

# DIGITAL ENTREPRENEURSHIP FOR YOUTH

KA220-YOU - *Cooperation Partnerships in Youth*

WP3  
DigEnYou curriculum

## Module 1 “Essential Entrepreneurial Competences”

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DigEnYou Blended Training Course

# Module 1 – Essential Entrepreneurial Competences

Learning Unit 1: Business Model Canvas

Learning Unit 2: Market Research &  
Analysis

Learning Unit 3: Ideation & Innovation

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# Aim of Module 1 – Essential Entrepreneurial Competences

In the first module of the DigEnYou training curriculum we present fundamental entrepreneurial skills that you will need in order to succeed as future digital entrepreneur. We have created the following learning units for this purpose:

## Learning Unit 1 - 'Business Model Canvas' aims to:

- Equip you with a simple method to learn how to structure your business idea and how to consider all relevant aspects, from the target audience to revenue streams, within a visual framework.
- Moreover, the BMC allows you to test your assumptions, your innovative strategies, and shows you how to adapt flexibly to the changing demands of the market.

## Learning Unit 2 - 'Market Research & Analysis' aims to:

- Convince you as future entrepreneurs of the importance to develop techniques for conducting market research as a solid basis for your business.
- Demonstrate the importance of market analysis in order to regularly adapt and shape your business strategy.

## Learning Unit 3 – 'Ideation & Innovation' aims to:

- Demonstrate how crucial it is for your business to understand and to apply ideation and innovation techniques.
- Provide you with useful tips for applying innovation thinking and experimentation techniques.

Upon completion of Module 1 you will have acquired foundational entrepreneurial skills, including the ability to structure your business idea using the Business Model Canvas, conduct effective market research and analysis, and apply ideation and innovation techniques crucial for future success as a digital entrepreneur.

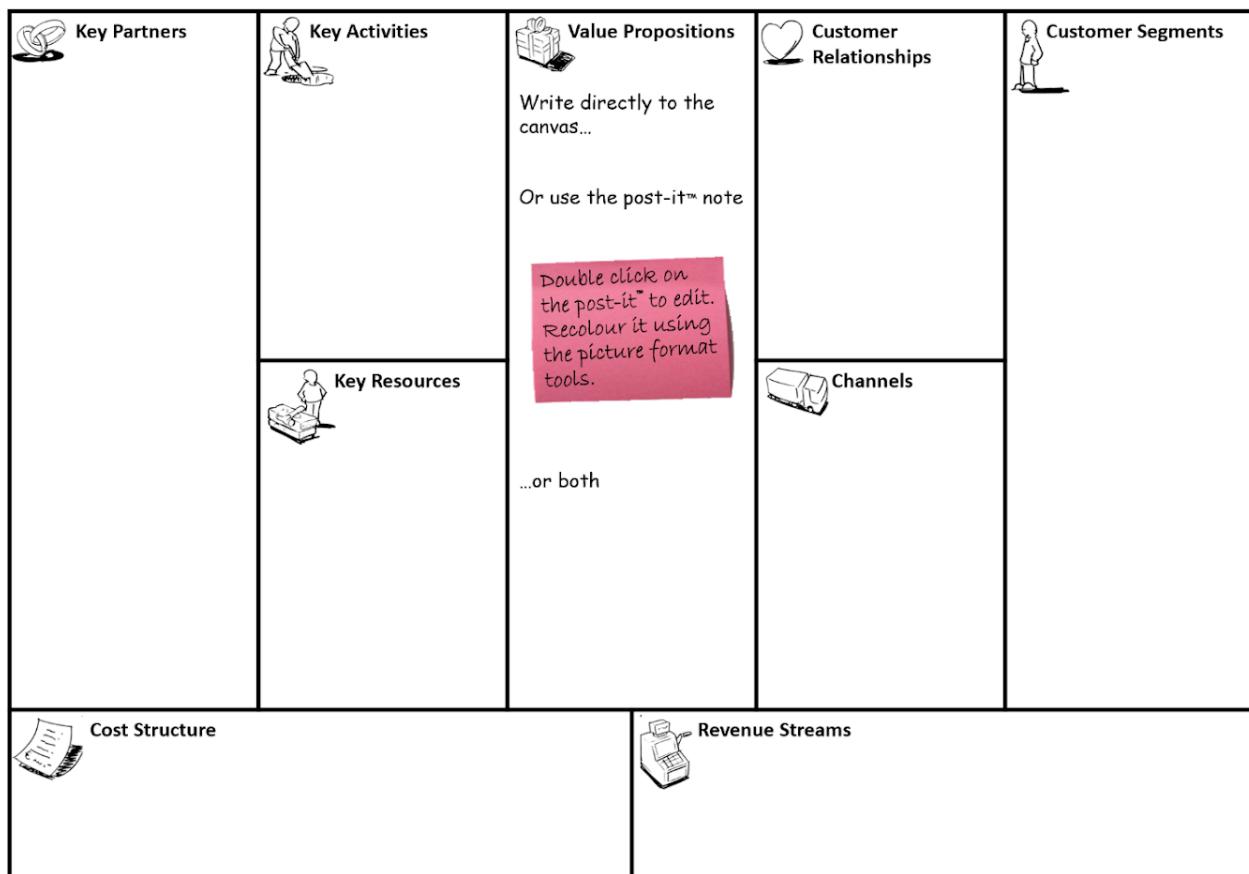
# Learning Unit 1 - Business Model Canvas

The Business Model Canvas is a strategic management tool that provides a visual framework for developing, describing, and analysing a business model. Created by Alexander Osterwalder and Yves Pigneur, it offers a concise and comprehensive overview of a company's key components and how they interconnect to create value.

See: <https://www.strategyzer.com/>

## Structure of the Business Model Canvas

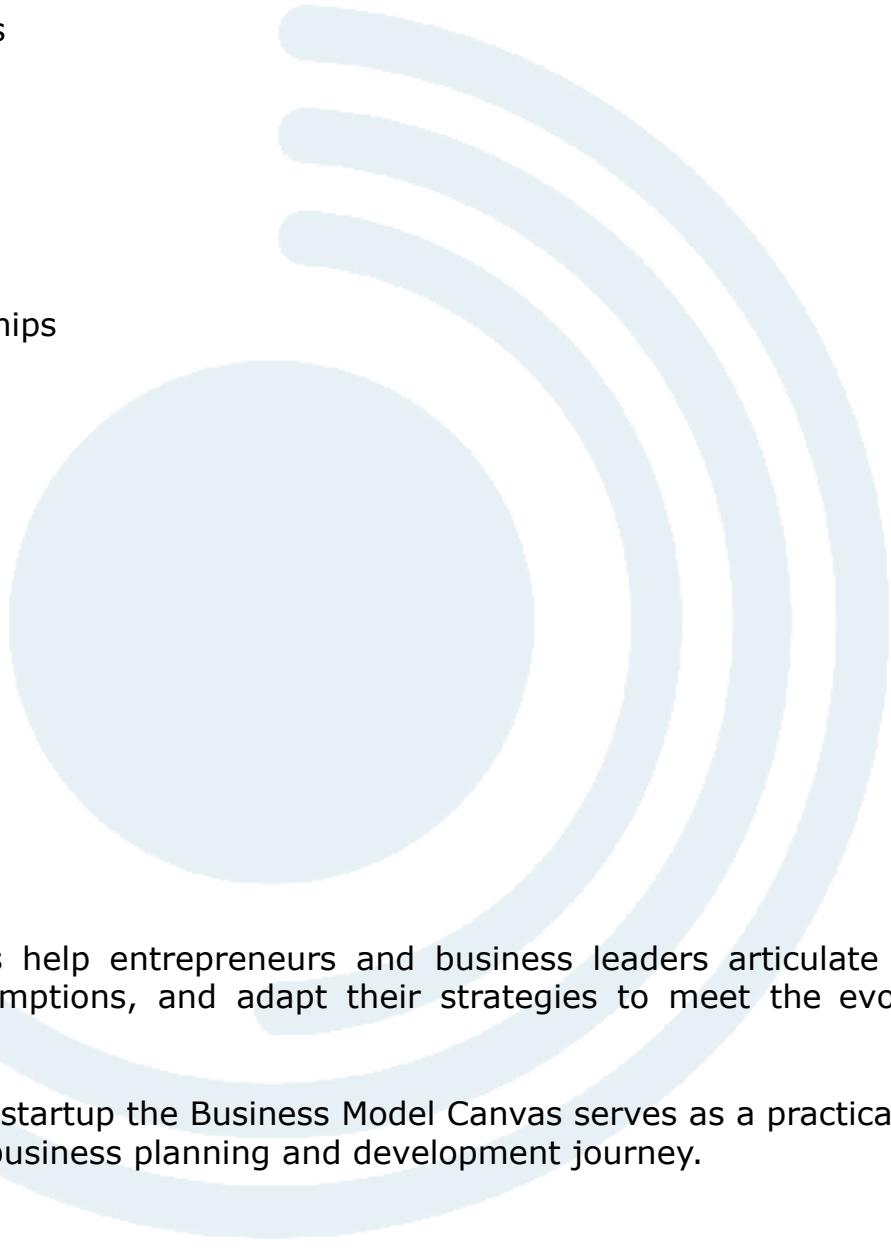
This canvas consists of nine building blocks, each representing a fundamental aspect of a business. Entrepreneurs and business professionals use it as a dynamic tool to ideate, refine, and communicate their business concepts. By fostering a holistic view of a venture, the Business Model Canvas encourages strategic thinking and innovation in designing successful business models.



