

# GENERATING BUSINESS IDEAS



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10 SIMPLE TECHNIQUES  
TO IGNITE YOUR CREATIVITY

by Sandra Kahale

Dream It. Plan It. Do It.

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## *Chapter 1*

# What's a Business Idea?

If you're thinking about becoming your own boss, you're going to need some ideas. Whether you've been thinking for a while or are using this guide to jump start your process, it's worth making sure that your ideas are actually business ideas and not, for example, cool inventions or great charitable causes.

So what is a business, exactly?

It's a repeatable process that creates and delivers something of value that other people want or need, at a price they're willing to pay, in a way that satisfies their needs and expectations, and makes money.\*

As you consider potential business ideas, make sure they tick off all the boxes.

\* Josh Kaufman, The Personal MBA

**If you have ideas,  
you have the  
main asset you need,  
and there  
isn't any limit  
to what you can do  
with your  
business and your life.**

Harvey S. Firestone

## Chapter 2

# Why Everyone Needs Business Ideas

Working on business ideas helps you play with different **possibilities**, engages your **creativity**, and trains you to see **opportunity**. That's useful no matter what you end up doing in life.

Ideas give you **options**. You may never choose to start a business, but you can nurture the possibility by thinking about what kind of business you *could* start.

And, if you ever find yourself in the position of having to earn your income without a job due to economic conditions, layoffs, moving, family demands, or other circumstances, you'll have the comfort of knowing **you've got options**.

In the meantime, being able to generate business ideas — ideas for new or expanded revenue streams — makes you more **valuable to employers**.

Taking an interest in businesses and how they make their money also gives you an **interesting perspective** on the world. You'll start to see stores and products in a whole new light, imagining the various businesses involved every step of the way, from manufacturing and production to design, packaging, shipping, distribution, advertising, and sales.

You'll notice niche products made by artisans and mass market goods made by the world's biggest brands. You'll expand your understanding of what's possible. And **your world will be richer** for it.

Already have a business? Cooking up business ideas helps you identify possible **new revenue streams** or ways to grow your business. It can also help you identify **unexpected partnership** opportunities.

# Every business begins with an idea.

## *Chapter 3*

# How Businesses Create Value

To be successful, your business will have to create something that somebody finds valuable enough to pay for.

The way that businesses create and deliver value is described in terms of business models — basically, how businesses make money.

There are many different business models. Technology and social movements enable new ones all the time. Still, most businesses operate using one of a relatively few simple, proven approaches.

**A business model describes the rationale of how an organization creates, delivers, and captures value.**

Alexander Osterwalder



# Some Basic Models

## **SERVICES**

Service businesses help people do or accomplish something. Sometimes, but not always, the provider has specialized skills or knowledge. Examples include: consultants, tutors, tour guides, housekeepers, dog walkers, psychics, and gardeners.

## **PHYSICAL PRODUCTS**

Physical products are tangible, physical goods. Some are durable, like books, wallets, or handmade quilts. Others are consumable, like gourmet mushrooms, handmade chocolates, or balloons.

## **VIRTUAL/DIGITAL PRODUCTS**

Physical and virtual products, like software, online courses, and downloads, aren't necessarily that different from physical ones, but considering how a physical product (like smoothies) could be a virtual one (like an e-book of recipes) can help you find new opportunities.

## **SUBSCRIPTIONS & MEMBERSHIPS**

Subscriptions and memberships deliver ongoing goods or services for a recurring fee. Examples include magazines, Netflix, and subscription boxes carrying anything from teas of the months and weekly snack packs to quarterly shipments of socks and underwear.

## **RESELLING**

Reselling is acting as the “middleman” — buying goods from one place (like a wholesaler) and selling them to another (like a retailer). It's a key component of standard retail and is also relevant to businesses involved in things like up-cycling and vintage goods.

## *Chapter 4*

# 10 Ways to Generate Business Ideas

Ideas are everywhere. The more you expose yourself to the world around you, the more of them you'll see.

