2021 Zingale Big Idea Competition

Workshop # 1

Identifying A Problem You Want To Solve
Zingale Big Idea Competition

- $30,000 In Prizes
  - $20,000 Student Track
  - $10,000 Meadville Community Track
- Funding Pitch Competition
  - April 29-39
- 3- Page Executive Summary
  - Preliminary Round
  - Due April 15
- Power Point Pitch
  - Final Round
  - 15 Minutes and 10 Slides
- Templates On Website
The Schedule

- **Friday, April 15**
  - Executives Summary Due

- **Friday, April 29**
  - First Round

- **Saturday, April 30**
  - Championship Round
  - Awards Ceremony
Workshops

• Tuesday, March 1
  – Finding A Relevant Problem To Solve

• Tuesday, March 15
  – Creating A Big Idea To Solve The Problem

• Tuesday, March 29
  – Marketing Your Big Idea

• Tuesday, April 5
  – Developing Your Big Idea’s Financial Plan

• Tuesday, April 12
  – Pitching Your Big Idea
Competition Musts

• Must Be A **New Business** That Is Not Yet Up and Running.

• Must **Use The Templates** On Our Competition Webpage.

• Must Complete A **Two-Page Written Executive Summary** In Addition To PowerPoint Presentation.

• Must Have **Fully Completed Entry To Participate** In Competition.
SUBMIT EXECUTIVE SUMMARY BY FRIDAY, APRIL 15

- Chris Allison
  - callison@allegheny.edu
- Sarah Holt
  - sholt@allegheny.edu
Coming Up With A New Business Idea
Who Are These People?
Top 12 Virgin companies
By annual revenues for the latest financial year

Virgin
Mobile USA
Virgin
Trains
VGH 51%

Virgin America
VGH 49%
economic interest

Virgin Active
VGH 48%, remainder owned by CVC

Virgin Mobile France
VGH 50%, remainder pending sale to Numericable

Virgin Mobile Canada
Owned by Bell, royalty income only

Virgin Mobile Australia
Owned by Optus, royalty income only

Virgin Holidays
Owned by Virgin Atlantic
£535m

Virgin Atlantic
VGH 51%

Virgin Australia
Public company, VGH has 10% equity stake

Virgin Media
Owned by Liberty Global, royalty income only
£4.3bn

£1.3bn
£946m
£911m

Group Holdings

£2.6bn

Key to profitability status

Profitable

Not available

Loss making

Sources: Virgin Group; FT research

Photo: Steve Parsons/PA Wire

FT graphic: Ian Bott
Richard Branson Tips

1. **Just start.** You will learn so many lessons just by doing.
2. Turn what **excites you** into capital so you can do more of it.
3. Business opportunities are always coming and going.
4. **Don’t wait** for the perfect moment, **create it**.
5. Set **very big** challenges for yourself.
6. Work on whatever you’re **passionate** about.
7. If they’re not **calling you crazy**, thing bigger.
8. Learn **by doing**, and by falling over.
9. Hire people **smarter** than you.
10. **Take the best**, leave the rest.
11. Listen more than you **talk**.
12. **Don’t dwell** on failure.
Richard Branson
“I invest in businesses that make people’s lives easier.”
Most Common New Businesses

- Health Care and Social Assistance
- Accommodation and Food Services
- Arts, Entertainment, and Recreation
- Personal Trainers
- Site building and web design
- Local Auto Repairs
- Secondhand (Online) Stores
- Pet sitting
- Cafés
- Real Estate
**Most Common Legal Forms of A Business**

<table>
<thead>
<tr>
<th>Form</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sole Proprietorship</strong></td>
<td>Owned by one person&lt;br&gt;No legal or financial distinction between business &amp; business owner</td>
</tr>
<tr>
<td><strong>Partnership</strong></td>
<td>Business, financial &amp; legal responsibilities equally divided&lt;br&gt;Must be registered for IRS purposes</td>
</tr>
<tr>
<td><strong>Limited Partnership</strong></td>
<td>Ideal for those interested in raising capital from investors who aren't active in day-to-day duties</td>
</tr>
<tr>
<td><strong>Corporation</strong></td>
<td>Independent, multiple shareholders&lt;br&gt;Appropriate for established businesses with employees</td>
</tr>
<tr>
<td><strong>LLC</strong></td>
<td>Blend of partnership &amp; corporation&lt;br&gt;No personal property at risk&lt;br&gt;Less regulation</td>
</tr>
<tr>
<td><strong>Non-Profit</strong></td>
<td>Earnings pay expenses of company&lt;br&gt;Can apply for &quot;tax exempt&quot; status</td>
</tr>
<tr>
<td><strong>Co-op</strong></td>
<td>Earnings divided among members&lt;br&gt;No external stakeholders&lt;br&gt;Members use its services</td>
</tr>
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</table>
B2C
Large-Scale Market
Emotionally Driven
#1 Priority - Brand Awareness