<https://www.strategyzer.com/>

## The nine building blocks include

- Customer Segments
- Value Propositions
- Channels
- Customer Relationships
- Revenue Streams
- Key Resources
- Key Activities
- Key Partners
- Cost Structure



Together, these elements help entrepreneurs and business leaders articulate their business logic, test assumptions, and adapt their strategies to meet the evolving needs of the market.

When you're launching a startup the Business Model Canvas serves as a practical and visual tool to guide your business planning and development journey.

## Explore the components of the Business Model Canvas

In the dynamic landscape of business, having a clear understanding of how your company creates, delivers, and captures value is paramount. The Business Model Canvas, a strategic management tool, offers a systematic approach to visualizing and

analysing your business model. Comprising nine essential building blocks, the canvas provides a holistic framework for young entrepreneurs to draft, refine, and communicate their ideas effectively.

Let's have a look at the Nine Building Blocks:

### **1. Value Propositions:**

What unique value does your product or service offer to your customers? This block focuses on articulating the benefits that make your offering compelling, addressing specific customer pains or needs.

### **2. Customer Segments:**

Identifying and understanding your target audience is the foundation of a successful business. In this block, define the different groups of people or organizations you aim to serve, considering their needs, preferences, and behaviors.

### **3. Channels:**

How will you reach and deliver value to your customers? Explore the various channels through which your product or service will be distributed and marketed, considering both online and offline avenues.

### **4. Customer Relationships:**

Establishing and maintaining strong connections with your customers is crucial. Determine the type of relationship you intend to build with each customer segment, whether it's through personal assistance, self-service, or automated service.

### **5. Revenue Streams:**

Every successful business needs a sustainable source of income. Define the ways your company will generate revenue, whether through sales, subscriptions, licensing, or other means.

### **6. Key Resources:**

Identify the essential assets and capabilities your business requires to deliver its value proposition, such as human resources, technology, or strategic partnerships.

### **7. Key Activities:**

What are the critical actions your company must take to make the business model work? This block outlines the key operational activities that drive your business's

success.

## 8. Key Partnerships:

In today's interconnected business environment, collaboration is often key to success. Determine the external partners and alliances that can enhance your business's capabilities and reach.

## 9. Cost Structure:

All business activities come with associated costs. In this block, outline the fundamental expenses required to operate your business and deliver value to customers.

# Learn how to create a solid business model

The Value Proposition and Customer Segments are integral components of the Business Model Canvas, playing a pivotal role in shaping the success and sustainability of a business. Here's why they are of highest relevance:

## 1. Customer Segments:

- *Understanding the Target Audience:* Identifying and defining customer segments is the foundational step in creating a successful business model. It involves recognizing the various groups of people or organizations that the business aims to serve.
- *Tailoring Solutions:* Different customer segments often have distinct needs, preferences, and behaviours. By understanding these differences, businesses can tailor their products or services to address specific customer pains or fulfil particular needs.
- *Effective Marketing:* Knowing your customer segments enables more precise and targeted marketing efforts. Businesses can develop strategies that resonate with the unique characteristics of each segment, leading to more effective communication and increased customer engagement.
- *Resource Optimization:* By focusing on specific customer segments, businesses can optimize resource allocation. This ensures that marketing efforts, product development, and customer service are all aligned with the characteristics of the identified segments, leading to more efficient operations.

- *Enhanced Customer Relationships:* Understanding the diverse needs of different customer segments allows businesses to establish meaningful and tailored relationships. This can lead to increased customer loyalty, satisfaction, and long-term value.

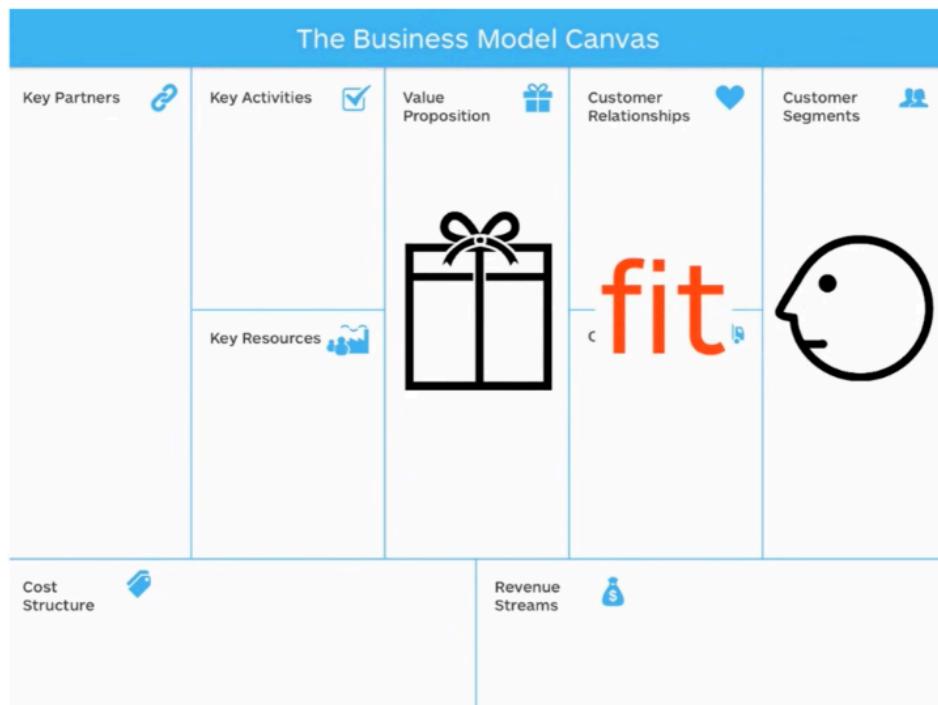
## 2. Value Proposition:

- *Defining Unique Value:* The Value Proposition defines the unique value that a business offers to its customers. It articulates how the product or service addresses customer needs, solves problems, or fulfills desires in a way that distinguishes it from competitors.
- *Competitive Advantage:* A compelling Value Proposition creates a competitive advantage by highlighting what sets the business apart. It answers the crucial question of why customers should choose a particular product or service over alternatives available in the market.
- *Guiding Product Development:* The Value Proposition serves as a guiding force for product or service development. It ensures that features and attributes align with what customers truly value, increasing the chances of market acceptance and success.
- *Effective Communication:* Clear articulation of the Value Proposition is essential for effective communication with both customers and stakeholders. It forms the basis for marketing messages, enabling businesses to communicate their unique selling points convincingly.
- *Customer-Centric Approach:* A well-defined Value Proposition keeps the focus on the customer, emphasizing how the business intends to fulfill their needs or desires. This customer-centric approach fosters customer loyalty and positive brand perception.