There are businesses behind all the products and services you encounter: a tin of spices, a box of tea, a handmade scarf, a loaf of bread, a freshly mowed lawn, local internet service. All of these businesses began as ideas.

Sometimes the best ideas are the result of two worlds colliding. Pursue your interests and constantly expand your horizons. Think about how something from one part of your life could apply to another part (like combining the idea of lunchtime workouts with professional development to create mini lunchtime training sessions).

When you meet people, take advantage of the opportunity to learn about their interests, too. You never know what ideas that might spark.

**The way to get  
good ideas is  
to get lots of ideas  
and throw the bad  
ones away.**

Linus Pauling

# 1 LOOK WITHIN

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Everyday, people turn their interests, passions, and hobbies into successful businesses. It's an easy place to start.

Consider Tim and Nina Zagat, the dynamic duo behind the Zagat Surveys publishing empire that sells restaurant guides for many major U.S. and European cities.

The Zagats were lawyers who loved dining out. For fun, they created a newsletter asking friends to rank popular restaurants in several categories. Each year, the newsletter grew.

Before long, Zagat Surveys were being sold in bookstores around the world. In 2011, the Zagats sold their business to Google for \$125 million.

Taking a look at how you spend your time and what you love to do is a great way to get the ball rolling on business ideas.

**If you do work that you love,  
and the work fulfills you,  
the rest will come.**

Oprah Winfrey

# Work It: Who Are You?

Consider your passions, interests, and hobbies. Could they be the basis of a business?

How do you like to spend your free time?

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What would you choose to do if money didn't matter?

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What do you know or do better than most other people?

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What do people tend to ask you for help with?

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Brainstorm at least 5 possible businesses based on your answers to the questions above.

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5. 

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## 2 SOLVE A PROBLEM

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A business has to deliver something that somebody finds valuable enough to pay for. One thing we **all** value is solutions to our most pressing problems.

Problems in need of solutions are easy to find. Start looking and you'll see them everywhere. Just make sure the problem is **real and specific** and that you actually help solve it.

Problems — and their solutions — can be big or small.

Kemmons Wilson got irritated when a motel charged him extra for each of his five kids. He later launched Holiday Inn hotels.

King C. Gillette started the disposable razor industry when he got fed up with sharpening his straight-edge razor.

College student Colin Barceloux thought textbooks were too expensive so he created Bookrenter.com, which rents them at a 60% discount. The site now has over 1.5 million users.

You can frame almost any idea in terms of the problem it solves to help you get really clear on the value it offers.

# Work It: Find Solutions

List 5 problems that you or the people close to you have, have had, or anticipate having, such as wanting to get fit, finding parts for DIY repairs, making affordable healthy meals, or getting from one place to another.

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Brainstorm at least 10 business ideas that would help address these problems or make things better.

Having trouble? Try running the same basic business concept through different models: services, physical products, information or virtual products, memberships or subscriptions, and reselling.

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## 3 MAKE IT BETTER

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You can build a very solid business simply by making something better.

That might mean changing, adapting, or growing it in different directions. The key is to make improvements that people will truly value and want to pay for.

That's how Ben and Jerry started their ice cream empire. Ben Cohen and Jerry Greenfield felt that other ice creams just weren't rich and tasty enough. They quickly discovered that others agreed. The rest is history.

Don't limit your thinking to products or services. Processes are also a fertile ground for improvement. Look at particular industries or sectors, or at how certain processes cut across sectors, and consider where you can improve ease, efficiency, or speed. Alternatively, focus on boosting outcomes like sales, cost savings, or delivery.

Taking real-world processes online continues to be a good way to improve them. Sites like [udemy.com](https://www.udemy.com) and [learnable.com](https://www.learnable.com), for example, deliver professional training and development faster, more cheaply, and more conveniently online.



# Work It: A Better Mousetrap

What Would Make it Better?	
A service you currently use:	
A product you currently use:	
An information product you have:	
A subscription or membership you have:	
A restaurant you frequent:	
A store or brand you like:	
A process you struggle with:	

With your unique skills, abilities and interests, what else could you improve? How?

