

Student: _____

1. The Opening Profile to Chapter 2 discusses Geoff Ballard - he made a point of saying he always had a steady job - never changing from job to job.
True False
2. Most entrepreneurs and innovators agree that looking for innovative ideas is a painful awful experience.
True False
3. Work experience, whether current or prior, is the most common source of new business ideas.
True False
4. One of the best methods of finding business ideas is to simply observe your current environment.
True False
5. Entrepreneurs should also pay attention to consumer trends. Duplicating an existing trend or designing a product to meet a trend in consumers' lifestyles can be extremely profitable.
True False
6. The federal government can be a source of new product ideas in two ways. First, the files of the Patent Office, Second, new product ideas can come in response to government regulations.
True False
7. Potential entrepreneurs and intrapreneurs should also establish an informal method for monitoring and evaluating competitive products and services on the market.
True False
8. *Demographics* refers to the location of the population and how it can be divided into significant categories based on where people's parents were born.
True False
9. Baby boomers are people who are born between the years 1946 and 1966.
True False
10. The echo generation is made up of people born between 1960 and 1995.
True False
11. The back-end boomers bought their first homes later than the front-end boomers, waited longer to have children, and have garnered less disposable income.
True False
12. The echo generation as a whole are more receptive to technology than their parents.
True False
13. Groups of individuals providing information in a structured format is known as a Focus Group.
True False
14. The *brainstorming* method allows people to be stimulated to greater ... and most of the ideas generated from the group have basis for further development.
True False
15. When using brainstorming, no criticism is allowed by anyone in the group.
True False

16. Reverse brainstorming is similar to brainstorming, except that criticism is allowed.
True False
17. Brainwriting is a form of written brainstorming. The participants write their ideas on special forms or cards that circulate within the group.
True False
18. Problem inventory analysis A method for obtaining new ideas and solutions by focusing on answers.
True False
19. Creativity is an important attribute of a successful entrepreneur, and increases with age and bureaucracy.
True False
20. Problem Solving: The *Gordon method*, unlike many other creative problem-solving techniques, begins with group members knowing the exact nature of the problem.
True False
21. The main conclusion to be drawn from the Geoff Ballard story presented in the text was _____.
A. that failing at entrepreneurship should be encouraged as it builds character and persistence
B. that it is safer to stay working for someone else rather than following "pipe dreams"
C. that some ideas such as using alternative energy sources for vehicles can take a very long time to develop
D. that getting people to change their driving habits was more important than developing alternative energy sources
E. None of the answers apply.
22. Source(s) of ideas for new products or services include which of the following?
A. consumers
B. members of the distribution channel
C. the Federal Government
D. research and development
E. All of the answers are correct.
23. This source of new business ideas provides the benefit of uncovering ways to improve on the market appeal of a company's products. It is which of the following?
A. consumers
B. existing products and services
C. members of the distribution channel
D. research and development
E. None of the answers apply.
24. The largest collection of publicly available technology information that entrepreneurs can use as a source of new business ideas can be found _____.
A. on the Internet by searching, "new business ideas"
B. at the Canadian Science Bureau
C. at the Canadian Intellectual Property Office
D. at the Ottawa Federal Library of Science and Technology
E. None of the answers apply.
25. New business ideas such as recycling bin cleaning and contractors specializing in building smoking sections in buildings were used in the text as examples of which of the following?
A. government's role in suggesting new products or services
B. compliance with government regulations creating new business opportunities
C. research and development creating new products and services
D. monitoring existing products and services to discover opportunities to improve upon them
E. None of the answers apply.

