

YouthStart

ENTREPRENEURIAL CHALLENGES

Idea Challenge B1

I can develop an idea and a model how to implement it.
Core Entrepreneurial Education



Entrepreneurial Design – a sustainable business model

From developing an idea to product design and marketing – what is the process that a product goes through? What is trademark protection? Answer these questions for yourself by developing a sustainable business model for your own idea.

Extension Materials for Students 1

The Economy Needs New Ideas

Youth Start Entrepreneurial Challenges Programme

based on the TRIO Model for Entrepreneurship Education – www.youthstart.eu

Core Entrepreneurial Education	Entrepreneurial Culture			Entrepreneurial Civic Education
 Idea Challenge  Hero Challenge	 Empathy Challenge	 Storytelling Challenge	 Buddy Challenge	 My Community Challenge
 My Personal Challenge  Lemonade Stand Challenge	 Perspectives Challenge	 Trash Value Challenge	 Open Door Challenge	 Volunteer Challenge
 Real Market Challenge  Start Your Project Challenge	 Extreme Challenge	 Be A YES Challenge	 Expert Challenge	 Debate Challenge

The TRIO Model is a holistic definition of entrepreneurship that encompasses three areas:

Core Entrepreneurial Education comprises basic qualifications for entrepreneurial thinking and acting: developing and implementing original and innovative ideas in a creative and structured manner.

Entrepreneurial Culture refers to personal development: self-initiative, self-confidence, teamwork, empowering oneself and others.

Entrepreneurial Civic Education aims at enhancing social competences and empowering students in their role as citizens: assuming responsibility for oneself, others and the environment.

Each challenge belongs to a **challenge family** that has its own icon with a colour code that corresponds to one of the three TRIO areas. A challenge family comprises several challenges on different competence levels. The letter codes given in the teaching materials correspond to the following levels:

A1 – primary level; A2 – secondary level I; B1 and B2 – secondary level II; C1 – transition from secondary level II to tertiary level. Each level builds on the preceding level.

03

»In the future it is of great importance to be independent, not only as an entrepreneur, but also as a human being«

John Hormann, Futurologist



Our Economy Needs New Ideas

Competences

Work through this chapter and you will be able to

- analyse business ideas of entrepreneurs,
- distinguish a business idea from a market opportunity,
- develop your own business idea and assess it in regards to its future chances

Keep track

Each successful business idea starts out as a thought before being subject to entrepreneurial actions such as assessment, analysis and implementation. The first carriage without horses, was called *the car*, and was ridiculed along with self-service shops. Both of which were not expected to survive long. Yet despite common beliefs at the time, both business ideas succeed. Each innovator had an idea of how the future might look and turned them into a reality.



A good idea is the basis of entrepreneurial success, both for a business which has just been founded and for other existing businesses. As ideas vary, there is no ideal situation suitable for all businesses. After all, each person has various skills and qualifications. Each business idea turns into something personal when put into action.

