



Implemented by:



## Chapter I

*Learn to build your own business idea  
and learn how to sell it!*

**LET US START**

***WHAT IS THE DIFFERENCE BETWEEN A BUSINESS IDEA AND “JUST AN IDEA” AND HOW TO BUILD YOUR OWN ONE?***

## ***What do you think about launching a successful business?***

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**Is it easy to launch your own successful business?**

**Why only few does? What are the problems to launch?**

## Overall Introduction

### Why launching a successful business is easy, but nobody does!

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#### Common thoughts when people want to launch their business:

Ohh, the business of this guy is really good – I will make the same!

I am cable to provide this product or service, so I will make money with it!

When I start my business, I will employ some people and can have a relaxing live!

I could launch a successful business; I just need money to start!

**Which  
ones are  
right?**

**Please forget this  
thoughts!!!**

#### ***Yet, major thoughts you should have instead:***

I should avoid the copy trap and become special!

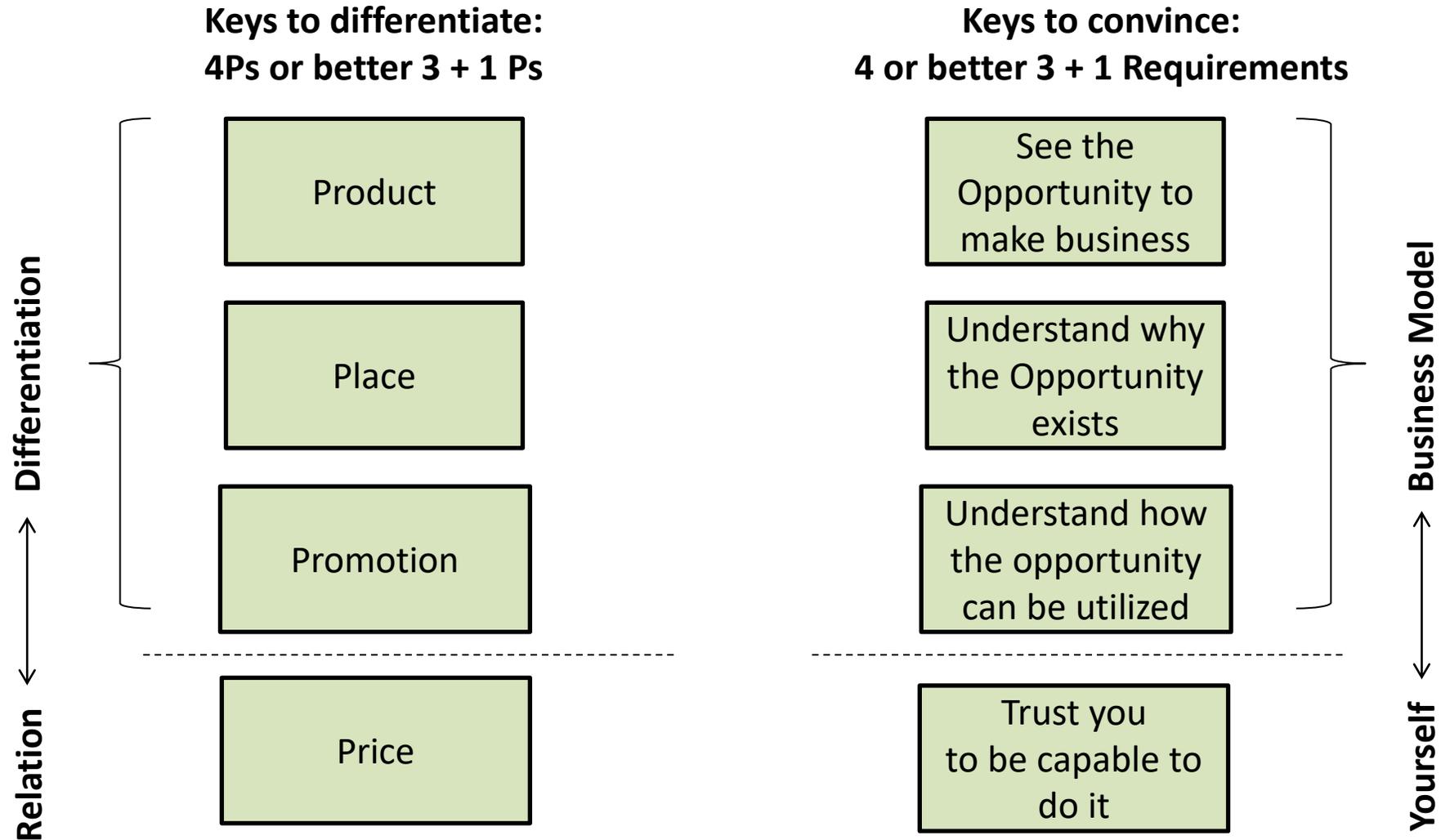
Not everybody is my customer, so I have to know who it is?

Offering best quality to the cheapest price is a bad idea, so which offer is it?

Efforts count nothing, but performance everything!

Finance is not the problem, but the business idea/model and/or yourself could be!

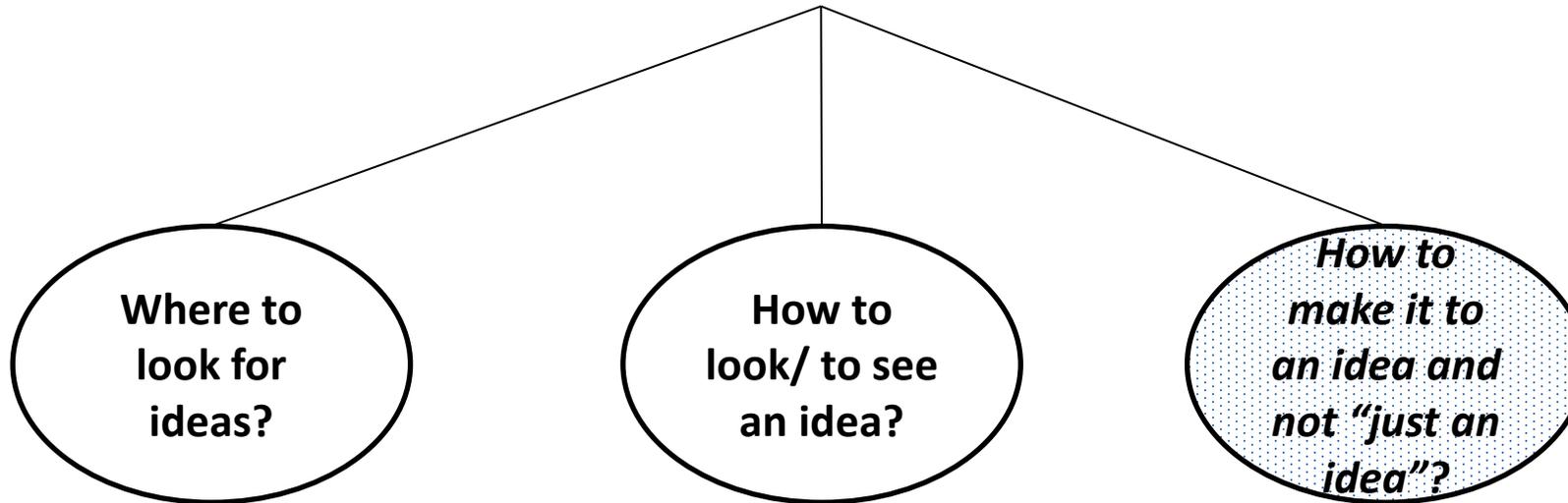
# Two views you should always have in mind!



