

2019 Teaching and Learning Conference

INSPIRE | TRUST | EDUCATE

Thursday 16 & Friday 17 May | RACV Torquay Resort



11.00am – 12.00pm

Ideas or Opportunities, Too Many Ideas and Not Enough Time

Dr. Marcus Powe

 #VDCTL19

 /VETDevelopmentCentre



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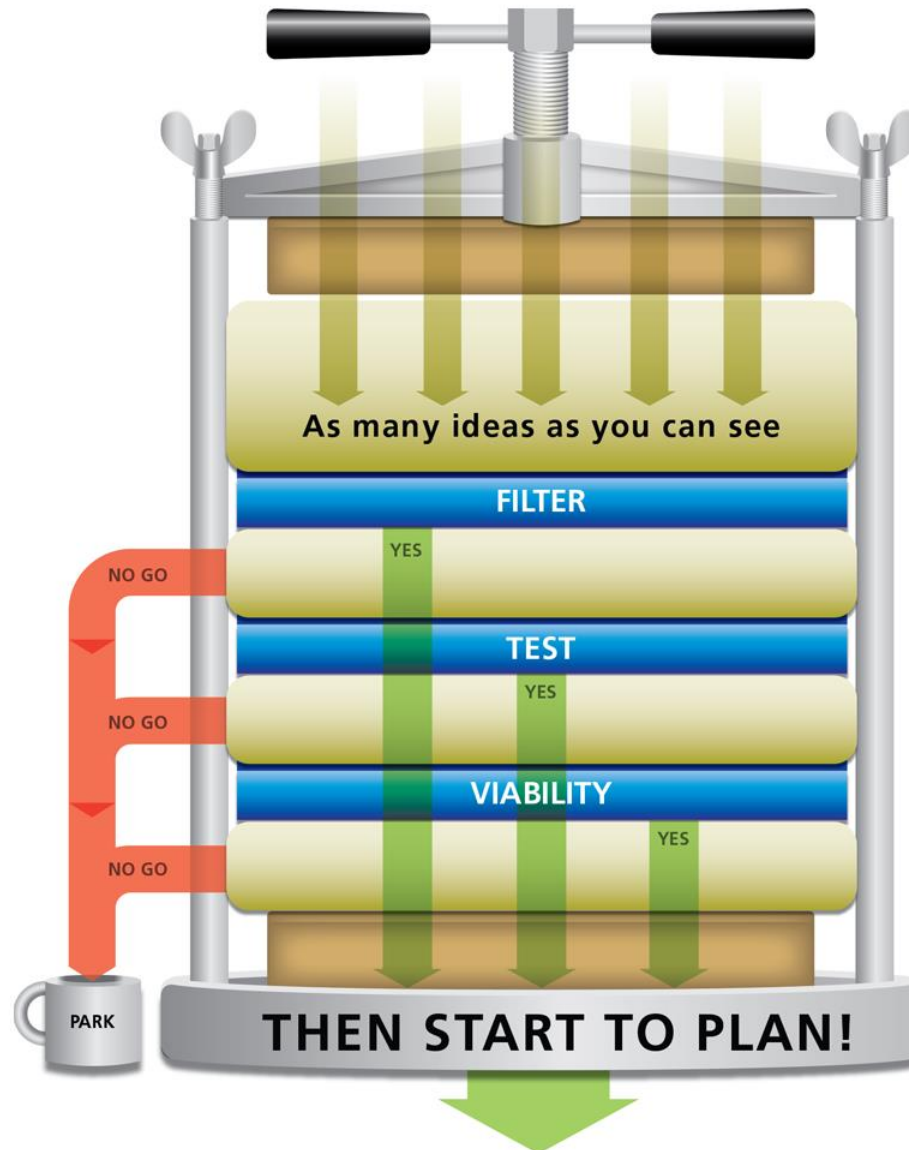
Screening ideas
Are they really opportunities?