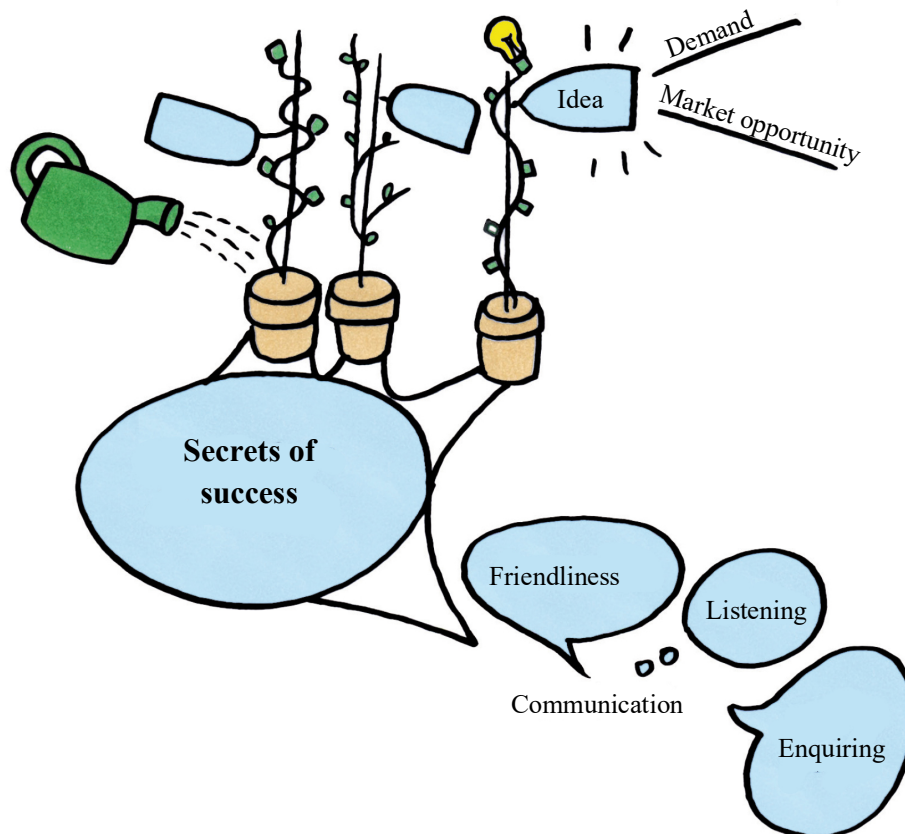
There are many kinds of business ideas such as a new product, a new manufacturing method or new resources that need processing. A business idea does not necessarily indicate a new invention. New ideas are the engine of our economy and our society.

People who implement new ideas are called entrepreneurs. This term is used more frequently and focuses on the functions of the creator, who:

- recognises market opportunities
- develops new business ideas and business models
- implements new business ideas and models

Task 1: Trading game *Secrets of Success*

On a normal day, you walk into a supermarket, stationery shop, or to the school cafeteria and you buy something. Please complete the following task and create a mind map. Using your chosen idea/product, describe the *Secrets of Success* from your point of view. What characterises and influences a successful economy? How can you participate in successful economies?



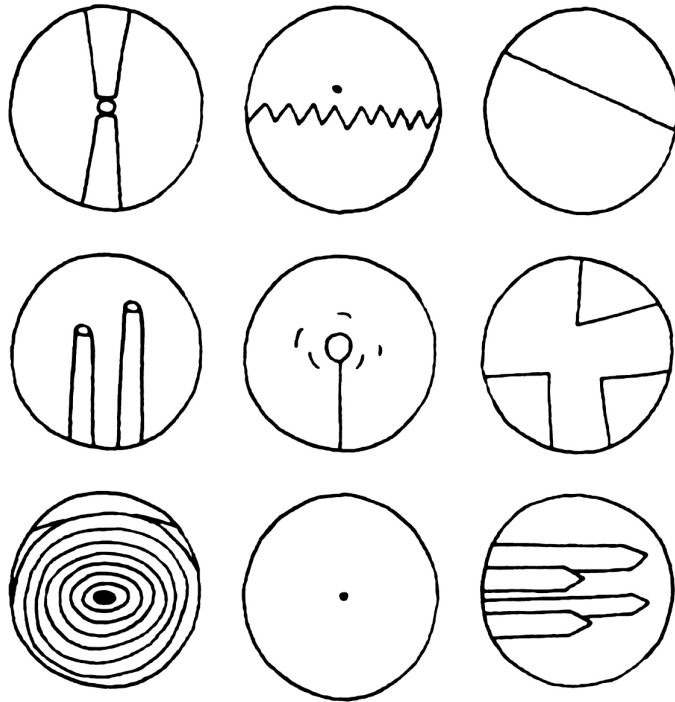
1 Using Creativity as a Catalyst for New Ideas

Task 2: Activity

Do you like you using your imagination? Look at the different image details in the circles.

Think about what those images might represent and share it with your classmates. You might be surprised with your friends' similar perceptions.

Let your ideas flow.



Creativity and persistence are key elements in your journey to creating your own business idea. You can learn to become creative and be a problem solver. Those who understand the rules and methods of creative thinking will come up with new ideas such as solutions for problems in school, the labour market, social issues, personal needs, and unique solutions for everyday challenges. You can benefit from using creative and systematic ways to generate ideas, which will be further elaborated on below.