In essence, the Customer Segments and Value Proposition are interlinked elements that, when carefully considered and aligned, lay the groundwork for a good business model that resonates with its target audience.

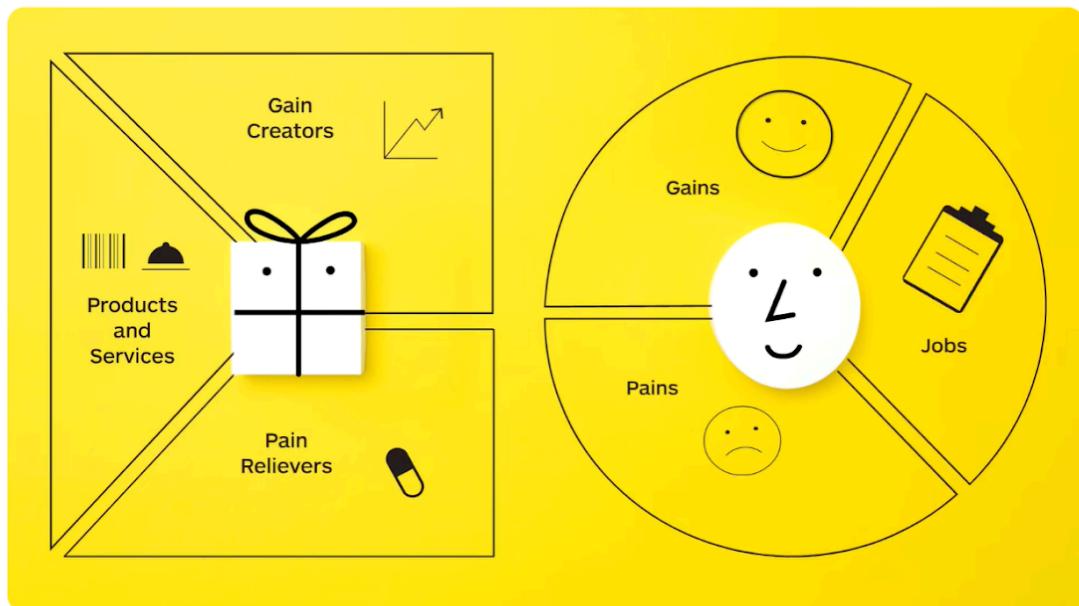
Therefore we highly recommend to start your Business Model Canvas with these two components. Watch this video to learn more:

<https://www.youtube.com/watch?v=aN36EcTE54Q&list=PLopjukaVXiR8LDiiOE6EPvlsUEvKsPxoZ&index=2>



Here is another video to explain the Value Proposition in more detail, which is the core part of your business model:

<https://www.youtube.com/watch?v=ReM1uqmVfP0&list=PLopjukaVXiR8LDiiOE6EPvlsUEvKsPxoZ&index=3>



Now you are ready to explore the seven other building blocks. Watch this video to get an overview on the full potential of the Business Model Canvas:

<https://www.youtube.com/watch?v=QoAOzMTP5s&list=PLopjukaVXiR8LDiiOE6EPvlsUEvKsPxoZ&index=1>



If you want to go into more detail Digital Leadership provides you with a comprehensive Guide for the Business Model Canvas:

<https://digitalleadership.com/unite-articles/extended-business-model-canvas/>



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## The Business Model Canvas Template – Full Guide (PPT + PDF)

A product is only as good as the Business Model (BM) that supports it, and creating an innovative product requires an equally innovative BM. The Business Model Canvas is an easy visual tool your team can use to conceptualize and iterate the key aspects of your Business Model.



Get the Full Package for FREE & OpenSource

- Get instant access to this model including a full presentation, related tools and instructions!
- You will equally get instant access to all 50+ UNITE Innovation & Transformation Models!
- Completely FREE and OpenSource!

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## Glossary of Terms

Term	Definition <sup>1</sup>
<b>Brand Perception</b>	The way customers perceive a brand based on its values, messaging, and overall image.
<b>Business Model Canvas (BMC)</b>	A strategic management tool developed by Alexander Osterwalder and Yves Pigneur. It provides a visual framework for developing, describing, and analyzing a business model, encompassing nine building blocks.
<b>Customer-Centric Approach</b>	A business strategy that prioritizes meeting the needs and preferences of customers.
<b>Customer Segments</b>	Identifies and defines the various groups of people or organizations that the business aims to serve.
<b>Holistic View</b>	A comprehensive perspective that considers all aspects and elements as interconnected and interdependent.
<b>Key Activities</b>	Outlines critical operational actions that drive the success of the business model.
<b>Resource Allocation</b>	The process of distributing and utilizing resources effectively to achieve business goals.
<b>Revenue Streams</b>	Defines the ways a company generates income, such as through sales, subscriptions, or licensing.
<b>Stakeholders</b>	Individuals or groups with an interest or concern in the success and activities of a business.
<b>Strategic Management Tool</b>	A tool that helps businesses plan, develop, and analyze their strategies in a systematic and visual manner.
<b>Target Audience</b>	The specific group of people or organizations that a business aims to reach and serve.
<b>USP</b> Unique Selling Proposition or Unique Selling Point	A distinctive element or feature that sets a product or service apart from its competitors, creating a unique advantage.

<sup>1</sup> Definitions based on Oxford Learner's Dictionaries: <https://www.oxfordlearnersdictionaries.com/>

<b>Value Proposition</b>	Articulates the unique value that a product or service offers to customers, addressing specific needs or problems.
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## Exercise: How to use the Business Model Canvas

1. **Start with Post-Its:** Print the Business Model Canvas template you find in the resources of this Learning Unit and begin by using Post-Its for each building block and start with the Value Proposition and Customer Segments.
2. **Share your ideas with colleagues/friends:** Engage others in collaborative workshops to brainstorm and fill in each block. Diverse perspectives can uncover new insights.
3. **Iteration is Key:** The canvas is a living document. Regularly revisit and refine it as your business idea evolves, ensuring it stays aligned with market changes.
4. **Visual Storytelling:** Use the canvas to visually tell the story of your business. It's a powerful tool for communicating your strategy to stakeholders.
5. **Test and Validate:** Use the canvas to formulate hypotheses about your business model, then test and validate them with real-world data.

If you prefer to work online, you can use this link to an online Business Model Canvas provided by Canvanizer: <https://canvanizer.com/new/business-model-canvas>

The Business Model Canvas is a versatile and dynamic tool that empowers businesses to design, adapt, and communicate their strategies effectively. By clearly defining the nine building blocks, young entrepreneurs can gain a comprehensive understanding of their business model, fostering innovation and resilience in an ever-changing market.

