



WHOLESALE AND RETAIL:WHRT4 LESSON 10

Unit Standard: 10007: Identify, analyse and select business opportunities

Notes and Activities

TOPIC: Identify business ideas

NB: By the end of this unit you should be able to:

- Explain the concept of business ideas
- Identify and list business ideas.
- Discuss and compare business ideas

WHAT IS A BUSINESS IDEA?

A business idea is the starting point of a new product. It is an idea that an entrepreneur might have about a product or service that is needed in the market. It is a potential concept that could result in a successful and sustainable business. Never ignore or throw an idea away until you have researched it thoroughly

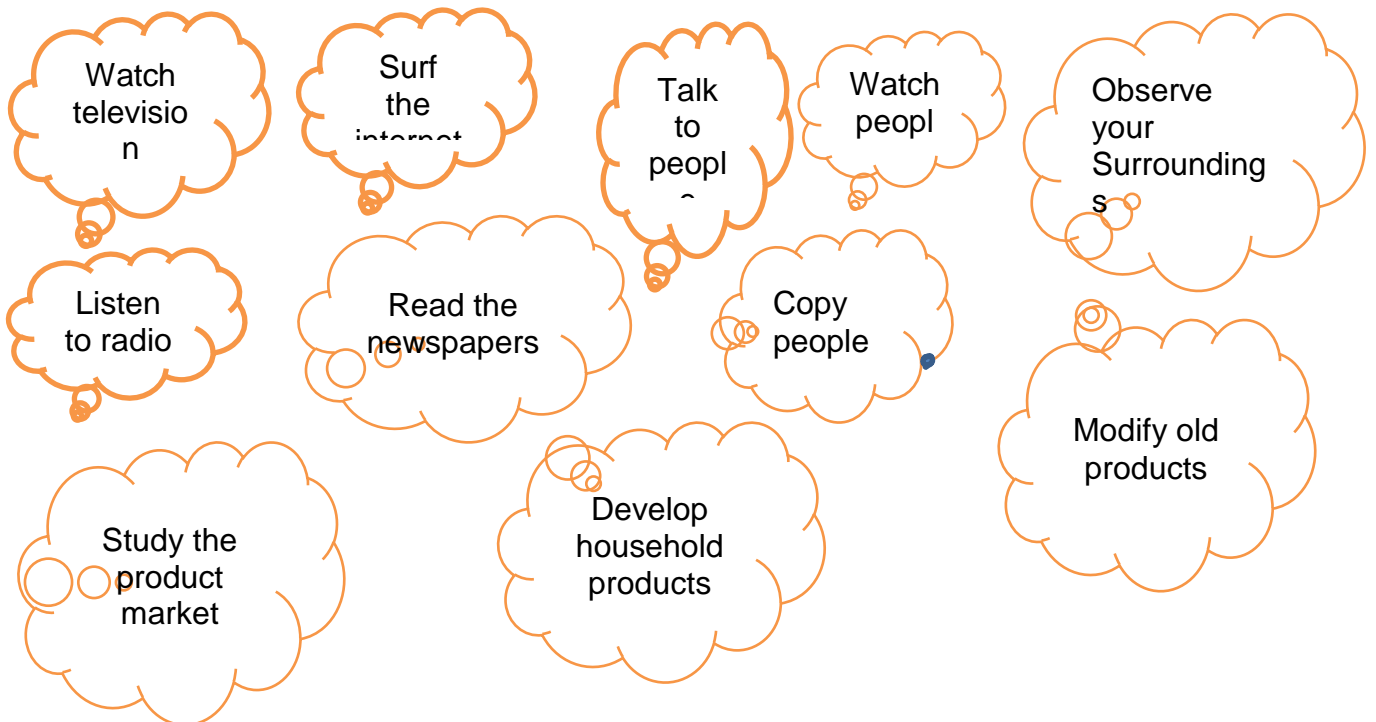
EXAMPLES OF BUSINESS IDEAS

- Hair salon
- Butcher
- Car wash
- Dry clean
- Spaza shop
- Shoe maker
- Welding
- Upholstery
- Selling fruits
- Coffee selling



HOW TO GENERATE IDEAS

There are many methods you can use to generate business ideas. Some of these methods might seem rather strange to you. Use them anyway to get your creativity to start flowing. The illustration below suggests possible methods you can use to generate ideas.



WATCH PEOPLE

By watching people go about their daily routine, you will be able to identify the following:

- What they find difficult
- Things they like doing
- What they find boring
- Where they get frustrated
- Objects they use that they may find difficult and cumbersome.

DEVELOP HANDY HOUSEHOLD PRODUCTS

Many new products are based on making housework easier. You just have to look at the many Verimark and Glomail products that are available to see this. These products are extremely popular as they promise to make housework a lot easier and faster. Can you think of any idea to make housework easier?

OBSERVE YOUR SURROUNDINGS

Take a walk around a shopping centre, a park, a beach or simply around the area in which you live. As you observe the people in the area, you will be able to identify things that make their lives easier or the things that can simply save them time.

SURF THE INTERNET

The internet is a rich source of ideas. Surf the net for potential ideas that could be adapted to people's needs.

LISTEN TO THE RADIO AND READ NEWSPAPERS AND MAGAZINES

Listen to a variety of different advertisements as these will inform you about products that are available on the market. Existing products can be your starting point and may help you to come up with ideas on how to improve them.