Creativity is

- a way of thinking, looking for opportunities and alternatives (divergent thinking)
- a playful and flexible attitude towards traditional thought patterns and structures
- a remixing of known elements of an idea

Each person subconsciously thinks in acquired, familiar patterns, structures or templates (vertical thinking). Therefore, logical thinking seems like the only option for many people. Complete the following exercises to better understand this phenomenon. Only check the possible solutions once you have completed the exercise.



In order to develop ideas various creativity techniques can be used. Brainstorming is the most well-known technique. There are also other methods that allow you to think freely and also use multiple perspectives. Brainwriting and mind mapping also allow you combine a variety of thoughts to generate new ideas.

An entrepreneur as *market-oriented artist*

Entrepreneurs can be seen as *market-oriented artists*. They achieve their ideas and start their business. The difference between an artist and an entrepreneur is not the amount of creativity but the purpose for which the creativity is being used. The practical creativity of an entrepreneur is demonstrated by how they find innovative solutions to solve common problems. Artistic creativity expresses itself in various ways such as extraordinary images, music or a particular design.

Task 3: Crossing your arms

Lean back and fold your arms. And now try it the other way around with the other hand on top...

Have you noticed something? There is another option, but you automatically chose your usual position without consciously thinking about it. Creativity also means doing the same thing, but in a different way.

Task 4: "12"

What's half of "12"?

Most of you would say "6" without hesitation, but there are even more ways of expressing the possibility than you think. Here are possible answers: six, $\frac{1}{2}$, *Twelve*, *VI*, *but also: XII*.

Task 5: Everyday creativity

Think about different ways of using everyday objects and write down your ideas here below. Add other everyday objects that you come up with. Use some interesting ideas from your classmates as well.

	Your suggestions	Ideas of classmates
a) Water bottle		
b) Shopping cart		
c) Coffee pot		
d) Cylinder		

Task 6: Missing socks

We all know of the problem of socks disappearing into thin air. Often when you wash socks, some single socks seem to go missing, but never a pair. Based on this problem, what business idea could you develop?



2 New Ideas: Using a Systematic Approach

The search for new ideas is all about structure and systematisation. In order to develop ideas, certain structures can be utilised and then analysed by looking at them from different angles. Some known methods for doing this are the *Morphological Box* and the *Six-Hat-Method*.



The *Morphological Box* is a heuristic method and an analytical approach in which a good solution can be found with limited time and information. For example, you are working in the furniture industry and you would like to develop a new chair. The *Morphological Box* below uses the following steps and structure.

Step 1: First analytic phase: split problem into dimensions

Step 2: Second analytic phase: collect as many variations as possible for each dimension

Step 3: Synthetic phase: by combining variations (see line structure), a solution approach can be developed.

Dimension	Variations							
Number of legs	0	1	2	3	4	5	100	
Material	wood	glass	plastic	paper	metal	leather	stone	rattan (palms)
Height in cm	0	10	20	35	50	70	100	200
Form	round	square	rectangular	oval	ball			
Colour	white	blue	red	green	black	natural	pink	silver

Task 7: New pizza creations

As a loyal customer of Al Castello's Pizzeria, you have been invited to participate in a workshop to develop new pizza creations. Use the Morphological Box below and find as many variations possible for each dimension.

Dimension	Variations				
Basis	E.g. flat pizza	calzone			
Type of dough					
Kind of meat/sausage					
Fruits					
Vegetables					
Type of cheese					

Task 8: Vacation planning

A travel agent is searching for new specials to offer to individual travellers. Use the Morphological Box strategy to solve this issue. See the example from above.

Step 1: Which possible aspects (dimensions) of vacation planning exist?

Step 2: Which variations of the listed dimension can you think of?







Step 3: Which combination would you consider to be attractive?

Although *The Six-Hat-Method* is a structured approach, it can also be quite a lot of fun at the same time. The method assumes that looking at problems in different ways can solve every issue. The principle of this method is based on adopting various points of view to problem solve. Six-Hat-Thinking is suitable for complex problems that can be solved either individually or in groups. There are six hats available, each symbolising a different way of thinking. Choose one of the hats and try to think like it using the guiding questions below.



