

I02 – Induction to Pedagogy for NGO staff

Module 5 – The NGEnvironment Immersion Programme Part 5: Opportunity recognition and selection

Prepared by Rightchallenge



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NGEnvironment

ERASMUS+ Programme – Strategic Partnership
Agreement No.
2018-1-DE02-KA204-005014

Foster European Active Citizenship and Sustainability
Through Ecological Thinking by NGO's



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Agenda

5. Opportunity recognition and selection

5.1 How to select the right opportunity

5.2 Opportunity selection and recognition in social and green entrepreneurship



Source: *Unsplash*

Learning Outcomes of Module 5

- ❖ Recognise the importance of Business models and value propositions
- ❖ Be able to reflect on their own resilience and its value in starting a business
- ❖ Understand the chances of being an entrepreneur with an own NGO
- ❖ Be able to develop a structured business plan
- ❖ Be able to pitch for approval of a business idea

Overview on Module 5: The NGEEnvironment Immersion Programme

Module/Unit	Learning Outcomes – The learner will:	Indicative Content
The NGEEnvironment Immersion Programme	<ul style="list-style-type: none"> • Understand the characteristics and structure of a Business Model • Understand the importance of the value proposition for NGOs and non-profits • Understand the development process of an NGO • Understand the entrepreneurial process to develop a sustainable business 	<ul style="list-style-type: none"> • Business Models • Value Proposition • Case studies NGOs development • Creation of own entrepreneurship ideas • Opportunity recognition and selection • Business plan • Pitching business ideas

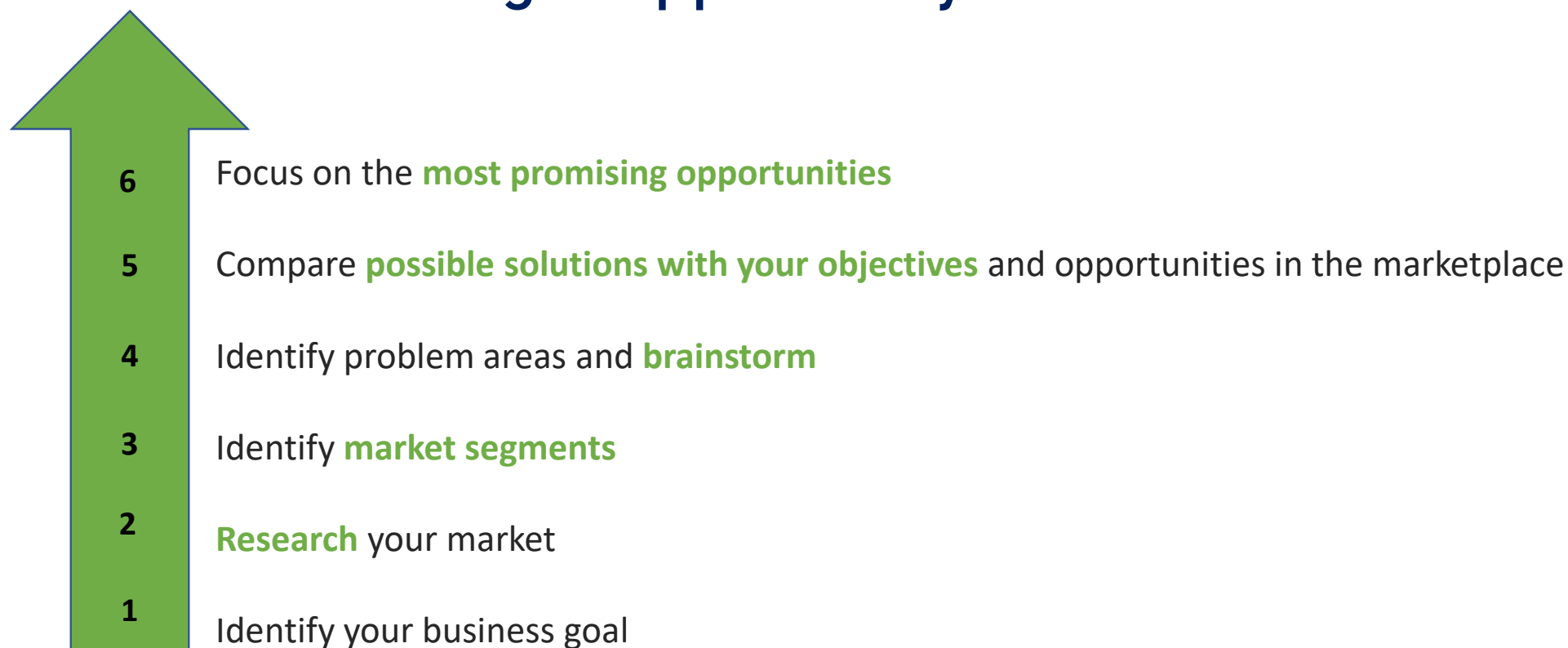
5. Opportunity recognition and selection

An idea turns into an opportunity if it's evaluated and acted upon and there **must be customers** willing to pay and/or invest for the **product/service that you're selling**. It should **also be innovative and attractive**. An entrepreneurial opportunity **"has the qualities of being attractive, durable, and timely and is anchored in products and services that create or add value"** (Dellabarca, 2002, p.9)

You can recognise opportunities **in two ways**: you can **discover them**, or you can **create them yourself**. Some entrepreneurs analyse the changing environment in society, observe technologic, economical or social trends and search for market gaps. However, there are some entrepreneurs create opportunities in already existing markets and/or products/services.



