

Identifying Business Opportunities

To identify business opportunities you need to stay aware of the changes occurring in your business, the market and industry.

Business opportunities occur for a range of reasons:

New Product and Service Opportunities:

- gaps in the product and services available – need for “new” products
- emerging technology which will be taken up by consumers eg MP3s
- change in customer demographics creating demand eg personal service industries eg home cleaning or fashion items

Existing Products and Service Opportunities:

- unmet demand for an existing product or service eg everyone too busy
- improving an existing product / service to suit a customer need
- marketing a product attribute that customers will see as an advantage
- changing demographics change demand for your products and services

New Market Opportunities

- gaps in product availability in a specific geographic area
- exporting
- internet sales
- franchising
- offer related / linked products / services to your current offering
- reduction in competitors

Website Opportunities

- show visual images of products
- let customers help themselves to info
- add credibility to the business – it has a website ...
- allow on-line sales
- provide extras like advice and info that supports your customers
- download of brochures and forms
- allow client lists and testimonials to be displayed
- introduce new product lines
- allow a focus on “one target group”
- attract new customers
- move outside your traditional geographic market

Analysing Business Opportunities

Once a potential opportunity is identified – it is important to review its “real potential by looking at:

1. Potential financial returns
2. The resources and capital investment required to make it happen, and to continue to deliver this product or service
3. The risks (financial and non-financial) involved
4. is there Synergy with what your business does or are you considering a move into an entirely new direction and focus?
5. The opportunity cost ie what else could you be doing if you didn't focus on this opportunity?

Potential returns

- Estimated sales
- Profitability each sale
- Lag time of sales
- Related / add-on sales
- On-going vs one-off sales

Resources and Capital Outlay

- Initial \$\$ investment
- Your time
- Staffing
- Physical resources

Risks

- Financial
- Focus (away from the rest of the business)
- Business growth (too fast)
- Reputation (loss or confusion)

Synergy – match to what you do

- Is it consistent with business image
- Do you have the skills?
- Will it be a “logical” addition?

Opportunity Cost

- What other opportunities are more viable
- What about existing business