26. As discussed in the text, the largest source of new product ideas is _____.
A. the Canadian Intellectual Property Office
B. the entrepreneur's research and development
C. consumers
D. members of the distribution channel
E. None of the answers apply.
27. Getting an idea from your hobbies ties back to the notion of
A. starting a company in an area in which you have previous knowledge
B. starting a company in an area in which your friends have previous knowledge
C. making easy money
D. doing simple things
E. None of the answers apply.
28. Sandra Wilson, when she created Robeez Inc., developed her ideas by
A. starting a company in an area in which your friends have previous knowledge
B. reflect on past experiences and thinking about consumer habits and demands
C. making easy money
D. doing simple things
E. Focusing on her hobbies
29. Observations: One of the best methods of finding business ideas is to simply observe your current environment. In this context, often, some of the best ideas come from
A. starting a company in an area in which your friends have previous knowledge
B. your day-to-day activities.
C. making easy money
D. doing simple things
E. focusing on hobbies
30. Consumers: Entrepreneurs should continually pay close attention to potential customers. This attention can take the form of
A. informally observing consumers
B. identify gaps in the marketplace
C. monitoring potential ideas
D. formally arranging for consumers to have an opportunity to express their opinions
E. All of the answers apply.
31. Holey Soles, a Vancouver company, has achieved \$3.5 million in sales by manufacturing candy-coloured plastic clogs. The did this by
A. identify gaps in the marketplace
B. duplicating an existing trend
C. informally observing consumers
D. formally arranging for consumers to have an opportunity to express their opinions
E. All of the answers apply.
32. Vancouver native Andrew Scott founded Digital Payment Technologies Corp. (DPT), a company that developed a replacement for traditional grey parking meters. He did this by
A. informally observing consumers
B. duplicating an existing trend
C. spending money on research and development to build his new improved parking meters
D. monitoring potential ideas
E. All of the answers apply.

33. Distribution Channels: Members of the distribution channels are also excellent sources for new ideas because
- A. Of their familiarity with the needs of the market.
 - B. channel members frequently have suggestions for completely new products
 - C. they can also help in marketing the entrepreneur's newly developed products
 - D. channel members make suggestions about things such as new colours
 - E. All of the answers apply.
34. The federal government can be a source of new product ideas in several ways. David Reynolds, who is featured in the Opening Profile in Chapter 1, frequently uses the
- A. Embassies
 - B. Patent Office Web site
 - C. channel members
 - D. Trade Office
 - E. All of the answers apply.
35. The **largest** source of new ideas is the entrepreneur's own
- A. informally observing consumers
 - B. duplicating an existing trend
 - C. family
 - D. monitoring potential competitors ideas
 - E. "research and development" efforts
36. To an entrepreneur in Canada, the concept of a "baby boomer" is important for which of the following reasons?
- A. Babies need many different things, all of which are purchased.
 - B. As a group, baby boomers make up 1/3 of the population in Canada.
 - C. Baby boomers tend to be loud and opinionated, which can help to generate word of mouth advertising.
 - D. Spending power in Canada is evenly distributed amongst the various age groups that can be segmented.
 - E. All of the answers are correct.
37. The use of demographics in determining marketing and entrepreneurship strategy is based on which of the following assumptions?
- A. People of similar age and characteristics tend to have similar spending and behaviour patterns.
 - B. Where a person lives is a good predictor of how they think and behave.
 - C. Competition between age groups for resources can be accurately predicted.
 - D. Diversity within the Canadian population makes predicting demand more difficult.
 - E. None of the answers apply.
38. From a marketing perspective, splitting the baby boomer group into front and back halves is necessary for which of the following reasons?
- A. The baby boom echo only occurred in the back half of the baby boom.
 - B. The trend of delayed marriage did not kick in until 1960, thus fragmenting the market.
 - C. There are significant differences in thinking and behaviour within the twenty year range of the baby boom generation.
 - D. There are relatively few differences in spending within the range of the baby boom generation.
 - E. None of the answers apply.
39. Baby boomers are.
- A. people who are born between the years 1946 and 1966
 - B. those born after 1956, but before 1966
 - C. Those born between 1967 and 1979
 - D. people born between 1980 and 1995.
 - E. None of the answers apply.