**Take about 30 minutes for this exercise to start working on your Business Model Canvas (BMC). This task should accompany you throughout the training and be completed continuously. At the end of the training, you should bring your individual BMC to the final expert talk and present it.**

## Checklist: Your Learning Outcomes

What I know on the subject of “Business Model Canvas”		
#	Theme/Question	YOUR ANSWER
1	<b>Value Propositions:</b> <ul style="list-style-type: none"> <li>Do you know what unique value does your product or service offer to your customers?</li> </ul>	
2	<b>Customer Segments:</b> <ul style="list-style-type: none"> <li>How do you identify and understand your target audience?</li> </ul>	
3	<b>Channels:</b> <ul style="list-style-type: none"> <li>How will you reach and deliver value to your customers?</li> </ul>	
4	<b>Customer Relationships:</b> <ul style="list-style-type: none"> <li>What type of relationship do you intend to build with each customer segment?</li> </ul>	
5	<b>Revenue Streams:</b> <ul style="list-style-type: none"> <li>What are the ways your company will generate revenue?</li> </ul>	
6	<b>Key Resources:</b> <ul style="list-style-type: none"> <li>What are the essential assets and capabilities your business requires?</li> </ul>	

***Check these explanations after you gave your answers above:***

***1. Value Propositions:***

Learners should understand that the Value Proposition focuses on articulating the unique benefits that make a product or service compelling. It involves addressing specific customer pains or needs and distinguishes the offering from competitors. A successful Value Proposition creates a competitive advantage.

## **2. Customer Segments:**

Learners should know that identifying and understanding the target audience is foundational for a successful business model. This involves defining different groups of people or organizations the business aims to serve, considering their needs, preferences, and behaviors.

## **3. Channels:**

Learners should grasp that exploring various channels is essential for reaching and delivering value to customers. This includes considering both online and offline avenues for product or service distribution and marketing.

## **4. Customer Relationships:**

Learners should comprehend that establishing and maintaining strong connections with customers is crucial. This involves determining the type of relationship with each customer segment, whether it's through personal assistance, self-service, or automated service.

## **5. Revenue Streams:**

Learners should be aware that defining sustainable sources of income is a key aspect of the business model. This includes specifying how the company will generate revenue, whether through sales, subscriptions, licensing, or other means.

## **6. Key Resources:**

Learners should understand that identifying essential assets and capabilities, such as human resources, technology, or strategic partnerships, is crucial for delivering the value proposition. These resources are necessary for the business to function effectively.

**Conclusion:** The Business Model Canvas, with its nine building blocks, provides a systematic approach for entrepreneurs to develop, refine, and communicate their business concepts. The Value Proposition and Customer Segments are highlighted as integral components, laying the foundation for a successful business model. The interlinked nature of these elements emphasizes the importance of understanding and aligning them to resonate with the target audience. The canvas serves as a versatile tool, and the learning outcomes include developing a clear understanding of each building block, fostering collaborative ideation, iterative refinement, visual storytelling, and testing hypotheses for real-world validation.

## Resources for M1-LU1

### **The following learning material is provided:**

- Template for Business Model Canvas (BMC): print version (Annex 1)
- Video on Customer Segments and Value Proposition:  
<https://www.youtube.com/watch?v=aN36EcTE54Q&list=PLopjukaVXiR8LDiiOE6EPvlsUEvKsPxoZ&index=2>
- Video on Value Proposition in more detail:  
<https://www.youtube.com/watch?v=ReM1uqmVfP0&list=PLopjukaVXiR8LDiiOE6EPvlsUEvKsPxoZ&index=3>
- Video to get an overview on the full potential of the BMC:  
<https://www.youtube.com/watch?v=QoAOzMTLP5s&list=PLopjukaVXiR8LDiiOE6EPvlsUEvKsPxoZ&index=1>

## Links & Videos on M1-LU1

- Digital Leadership Guide for the Business Model Canvas:  
<https://digitalleadership.com/unite-articles/extended-business-model-canvas/>
- The Business Model Canvas by A. Osterwalder: <https://www.strategyzer.com/>
- Online Business Model Canvas template by Canvanizer:  
<https://canvanizer.com/new/business-model-canvas>
- Altexsoft provides Real Life Examples of BMC:  
<https://www.altexsoft.com/blog/using-business-model-canvas-to-launch-a-technology-startup-or-improve-established-operating-model/#business-model-canvas-in-real-life-examples>

## Bibliography – discover more

The Business Model Canvas: Let your business thrive with this simple model (Management & Marketing), (AA 50MINUTES, 2017)

Business Model Canvas Summary - JR (docx) - Course Sidekick" - (n.d.). Retrieved December 11, 2023, from <https://www.coursesidekick.com/business/148441>

Business Model Canvas As An Analytical Tool For The Evaluation Of Companies: Case Study For The Audiovisual Industry In Bogota, Colombia - (Bertolini, 2019)

## Learning Unit 2 - Market Research & Analysis

### Develop techniques for conducting market research

**Market research** entails gathering and analysing data on a particular sector, market, or audience in order to inform strategic decision-making. It provides marketers with **useful insights** into the industry, market trends, consumer preferences, competition, and opportunities, allowing organisations to effectively refine their strategy.

Organisations can **identify unmet needs**, analyse product demand, improve value propositions, and build marketing campaigns that engage with their target audience by performing market research.

This practice **acts as a compass**, leading firms in making data-driven decisions for better product launches, greater customer interactions, and a stronger business landscape positioning.

Market research is a must-have tool for marketers and insights experts. It enables them to make better judgements and achieve market development and success. It is critical for organisations to conduct good market research in order to understand their target audience, industry trends, and competitive landscape.

### Market Research | The Secret Ingredient for Business Success



## Here are some methods for conducting thorough market research:

Understand the importance of market analysis in shaping your business strategy.

**Market research** is an **essential component of** developing a **successful business plan**. It entails assessing many elements that affect your company, industry, and target market. It is the systematic examination of the numerous dynamics, trends, and variables influencing a particular industry or market segment. At its core, it aims to comprehend the essence of a market, which includes:

- What are consumers seeking for in terms of demand and supply dynamics?
- What are they willing to pay?
- What, on the other hand, is the number and character of accessible products or services?
- Who are the most important customers? What are their buying habits, behaviours, and preferences?
- Who are the important participants in the competitive landscape? What are their strategies, and what is their market share?
- What are the effects of economic, political, social, and technological forces on the market?

Video on [The role of strategy in business](#)



