THE OPPORTUNITY ANALYSIS CANVAS
EDITION 2.0

Dr. James V. Green

www.opportunityanalysiscanvas.com

For Jamesia and Ally

Thank you for giving me the opportunity every day
to be a husband and dad.

ABOUT THE AUTHOR

An award-winning educator at the University of Maryland, Dr. James V. Green leads the education activities of the Maryland Technology Enterprise Institute. As its director of Entrepreneurship Education, he manages twenty-five undergraduate and graduate courses in entrepreneurship, innovation, and technology commercialization. He has created and led a host of innovative programs and activities serving over 150,000 innovators and entrepreneurs from 150 countries. With twenty publications to his credit, he is a thought leader in entrepreneurship education pedagogy and entrepreneurial opportunity analysis.

In 2011, he earned first prize in the 3E Learning Innovative Entrepreneurship Education Competition presented at the United States Association for Small Business and Entrepreneurship (USASBE). In 2013, he launched the University of Maryland's first course with Coursera, "Developing Innovative Ideas for New Companies."

Prior to coming to the University of Maryland, Dr. Green held founder, executive, and operational roles with multiple technology startups including Cyveillance (acquired by QinetiQ, LSE: QQ.L), WaveCrest Laboratories (acquired by Magna International, NYSE: MGA), and NetMentors.Org.

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1 INTRODUCTION

There is nothing more powerful than an idea whose time has come.

Victor Hugo

Poet, Novelist, and Dramatist

94,725

At the time of this writing, this is the number of results of a search for business plan books on Amazon.com. As we need the business *idea* before writing the business *plan*, aspiring entrepreneurs need insights and direction on how to identify and analyze entrepreneurial ideas. This book stands alone in its focus on integrating entrepreneurial thinking, seeing, and acting upon entrepreneurial opportunities.

What is an opportunity?

Within the opportunity analysis canvas, the term *opportunity* refers to the potential to create a new venture. This can be a for-profit venture, a non-profit venture, a venture within an established company or organization, or any related venture that creates value for both the customers and the operators of the venture.

In retrospect, we all recognize good opportunities. It's easy to see the successes of others and believe that we too could have achieved similar success had we acted on our own past ideas. Our decisions, however, are of most value in the present.

Missed opportunities

Each year, thousands of students enroll in entrepreneurship courses at universities worldwide. Estimates suggest that less than five percent of these students actually launch a business. Why are so few students launching businesses?

While many are interested in learning skills for future use, a significant number do desire to launch a new venture in the near term.

This mismatch of entrepreneurial ambitions versus actually launching ventures exists for students of all ages.

What's missing?

There is the need for something new, something different, that helps to identify and analyze entrepreneurial opportunities. For

aspiring entrepreneurs, new tools are necessary to develop the ideas that can lead to effective business planning and successful ventures of all types.

The business model approach

The emergence of business model (not plan) courses and competitions are a step in the right direction. The model is a precursor to the business plan. The focus of these new courses and activities is to engage students in customer discovery early, and test the major hypotheses of the business model.

While this is a viable approach and valuable lesson in entrepreneurship education, business models can only begin to take shape after a new venture idea is formulated. Customer discovery requires having a product or service concept to test.

The Opportunity Analysis Canvas

The Opportunity Analysis Canvas is a collaborative effort based on my experiences of teaching over 150,000 students and advising one hundred companies including multiple *Inc. 500* award winners.

The canvas began to take shape years ago with my doctoral dissertation titled "Educating entrepreneurship students about opportunity discovery: A psychosocial development model for enhanced decision-making." While this dissertation title may sound complicated, the basic idea is that before drafting business models and writing business plans, aspiring entrepreneurs need to see and think about problems and solutions differently than others.

As I explored this topic of entrepreneurial opportunity analysis, I recognized a pattern that could be identified. With that identification and understanding, I saw that it is a process that could be taught.

Before writing this book, over a period of nine years at the University of Maryland I tested various ideas and approaches of teaching. These activities engaged

thousands of my students in readings, assignments, projects, and mentoring that led to dramatic improvement in their entrepreneurial opportunity analysis skills.

The outcome of this opportunity analysis exploration, and the proven success of its teaching, is this book. It is my hope that by understanding the principles and patterns of the Opportunity Analysis Canvas you will become more effective in identifying and analyzing entrepreneurial opportunities, and realizing your personal and professional goals.

The Opportunity Analysis Canvas is a new tool for identifying and analyzing entrepreneurial ideas. Structured as a nine-step experience, the canvas is segmented into: (a) *thinking entrepreneurially* with an entrepreneurial mindset, entrepreneurial motivation, and entrepreneurial behavior; (b) *seeing entrepreneurially* with industry condition, industry status, macroeconomic change, and competition; and (c) *acting entrepreneurially* with value innovation and opportunity identification.

Definition: Opportunity

- a favorable juncture of circumstances
- a good chance for advancement or progress

- Merriam-Webster Dictionary

Without the idea for the product or service, neither business model nor customer discovery can begin. It is this first step of defining the idea that the Opportunity Analysis Canvas aims to fulfill.

How to use this book
This book's structure aligns with the opportunity analysis canvas, as each of the nine steps are addressed in a dedicated chapter. The focus of each chapter is to first introduce you to the topic. This provides a background on the subject, and emphasizes its relationship to entrepreneurship. Tools including self-assessments, research databases, and reference materials are highlighted. Tips and techniques are then presented for how to develop your skills and knowledge. Next, a feature entrepreneur is profiled. Lastly, challenge questions are posed for you to develop your opportunity analysis abilities.

Steps 1 – 3: Thinking entrepreneurially
Thinking in this context is influenced by individual mindsets, motivations, and behaviors. Part I addresses these first three steps of the opportunity analysis canvas. This sets the stage for the subsequent chapters on seeing entrepreneurially.

Steps 4 – 7: Seeing entrepreneurially
Part II examines seeing entrepreneurially, which requires that you have a "big picture" perspective. This means that you recognize and understand the economic forces impacting your ideas as well as industry and competitive factors that exist now and in the future. With dedicated chapters on industry condition, industry status, macroeconomic change, and competition, each of these steps is explored in detail.

Steps 8 – 9: Acting entrepreneurially
As you develop your abilities to think and see, you are better

prepared to act. With attention to the value innovation and opportunity identification, your entrepreneurial ideas can be transformed into action.

The Opportunity Analysis Canvas™

1a Entrepreneurial Mindset

1b Entrepreneurial Motivation

1c Entrepreneurial Behavior

2a Industry Condition

2b Industry Status

2c Macroeconomic Change

2d Competition

3a Value Innovation

3b Opportunity Identification