# Generating Ideas

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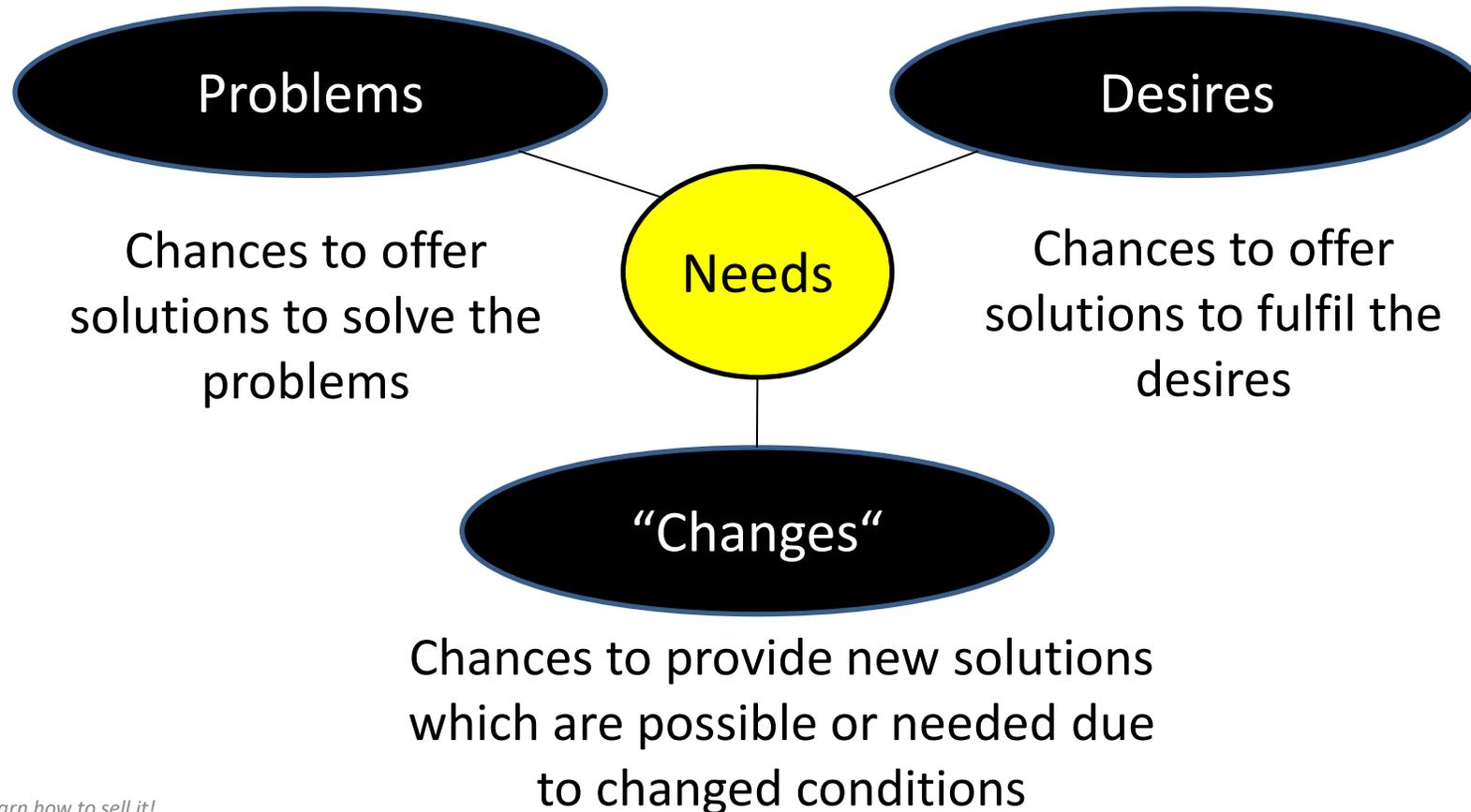
The most common question in business foundation is:  
“Which business?”