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## 4 FILL A GAP

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Another approach to developing business ideas is to find a perceived gap in the market and fill it.

This could be as simple as starting a business in a geographical area where there are no competitors, like opening a garden centre in the downtown core. Or creating a meal delivery service in an area not well-served by fast food or delivery restaurants.

It could also involve creating a new product or service to fill a perceived need. As more and more people work for themselves, for example, co-working spaces are popping up everywhere to give them a place to go and create a sense of community.

**A pessimist sees the difficulty  
in every opportunity;  
an optimist sees the  
opportunity in every difficulty.**

Winston Churchill

# Work It: What's Missing?

Think about a geographic area that you are very familiar with, such as where you live, work, or go to school. What types of things are hard to find or get there? What do you have to travel elsewhere to get or experience?

[illegible]

Come up with at least 5 business ideas that would fill these gaps.

This image shows a blank sheet of white paper with horizontal blue or grey ruling lines, typical of notebook paper. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

## 5 REMODEL

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A very interesting idea generation technique is to take one business concept and run it through different business models.

This eye-opening technique is useful for generating ideas not just for businesses, but also for different revenue streams (ways you make money) within a business. It can even help you identify a Minimum Viable Product that you could develop quickly and use to test your business idea before investing fully.

For example: You're considering starting a business selling painted beads. Transforming your business model might mean creating a monthly painted bead subscription box for crafting enthusiasts, or offering live or online workshops for DIYers.

The possibilities are limitless.

**No one ever  
discovered anything new  
by coloring in the lines.**

Thomas Vasquez

# Work It: Biz Model Reno

Exercise your creativity by imagining each of these business in a different way.

Current Model	Alternative Model(s)
Service: Tutoring	
Product: Gluten-Free Cupcakes	
Information Product: An online Beatboxing Basics course	
Subscription: Coffee of the Month Club	
Reseller: Upcycled vintage sweaters	
A business you are considering:	
Another business you are considering:	

## 6 LOOK AHEAD

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The world is always changing. And change brings opportunity. Position yourself to take advantage of that by asking yourself, “What’s next?”

New trends and technologies can translate into all kinds of interesting businesses. The advent of robots, for example, creates countless opportunities. A few already in play:

Düsseldorf Airport has a robotic parking valet. Customers leave their car, and a robot picks it up and parks it. The system connects to the airport’s flight database, so vehicles are ready when customers return.

In Japan, Nestlé is using robotic customer service assistants to guide people through its products.

Not sure what’s coming next? You’ll find lots of ideas in sources like [trendwatching.com](http://trendwatching.com), [trendhunter.com](http://trendhunter.com), and the January issues of magazines like Entrepreneur and Fast Company.

**The future depends  
on what you do today.**

Mahatma Gandhi

# Work It: Imagine the Future

Trends exist in every area: fitness, health and nutrition, technology, fashion, and more.

What are some trends that you see emerging in the next few years?

Focus on the areas you find most interesting and know the most about.

[illegible]

Brainstorm at least 5 business ideas based on the trends you've identified.

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and extend across the width of the page. There are no margins, text, or other markings on the paper.

# 7 GRANT A WISH

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Although “wishful thinking” tends to have a bit of a bad reputation, the truth is that wishes can be a great source of business ideas.

Wish you could easily send people to your website on their mobile devices? That’s what QR codes do.

Wish you could earn money from assets you aren’t using, like an empty guest suite? That’s what Airbnb does.

Wish you could have your burger “your way?” That’s what Harvey’s specializes in.

Wish there was a way to squeeze in quick workouts on your lunch break? Open a circuit gym or offer mobile classes.

What do you wish for? What do the people or organizations you’d like to have as customers wish for?

**It takes as much energy  
to wish as it does to plan.**

Eleanor Roosevelt



# Work It: Wishful Thinking

Pick one or two areas of your life to focus on. Maybe it's being a student, or a parent, or a martial arts enthusiast... anything, really.