# Conducting Market Analysis in 5 steps

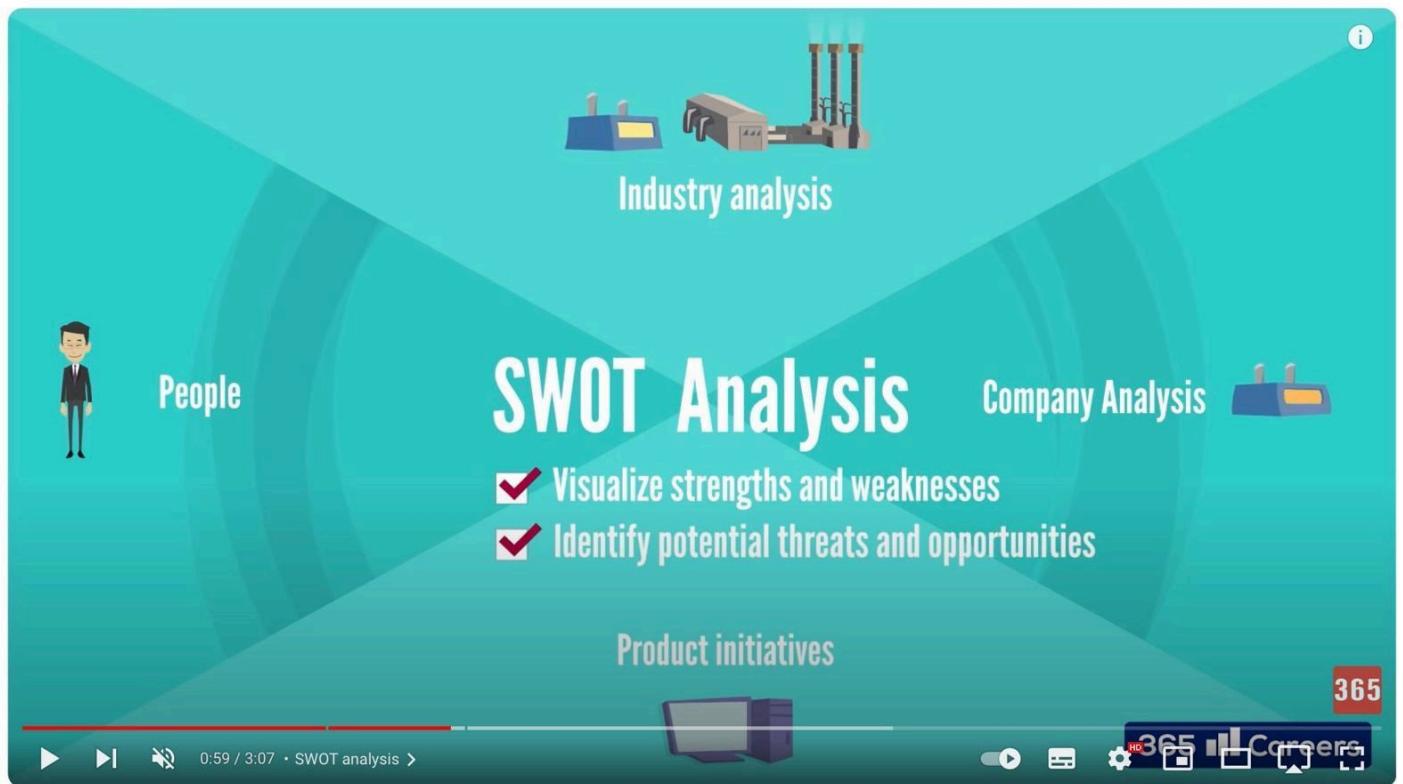
## 1. Research your industry

The purpose of this step is to gain an understanding of your industry as a whole, so that you know how to enter it, spot trends and compete with other brands. Here are some questions to get you started:

- How many companies are there in this industry?
- What's the size of the market in terms of potential customers?
- What are the industry standards by which companies and consumers operate?

**SWOT analysis** can be used to segment a market into different groups of consumers who share common needs or preferences. Companies can use the SWOT method to better target their marketing efforts to meet the needs of their current consumers and other customers. When using SWOT market analysis models to develop a marketing strategy, keep in mind that the study can yield a wide range of potential methods. Once you've identified your strengths, weaknesses, opportunities, and threats, you can use this knowledge to develop a marketing strategy.

Video on [Business strategy - SWOT analysis](#)



Industry analysis

People

SWOT Analysis

Company Analysis

Product initiatives

365

0:59 / 3:07 • SWOT analysis >

Business strategy - SWOT analysis

## 2. Examine the competitive landscape

This next step takes you from general industry insights to looking specifically at the brands you'll be competing against to attract potential customers in your target market. Here are some questions to guide your process:

- What are the most recognisable brands in your industry? Who is setting the trends and capturing customers' attention?
- What are the offerings, price points and value propositions of these brands?
- What sales tactics, technologies and platforms do these brands use to create a customer journey?

## 3. Identify market gaps

By understanding how competing brands perform, you can identify market gaps, differentiate your products and services, and stand out in your industry.

Market gaps are needs that are not currently being met by existing brands. For example, in the online education industry, learners may be interested in topics that are not covered in existing courses, in which case you could develop a course to fill this need.

Here are some questions to help you identify market gaps:

- Looking back at your industry research, what will external factors such as social change and new legislation mean for the development of products and services?
- Ask consumers directly: "What do you want or need that you can't find now?"
- How exactly do competitors' products and services fall short?

## 4. Define your target market

Now that you know your industry, the competitive landscape and the market gaps you can fill, the next step is to be specific about the types of customers you want to serve. Define your target market by the characteristics that make individual consumers more likely to buy your products and services:

- Which specific segment of potential customers in your industry can you effectively target?
- How can you describe this segment in terms of their demographics (age, ethnicity, income, location, etc.) and psychographics (beliefs, values, aspirations, lifestyle, etc.)?
- What is their daily life like?

## 5. Identify barriers to entry

As you get to know your target market and tailor your offers and messages to consumers, it's important to have a clear sense of the factors that might prevent you from entering your market successfully. This will help you develop a strategy to overcome the challenges.

Here are some questions to help you identify barriers to entry:

- What are the start-up costs of building your business, including product development, technology, suppliers, patents and certifications?
- What regulatory requirements will you need to meet before you can launch?
- What political, economic, and social factors could affect customer behaviour and their likelihood of buying your offerings?

## Glossary of Terms

Term	Definition <sup>2</sup>
<b>Market Research</b>	The systematic process of gathering and analysing data related to a specific sector, market, or audience to inform strategic decision-making.
<b>Strategic Decision-Making</b>	The process of making decisions that align with the overall goals and objectives of an organization to achieve a competitive advantage.

<sup>2</sup> Definitions based on Oxford Learner's Dictionaries: <https://www.oxfordlearnersdictionaries.com/>

<b>Value Propositions</b>	The unique benefits and value that a product or service offers to its target audience, distinguishing it from competitors.
<b>Compass</b>	In the context of market research, it refers to how market insights act as a guiding tool for organizations in making data-driven decisions.
<b>Data-Driven Decisions</b>	Decision-making based on the analysis and interpretation of relevant data, aiming for more informed and effective choices.
<b>Risk Mitigation</b>	The process of identifying and reducing potential risks or hazards in the market through proactive planning and strategies.
<b>SWOT Analysis</b>	An acronym for Strengths, Weaknesses, Opportunities, and Threats analysis, which is a framework for assessing internal and external factors influencing a business.

## Exercise: Use the SWOT method

As an entrepreneur, you want to launch a business based on bespoke footwear for young and fashion-conscious consumers. This hypothetical business aims to provide customers with a unique and personalised shopping experience through limited edition, custom-crafted footwear.

- Product portfolio: The product range includes sports shoes, casual shoes and exclusive collections, all featuring special design details and high-quality materials.
- Target market: Focuses on individuals aged 18-35, targeting young and fashion-conscious consumers. This demographic represents a customer base that tends to shop online, follow trends and is interested in custom-made products.

- Sustainable production: Your products embrace the principles of sustainability by striving to minimise environmental impact throughout the production process. The use of recyclable materials and reduced waste management reflect the company's commitment to sustainability.

Use SWOT table for Strengths, Weaknesses, Opportunities and Threats. This is a strategic planning tool which can help you review your business plan. The outcomes will be useful to inform your skills and resource for building your business.

**Free templates:** <https://www.wordstream.com/blog/ws/2017/12/20/swot-analysis>

S	W	O	T
STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>• Things your company does well</li> <li>• Qualities that separate you from your competitors</li> <li>• Internal resources such as skilled, knowledgeable staff</li> <li>• Tangible assets such as intellectual property, capital, proprietary technologies etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Things your company lacks</li> <li>• Things your competitors do better than you</li> <li>• Resource limitations</li> <li>• Unclear unique selling proposition</li> </ul>	<ul style="list-style-type: none"> <li>• Underserved markets for specific products</li> <li>• Few competitors in your area</li> <li>• Emerging need for your products or services</li> <li>• Press/media coverage of your company</li> </ul>	<ul style="list-style-type: none"> <li>• Emerging competitors</li> <li>• Changing regulatory environment</li> <li>• Negative press/media coverage</li> <li>• Changing customer attitudes toward your company</li> </ul>

 WordStream

## Checklist: Your Learning Outcomes

<b>What I know on the subject of “Market Research &amp; Analysis”</b>		
#	<b>Theme/Question</b>	<b>YES / NO</b>
<b>1</b>	I understand the importance of market analysis for shaping my business strategy.	
<b>2</b>	I know techniques for conducting market research.	
<b>3</b>	I am able to use the Swot Analysis Technique.	