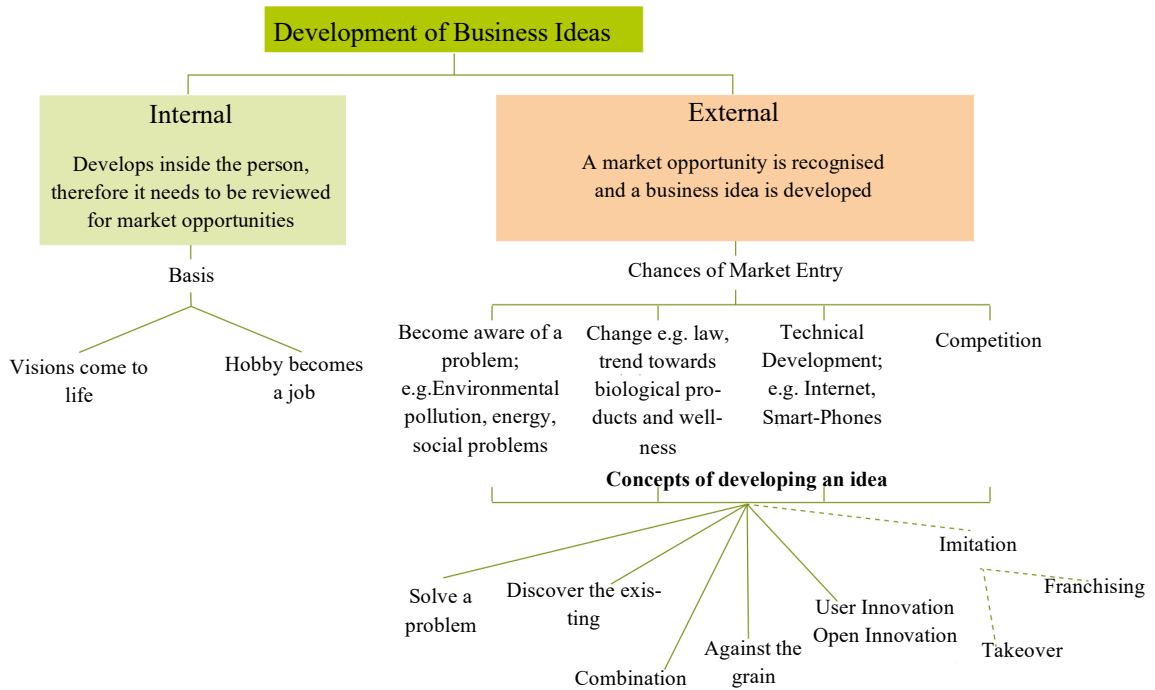
Task 9: *Six-Hat-Method*

The *Six-Hat-Method* offers the opportunity to further develop your own idea using a systematic and creative approach. Each hat symbolises a different perspective.

a) Choose your role	b) Analyse your business idea or problem using the questions to guide you.	
White hat stands for objectivity 	<ul style="list-style-type: none"> · What are the factors? · Which information do we have? Which information do we need? · Where can we find missing information? 	
Red hat stands for personal perception 	<ul style="list-style-type: none"> · How do I feel at the moment? · What does my gut feeling or my intuition tell me? · What would my spontaneous reaction be? 	
Black hat stands for doubts, but not negative feelings 	<ul style="list-style-type: none"> · What does not match with facts, our experiences, laws, our strategy and our values? · What are possible mistakes? · What are potential problems? · What are risks and disadvantages? 	
Yellow hat stands for objectivity/positive – opposite to black hat 	<ul style="list-style-type: none"> · What are positive aspects and values of this idea? · How can we make the idea happen? · What is the upside of this suggestion? · What are the advantages? 	
Green hat stands for creativity/new ideas 	<ul style="list-style-type: none"> · Which creative ideas do you have? · Which new and old alternatives do we have in order to reach the goal? · How can we solve the problems, which we faced under the black hat? 	
Blue hat stands for control/organisation of thinking process 	<ul style="list-style-type: none"> · Where do we start? · What is on the agenda? · How do we sum up previous discussions? · What needs to be done next? 	