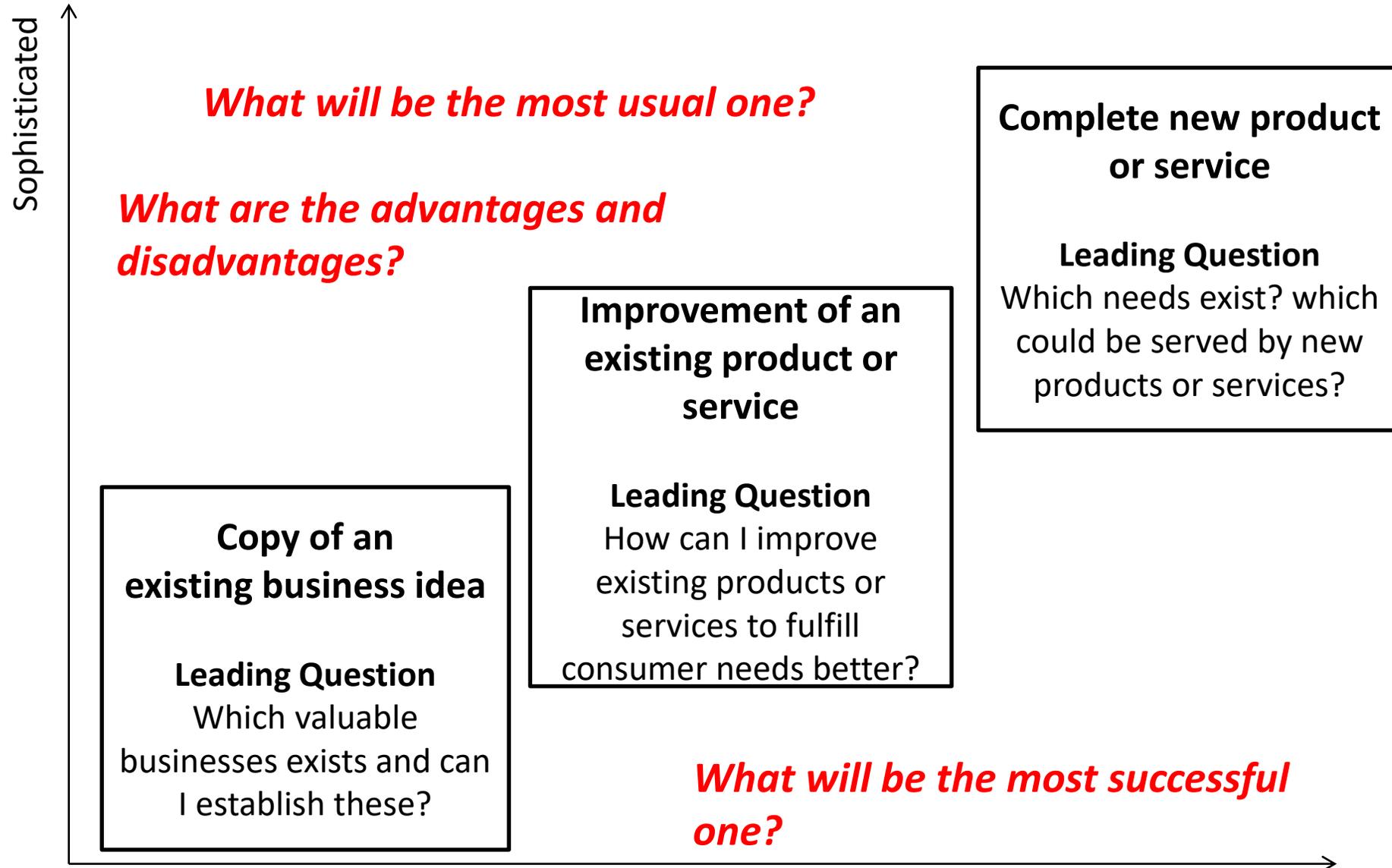
# Learn to See See the Chances

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## New business ideas pursuit to fulfill an existing or an induced customer need

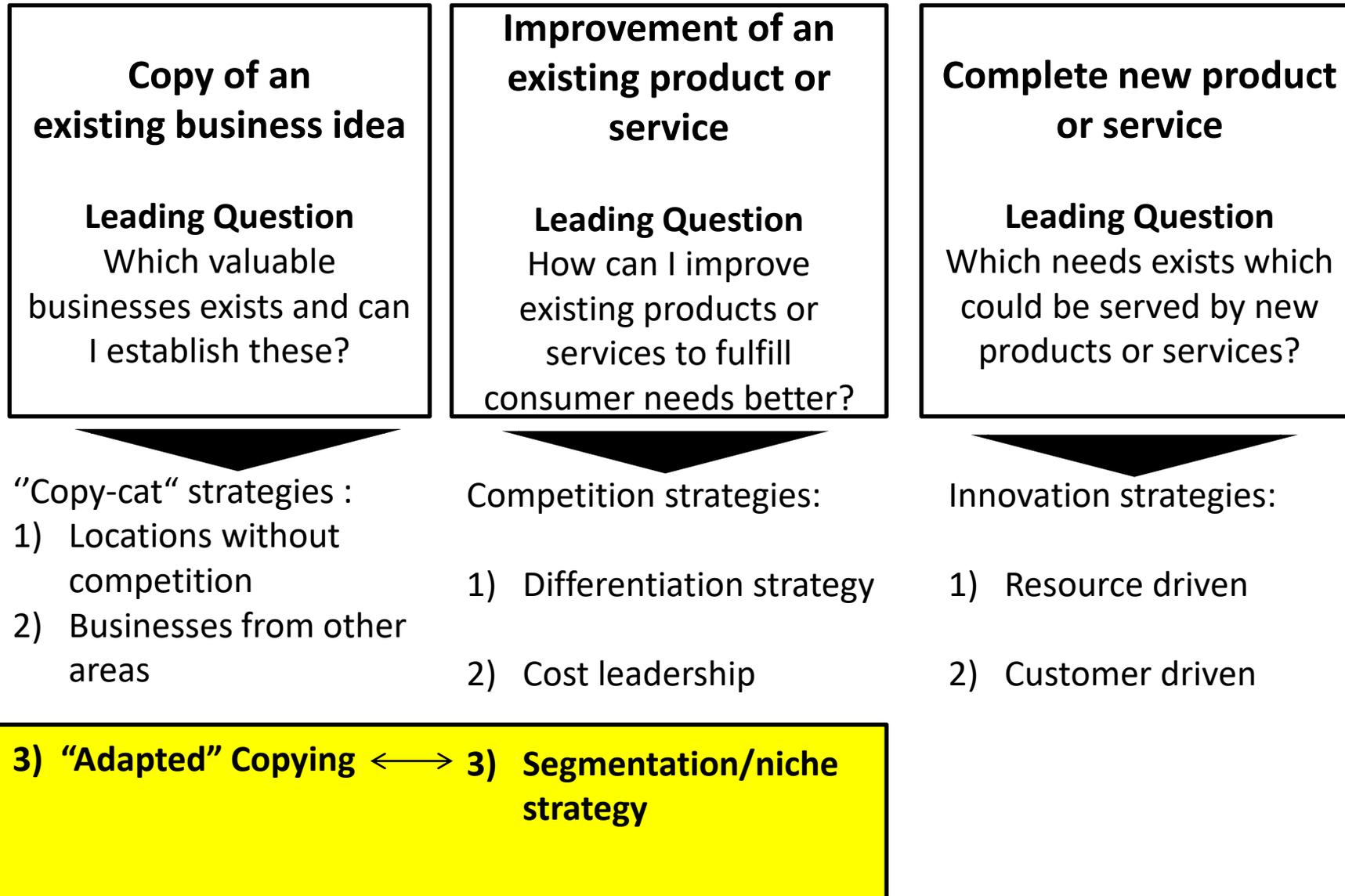


# How to Look (type of business ideas)



# How to look

## Successful strategies for different business idea types



# How to look What can be done different?

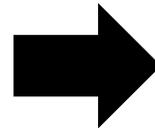
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A good business differentiate from competition, either if it is a completely new idea or an existing.