B2B
Niche Market
Rationally Driven
#1 Priority - Lead Gen
CONSUMERS vs. BUSINESSES

CONSUMERS
- Skewed Toward Emotional
- Product-Driven
- Individuals & Households
- 1-2 People
- Lower $ Amounts
- Days to Weeks

BUSINESSES
- Skewed Toward Rational
- Relationship-Driven
- Teams & Companies
- Buying Groups of 5-12
- Higher $ Amounts
- Months to Years
<table>
<thead>
<tr>
<th><strong>B2C Buyers</strong></th>
<th><strong>B2B Buyers</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Make buying decisions for individuals or households</td>
<td>Make buying decisions for companies that serve other companies or many consumers</td>
</tr>
<tr>
<td>Purchase size is small</td>
<td>Purchase can be in the millions or billions of dollars</td>
</tr>
<tr>
<td>One buyer, may include some influencers or other users</td>
<td>Many people, even departments involved in buying decision</td>
</tr>
<tr>
<td>300 million people in the United States; 100 million households</td>
<td>500,000 businesses and organizations in the United States</td>
</tr>
<tr>
<td>Located throughout the United States</td>
<td>Concentrated in areas based on cost, access, and availability of resources to produce products or services</td>
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Markets First Approach

Five High-Growth Industries of 2020

- Field Service Mgmt. Software: +13.5%
- Automated Guided Vehicle Mfg.: +13.9%
- Online Vitamin Sales: +15.0%
- Marijuana Production: +25.2%
- Wind Power: +24.3%
GOING GREEN
The green construction industry is expected to generate $303.4 billion from 2015 to 2018—nearly double the $167.4 billion it generated from 2011 to 2014.1

SAY WHAT?
The number of translation jobs is projected to grow by 46% between 2012 and 2022, the global market for language services and technology will hit $49.8 billion in 2019.2

ONLINE EATS
Between now and 2018, online grocery stores are projected to grow 21% annually, generating $18 billion by 2018.3

SWEET STUFF
The U.S. is the world's largest market for chocolate—about 95% of Americans buy chocolate. U.S. chocolate confectionery sales are projected to reach $35 billion by 2019, up from $21 billion in 2014.4

SOMETHING'S BREWING
Sales of craft beer doubled from 2009 to 2014 to $20 billion, and are forecasted to reach $16.3 billion by 2019.5

THERE'S NO PLACE LIKE HOME
By 2040, more than 20% of the U.S. population will be age 65 and over—up from 13% in 2010. Jobs for home health aides are expected to grow by 48 percent by 2022.6

E.T., DRONE HOME
Drone manufacturing is already a $3.3 billion industry in the U.S. With applications including humanitarian relief and scientific research, the drone industry is projected to grow to $801 billion by 2025.7

EYE SPY
Biometrics use body scans of voices, fingerprints, retinas, etc. for applications such as building access and online security. Security concerns are powering this industry, projected to grow from $7 billion in 2014 to $44.2 billion by 2021.8

FRAUD DETECTIVES
Online fraud detection software is projected to generate $1.78 billion by 2020, up from $817.2 million in 2014 and $48.8 million in 2005.9

HEALTHY PROFITS
Corporate wellness services, which provide consulting, fitness programs and even software to track wellness, are expected to grow 8.4 percent annually, generating $12.1 billion in 2020.10

MOBILE SHOPPING
By 2017, more than half of Americans, 91.1 million people, will use their smartphones to make a purchase.11

HERE, KITTY, KITTY
Americans spend nearly $20 billion a year on pet care, including $389 million on toys. With 71% of Generation X and 65% of Millennials owning pets, this industry is on track for continued steady growth.12
Look For Problems First
Then Find Solutions Second
Solutions To **RELEVANT** Problems
Look For Everyday Annoyances and Solve The Problems
Look For Things In Society You Want To Change
How Could You Make Someone’s Lives Better