40. Baby boomers in Canada are attractive target markets for entrepreneurs for which of the following reasons?
- A. they represent 1/3 of the population
 - B. they have the majority of the spending power in Canada
 - C. their interests have dominated modern society in Canada
 - D. they are getting older but are fighting it every step of the way
 - E. All of the answers are correct.
41. The back end of the boomer generation, or Generation-Xers—.
- A. people who are born between the years 1946 and 1966
 - B. those born after 1956, but before 1966
 - C. Those born between 1967 and 1979
 - D. people born between 1980 and 1995.
 - E. None of the answers apply.
42. The back end of the baby boomers are different from the front end in which of the following ways?
- A. They were the first to experience "free love."
 - B. They are more interested in quality over price as buying criteria.
 - C. They have shown more interest in nostalgia-based marketing.
 - D. They have not done as well career-wise and financially, as the front end boomers took all of the good jobs and refuse to give them up.
 - E. All of the answers are correct.
43. Children of the baby boomers are known as _____.
- A. rebound kids
 - B. Generation Y2K
 - C. the echo generation
 - D. the techno generation
 - E. None of the answers apply.
44. The echo generation are different from their parents in which of the following ways?
- A. they are a larger group due to the multiplier effect
 - B. they are more receptive to technology
 - C. they are less concerned about the environment
 - D. they are not as well educated
 - E. All of the answers are correct.
45. The echo generation is made up of people.
- A. people who are born between the years 1946 and 1966
 - B. those born after 1956, but before 1966
 - C. Those born between 1967 and 1979
 - D. people born between 1980 and 1995.
 - E. None of the answers apply.
46. To an entrepreneur, the needs of the echo generation are notable for which of the following reasons?
- A. They are nothing like the purchases of their parents, due to different interests and available resources.
 - B. They are repeating the purchases of their parents, twenty five years previous.
 - C. Their needs are different due to their interest in simplifying their life and slowing down.
 - D. They are more interested in nostalgia-based products than their parents.
 - E. All of the answers are correct.
47. This generation as a whole are more receptive to technology than their parents, more conscious of the environment, and well educated.
- A. people who are born between the years 1946 and 1966
 - B. those born after 1956, but before 1966
 - C. Those born between 1967 and 1979
 - D. people born between 1980 and 1995.
 - E. None of the answers apply.

48. Entrepreneurs may use which of the following to generate new business ideas?
- A. drawing from past experience and consumer demand
 - B. focus group discussions
 - C. brainstorming
 - D. problem inventory analysis
 - E. All of the answers are correct.
49. As a method of generating new business ideas, _____ has the advantage of using the knowledge and creativity of the entrepreneur.
- A. drawing from past experience and consumer demand
 - B. focus group discussions
 - C. brainstorming
 - D. problem inventory analysis
 - E. None of the answers apply.
50. As defined in the text, groups of individuals providing information in a structured format is (are) known as _____.
- A. focus groups
 - B. panel discussions
 - C. reverse brainstorming
 - D. problem inventory analysis
 - E. None of the answers apply.
51. Focus groups use which of the following methods?
- A. A moderator leads the group in an open, in-depth discussion.
 - B. A moderator asks each individual in the group questions, interview style.
 - C. Each participant fills out a questionnaire, followed by individual exit interviews.
 - D. None of the answers apply.
 - E. A moderator leads the group in a closed discussion
52. Focus groups can be used for which of the following purposes?
- A. generating new ideas
 - B. initial screening of ideas and concepts
 - C. help to develop marketing communication messages
 - D. All of the answers are correct.
 - E. None of the answers apply.
53. To be successful, brainstorming groups should _____.
- A. contain an expert in the field to be discussed
 - B. be serious and work-oriented
 - C. try to generate as many ideas as possible
 - D. keep the discussion rooted in reality; not waste time on wild ideas
 - E. All of the answers are correct.
54. To be successful, _____ is not desirable when brainstorming is in process.
- A. freewheeling
 - B. criticism or negative comments
 - C. generating a large quantity of ideas
 - D. idea combination and improvement
 - E. All of the answers are correct.
55. The objective of brainstorming is to _____.
- A. critically evaluate new business or product ideas presented by a group
 - B. generate ideas about a problem within a limited time frame through the spontaneous contributions of participants
 - C. develop new ideas by focusing on parameter identification and creative synthesis
 - D. critically evaluate new business or product ideas presented by an individual
 - E. None of the answers apply.