**What to do  
different?**

**With which goal?**

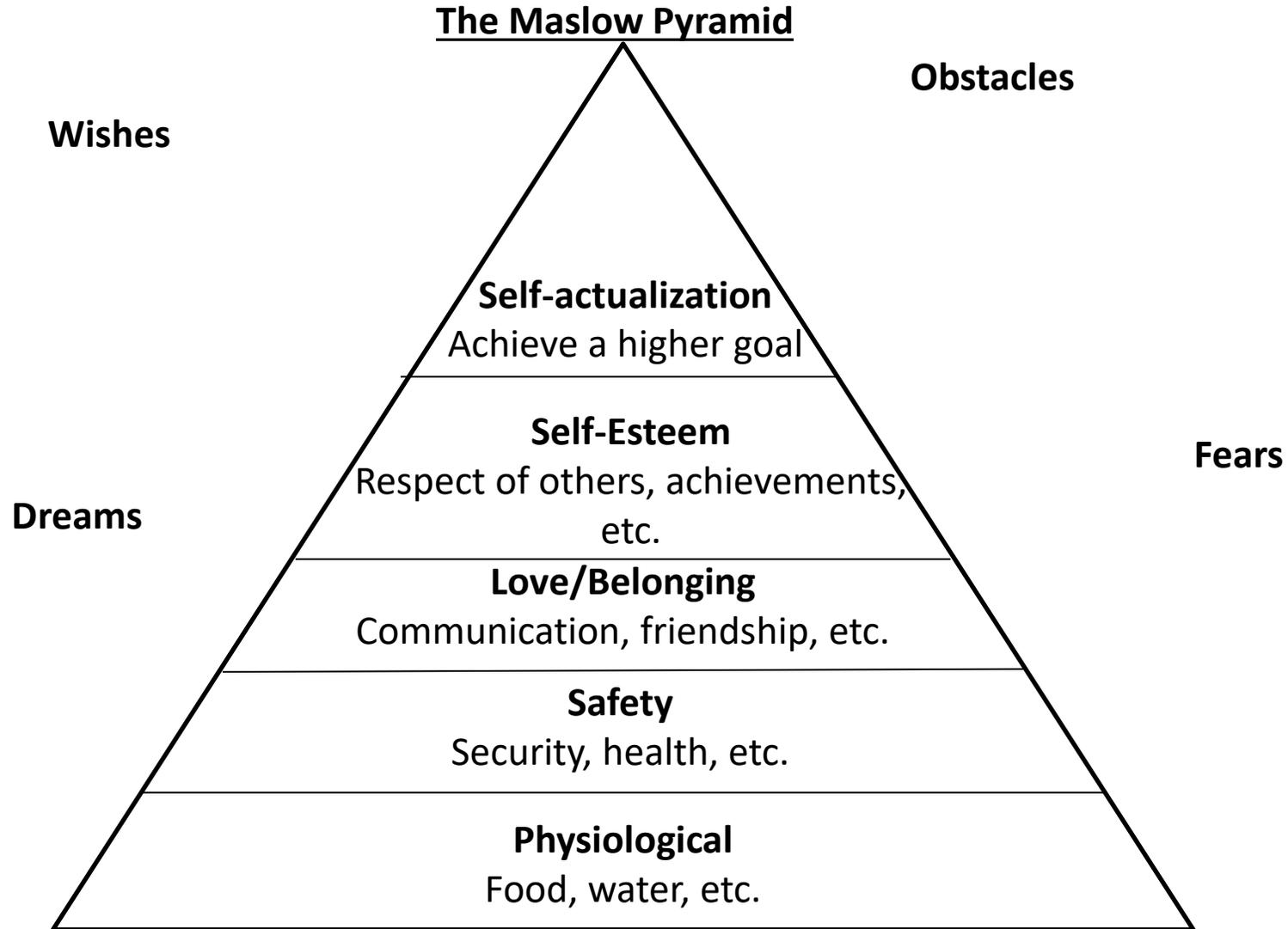
**The 4Ps**  
(Price, Product, Place,  
Promotion)



**Improving Need  
Fulfillment**  
(Self-actualization, self-  
esteem, Love/Belonging,  
safety, physiological)

# How to Look What can be different with which goal?

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# How to Look

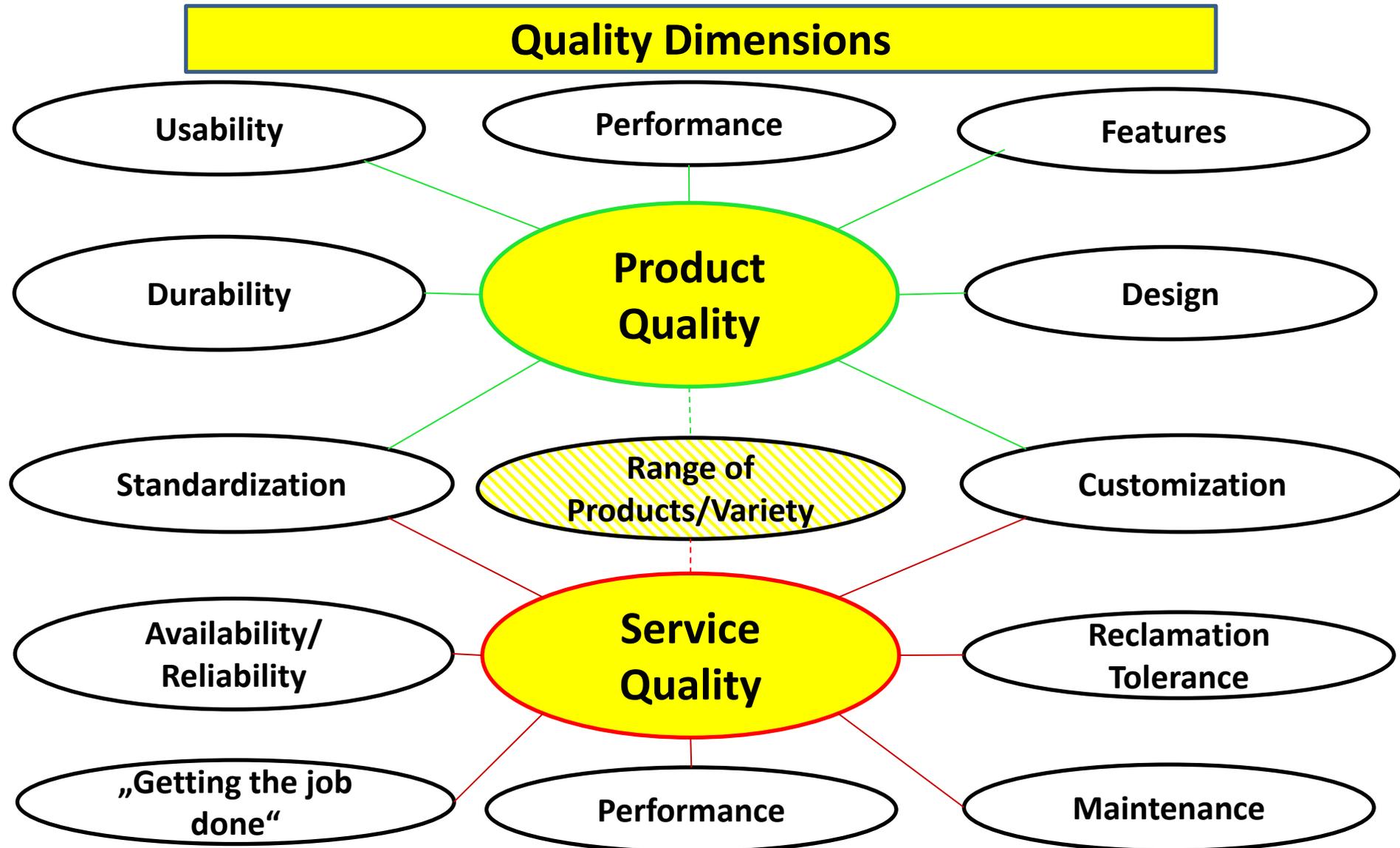
## What can be done different within the 4P's