COLLEGE LIFE
Issues People Face

• Health Crisis
• Workplace Issues
• Emptiness
• Friendship Issues
• Failure

• Financial Crisis
• Career Pressure
• Unfair Treatment
• Inner Peace
• Mental Health Issues
<table>
<thead>
<tr>
<th>Question</th>
<th>Question</th>
<th>Question</th>
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<tbody>
<tr>
<td>What drives you mad about watching television?</td>
<td>What drives you mad about people who are rude and inconsiderate?</td>
<td>What drives you mad about your best friend's brothers and sisters?</td>
</tr>
<tr>
<td>What drives you mad about losing something?</td>
<td>What drives you mad about alarm clocks and watches?</td>
<td>What drives you mad about the other people at work or in your class?</td>
</tr>
<tr>
<td>What drives you mad about your bedroom/your bathroom? Your house?</td>
<td>What drives you mad about your neighbors/their cooking/their kids/their pets?</td>
<td>What drives you mad about forgetting the very thing you went to the store to buy?</td>
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<td>Question</td>
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<tr>
<td>What drives you mad about getting up in the morning?</td>
<td>What drives you mad about going to bed early?</td>
<td>What drives you mad about doing household chores?</td>
</tr>
<tr>
<td>What drives you mad the most of all?</td>
<td>What drives you mad about cleaning your room?</td>
<td>What drives you mad about people who forget your birthday/name day?</td>
</tr>
<tr>
<td>What drives you mad about people who give you advice?</td>
<td>What drives you mad about people who ask you to repeat everything?</td>
<td>What drives you mad about people who talk really loudly?</td>
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</table>
Common Societal Problems

<table>
<thead>
<tr>
<th>Affordability of health care</th>
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<tbody>
<tr>
<td>Climate change</td>
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<tr>
<td>Economic inequality</td>
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<tr>
<td>Affordability of college education</td>
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<tr>
<td>Racism</td>
</tr>
<tr>
<td>Drug addiction</td>
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<tr>
<td>Federal budget deficit</td>
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<tr>
<td>Terrorism</td>
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<tr>
<td>Sexism</td>
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<tr>
<td>Job opportunities for all Americans</td>
</tr>
<tr>
<td>Illegal immigration</td>
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<tr>
<td>13-17-year-olds</td>
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<tr>
<td>--------------------------------------</td>
</tr>
<tr>
<td>1. Climate change</td>
</tr>
<tr>
<td>2. Social media</td>
</tr>
<tr>
<td>3. Technology addiction</td>
</tr>
<tr>
<td>5. Bullying</td>
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<tr>
<td>8. Mental health</td>
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<tr>
<td>10. Drugs</td>
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</tbody>
</table>
Issues For Baby Boomers

**HEALTH**
- 57% Accessing medical information
- 56% Buying medicine & prescriptions
- 50% Accessing healthcare from a doctor, nurse, or hospital
- 52% Monitoring my health
- 46% Sharing my personal healthcare data with my provider
- 28% Chronic disease management
- 8% Symptoms of menopause
- 22% My mental health
- 19% In-home health care

**MONEY**
- 47% Retirement savings
- 34% Managing my home (cleaning, home repair, etc.)
- 33% Making or researching new investments
- 30% Creating a will
- 26% Real estate buying and selling
- 24% Estate planning
- 24% Buying home insurance
- 22% Finding a mortgage
- 17% Creating a living will
- 12% Estate planning
- 2% After life/funeral planning
- 3% Divorce
- 2% Child support services
TOP FIVE SMALL BUSINESS PROBLEMS & SOLUTIONS TO OVERCOME THEM

DEVELOPING A BUSINESS PLAN
Prior to getting your business off the ground, sit down and write out a business plan. Brainstorm what you want to achieve. Where do you see your business six months from now? Where do you see your business 2 years from now? These are things you need to figure out.

MARKETING
You can build a business all you want but if no one knows about it, you’re not going to get very far. You need to cover all angles when it comes to marketing. That includes both internet marketing and conventional marketing methods.

KEEPING YOUR FINANCES IN ORDER
Financial management is without a doubt one of the most common small business problems across the board. You need to keep an eye on your finances or else you could go broke very quickly. If you’re not qualified or don’t feel confident that you can do this, hire a bookkeeper or an accountant from the get go.
TOP FIVE SMALL BUSINESS PROBLEMS & SOLUTIONS TO OVERCOME THEM

GETTING CUSTOMERS & KEEPING THEM
Everyone knows that the most important part of building a business is finding loyal customers to keep you afloat. While a lot of building your customer base relies on a good marketing strategy, keeping them will depend on how good your customer service is.

PUTTING TOGETHER THE RIGHT TEAM
Unfortunately it’s almost impossible to build a business by yourself. In order to get your business off the ground and do it correctly you’re going to need some help. You need a team of people to help you do the things you may not have experience with. A good team will build your business – you just have to build the team first.
THE TOP CHALLENGES FOR SMALL BUSINESS OWNERS*

1ST
- Lack of capital/cash flow
- Marketing/advertising

2ND
- 28%

3RD
- Time management
- 24%
More Common Business Problems

- Finding customers and marketing
- Succession planning
- Hiring talented people
- Owner Fatigue
- Funding for growth
- Health care
More Business Problems

- Managing overheads
- Monitoring performance
- Listening to feedback
- Uncertainty
- Cyber risks
- Finding the right staff
More Business Problems

- Responding to competition
- Regulation and compliance
- Retaining customers
- Cash flow
Things That You Could Improve Upon