56. Which of the following statements regarding brainstorming as a creative problem-solving technique is true?
- A. only those ideas with have merit need to be recorded
 - B. critically evaluating ideas as they are presented helps to save time
 - C. having product or industry experts within the group helps to generate good ideas
 - D. the session should start with a problem statement that is neither too broad or too narrow
 - E. All of the answers are correct.
57. Providing consumers with a list of problems in a general product category and then asking them to identify and discuss products that have some of these problems is part of a technique known as _____.
- A. reverse brainstorming
 - B. Gordon method
 - C. checklist method
 - D. problem inventory analysis
 - E. None of the answers apply.
58. Which of the following methods of generating ideas recognizes that it is easier to relate known products to suggested problems to arrive at a new product idea, rather than attempting to generate an entirely new product idea by itself?
- A. problem inventory analysis
 - B. brainstorming
 - C. focus groups
 - D. Gordon method
 - E. None of the answers apply.
59. One of the challenges with using problem inventory analysis as a method of generating new product ideas is _____.
- A. careful evaluation of the results are required to ensure that they do actually represent a new business opportunity
 - B. limiting the method to identifying product ideas for further evaluation
 - C. wasting consumers' time by focusing only on problems and not opportunities
 - D. limiting the number of problems that need to be identified for each general product category
 - E. None of the answers apply.
60. As discussed in the text, to ensure the best results, problem inventory analysis should be _____.
- A. used primarily to screen ideas for commercial potential
 - B. used primarily to evaluate new product concepts or prototypes
 - C. used sparingly unless trained in dynamic psychological profiling
 - D. used primarily to identify product ideas for further evaluation
 - E. None of the answers apply.
61. As discussed in the text, creativity declines with _____.
- A. bureaucracy
 - B. education
 - C. age
 - D. lack of use
 - E. All of the answers are correct.
62. Creative problem-solving techniques discussed in the text include which of the following?
- A. brainstorming
 - B. reverse brainstorming
 - C. brainwriting
 - D. Gordon method
 - E. All of the answers are correct.

63. Which of the following is **not** one of the creative problem-solving techniques discussed in the text?
- A. Checklist method
 - B. attribute listing
 - C. Gordon method
 - D. brainstorming
 - E. voluntary relationships
64. Which of the following creative problem-solving techniques is probably the most well known and widely used, as discussed in the text?
- A. Gordon method
 - B. checklist method
 - C. brainstorming
 - D. reverse brainstorming
 - E. free association
65. As defined in the text, a group method of obtaining new ideas by focusing on the negative aspects of a product, service or idea is known as _____.
- A. reverse brainstorming
 - B. brainwriting
 - C. attribute listing
 - D. parameter analysis
 - E. Gordon method
66. As a creative problem-solving technique, reverse brainstorming is much like brainstorming except that _____.
- A. criticism is allowed
 - B. the technique is based on finding fault with existing products, services, or ideas
 - C. the group must be careful to maintain good morale
 - D. All of the answers are correct.
67. Using _____, participants silently write their ideas on special forms that circulate within the group.
- A. brainstorming
 - B. reverse brainstorming
 - C. brainwriting
 - D. checklist method
 - E. Gordon method
68. As a creative problem-solving technique, the primary advantage of brainwriting over other brainstorming methods is _____.
- A. some participants have difficulty expressing themselves in writing
 - B. there is less chance of group dynamics inhibiting the ideas presented
 - C. the group discussion format encourages dynamic thinking
 - D. participants have more time to think rather than expressing their ideas spontaneously
 - E. None of the answers apply.
69. Which of the following creative problem-solving techniques begins with group members not knowing the exact nature of the problem?
- A. the Gordon method
 - B. matrix charting
 - C. parameter analysis
 - D. free association
 - E. reverse brainstorming