TALK TO PEOPLE

People are very quick to complain about faulty products that they bought or poor service they received. Use these complaints to improve an existing product or service

MODIFY OLD PRODUCTS

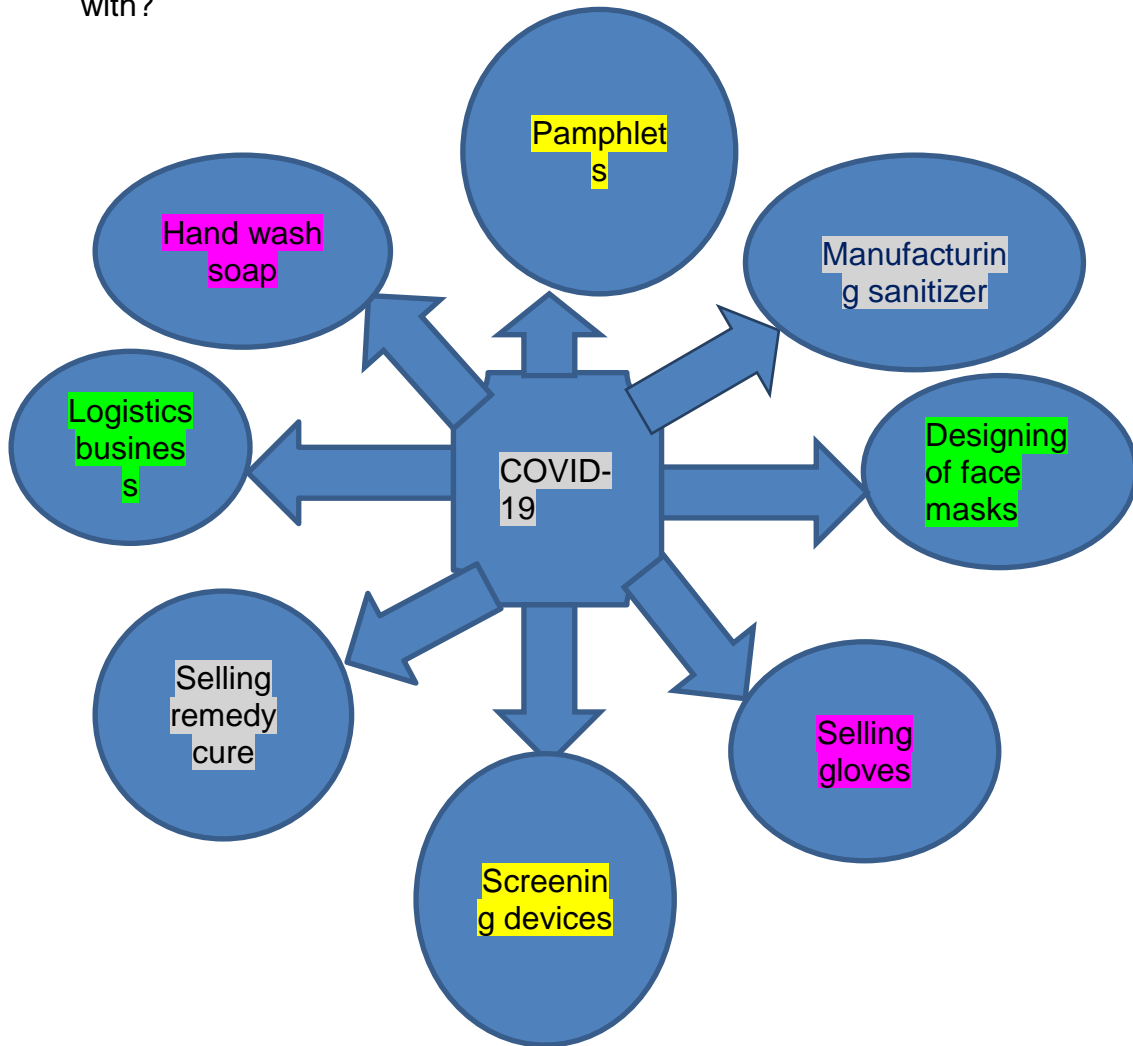
Some of the best business ideas start from the modification of old products. For example, pens have been around for generations and have been modified repeatedly to meet changing needs. In the seventh century people used to write with birds feathers and porcupine quills. Then fountain pens were developed, and subsequently the roller-ball pen and the ball point pen. Can you think of old products like this that can be modified?

COPY OTHER PEOPLE

Copy the products or services of other business as long as you don't infringe on patents and/ or trademarks.

USE MIND MAPS

Mind map is plan or diagram of ideas, connected to central topic. Study the example below to see how it can be used to generate business ideas. What ideas would come up with?



BRAINSTORMING

Brainstorming is when a group of people get together to throw ideas around. When brainstorming, ensure that you do the following:

- Don't reject an idea immediately or regard it as wrong.
- Say what comes into your mind about the topic
- Write all ideas on a board or pieces of paper.
- Only Brainstorming comment on the ideas at the end of the session
- Discuss ideas in an open, non-conflict environment, at the end of the session.
- Remove unrealistic ideas from the list at this stage.

Activity 1

Read the paragraph below and answer the questions that follow

A group of FIVE young people intending to establish a co-operative in retail approach you for advice. They have identified TWO strong business ideas, but find it difficult to prioritise and select just ONE idea which is feasible and appropriate. The TWO different business ideas are: Spaza Shop and Car Wash. They approach you as a L4 AET student, for advice.

- 1.1 Explain to them what a business idea is (2)
- 1.2 What do they need to do, to select an appropriate idea? (3)
- 1.3 What should be done to analyse and eliminate inappropriate business ideas and select a viable one? (10)

Activity 2

- 2.1 Identify FOUR business ideas (4)
- 2.2 Name and discuss FOUR different methods that can be used to generate a business idea (6)
- 2.3 Explain with practical examples what is meant by analysing a business idea (4)
- 2.4 Name five ways to come up with a new business idea (5)

Activity 3

- 3.1 Give a short description of each of the following:
 - 3.1.1 Brainstorming (3)
 - 3.1.2 Mind map (3)
 - 3.1.2 A business idea (3)

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