3 Ideas in You (internal)

How do business ideas emerge? We can differentiate an idea by its influential source (internal or external factors). Internal business ideas come from persons themselves through a hobby or a dream and eventually become a reality (e.g. Max in the cartoon). External business ideas are developed by looking outwards, recognising potential market needs and providing innovative solutions to those needs. For example, a mechanic may see his/her chance when a garage becomes available in a certain region.



Task 10: Hobbies

Create a list of your hobbies and interests.

Task 11: A hobby turns into a career

Choose one of your above hobbies that could potentially develop into a business idea.

Company Profile

Together with one of your classmates, search for a company profile and present it as creatively as possible. Your presentation should be supported by a variety of visual material and should take no longer than five minutes. Use the interview guidelines below.



The following questions should be answered:

- What business idea does the company have?
- How was the business idea developed?
- Which person (or group of people) was responsible for developing the business idea?
Which personal background does the person have? Is there a connection to the business idea?
- Which events or developments have led their success? Which obstacles had to be overcome?
- What competitive advantage does the business idea have today?

Task 12: Internal business idea

You can use a variety of strategies when searching for suitable business ideas and concepts. On your own, find a business idea for each concept of an existing company.



Visions come to life. Like many other South American football players, Lionel Messi started out his career on the streets as a child calling it his second living room. Almost every day, he kicked his football together with his friends between their hand-made football goals. He soon realised that he had talent and took the risk to travel to Barcelona at the age of 13. Since childhood Lionel suffered from a rare growth disorder which greatly impacted his physical development. This did not discourage him from his dream to try out for FC Barcelona. Together with his trainers and hard work, he made the A-team at the age of 17. Today, he is rated as one of the best players of the world. He has been awarded the FIFA World Football Player several times. He remains a world champion, a top goal scorer for Spain and in the Champions League. Regardless of his prestige, he is seen as a down-to-earth and helpful person.

Your example:

Turn a hobby into a career. This concept refers to turning a hobby into a business idea. Wolfgang Konrad from Tyrol, Austria believes that running improves the quality of life. Even during his apprenticeship at a young age, Konrad was running. He later became a top athlete and held the Austrian record in the 3000 m obstacle run for 17 years. His path led him from being a high-voltage installation technician to becoming a runner and running coach.