- Improve aging-in-place livability
- Reduce food waste in the USA
- Increase financial investing for young adults
- Imagine the next generation of entertainment
- Imagine the next generation of fashion
- Imagine the next generation of education
- Disrupt the healthcare industry
- Disrupt the travel industry
- Disrupt the insurance industry
- Disrupt an industry with IOT.
- Disrupt an industry with 3D printing
What Ways Can An Idea Create Economic Value, i.e. Why Would Someone Pay You For Something?
Economic Value

• Potential Economic Value
  – Make Or Save Money

• Newness
  – Nothing Like It Before

• Perceived Desirability
  – Gotta Have It
What Are The Different Forms of Value?
Forms of Value

• Economic Value
  – The Capacity To Generate Profit

• Social Value
  – Helps Address A Social Need

• Environmental Value
  – Protects or Serves The Environment
What Is An Innovation?
What is innovation?

- **Innovation** is the process and outcome of creating something new, which is also of value.

- Innovation involves the **whole process** from opportunity identification, ideation or invention to development, prototyping, production marketing and sales (Schumpeter).
Innovation Is Not ...

- Invention
- Innovation Is A Term of Economics
  - More Value For Less Cost
- Bigger, Faster, Stronger
Change = Problems
Solving Problems Created By Change

= New Product or Service
Reseaching Your Problem
What is Market Research?

Market Research is the process of collecting, analyzing, and interpreting data about your target market, consumers, competitors, and the industry as a whole.
Primary Vs. Secondary Research

Primary Research
- More complex
- In-depth exploration
- One-to-one talks with active industry players & observers
- Focus on prospect companies

Secondary Research
- Easier to conduct
- Broad understanding
- Obtained from public sources
- Focus on markets
- Preparation for primary research

Source: www.successfulacquisitions.net
Market Research

Primary Research

Quantitative Research
"The collection of numerical data often resulting in statistical analysis"
- Surveys
- Questionnaires
- Phone/One-to-one Interviews

Qualitative Research
"Provides reasoning for consumer actions, opinions, wants and needs"
- Focus Groups
- In-Depth Interviews
- Observations

Secondary Research

Public Sources
Commercial Sources
Educational Institutions
Secondary Research
Secondary Research

• Secondary research (also known as desk research) involves the summary, collation and/or synthesis of existing research rather than primary research, in which data are collected from, for example, research subjects or experiments.
Secondary Research

• Secondary research is **faster** and **less expensive** than primary research.
• Gathering secondary research may be as **simple** as making a trip to your **local library** or **business information center** or **browsing the Internet**.
• It utilizes information **already published**.
  – Surveys, books, magazines, etc.
• Use **credible** sources.
Secondary Research Cont.

- Localized figures provide better information as local conditions might buck national trends.
  - Newspapers and other local media are helpful.
- Many sources of secondary research material are available. It can be found in:
  - Libraries
    - GALES' Directory is available at any public library.
  - Colleges
  - Trade and general business publications and newspapers
  - Trade associations and government agencies are rich sources of information.
• Business Data & Statistics Page
• https://www.sba.gov/offices/headquarters/oee/resources/2836
• You’ll find a collection of resources providing free access to information about business and economic conditions and indicators collected by the U.S. government. Whether you sell to businesses or consumers, these sites include data and statistics on income, employment, trade, and manufacturing, and plenty more.
The U.S. Census Bureau

- **www.census.gov**
  - Maintains a vast repository of information that is quick and easy to navigate.

- **The American Fact Finder**
  - [https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml](https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml)
  - Enter a city and state and the tool will generate multiple options for viewing social, economic, household and demographic data for your town or future location.

- **Interactive Map**
  - [https://www.census.gov/cbdmap/](https://www.census.gov/cbdmap/)
  - Shows a mash-up of economic and demographic statistics for any town, city, or state in America.
FedStats.Gov

- https://fedstats.sites.usa.gov
- This no-frills data-driven site provides access to a full range of official statistical information produced by the federal government without having to know in advance which federal agency produces which particular statistic. Data is available on wide-ranging topics, including economic and population trends, crime, education, health care, aviation safety, energy use, and farm production.
SBA

- https://www.sba.gov/advocacy
- Conducts and publishes its own research on topics such as the small business economy.
Bureau of Economic Analysis

- https://bea.gov
- Provides access to daily releases of key economic indicators from the Bureau of Economic Analysis and the Census Bureau. This is probably your best bet if you're looking for one site that says it all.
SBA Guide For Conducting Market Research

- [https://www.sba.gov/business-guide/plan/market-research-competitive-analysis](https://www.sba.gov/business-guide/plan/market-research-competitive-analysis)

- SBA’s Guide For Conducting Market Research
Observe, Discover and Solve

- Observe A Problem
  - Primary and Secondary Research
- Something You Want To Change
- Solve The Problem With A Product or Service
  - Problem/Solution Set
  - Make or Save Money