Product	Place	Promotion	Price
<p><b>Main question</b> How can the product or service characteristics be more valuable for our customers?</p>	<p><b>Main question</b> How and where can we distribute our product to fulfill customer needs better?</p>	<p><b>Main question</b> How can we market our product better than others?</p>	<p><b>Main question</b> How can we offer our product cheaper?</p>
<p><b>Observation Objects</b> Value proposition of products, assortments and services</p> <p>(Features, Performance/Quality, Design, Usability, Network possibilities)</p>	<p><b>Observation Objects</b> Added value of business locations and distribution channels</p> <p>(Competition level, customer needs, infrastructure and resource accessibility at locations; range and customer utility of distribution channels)</p>	<p><b>Observation Objects</b> Ways of customer addressing and product/service presentations</p> <p>(Marketing channels, customer awareness creation tools, etc.)</p>	<p><b>Observation Objects</b> Cost effectiveness of all processes</p> <p>(Operation, Delivery, Organization, Marketing, Supply Chain, Business Model as a whole)</p>



**Usually, the creation of a new business idea, entails a combination of changes**

# Quality Differentiation Potential in Ethiopia



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***Try to think about your business?***

***How does it should look like?***

***10''***



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cooperati**  
DEUTSCHE ZUSA



**german  
cooperation**  
DEUTSCHE ZUSAMMENARBEIT

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**giz** Deutsche Gesellschaft  
für Internationale  
Zusammenarbeit (GIZ) GmbH



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try of Education

## Chapter II

*Learn to build your own business idea  
and learn how to sell it!*

**WHY IS A SOLID BUSINESS IDEA ALREADY A BUSINESS CONCEPT?**

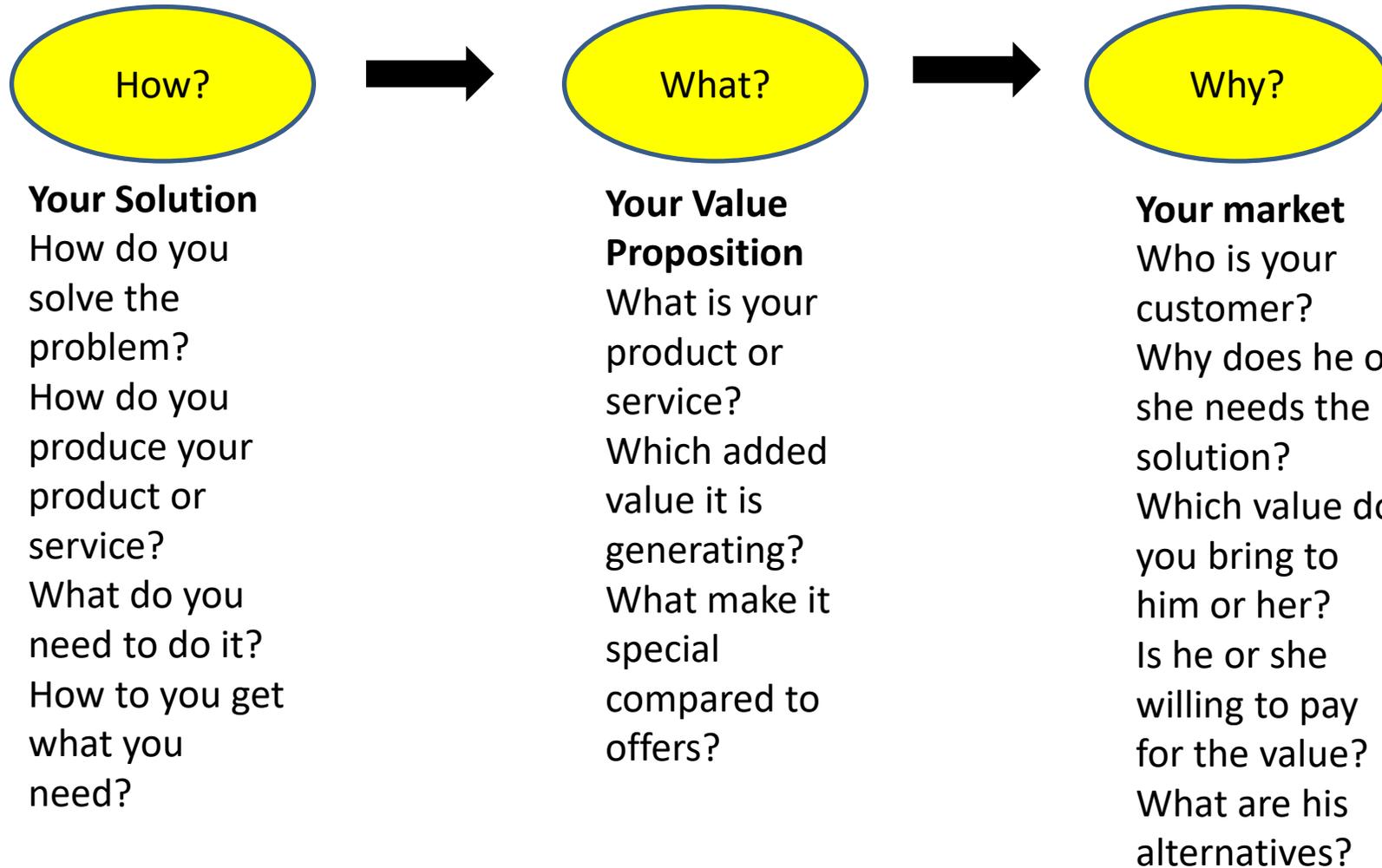
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***What do you need for a business concept?  
10"***