## Resources for M1-LU2

### **The following learning material is provided:**

- Brandwatch: Essential Methods for Effective Consumer and Market Research  
<https://www.brandwatch.com/blog/market-research-methods/>
- Improvado: How Do I Conduct a Market Analysis?  
<https://improvado.io/blog/how-to-perform-market-analysis#:~:text=Market%20analysis%20offers%20numerous%20benefits,resources%2C%20and%20enhancing%20product%20development.>
- Wordstream: Videos and templates for SWOT analysis  
<https://www.wordstream.com/blog/ws/2017/12/20/swot-analysis>

## Videos on M1-LU2

- Be Productive: 7 Powerful Market Research Tools You Should Use Right Now!  
<https://www.youtube.com/watch?v=JcIqJwgSnNA>
- [Market Research | The Secret Ingredient for Business Success](#)
- [Business strategy - SWOT analysis](#)

- [The role of strategy in business](#)

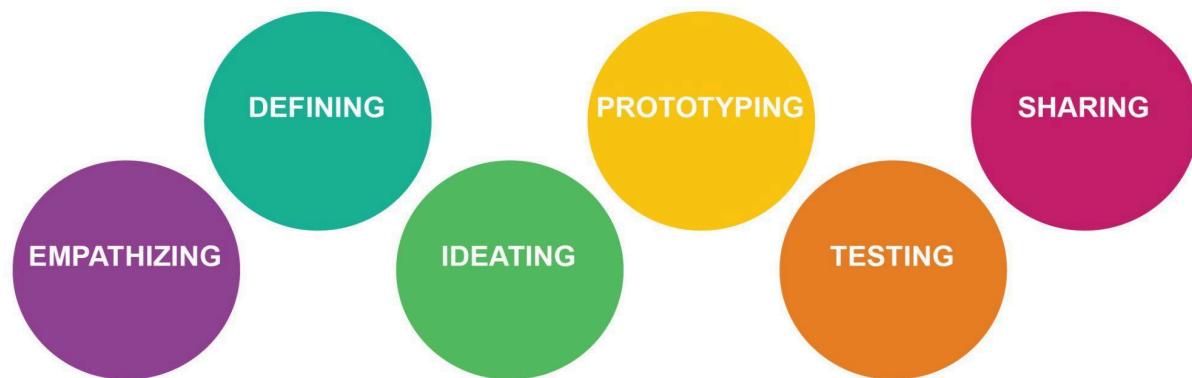
## Bibliography – discover more

- Planview: 4 Keys Of A Strategic Plan - Download Our Whitepaper Now  
<https://www.google.com/search?client=safari&rls=en&q=Understand+the+importance+of+market+analysis+in+shaping+your+business+strategy&ie=UTF-8&oe=UTF-8>
- Improvado: What Are the Benefits of Conducting Market Analysis?  
<https://improvado.io/blog/how-to-perform-market-analysis#:~:text=Market%20analysis%20offers%20numerous%20benefits,resources%2C%20and%20enhancing%20product%20development>

## Learning Unit 3 - Ideation & Innovation

**Ideation** is the process of developing new ideas based on the qualities of being curious and creative. When coming up with ideas, the ideation phase is vital to ensure that we have a strong concept from the beginning. This phase includes recognizing problems and prospects, engaging in idea generation related to the issues identified, and conducting research to validate assumptions concerning the market, customers, and the concept itself. Ideation is a part of a broader design process that commences with comprehending the target audience; showing empathy, comprehending, and defining the requirements of that audience; and subsequently brainstorming about what is necessary. Moreover, the ideation phase aims to reduce the likelihood of failure by generating concepts that fulfil a need. Successful startups begin with a high-calibre idea, which is innovative, captures a fundamental truth, and possesses substantial competitive advantages.

In the Stanford School Design Thinking Process, there are 6 Stages of design:



The objective of Design Thinking is to foster empathy for customers, discover the non-obvious challenges they are facing, and gain a deeper understanding of how existing market solutions fail to address their requirements adequately.

**Innovation** is the process of creating new ideas, products or processes. Innovation thinking allows a business to grow and better serve its target group. In order to enhance competitiveness, organisations have to adopt innovative solutions in leadership or in their strategic approach.

- Video Inspiration: There are two types of creative thinking: adapting and innovative. Learn more about them and check out ways to boost creative thinking from the video: 'Creative Thinking: How to Increase the Dots to Connect' : <https://www.youtube.com/watch?v=cYhgIlTy4yY>



Many startups kickstart their operations by introducing innovative products or services, underlining the pivotal role of innovation in their success. In essence, continuous innovation is indispensable for all companies. The key factor lies in the specific focus of their innovation strategies, which can vary significantly from one company to another.

- Video Inspiration: 4 simple ways to have a great idea':  
<https://www.youtube.com/watch?v=mtn31hh6kU4>



## Tips to chase innovation thinking in the entrepreneurial sector

- **Create a financial plan.**

Having a financial plan for your digital business can prepare you for many potential issues and financial obstacles when creating your own business. Whether your business' aim is to develop a new product or provide an innovative service, a financial plan can help you identify your needs better and have a more successful business.

- **Network**

Networking is one of the most vital parts of any digital business. Entrepreneurs often use networking as a way to meet new people that can assist them in moving their business forward, such as suppliers, investors or other personal connections in the industry. Participating in networking events can help an entrepreneur stay relevant, expand their knowledge and learn about new technologies from professionals in order to create a truly innovative product.

- **Accept constructive feedback.**

Learning to accept constructive feedback is also a must in order to grow in the business sector. Entrepreneurs should be open and ready to welcome feedback coming from other executives of the field and even consumers and based on their experience use it to make their business successful. Feedback is the way

to gain better insight into what the market and the consumers need, and it is necessary to design a product or a service accordingly.

## **Why is Ideation & Innovation important for digital entrepreneurs?**

Ideation and Innovation are quite significant for establishing a digital business. As mentioned above, they have both a lot to offer to an aspiring entrepreneur in the digital sector, especially since they put him/her through a thinking process that later answers a lot of fundamental questions about their business. Ideation is important, since it leads you to discover and resolve potential problems that may occur, while you are in the developing stage of your business. Simultaneously, you learn more about business models and what is more suitable in your case, but also you analyse your target group thoroughly and discover new ways on how to better cater their needs. That's where innovation comes in to assist the entrepreneur with techniques that increase personal and team productivity and bring uniqueness and novelty to the business process. Innovation can give a competitive advantage to your business and help reduce the cost and increase the revenue, therefore lead to success.

## **Develop your own business ideas: Popular Ideation Techniques to try!**

- **Brainstorming Session**

Goal: Leverage the power of the group and manage to build on each other's ideas!

Team: Small but diverse team is preferred.

Duration: About 20-minute session.

Instructions: You can use a whiteboard to write ideas and then build on them through discussion. You should get as many ideas as possible.

- **Method 6-3-5**

Goal: Build upon the ideas of one another!