Reflecting on your experience in that area, come up with a list of "wouldn't it be nice..." statements.

Wouldn't it be nice if.....

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Now develop one or more business ideas based on each of those statements. Don't limit yourself to what's realistic based on your current resources. This exercise is about creativity.

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## 8 IMPORT IDEAS

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Travel opens your eyes to all kinds of potential business ideas. Often, something that works well in one market can be adapted to work well in another one, especially in the age of the “global consumer.”

An example: Spaniard Leopoldo Fernandez Pujals discovered Domino’s Pizza on a trip to the United States. He was so impressed that he went back to Spain and launched his own version, TelePizza, in 1986. Today, his company does over \$260 million in sales and employs 13,000 people in eight countries.

But you don’t have to import a whole chain or retail operation.

You can import simple ideas, like selling prepared, ready-to-eat exotic fruits at a farm market stand on hot summer days.

You can also import products and physical goods, large and small, from places around the world, like scarves, tribal jewelry, and handmade musical instruments.

# Work It: Bring it Home

Think about a place you've traveled to or maybe the place where you or your family are originally from. What are some amazing products or services that are available there that aren't available – or are hard to get – here? It can be anything: a great store, street food, beauty products, electronics, etc.

[illegible]

Now brainstorm at least 5 business ideas based on those products or services.

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There are approximately 20 lines visible. The paper has a slight shadow on the right side, suggesting it's resting on a surface.

# 9 REINVENT

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Reinvention is fertile ground for all kinds of business ideas.

At its simplest, reinvention can be about literally transforming something old into something new, like turning old credit cards into guitar picks, or upcycling furniture from yard sales with a coat of paint and some fabric.

But it can also involve recycling or applying old ideas in new ways. Old fashioned barber shops and candy stores do this, for example, by capitalizing on nostalgia.

Less obviously, you can reinvent traditional business services or processes in new ways. That's what Uber has done for taxis, and what Airbnb does for hotels.

In 2001, David Friedberg lived near a bicycle rental shop that closed whenever it rained. Friedberg got to thinking about all the businesses, like golf courses and car washes, that bank on good weather. He developed insurance to protect them from unseasonable weather, applying an old idea in a new way. Automating online also allowed him to create efficiencies in how claims are processed.

# Work It: Makeover Madness

How could you reinvent a coffee shop?

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How could you reinvent a magazine subscription?

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What's something you'd love to reinvent? Brainstorm 3 ways you could do it.

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# 10 LEND A HAND

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A great way to create value is to help people get more of the things they want and less of the things they don't want.

What do people want? Different people want different things, but almost everyone wants more:

- Money
- Time
- Ease
- Status
- Love
- Success
- Health

Similarly, we all want less:

- Stress
- Hassle
- Frustration

Helping people achieve those goals is an excellent basis for a business.

**Help others achieve  
their dreams and  
you will achieve yours.**

Les Brown

# Work It: Gimme More!

Brainstorm business ideas that give people more of the following:

Money

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Time

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Status

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Love

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Success

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Health

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# Assessing Your Ideas: 2 Quick Tests

Wondering if you should invest time, energy, and possibly money into your business idea?

Before you do, run your idea through a couple of quick tests to improve your chances of picking a winner.

## Is Your Idea Viable?

Before taking the first step forward in implementing your idea, you'll want to have some sense of whether the idea, on the face of it, has potential. Not every idea merits investing time and energy into.

The quick test on the next spread will help you figure if it's worth taking your idea to the next level.

If you've got a couple of ideas you like, run them through this test to refine them and make them stronger, or help you recognize that some of them might not be worth pursuing.



# Work It: Quick Market Opportunity Analysis

Evaluate your idea quickly with this exercise, based on Joseph Kaufman's book, *The Personal MBA*. A score of 0 is low/poor/unlikely; 10 is high/good/likely.