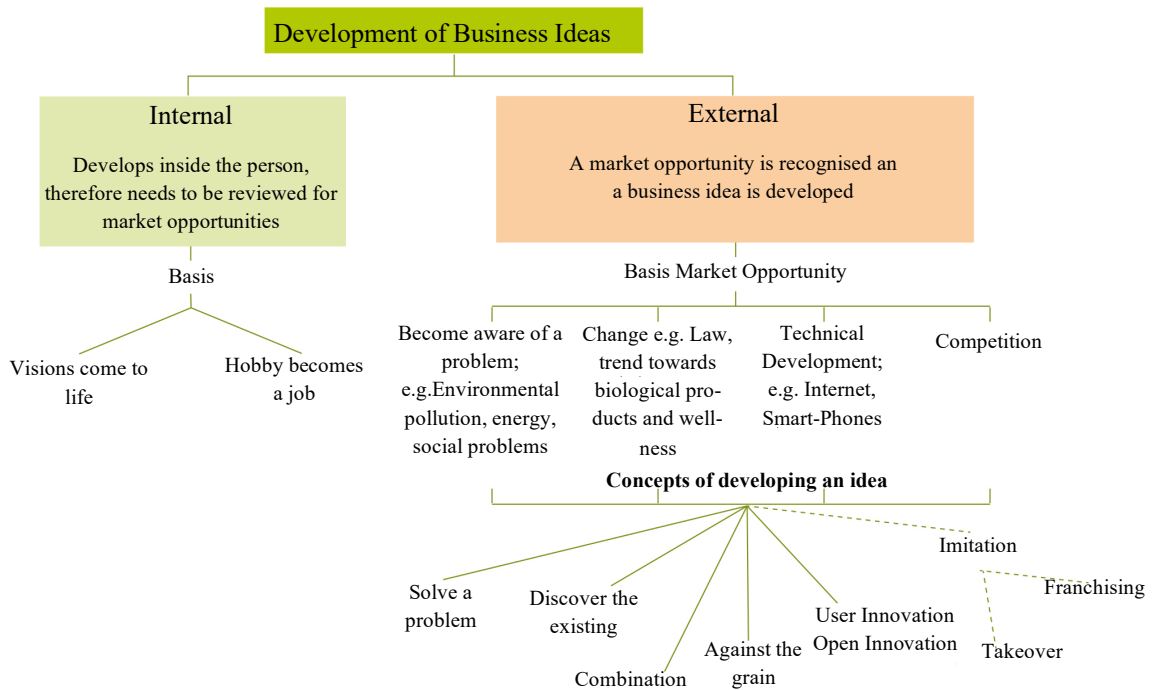


With about 30,000 people taking part in the annual “Vienna City Marathon,” Konrad is the organiser of Austria’s biggest mass sporting events. Most of the participants run the classical 42.195 kilometres.

Your example:

4 Ideas for Market Opportunities (external)

Many known companies were founded due to one entrepreneur creating new inventions, recognising a market opportunity, and developing a new idea.



Idea Development Methods



Solve a problem. Whether hanging a banner ad on Austria's highest tower or performing welding work on a windmill, there are people who find their workplace where others would not dare to go. Industrial climbers work in extreme heights and depths; therefore, there is no need for companies to set up construction scaffolding. These companies provide support with installations, cleaning, and renovations. Industrial climbers combine manual dexterity with their comfort for heights and solve problems for construction businesses, farmers, and energy producers.

Transform an existing idea. Think outside the box. In other countries and sectors, there are a number of successful business ideas, which can be transferred into other new ideas. In the early 1980s, Dietrich Mateschitz frequently travelled to Asia for business and was introduced to an "Energy Drink." Managers were drinking a syrupy liquid during meetings, which helped them stay awake and maintain concentration. Mateschitz developed his new business idea based on this drink. He brought the product to Austria, created a marketing concept, and introduced it to the market. The name of the products is now very well-known: Red Bull.



Combination of ideas. The combination of existing ideas is all it takes to develop new business ideas. The first internet cafes or even the PEZ-candy dispensers are such combinations, on the one hand - sweets and on the other hand - a toy. Today PEZ is a global brand with its origins in Upper Austria from the 1920s. The business idea was developed and implemented by industrialist Eduard Haas. Annually, millions of Euro are generated with PEZ candy dispensers.

Going against the grain. Until the end of the 80's, people from western countries known for being “three-clock-individuals.” The first clock was given at confirmation, the second was purchased with the first job and the third was a reward for a major accomplishment. Then came Mister Swatch, Nicolas Hayek, who decided to do it completely different than his competitors. For each event, a new plastic watch was presented: *Hokuspokus* for clubbing or *Mozart* for an evening at a concert. Today, after selling millions of Swatch watches, Nicolas Hayek is seen as the saviour of the Swiss watch industry. He also transferred his concept into other industrial sectors such as the development of hair dryers or transforming the vacuum cleaner concept using the motor of a blender.

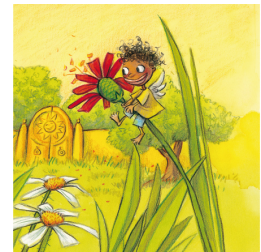


User Innovation, Open Innovation. Under the keyword *User Innovation*, new ideas come to life through new customers, employees and suppliers. Sport lovers who were not satisfied with the existing possibilities have created sports, such as mountain biking and the devices needed for it. Under *Open Innovation*, customers are also involved in the implementation of an idea. The most well-known example is Wikipedia. 85,000 author volunteers are working simultaneously on the encyclopaedia.



Imitation. An existing concept is copied with a similar or the exact same service. Numerous pizza restaurants or tutoring services for students are only a few examples of these types of business ideas. There is a lot of competition and their success depends on a big market.