Team: 6 people

Duration: 30 minutes

Instructions: 6 people write down 3 ideas in 5 minutes. After the 5 minutes are over, they exchange their papers and have additional 5 minutes to build upon the ideas they have received. You repeat the process until all ideas have rotated around once.

- Prototyping

Goal: Create a physical representation of your idea!

Team: 1-4 people, the rest of the team can be used for feedback.

Duration: Up to 30 minutes.

Instructions: Use the available tools to rapidly prototype your product, so you can present it and get feedback on how it can be improved.

- Five Whys Analysis Technique

Goal: Get to the root cause of the problem!

Team: Not specified

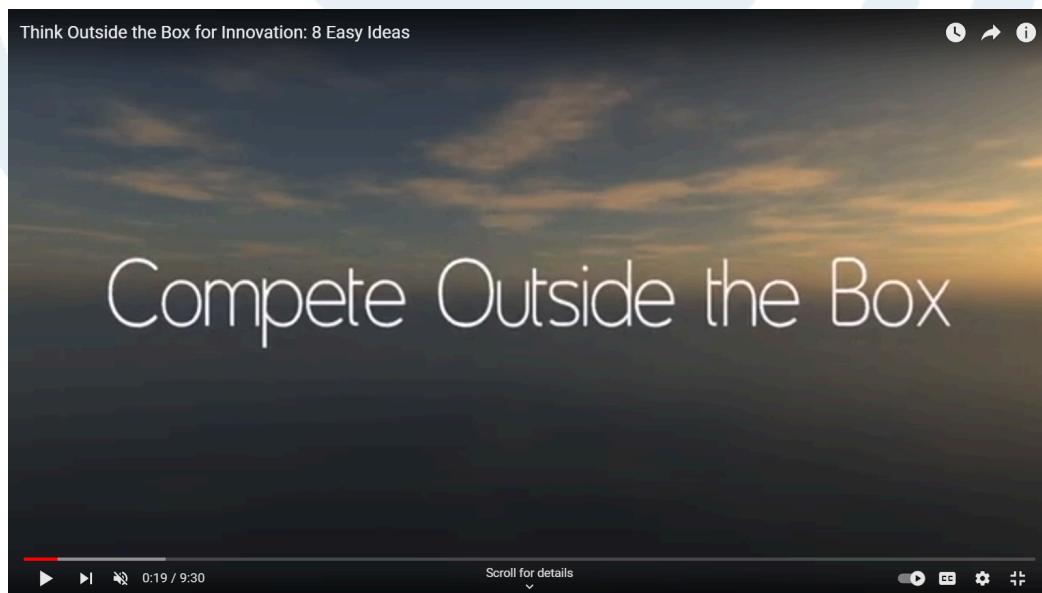
Duration: Not specified

Instructions: Start with a problem statement and then ask "Why" it happened. Repeat the step until you stop gathering insightful answers and get to the root cause of the problem.

- Video Inspiration: Apart from these, mostly team activities, implement some ideas for everyday habits and approaches to make your mind more innovative!

'Think Outside the Box for Innovation: 8 Easy Ideas':

[https://www.youtube.com/watch?v=r--6fv\\_V0aY](https://www.youtube.com/watch?v=r--6fv_V0aY)



## **The importance of Thinking outside the box!**

Thinking outside the box is an expression used to describe different, unconventional or creative ways of thinking. To think outside the box means to fully understand the status quo and then challenge it.

\* *Do you think you can think outside the box?*

Take this short quiz to find out: 'How Well Can You Think Outside the Box? Try These Brain Teasers with Answers to Find Out!': <https://grizly.com/quizzes/brain-teasers>

How can thinking outside the box benefit your entrepreneurial initiative?

- Embrace diversity and inclusion.

The first step towards a more successful business venture is to foster diversity and inclusion within your team. People coming from different backgrounds, ethnicities and cultures can bring fresh ideas and new, innovative combinations, but at the same broaden your audience. Creating a diversified and inclusive team is a key player in digital entrepreneurship.

- Challenge Assumptions

Thinking outside the box often means to question assumptions that a certain method can lead to specific results. Sometimes you need to expand your horizons and explore different approaches for growth.

- Encourage creative problem solving.

Follow the various techniques mentioned to approach challenges with a creative mindset and revolutionise your industry.

- Foster a culture of curiosity.

You can do that by asking questions, discovering new topics and trying to find inspiration in different fields. Remaining curious can move your business forward and help it provide truly innovative solutions.

- Embrace risk-taking.

Encourage yourself and your team to step out of your comfort zone and experiment with new strategies. Risk-taking is a big part of thinking out of the box that can lead to significant breakthroughs.

- Learn from failure.

Maybe the most important aspect when creating a business is to be able to overcome the failures and accept them as learning opportunities.

## **Creative problem-solving techniques.**

Tips to foster creativity in problem solving:

- Do a brain dump.  
Brain Dumping is the process of writing down your thoughts as they come, without worrying about if they are actually feasible. The point is to start the thinking process and give all your ideas a chance!
- Widen your scope of relevance.  
Try to be open-minded and adopt new ideas and perspectives so you can solve an issue!
- Box yourself with a timer  
Sometimes working under time pressure is preferable to avoid procrastination. Set yourself a deadline, to be sure that you will not get lost in thought!
- Work backwards from the goal  
This technique allows you to break down the result and divide it into more feasible steps towards the final goal. Write down the outcome and then work backwards creating small milestones that you will break to smaller tasks!
- Ask someone outside your field.  
A very interesting way to solve issues is to get insight to brand new perspectives by asking the opinion of people that are developing businesses in different fields.
- Ask a child.  
Even if it seems too much, it is true that children can sometimes come up with the most innovative ideas and solutions.
- Problem solve for someone else.  
When trying to solve someone else's problem, sometimes an idea might come up that will brighten up a different perspective of our own issue.

## **How to cultivate a mindset of innovation with Lateral Thinking**

**Lateral Thinking** is a thinking process that requires us to disrupt assumptions and to take a look at things from a brand-new perspective. Additionally, it allows our thoughts to turn the initial problem into a starting point, rather than an absurd wall.

Steps to take so we can develop lateral thinking skills:

- Understand your assumptions: Why do you have to act and think in a certain way? Try to understand the reason behind your assumptions.
- Question your conditions: Try reframing your conditions, as a way to develop your creative thinking process. Our conditions often block our creative thinking and make it difficult for us to see reality. When you begin to question these conditions, there's a high chance radical ideas will come alive!

- Lean into your imagination: Trust your imagination and give your ideas space to grow before rejecting them!
- Push your boundaries: Try to explore more ideas before choosing to remain on the safe side. There is nothing wrong with opening up to different ways of thinking and exploring your opportunities!

## Real world examples/exercises

- Exercise 1: Alphabetize Adventure in 5 seconds.  
*How to:* First, think of any word or see a word on a magazine cover or billboard (preferably six or so letters). Second, stop looking at the word and just picture it in your mind. Then arrange all the letters in your head so they are in alphabetical order. What makes these mental gymnastics so terrifically boosting to your brain is that you're forced to use all the information—all the letters—and totally rearrange it in your mind. Try this for five minutes a day, three days a week. Increase the number of letters in the words you are alphabetizing as you get more proficient. You'll notice after a while; your mind will be used to looking at things in a different way and you'll start coming up with ideas that you've never thought of before.
- Exercise 2: Have a conversation WITHOUT using the letter E.  
*How to:* This is a fun game to play with a friend or family member, which will automatically flex your brain's "muscles" and help make you mentally sharper. The object is for you and your friend to carry on a regular conversation without using any word that has the letter E in it. But you must try to make the conversation as normal as possible without any long pauses in between sentences.
- Exercise 3: Add up a series of one-digit numbers FAST.  
 Adding up small numbers in your head quickly (4+7+9+3+2+2+8+5+8...) compels you to continually change the information that you are having to work with and remember. As you're adding up the numbers, your grand total constantly changes and to arrive at the next total you have to focus solely on your current total and the next number you are adding. There are very few mental exercises where focus and continually evolving information play such an important part.