# Basics of a Business Concept

## What you have to know about your business?

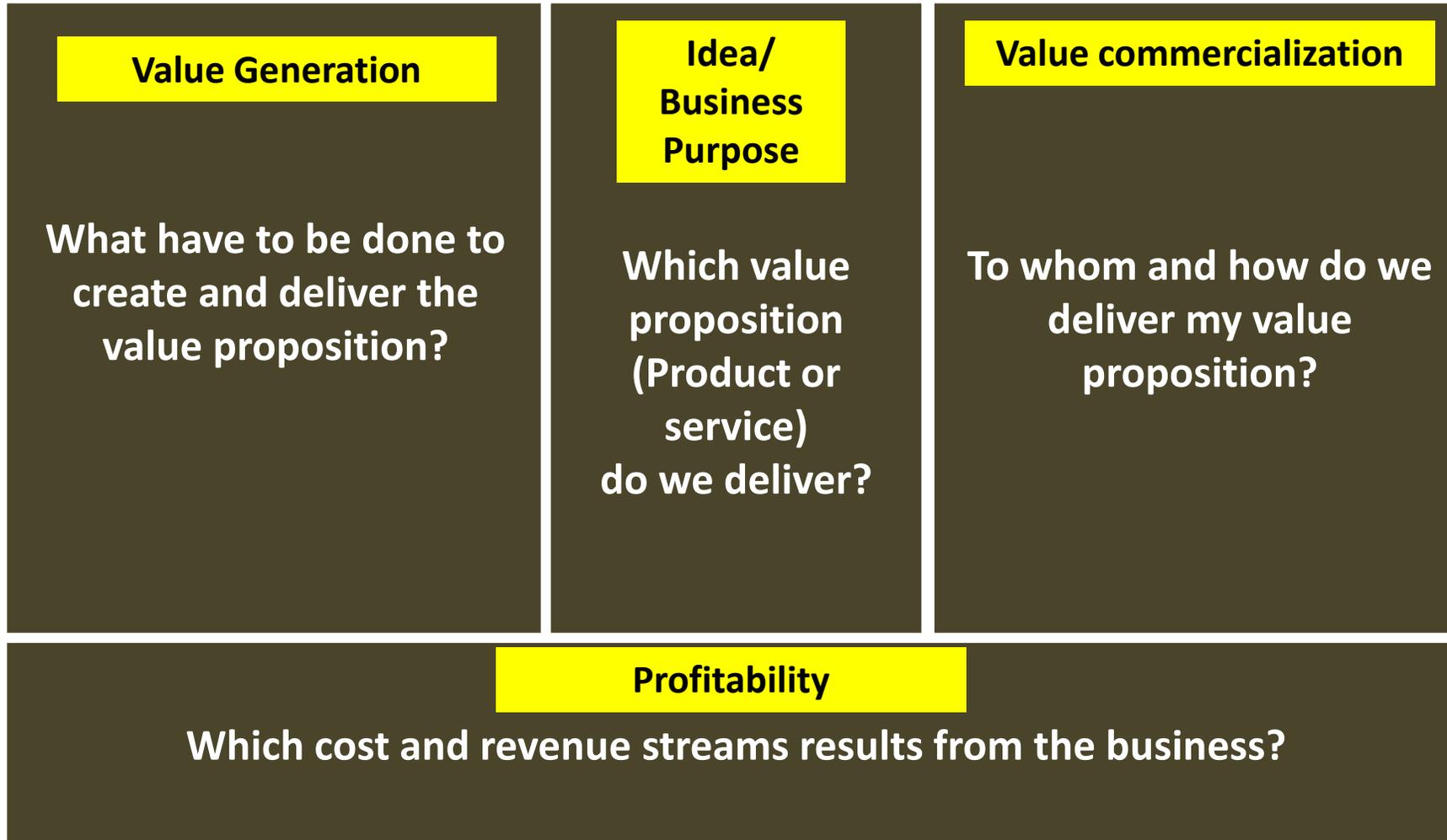
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**Do you make money with that?**

# The 4 Blocks a Business Concept is made of

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# The Business Module Canvas

## The Nine Building Blocks for a Holistic Business Concept

### The Business Model Canvas

Designed for:

Designed by:

