange rates
- Unemployment trends
- Labour costs
- Stage of business cycle
- Credit availability
- Trade flows and patterns
- Level of consumers’ disposable income
- Monetary policies
- Fiscal policies
- Price fluctuations
- Stock market trends

**Socio-cultural factors:**

- Health consciousness
- Education level
- Attitudes toward:
  - imported goods and services
  - work, leisure, career and retirement
  - product quality and customer service
  - saving and investing
  - “green” or ecological products
  - renewable energy
- Emphasis on safety
- Lifestyles
- Buying habits
- Religion and beliefs
- Population growth rate
- Immigration and emigration rates
- Age distribution and life expectancy rates
- Sex distribution
- Average disposable income level
- Social classes
- Family size and structure
- Minorities

**Technological factors:**

- Basic infrastructure level
- Rate of technological change
- Spending on research & development
- Technology incentives
- Legislation regarding technology
- Technology level in your industry
• Communication infrastructure
• Access to newest technology
• Internet infrastructure and penetration

Environmental factors:
• Weather and climate change
• Laws regulating environment pollution
• Air and water pollution
• Recycling and waste management
• Attitudes toward:
  o “green” or ecological products
  o renewable energy
• Endangered species

Legal factors:
• Anti-trust law
• Discrimination law
• Copyright, patents/ Intellectual property law
• Consumer protection and e-commerce
• Employment law
• Health and safety law
• Data protection

Question
As an exercise take a country you know and look at a company or an industry that you know and try to find important factors that determine the firm’s / industry’s environment in the selected country. Try to build a PESTEL analysis. If you have access to MarketLine (http://advantage.marketline.com) select a geography (country, region or continent). The MarketLine will also provide you with a PEST (without the EL) analysis. Here again, please do not underestimate the value of professionally researched market and industry reports.

Location of the company
To determine the location of your company, you need to ask yourself, if the location influences your company’s success. For the initial start-up phase and for subsequent financing rounds, for initial staffing the start-up, and for subsequent growth (to name a few instances) location may be
crucial. Granted, that over the last two decades we have witnessed that transportation costs and costs for information have fallen dramatically. Yet, location still matters in terms of access to networks and to labour markets (which turn out not to be so mobile), for instance.

For companies with direct distribution and thus greater customer proximity, the location issue is of vital significance. Thus, your location choice is highly connected to your distribution strategy as well as to company-specific factors. Possible criteria for the location choice are:

- Customer proximity
- Necessity of a branch-specific environment
- Availability of adequate employees
- Infrastructure, traffic connection, rental charges/ cost of land, IT
- Intensity of competition in the surroundings
- Financial aspects (e.g., regional subsidies)
- Proximity to raw material

Shortly explain the choice of your location. Remember though that your company could make fast progress and grow in terms of team size. Hence, you should choose a location that allows you to stay for at least two years without moving (evobis, n.d., p. 93).

References


Final Project – Business Plan

Overview

Target for the module is to induce students to think about their entrepreneurial idea and prepare a business plan sketch or a business plan (depending on the time available to students).

Entrepreneurial Competences

- Spotting Opportunities
- Creativity
- Vision
- Valuing Ideas
- Ethical & Sustainable Thinking
- Self-Awareness & Self-Efficacy
- Motivation & Perseverance
- Mobilizing Resources
- Financial & Economic Literacy
- Mobilizing Others
- Taking the Initiative
- Planning & Management
- Coping with Uncertainty, Ambiguity & Risk
- Working with Others
- Learning through Experience

Learning Outcomes

Once completed this module the students understand certain strategic decisions an entrepreneur has to make. Students can apply appropriate analyses for these decisions.
Prerequisites

It is helpful for this module to have some ideas about Entrepreneurship and the Business Model Canvas.

Preparation of the Teacher

Make the information about the final project available to students.

Involvement of External Actors

External actors such as start-up coaches or entrepreneurs can be involved in the grading process.

Time

2 ECTS for a business plan sketch or 3 ECTS for a business plan.

Assessment

Grade the business plan or a presentation of the business plan.

Content

This section uses ‘you’ to address students directly.

Your Final Project

The final project of the course is to write a brief business plan or a business plan sketch about an entrepreneurial idea that you have developed during the course. Use the ideas and inspirations that you collected during the last weeks. Select the most promising one and tailor a business plan based on this idea.

I suggest that you use the template provided for the structure of the business plan.

A jury of three (an entrepreneurship coach, an entrepreneur and myself) will evaluate your business plan, which will be 30% of your final grade.
We will assess the business plan based on the following characteristics:

1. Form (20%)
2. Customer Problem (15%)
3. Business Model (15%)
4. Competition Analysis (15%)
5. Team (15%)
6. All Other Issues (20%)

Additionally, to complement the business plan (10% of your grade), you have to produce a presentation including the narration, so that the presentation provides a self-contained pitch for the idea that you captured in the business plan. The easiest way to do this (not the only one, of course) is to use the recording capabilities of Microsoft PowerPoint (https://support.office.com/en-us/article/Add-narration-to-a-presentation-0b9502c6-5f6c-40ae-b1e7-e47d8741161c#bm5).
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