## Glossary of Terms

Term	Definition <sup>3</sup>
<b>Ideation</b>	the act of forming ideas or thoughts
<b>Innovation</b>	the introduction of new things, ideas or ways of doing something
<b>Brainstorming</b>	a way of making a group of people all think about something at the same time, often in order to solve a problem or to create good ideas
<b>Lateral Thinking</b>	a way of solving a problem by using your imagination to find new ways of looking at it

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<sup>3</sup> Definitions based on Oxford Learner's Dictionaries: <https://www.oxfordlearnersdictionaries.com/>

## Exercise: Quiz on Ideation & Innovation

1. Ideation is primarily about recognizing problems and generating ideas to address them.

TRUE or FALSE?

2. What is the primary objective of Design Thinking?
  - a) Increase market solutions
  - b) Foster empathy for customers
  - c) Ignore customer requirements
3. Why is feedback essential for a business?
  - a) To avoid challenges
  - b) To gain better insight into market and consumer needs
  - c) To limit product/service improvement
4. Why is innovation important for businesses?
  - a) To reduce financial planning
  - b) To decrease competitiveness
  - c) To grow and better serve target groups
5. How can innovation give a competitive advantage?
  - a) By increasing costs
  - b) By reducing revenue
  - c) By bringing uniqueness and novelty
6. Prototyping involves creating a physical representation of an idea.

TRUE or FALSE?

7. How can thinking outside the box benefit your entrepreneurial initiative?
  - a) Limiting diversity
  - b) Challenging assumptions
  - c) Avoiding risk-taking
8. Brain Dumping is the process of carefully planning ideas.

TRUE or FALSE?

9. Lateral Thinking requires reinforcing assumptions.

TRUE or FALSE?

*Solution key: 1- TRUE, 2- b, 3- b, 4- c, 5- c, 6- TRUE, 7- b, 8- FALSE, 9- FALSE*

## Interactive Exercise – Bad Idea Brainstorm

<b>Format</b>	Face to face / online / hybrid
<b>Learning Objectives</b>	Lean into imagination, think through their bad ideas, think outside the box
<b>Material/ Equipment needed</b>	Computer / paper to take notes
<b>Description of the exercise</b>	<p>Divide participants into small groups (2-3 people)*          Give the teams 10-15 minutes and ask them to come up with the worst ideas they can imagine, regarding their business idea – Ask them to really walk through their ideas          Discuss the results with all teams</p> <p>*The activity can be also done individually</p>
<b>Debriefing Questions</b>	What did you get out of this exercise? Did it help you think in a more innovative way?
<b>Allocated time</b>	Approximately 25 minutes
<b>Notes for the trainer/ facilitator</b>	Devote time into the conversation
<b>Source</b>	<a href="https://www.invitejapan.com/en/lateral-thinking/">https://www.invitejapan.com/en/lateral-thinking/</a>

## Checklist: Your Learning Outcomes

<b>What I know on the subject of “Ideation &amp; Innovation”</b>		
<b>#</b>	<b>Theme/Question</b>	<b>YES / NO</b>
<b>1</b>	Did you gain a better understanding of the ideation process?	
<b>2</b>	Were you able to identify key principles of innovation?	
<b>3</b>	Did you learn how to generate creative ideas more effectively?	
<b>4</b>	Were you introduced to various ideation techniques?	
<b>5</b>	Did the training help you recognize the importance of experimentation in the innovation process?	
<b>6</b>	Were you able to apply the concepts of ideation and innovation to real-world scenarios as a result of this training?	
<b>7</b>	Did the training emphasise the significance of collaboration in fostering innovation?	

## Resources for M1-LU3

### **The following learning material is provided:**

- Ferrier, M. (2017, August 23). *Ideation*. Rebus.community; Pressbooks. <https://press.rebus.community/media-innovation-and-entrepreneurship/chapter/ideation-2/>
- *Innovative Entrepreneurship: Definition, Tips and FAQs*. (n.d.). Indeed Career Guide. <https://www.indeed.com/career-advice/career-development/innovative-entrepreneurship>
- *Why Is Ideation Important?* (2021, February 19). Koombea. <https://www.koombea.com/blog/why-is-ideation-important/#:~:text=By%20challenging%20companies%20to%20explore>
- Key, S. (2013, April 26). *3 Games To Help You Generate Business Ideas*. Entrepreneur. <https://www.entrepreneur.com/startng-a-business/3-games-to-help-you-generate-business-ideas/226501>
- *Thinking outside the box: 8 ways to become a creative problem solver*. (n.d.). www.betterup.com. <https://www.betterup.com/blog/thinking-outside-the-box>
- *Unleashing Creativity: The Art of Thinking Outside the Box in Business*. (n.d.). www.linkedin.com. Retrieved October 19, 2023, from <https://www.linkedin.com/pulse/unleashing-creativity-art-thinking-outside-box-business-victor-marin/>
- *Lateral Thinking: How to Actually Think Outside the Box and Ignite Your Team's Innovation | Invite Japan*. (2022, June 16). Invite Japan. <https://www.invitejapan.com/en/lateral-thinking/>
- *Surprising Exercises to Get You Thinking outside the Box | Psychology Today*. (n.d.).
- <https://www.psychologytoday.com/intl/blog/the-power-of-forgetting/201404/surprising-exercises-to-get-you-thinking-outside-the-box>
- Meyer, D. J.-U. (n.d.). What is Innovation? Introduction and Definition for Practitioners. <https://innolytics.net/what-is-innovation/#definition>
- Jaiswal, S. (2022, July 21). *4 Important Benefits of Innovation in Business | Emeritus India*. Emeritus - Online Certificate Courses | Diploma Programs. <https://emeritus.org/in/learn/important-benefits-of-innovation-in-business/>

## Links & Videos on M1-LU3

- Quiz - <https://grizly.com/quizzes/brain-teasers>
- Article on Ideation - <https://press.rebus.community/media-innovation-and-entrepreneurship/chapter/ideation-2/>

- Article on the importance of ideation -  
<https://www.sciencedirect.com/science/article/abs/pii/S0007681317300265>
- How to come up with innovative business ideas -  
[https://www.youtube.com/watch?v=Y\\_jJ1hsIyd0](https://www.youtube.com/watch?v=Y_jJ1hsIyd0)
- How to develop good ideas - <https://www.youtube.com/watch?v=mtn31hh6kU4>
- Creative thinking - <https://www.youtube.com/watch?v=cYhgIlTy4yY>
- How to think outside the box - [https://www.youtube.com/watch?v=r--6fv\\_V0aY](https://www.youtube.com/watch?v=r--6fv_V0aY)
- TED Talk: 'Why innovation is all about people rather than bright ideas' :  
<https://www.youtube.com/watch?v=Q7chxarBJ98> .
- TED Talk: 'Creative thinking - how to get out of the box and generate ideas: Giovanni Corazza at TEDxRoma' : <https://www.youtube.com/watch?v=bEusrD8g-dM>

## Bibliography – discover more

### European & international level:

- Paper on ideation, Entrepreneurship and Innovation -  
<https://www.oecd.org/sti/inno/Keynote%20-%20Link.pdf>
- *20 Practical Idea Generation Techniques To At Least 2X Your Startup & Marketing Ideation Speed.* (n.d.). [Www.shno.co. https://www.shno.co/blog/idea-generation-techniques](https://www.shno.co/blog/idea-generation-techniques)