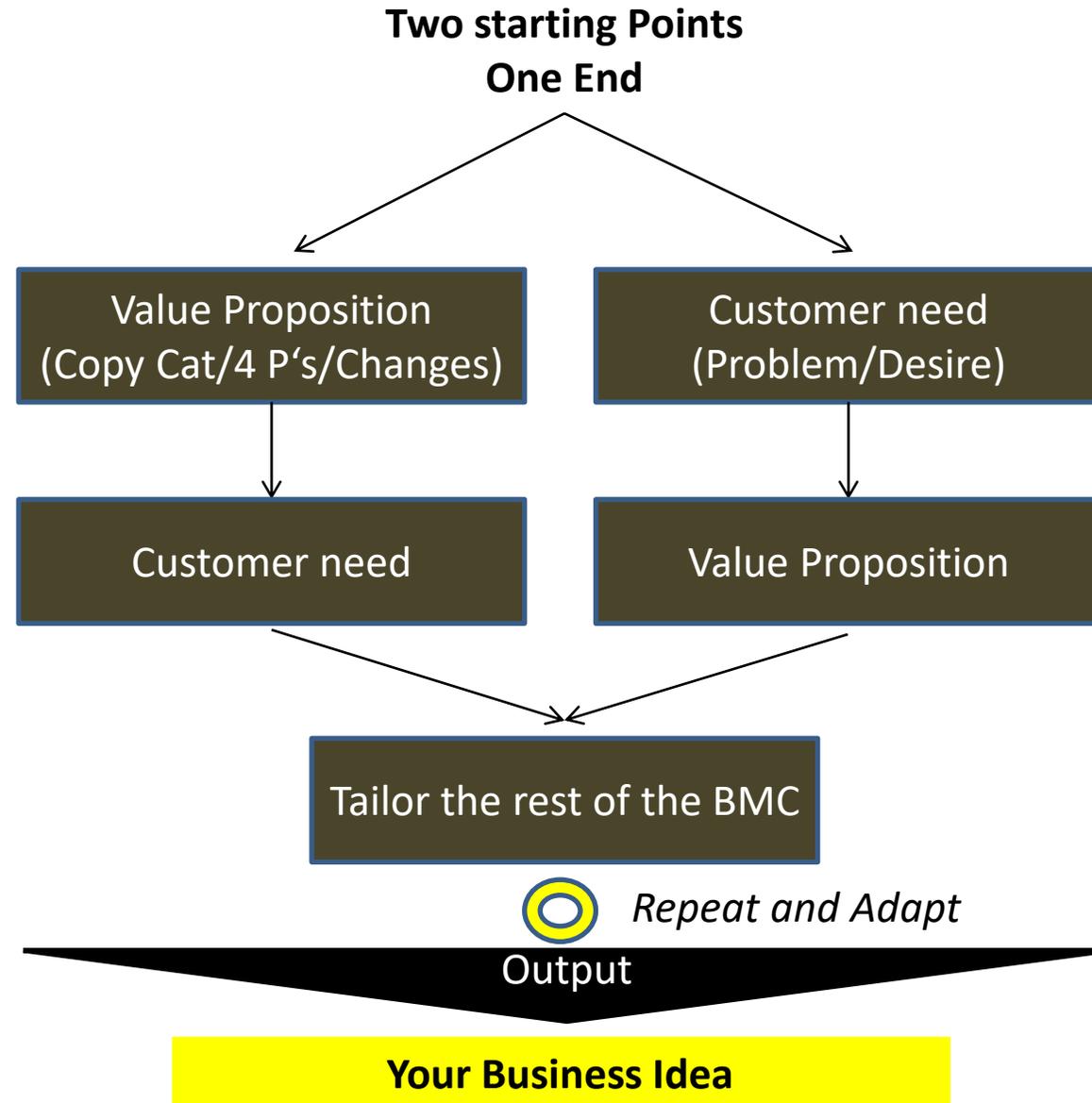
On: Day Month Year

Iteration: No.

<p><b>Key Partners</b> </p> <p>Who are our Key Partners? Who are our key suppliers? Which Key Resources are we acquiring from partners? Which Key Activities do partners perform?</p> <p><b>WHICH PARTNERS DO YOU NEED AND/OR WHICH CAN BE USEFUL TO REPLACE ACTIVITIES AND RESOURCES TO CREATE AND DELIVER YOUR VALUE PROPOSITION?</b></p>	<p><b>Key Activities</b> </p> <p>What Key Activities do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue streams?</p> <p><b>WHAT WILL YOU HAVE TO DO TO CREATE AND DELIVER YOUR VALUE PROPOSITION?</b></p>	<p><b>Value Propositions</b> </p> <p>What value do we deliver to the customer? Which one of our customer's problems are we helping to solve? What bundles of products and services are we offering to each Customer Segment? Which customer needs are we satisfying?</p> <p><b>WHICH CUSTOMER PROBLEMS DO YOU SOLVE AND/OR NEEDS DO YOU SATISFY?</b></p>	<p><b>Customer Relationships</b> </p> <p>What type of relationship does each of our Customer Segments expect us to establish and maintain with them? Which ones have we established? How are they integrated with the rest of our business model? How costly are they?</p> <p><b>WHICH RELATIONSHIP WILL YOU MAINTAIN WITH YOUR CUSTOMERS?</b></p>	<p><b>Customer Segments</b> </p> <p>For whom are we creating value? Who are our most important customers?</p> <p><b>WHICH KIND OF CUSTOMER DO YOU SERVE?</b></p>
<p><b>Cost Structure</b> </p> <p>What are the most important costs inherent in our business model? Which Key Resources are most expensive? Which Key Activities are most expensive?</p> <p><b>WHICH MAJOR COST DRIVERS RESULT FROM THE DELIVERY AND CREATION OF THE VALUE PROPOSITION?</b></p>	<p><b>Revenue Streams</b> </p> <p>For what value are our customers really willing to pay? For what do they currently pay? How are they currently paying? How would they prefer to pay? How much does each Revenue Stream contribute to overall revenue?</p> <p><b>FOR WHICH VALUE ARE CUSTOMERS WILLING TO PAY AND WHICH PAYMENT MECHANISM ARE POSSIBLE AND USEFUL?</b></p>			



# Developing your idea means developing your business concept



# Holistic Idea Development with BMC

## Copy-Cat Example

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**1) Start with an idea (e.g. copy cat)**