Corporate takeover and Franchising. At the time of a corporate takeover, the business idea of a new company is further developed. The franchise concept is very similar. You do not takeover the existing company, but rather implement a ready-to-use concept. A franchisor makes a proven system available. A franchisee is responsible for the sales of products and services under the brand name of the franchisor. In Austria there are about 250 franchise-systems on the market. Some well known examples are the *Sonnenator* shops by the organic-pioneer Johannes Gutmann or *OMV* gas stations with the Viva shop.



Task 13: From market opportunity to business idea

You recognise the market opportunity and then come up with ideas. Brainstorm your ideas.

Situation	Business Idea
Gas doubles in price.	
A vegetable business in the neighbourhood closes.	
The percentage of employed women increases.	
A material made of solar cells is developed.	

5 Test Ideas for Business Opportunities

After a business idea is developed, its chance to be successful in the market remains still in question. Not every idea has the potential to become a successful company.

Use the following method to check your idea. If you know 10 people from your target group (your potential clientele) who are interested in buying your product or services, then there are probably even more people out there who would pay for it if they knew about it. Take, for example, a business that offers high school language trips. Your target group would be adolescents right before summer.

In general, an idea turns into a business opportunity if it meets the criteria of the checklist mentioned below. In this case, then the idea becomes exciting and worth developing further.

Checklist for potential ideas to become business opportunities

	Yes	No	Reason
Is it interesting for customers?			
Will it work in your business environment?			
Is the current market situation of importance for the implementation?			
Do you have the skills and resources to implement the idea?			
If you do not have the skills or the resources, do you know someone who does and with whom you would like to work?			
Do you believe that you can offer the product or the service at a price which customers would find interesting and you can still make profit?			

Task 14: From an idea to the business opportunity

- a) Develop two business ideas based on the following questions: Is there anything that discomforts you in your surrounding environment? Which product or service would get rid of the problem? Try to think about your last vacation. Which product or service did not exist there that you would normally see as a necessity? Think of an example of a change for the negative that has happened in your neighbourhood. Think about possible solutions as potential market ideas.

- b) Review the business idea with another person based on the checklist and support your evaluation with reasons. Is your business idea legitimate enough to continue to work on?

Checklist to check ideas for business opportunities

	Yes	No	Reason
Is it interesting for customers?			
Will it work in your business environment?			
Does the situation of the current market create an opportunity for implementation?			
Do you have the skills and resources to implement the idea?			
If you do not have the skills or the resources, do you know someone who does and with whom you would like to work?			
Can you offer the product or the service at an attractive price for customers and still make profit?			

Entrepreneurs	People who recognise market opportunities, develop new business ideas as well as create a business model and implement it. The functional entrepreneurial theory is based on a person who economically creates something new. Hence, even creative employees can be entrepreneurs.
Creativity	<ul style="list-style-type: none"> <input type="checkbox"/> Requires thinking in the context of opportunities and alternatives <input type="checkbox"/> A open minded approach to ways of thinking and its structures <input type="checkbox"/> Creates a new solution by combining known elements of a problem
Morphological Box	A heuristic method is an analytical and highly structured approach most useful to create new ideas when information and time are limited.
Six-Hat-Method	A method that uses six hats each symbolising a different perspective. The purpose is to quickly view an idea from multiple perspectives (including personal feelings and doubts as well as positive thoughts).
Internal Business Idea	<p>The idea develops within the person. However, it needs to be reviewed and tested for market opportunities/analyses.</p> <p>Basis:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Visions come to life <input type="checkbox"/> Hobby becomes a job
External Business Idea	<p>The idea develops by looking outwards and recognising a market opportunity</p> <p>Basis Market Opportunity:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Become aware of a problem; e.g. environmental pollution, energy, social problems <input type="checkbox"/> Change e.g. law, trend towards biological products and wellness <input type="checkbox"/> Technical Development; e.g. internet, smart-phones <input type="checkbox"/> Competition <p>Concepts of developing an idea</p> <ul style="list-style-type: none"> <input type="checkbox"/> Solve a problem <input type="checkbox"/> Transform an existing idea <input type="checkbox"/> Combination of ideas <input type="checkbox"/> Going against the grain <input type="checkbox"/> User Innovation/Open Innovation <input type="checkbox"/> Imitation (franchising, takeover)
In order for the idea to become a business opportunity, it has to...	<ul style="list-style-type: none"> <input type="checkbox"/> Be attractive to customers <input type="checkbox"/> Function in the environment of the entrepreneur <input type="checkbox"/> Be realistic and implementable.