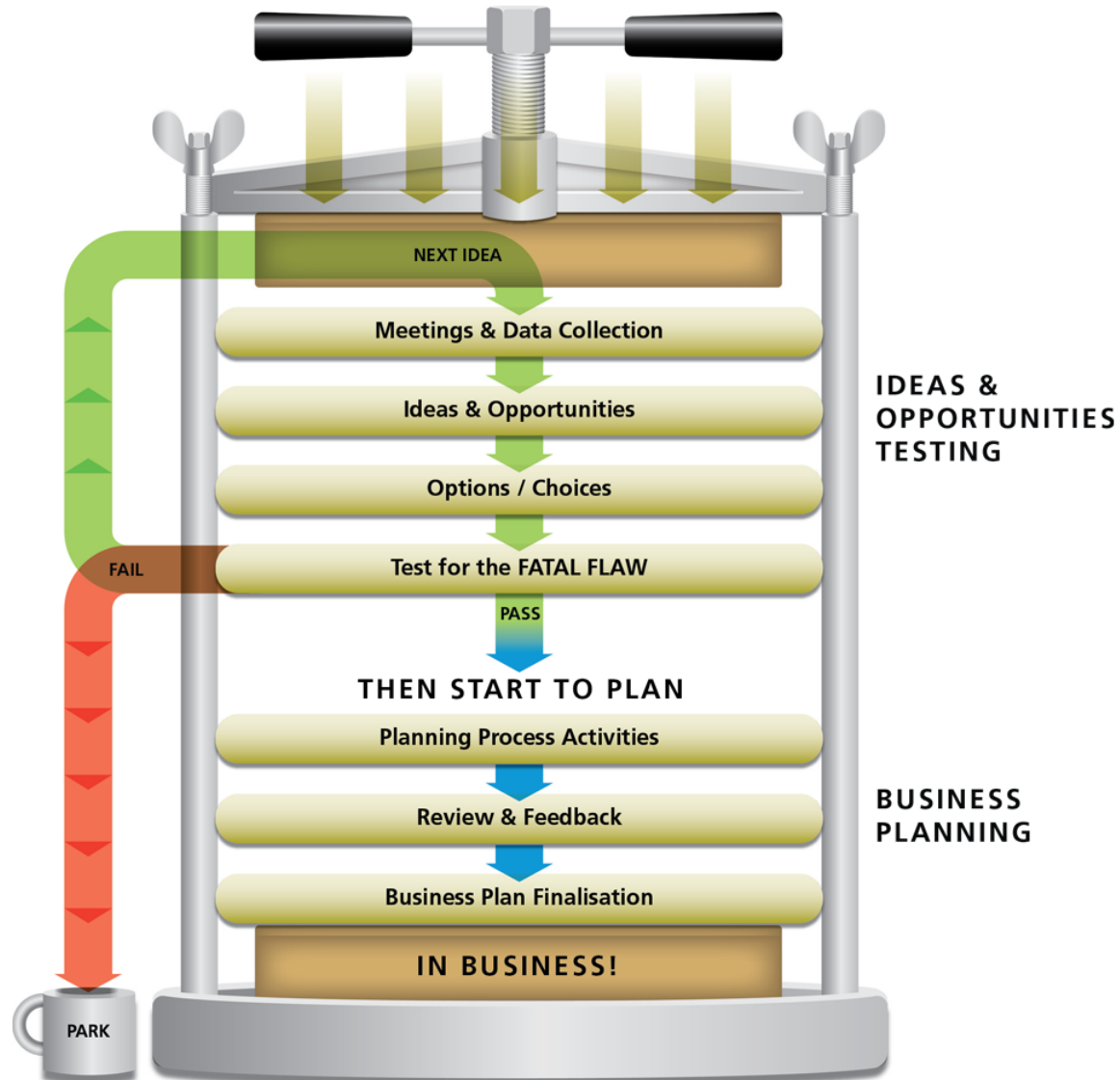
Volume, pressure and speed



Fill



Refine



Testing the viability of your idea

The Market Place – Place a dot either in the yes, no or don't know box

	Yes	Don't know	No
Does anyone want it?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	We know who they are		We don't know
Where are they?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	We know who they are and can reach them		We don't know where they are or how to reach them
Can you add any value?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes – A lot		No – not really
"Product" life cycle	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	There is enough time to pay back your investment		Not enough time
Market structure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	New & chaotic		Mature & established
Market size	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	I have the numbers		I don't know
Market growth rate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Growing		Declining or shrinking
Gross margins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	40-50% durable		20% or less - declining
Cost structure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Low-cost		Declining cost