70. The primary advantage of using the Gordon method of creative problem-solving is _____.
A. participation in the group is voluntary
B. the initial solution proposed is not clouded by preconceived ideas and behavioural patterns
C. ideas are critically evaluated as they are presented which helps to speed things up
D. ideas generated can often be applied to many different products or services
E. None of the answers apply.
71. In the _____ method, a new idea is developed through a list of related issues or suggestions.
A. Gordon
B. checklist
C. collective notebook
D. matrix charting
E. parameter analysis
72. Which of the following creative problem-solving methods recognizes that interesting and useful ideas can come to someone at any time of the day, often times when not concentrating on the problem at hand?
A. free association
B. forced relationships
C. parameter analysis
D. collective notebook method
E. None of the answers apply.
73. Developing a new idea by looking at the positives and negatives of an item or problem is known as _____.
A. parameter analysis
B. attribute listing
C. free association
D. Gordon method
E. None of the answers apply.
74. A creative problem-solving method that involves developing new ideas by thinking without constraints is known as _____.
A. value analysis
B. attribute listing
C. brainwriting
D. big-dream approach
E. None of the answers apply.
75. Creative synthesis is an important aspect of the _____ method of creative problem solving.
A. brainwriting
B. forced association
C. attribute listing
D. parameter analysis
E. None of the answers apply.
76. A creative problem-solving method that involves analyzing the different variables in a situation to determine their relative importance, and then examining the relationships between the more important variables to produce a solution is known as _____.
A. free association
B. Gordon method
C. parameter analysis
D. attribute listing
E. None of the answers apply.
77. The high growth of electronic commerce has been facilitated by which of the following?
A. widespread use of personal computers
B. adoption of intranets in companies
C. acceptance of the Internet as a business communications platform
D. All of the answers are correct.

78. Electronic commerce offers which of the following benefits?
- A. access to a broader customer base
 - B. lower information dissemination costs
 - C. lower transaction costs
 - D. interactive nature of the Internet
 - E. All of the answers are correct.
79. Front-end website operations involve _____.
- A. search capabilities
 - B. shopping baskets
 - C. secure payment features
 - D. All of the answers are correct.
80. A key decision for an entrepreneur seeking to use e-commerce in their business is _____.
- A. deciding how much business can they handle
 - B. whether to do it themselves or outsource to experts in the area
 - C. deciding how they will create value by doing it
 - D. deciding how to integrate the front and back ends of the model
 - E. None of the answers apply.
81. When using e-commerce, orders and sensitive information should be transferred _____.
- A. through credit card companies
 - B. by banner ads
 - C. over secure servers
 - D. through open telephone lines
 - E. None of the answers apply.
82. The Internet has also allowed entrepreneurs to start businesses with.
- A. partnership capital and resources
 - B. limited capital and resources
 - C. corporate capital and government resources
 - D. Government money
 - E. None of the answers apply.
83. In Canada, e-commerce adoption by SMEs can best be described as
- A. accelerating
 - B. moving well
 - C. stalled
 - D. extremely good
 - E. declining significantly
84. Which of the following are types of e-commerce.
- A. Business to consumer (B2C)
 - B. Business to business (B2B)
 - C. Business to government (B2G)
 - D. Consumer to consumer (C2C)
 - E. All of the answers apply
85. Which type of e-commerce is carried out, for example, on eBay or Craigslist.
- A. Business to consumer (B2C)
 - B. Business to business (B2B)
 - C. Business to government (B2G)
 - D. Consumer to consumer (C2C)
 - E. All of the answers apply