10 Minute Market Opportunity Analysis	Score 1-10
To what extent do people want or need this now?	
Do many people already buy something like this now?	
Are people willing to pay a little or a lot for it?	
Will you have to pursue customers (low score) or will they come to you like a juice bar at a gym (high score)?	
Is the cost to create and deliver your offer low or high?	
Will it be easy or hard for others to copy your offering?	
Is the start-up cost high (low score) or low (high score)?	
Will you start earning slowly or quickly?	
Is the potential for related offers low or high?	
Will you have to create your offer each time (like cupcakes) or just once (like ebooks)?	
<b>TOTAL</b>	

## Scoring

Business is risky and even great ideas can fall apart on execution. A high score doesn't guarantee anything but this test can help refine your idea and make it stronger, or recognize a dud and move on.

<50 Points: This idea needs major work. Radically rethink or move on.

50 – 75 Points: You could make this work with some time, effort, and focus. Look for ways to increase your score by modifying your product or business design.

>75 points: Solid idea. Go for it!

# Is Your Idea a Good Fit?

Just because a business has the potential to be successful, doesn't mean it's the right business for you.

Consider what kind of business you really want.

- A modest, manageable business?
- An empire?
- Staff in offices around the world?
- The freedom to work alone in your pajamas?

You can build whatever business you want. But some ideas will align themselves more readily with your personal, professional, lifestyle, and other goals.

Before investing time or energy into a business idea, pause to imagine and articulate how you ultimately want your business to look, and how you want it to fit into your life.

This exercise probably won't cause you to say "yes" or "no" to a particular idea, but it can shape how you proceed and perhaps what business model you choose.

# Work It: Scoping Your Dream

Imagine that your dream business is a reality. Describe what it looks like.

How big is your business? Is it a micro-business, a small business, a mid-sized business or an empire?

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What does work look like? Where do you do it? With who? How does it fit into your life?

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Who are your customers? What do you love about them?

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How much money do you make? What are your sources of income?

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## Chapter 6

# What's Next?

The truth is that ideas aren't everything.

You can build a great business off a very run-of-the-mill idea (like dry cleaning or glue guns) and fail catastrophically with a seemingly unbeatable one (like the Segway PT electric vehicle, which could have revolutionized personal transportation but instead flopped).

An idea is only as good as what you do with it — whether you take action on it and, if so, whether that action moves your business forward productively.

When you're just getting started, your business idea is basically a theory you have about how the market will react to your offering. Planning, research, and testing help you refine and improve your theory and build a strong foundation for your business.

You can choose to move from here to research and business planning, or to testing and validating your business idea, perhaps by launching a scaled-down, minimal version of your product so you can get market feedback before going all in.

The process isn't linear. You might do research, planning, strategic work, and market testing more than once as you begin to develop and pursue your idea more seriously

**A mediocre idea that  
generates enthusiasm  
will go further than a  
great idea that  
inspires no one.**

Mary Kay Ash

# ***Notes***



Writer, communications coach, trainer and facilitator, Sandra Kahale, works with entrepreneurs to plan, start, and communicate their businesses.

Her inspiring, informative workshops cover topics including business planning, online communications, networking, and small business success.

Learn more about Sandra, book a live event, and find other Small Business Guides in this series at [www.onwordconsulting.com](http://www.onwordconsulting.com).

# GENERATING BUSINESS IDEAS

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Interested in being your own boss but not sure what kind of business to start?

Get your creative juices flowing with 10 proven techniques for generating great business ideas.

- Get into an idea generation mindset
- Dream up dozens of ideas with fun, simple exercises
- Assess your favourites with 2 quick tests
- Plan your next steps

*“Well organized, useful information.”*

*“Showed me that everything is possible, there is business potential everywhere. Loved the business models!”*

*“Biggest takeaway: Thinking about all the things a customer wants out of a product/service – and also evaluating if a business idea is a good fit for the lifestyle I want for myself.”*

*“Learned that you don’t need a great idea to have a great business.”*

Find more Small Business Guides to support your success at [www.onwordconsulting.com](http://www.onwordconsulting.com)