Competence Check

Check 1: Identifying market opportunities in printed media

Analyse a magazine or a newspaper for possible market opportunities and use the method of opportunity identification. Write down at least three market opportunities.

- Are there any problems that can be solved?
- Are there any amendments of laws, general conditions or are there any new trends presented?
- Are there any new technological trends shown?
- Can you think of ways that an existing company could improve?

Check 2: Analyse a business idea and its chances on the market

Using tasks A-C, analyse each of the following situations below.

- a) How do you assess the business idea and its market chances? Write down three considerations.
- b) Is the idea interesting for customers? For which customers in particular?
- c) Would it work in your business environment? Support your decision with reasons.

Situation 1: Solar powered water steriliser

After drinking contaminated water, Martin Wesian (from Austria) fell sick with Cholera during his trip to South America. The need to make clean drinking water available exists everywhere. Wesian developed the *Wadi*, a device equipped with a solar cell that when directly mounted on a plastic bottle will sterilise the water inside. The solar cell simply needs to be exposed to solar radiation to function. *Wadi* also lights up once the water becomes drinkable. One *Wadi* costs EUR 5,00.



Situation 2: Theatre atmosphere for kids and adults

Illustrator and graphic designer Helmut Pokornig discovered his love for theatre as a child and has been designing stage sets and costumes for years. In 2012, he rented a small location in Vienna's 8th district (Josefstadt) and converted it into a theatre. He founded a non-profit organisation together with his friends, and after a few months preparation he opened the puppet theatre *Marijeli*, named after his two daughters Marie and Jelena. The small theatre has a doll and puppet theatre for children and adults.



Situation 3: Fruit Smoothies

Once upon a time in England, three friends Richard, Jon, and Adam had an idea. They bought a bunch of fruit worth 750 EURO, made smoothies, and sold them at a small music festival in the West London. They hung a sign saying: Should we give up our jobs and make Smoothies? They put two rubbish bins in front of their stand for the empty bottles, one with the sign "Yes" and the other "No". Sunday evening the bin with Yes was full of empty bottles. All three of them quit their jobs on Monday and started innocent. It is a company which produces smoothies containing blended fruit filled in bottles.



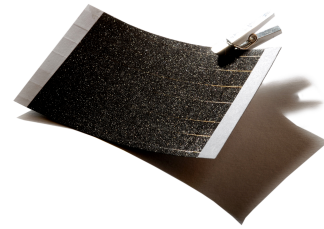
Situation 4: Tracking a product

You can print a sticker with tracking numbers on it from a web platform. Each sticker is placed onto a product, which is then sold or given to someone as a present. You can then create a product field under the tracking number to track the journey of various products. In the end the buyer has to add a product delivery date on the website.



Situation 5: Glass front as power plant

Crystalsol Ltd. with its headquarters in Vienna and Talin (Estonia) developed a completely new technology of a photovoltaic system on carrier foil for glass fronts or roofs. Buildings using too much energy will eventually turn to alternatives in the future to cover their own use and feed energy into the supply network. The new technology has many advantages. No rare metals such as indium or tellurium are used, and the production costs are lower than at existing solar cells.



Situation 6: Thank you, I'm fine

The fashion label *Goddess of Happiness/Luck* (Göttin des Glücks) stands for a cool unisex design. The designers provide a *feel fine* collection, which extends to employees and suppliers as well who benefit from the company's approach. A couple of years ago they decided to focus on ecological production. The entire production line has a *Fair Trade* seal. This guarantees that it is in accordance with international labour standards of the ILO. The cotton is organically grown by a West Indian company.



Situation 7: Dog Poo Bag

Designer Nina Dautzenberg and Andrea Gaesmann from the agency *Jungeschachtel* have recognised how unpleasant it can be to pick up your doggie's poo. That is the why they developed the Dog Poo Bags, which are humorous, paper bags with a printed design to be exclusively used for disposing of dog poo. Each pack has 16 bags in eight different designs and are offered at a price of EUR 12,90.