86. There are a number of business models that are currently generating revenue on the Internet. Which one involves offers a product or service in exchange for cash.
- A. Transaction Fee Models
 - B. Advertising Support Model
 - C. Intermediary Model
 - D. Infomediary Model
 - E. Affiliate Model
87. There are a number of business models that are currently generating revenue on the Internet. Which one involves offers content to visitors who may or may not pay a fee to visit the site.
- A. Transaction Fee Models
 - B. Advertising Support Model
 - C. Intermediary Model
 - D. Infomediary Model
 - E. Affiliate Model
88. There are a number of business models that are currently generating revenue on the Internet. Which one involves offers act as an intermediary, bringing buyers and sellers together.
- A. Transaction Fee Models
 - B. Advertising Support Model
 - C. Intermediary Model
 - D. Infomediary Model
 - E. Affiliate Model
89. There are a number of business models that are currently generating revenue on the Internet. Which one may charge users a fee for their content.
- A. Transaction Fee Models
 - B. Advertising Support Model
 - C. Intermediary Model
 - D. Infomediary Model
 - E. Subscription Model
90. There are a number of business models that are currently generating revenue on the Internet. Which one may collect and sell data about their online users to generate revenue.
- A. Transaction Fee Models
 - B. Advertising Support Model
 - C. Intermediary Model
 - D. Infomediary Model
 - E. Subscription Model
91. There are a number of business models that are currently generating revenue on the Internet. Which one may bring together communities of volunteers to build a project that has commercial prospects.
- A. Transaction Fee Models
 - B. Advertising Support Model
 - C. Crowdsourcing
 - D. Infomediary Model
 - E. Subscription Model
92. The two major components of Internet commerce are front-end and back-end operations. Front-end operations are encompassed in the Web site's
- A. Transactions
 - B. Search Engine Ranking
 - C. Crowdsourcing
 - D. functionality
 - E. Subscriptions

93. Many entrepreneurs fear that their next great idea will be stolen, duplicated, or plagiarized to become someone else's next great idea. It is important to understand that many ideas are just that—ideas—and once spoken in public they become
- A. secure
 - B. listed on YouTube
 - C. ranked
 - D. private
 - E. public property.
94. Intellectual property includes,
- A. Patents
 - B. Trademarks
 - C. Copyrights
 - D. Trade secrets
 - E. All of the above are correct
95. Contracts between the government and an inventor are referred to as.
- A. Patents
 - B. Trademarks
 - C. Copyrights
 - D. Trade secrets
 - E. All of the above are correct
96. Describe the four distinct phases of the entrepreneurial process, as discussed in the text.
97. Discuss the different ways and sources that entrepreneurs use to identify business opportunities.
98. Define and describe an opportunity assessment plan. How is this plan different from a business plan?
99. Describe the measures that might be used in a qualitative opportunity assessment method?

100. Using the income statement approach to opportunity assessment, briefly explain how you would estimate sales revenue using the concept of market share for a retailer, manufacturer, and a service provider.

101. Describe the brainstorming method.

102. What is Problem Inventory Analysis.

103. What is the "Gordon Method".

ch02 Key

1. (p. 57) FALSE
2. (p. 58) FALSE
3. (p. 59) TRUE
4. (p. 61) TRUE
5. (p. 62) TRUE
6. (p. 63) TRUE
7. (p. 62) FALSE
8. (p. 64) FALSE
9. (p. 64) TRUE
10. (p. 65) FALSE
11. (p. 65) TRUE
12. (p. 65) FALSE
13. (p. 65) TRUE
14. (p. 66) FALSE
15. (p. 66) TRUE
16. (p. 67) TRUE
17. (p. 67) TRUE
18. (p. 68) FALSE
19. (p. 70) FALSE
20. (p. 70) FALSE
21. (p. 57) C
22. (p. 58) E
23. (p. 63) C
24. (p. 62) C
25. (p. 64) B
26. (p. 62) B
27. (p. 59) A
28. (p. 61) B
29. (p. 61) B
30. (p. 61) E
31. (p. 62) B
32. (p. 62) C
33. (p. 63) E
34. (p. 63) B
35. (p. 64) E
36. (p. 64) B