5.1 Opportunity recognition and selection: How to select the right opportunity



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5.2 Opportunity recognition and selection in social and green entrepreneurship



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5.2 Opportunity recognition and selection in social and green entrepreneurship

Uncertainties that social and green entrepreneurs face (MacMillan & Thompson, 2017):

Tackle intractable
problems

Create a market where
non yet exists

Work in uncharted
environments that
generate uncertainty

The use of technology
in an undeveloped
market adds additional
complexity

Unpredictable
competitive responses

5.2 Opportunity recognition and selection in social and green entrepreneurship

Due to this uncertainty that social entrepreneurs face, it's important to do a lot of a **previous research on the problem that you want to tackle**. In fact, according to MacMillan and Thompson (2017): “one of the biggest mistakes social entrepreneurs make is **to charge in with inadequate understanding both of the problem they want to address and of the practicability of the solution they have in mind**” (p. 20).

So, you have to **articulate the problem** and the **proposed solution!**



5.2 Opportunity recognition and selection in social and green entrepreneurship

How to articulate the problem and the proposed solution (MacMillan & Thompson, 2017):

1.
**What is the social
problem I want to
address?**

Who is suffering?

What are they suffering from and when?

What's causing this suffering?

How many people are affected?

Where are they located and how are they geographically distributed?

If it is to be a business, how will revenue (income) be generated?

If it's not to be a business, how will operating funds be secured?



5.2 Opportunity recognition and selection in social and green entrepreneurship

How to articulate the problem and the proposed solution (MacMillan & Thompson, 2017):

2. What is my solution?

How will my organisation alleviate the problem?
Who and how will benefit?
What major costs will be incurred?

3. What will my beneficiaries have to do differently for my proposed solution to work?

What behaviour changes am I seeking on the part of the target beneficiaries?
How difficult it will be for me to affect these behaviour changes?



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5.2 Opportunity recognition and selection in social and green entrepreneurship

How can you select your opportunity?

- ❖ Why is your problem solvable?
- ❖ What other approaches have been tried and what are their results?
- ❖ What would the world look like (your vision) if you solve it?



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5.2.1 Screen-in criteria

Screen in criteria is the criteria that enhance **the attractiveness of your project and/or idea** (MacMillan & Thompson, 2017)

	Very low > very high				
Number of people who will benefit	1	2	3	4	5
Suffering of beneficiary as a result of the problem	1	2	3	4	5
Long-term social impact potential of the project	1	2	3	4	5
Degree of key stakeholders that support the project	1	2	3	4	5
Receptiveness of beneficiaries to the solution	1	2	3	4	5
Degree of local knowledge and experience of teams	1	2	3	4	5
Degree of entrepreneurial experience of management	1	2	3	4	5
Ease of testing in a small scale (low cost, short time-frame)	1	2	3	4	5
Total score					

The screen-in criteria include:

- The number of people who will be helped
- The direness of the problem to be attacked
- Long-term benefits
- Key stakeholders
- Degree of experience of the team in the field
- Experience of the lead entrepreneur
- Testing on a small-scale

Table 1: Screen-in criteria. Adapted from MacMillan & Thompson (2017)



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Opportunity recognition and selection in social and green entrepreneurship

Task

Video 1: Iko Toilets in Kenya

https://youtu.be/FB_yLS1WwMY

Rocketboom -Youtube Standard Licence

Step 1: Watch the videos

Step 2: Download the Zambia Feeds or the Ikotoilet case study sheet (MacMillian & Thompson, 2017)

3: Answer to the multiple choice questions



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Thank you very much for your attention!

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Websites:

<http://www.ngenvironment-project.eu/>
<http://ngenvironment.eduproject.eu/>

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Sources

- Dellabarca, R. (2002). *Understanding the “opportunity recognition process” in entrepreneurship, and consideration of whether serial entrepreneurs undertake opportunity recognition better than novice entrepreneurs*. MBA dissertation. University of Cambridge, Judge Institute of Management
- MacMillan, I. C. & Thompson, J. D. (2017). *The Social Entrepreneur’s Playbook: Pressure-Test Your Start-Up Idea, Step 1*. USA: Wharton Digital Press
- McCreary, M. (n.d.). *The Complete, 12-Step Guide to Starting a Business*. Website. Retrieved from: <https://www.entrepreneur.com/article/297899>