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Testing the viability of your idea

The Numbers – Place a dot either in the likely, unlikely or don't know box

	Likely	Don't know	Unlikely
Profits after tax	<input type="checkbox"/> 10% +	<input type="checkbox"/>	<input type="checkbox"/> Less than 5%
Time to breakeven	<input type="checkbox"/> Under 3 years	<input type="checkbox"/>	<input type="checkbox"/> More than 3 years
Time to positive cash	<input type="checkbox"/> Under 2 years	<input type="checkbox"/>	<input type="checkbox"/> More than 2 years
ROI potential	<input type="checkbox"/> 15-20%	<input type="checkbox"/>	<input type="checkbox"/> Less than 10%
Capital requirements	<input type="checkbox"/> Low	<input type="checkbox"/>	<input type="checkbox"/> Very high
Exit mechanism	<input type="checkbox"/> Can be seen	<input type="checkbox"/>	<input type="checkbox"/> Can't be seen
Value	<input type="checkbox"/> High strategic value	<input type="checkbox"/>	<input type="checkbox"/> Low strategic value



Testing the viability of your idea

Your Competitive Advantage – Place a dot either in the likely, unlikely or don't know box

	Likely	Don't know	Unlikely
Are your prices	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Competitive		Non-competitive
Are your costs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Competitive		Non-competitive
Is your route to market	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Competitive		Non-competitive
Can you create barriers for your competitors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes		No
Legal/contractual/ Intellectual property	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes		No
Do you know the "right" people / contacts?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes		No



Testing the viability of your idea

Sustainability – Can you stay in the market? – Place a dot either in the likely, unlikely or don't know box

	Likely	Don't know	Unlikely
Production costs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Lowest		Highest
Marketing costs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Lowest		Highest
Distribution costs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Lowest		Highest

The Team – Place a dot either in the likely, unlikely or don't know box

	Likely	Don't know	Unlikely
The Team	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Can do it		Haven't done it

Fatal Flaw / Risk – Place a dot either in the likely, unlikely or don't know box

	Likely	Don't know	Unlikely
Is there a fatal flaw?	<input type="checkbox"/>		<input type="checkbox"/>
	No		Yes
How "risky" is your idea?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Low		High



Ideas or opportunities?

Opportunity conditions – *why now?*

Evidence – *show me*

Window of opportunity – *too early or late?*

Economics – *will you make/save?*

Sustainable competitive advantage – *how long will we last?*



Ideas or opportunities?

Market conditions – *trends?*

Competition - *vulnerabilities?*

Team Capabilities – *can you deliver?*

Harvest potential – *what is the return?*

Rewards – *tangible/intangible?*

Entry strategy – *what will you do first?*



Ideas or opportunities?

Description of the business

Development status – *an idea, starting?*

Primary customers – *who will buy first?*

Total market size & trends – *show me*

Competitor profiles – *what will they do?*



Ideas or opportunities?

Competitive advantages – *sustainable?*

The Numbers – *will we make or save or both?*

Team – *can we deliver?*

Major risks & problems – *what can be done about them?*

Fatal flaw – *yes or no!*



Ideas or opportunities?

The point?

We are searching for the **fatal flaw**



The search for the flaw

- Market is too small
- High cost of entry - barriers in place
- Competition is too strong
- No control over prices
- No control over product development



The search for the flaw

- No control over distribution
- Inability to expand beyond a one product company
- Can not raise the finance
- Harvest opportunities limited
- The team



Find the flaw





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