- 37. (p. 64) A
- 38. (p. 64) C
- 39. (p. 65) A
- 40. (p. 65) E
- 41. (p. 65) B
- 42. (p. 65) D
- 43. (p. 65) C
- 44. (p. 65) B
- 45. (p. 65) D
- 46. (p. 65) B
- 47. (p. 65) D
- 48. (p. 66) E
- 49. (p. 66) A
- 50. (p. 66) A
- 51. (p. 66) A
- 52. (p. 66) D
- 53. (p. 66) C
- 54. (p. 66) B
- 55. (p. 66) B
- 56. (p. 66) D
- 57. (p. 68) D
- 58. (p. 68) A
- 59. (p. 68) A
- 60. (p. 68) D
- 61. (p. 70) E
- 62. (p. 70) E
- 63. (p. 70) E
- 64. (p. 66) C
- 65. (p. 67) A
- 66. (p. 67) D
- 67. (p. 67) C
- 68. (p. 67) D
- 69. (p. 70) A
- 70. (p. 70) B
- 71. (p. 71) B
- 72. (p. 73) D
- 73. (p. 73) B
- 74. (p. 73) D

75. (p. 73) D

76. (p. 73) C

77. (p. 75) D

78. (p. 75) E

79. (p. 75) D

80. (p. 75) B

81. (p. 75) C

82. (p. 75) B

83. (p. 75) C

84. (p. 76) E

85. (p. 76) D

86. (p. 76, 77) A

87. (p. 77) B

88. (p. 77) C

89. (p. 77) E

90. (p. 77) D

91. (p. 77) C

92. (p. 78) D

93. (p. 81) E

94. (p. 81) E

95. (p. 81) A

96. The four distinct phases of the entrepreneurial process discussed in the text were: identification and evaluation of the opportunity, development of the business plan, determination of the resources required, and managing the resulting enterprise.

97. Entrepreneurs may use many different ways to identify new business opportunities. Identifying unfilled market needs may come from observation and contact with family, friends, business associates, channel members, and consumers. Communication with technically-oriented individuals may produce ideas and innovations that offer opportunity. While ideas may come from anywhere, most promising ones originate from a dissatisfaction or problem with a current way of satisfying a particular need.

98. An opportunity assessment plan includes the following: a description of the product or service, an assessment of the opportunity, an assessment of the entrepreneur and the team, specifications of all of the activities and resources needed to translate the opportunity into a viable business venture, and the source of capital to finance the initial venture as well as its growth. The opportunity assessment plan should be shorter than a business plan, focus on the opportunity rather than the entire venture, and provide the basis for making the decision to act on the opportunity or not.

99. The measures that might be used in a qualitative opportunity assessment method would include: goals of the entrepreneur, desired work schedule, type of work desired, skills and abilities, and past experience.

Service provider sales revenue estimate: compare *production of service* capacity for the planned business to the existing industry capacity, calculate ratio and then multiply against market potential. Adjust for other qualitative factors if necessary.

Manufacturer sales revenue estimate: compare planned production capacity to existing industry capacity, calculate ratio and then multiply against market potential. Adjust for other qualitative factors if necessary.

100. **Retailer sales revenue estimate:** compare size of retail store planned to existing competition, determine ratio and multiply by market potential (population multiplied by product category spending) for the area. Adjust for other qualitative factors if necessary.

101. The *brainstorming* method allows people to be stimulated to greater creativity by meeting with others and participating in organized group experiences. Although most of the ideas generated from the group have no basis for further development, sometimes a good idea emerges. This has a greater frequency of occurrence when the brainstorming effort focuses on a specific product or market area.

102. *Problem inventory analysis* uses individuals in a manner that is analogous to focus groups to generate new product ideas. However, instead of generating new ideas themselves, consumers are provided with a list of problems in a general product category. They are then asked to identify and discuss products in this category that have the particular problem. This method is often effective since it is easier to relate known products to suggested problems and arrive at a new product idea than to generate an entirely new product idea by itself.

103. The *Gordon Method*, unlike many other creative problem-solving techniques, begins with group members not knowing the exact nature of the problem. This ensures that the solution is not clouded by preconceived ideas and behavioural patterns. The entrepreneur starts by mentioning a general concept associated with the problem. The group responds by expressing a number of ideas. Then a concept is developed, followed by related concepts, through guidance by the entrepreneur.

ch02 Summary

<u>Category</u>	<u># of Questions</u>
Difficulty: Difficult	5
Difficulty: Easy	20
Difficulty: Medium	70
Hisrich - Chapter 02	103