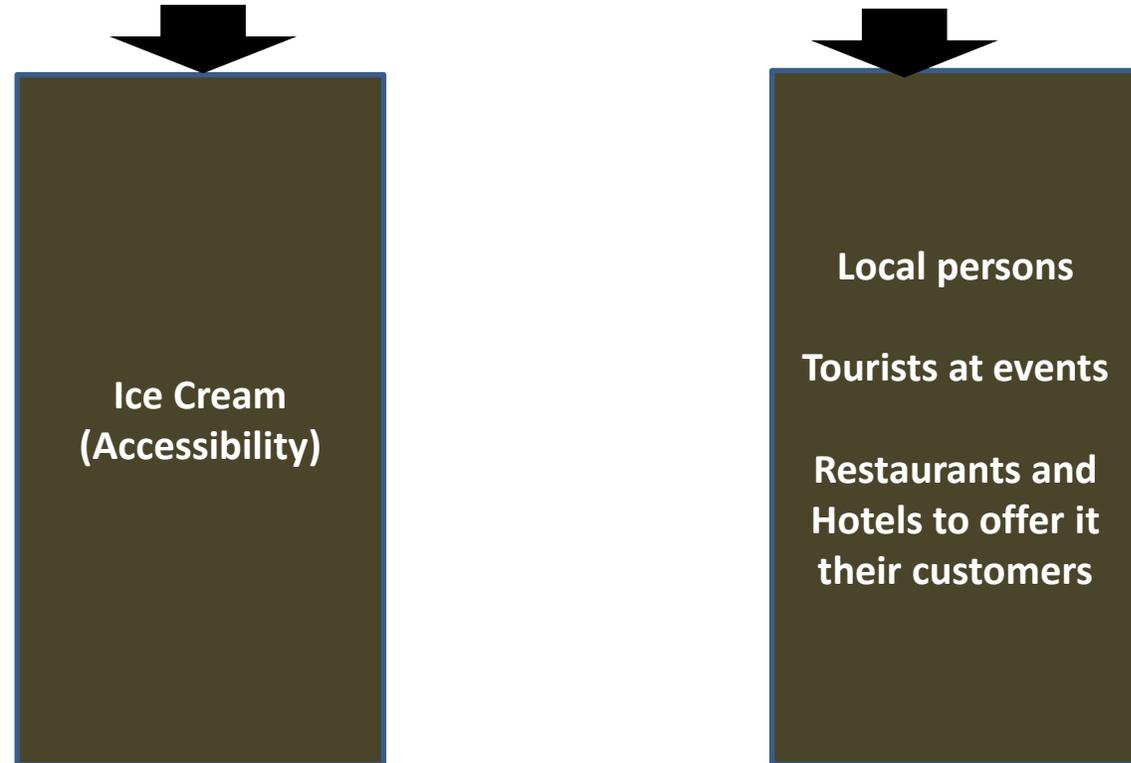


# Holistic Idea Development with BMC

## Copy-Cat Example

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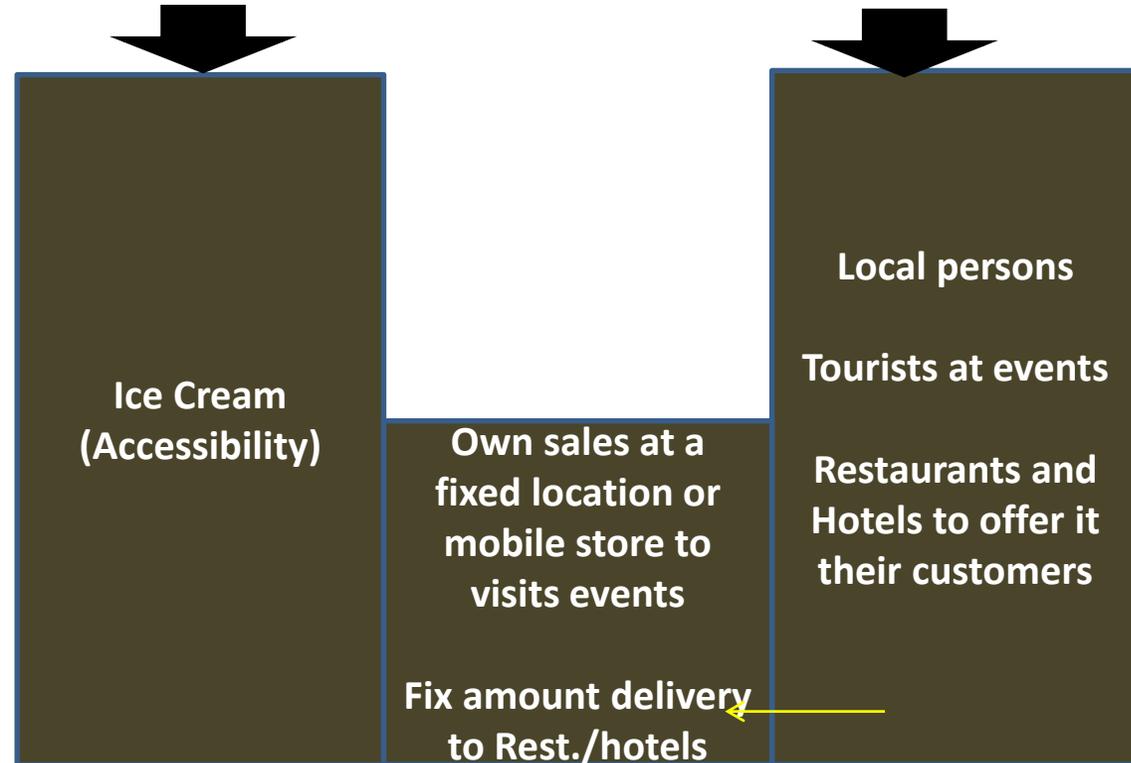
- 1) Start with an idea (e.g. copy cat)    2) Look for customer needs and segments



# Holistic Idea Development with BMC

## Copy-Cat Example

- 1) Start with an idea (e.g. copy cat)    2) Look for customer needs and segments

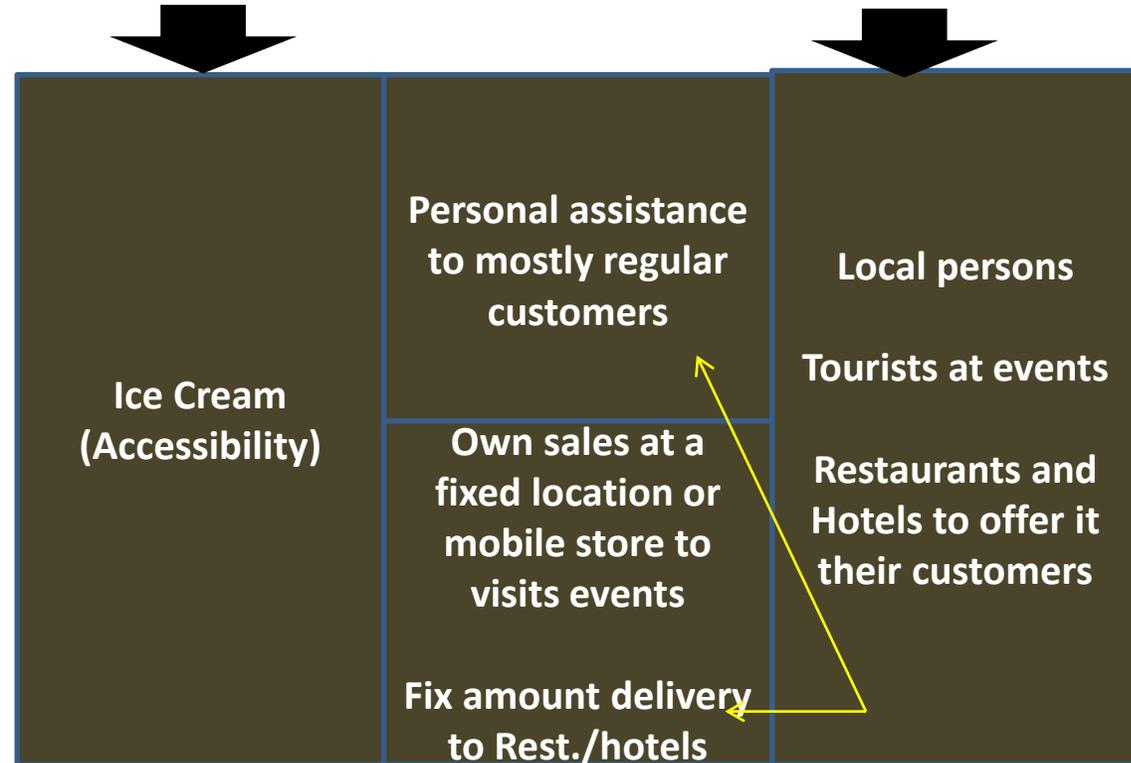


3) Configure the rest of the model

# Holistic Idea Development with BMC

## Copy-Cat Example

- 1) Start with an idea (e.g. copy cat)    2) Look for customer needs and segments

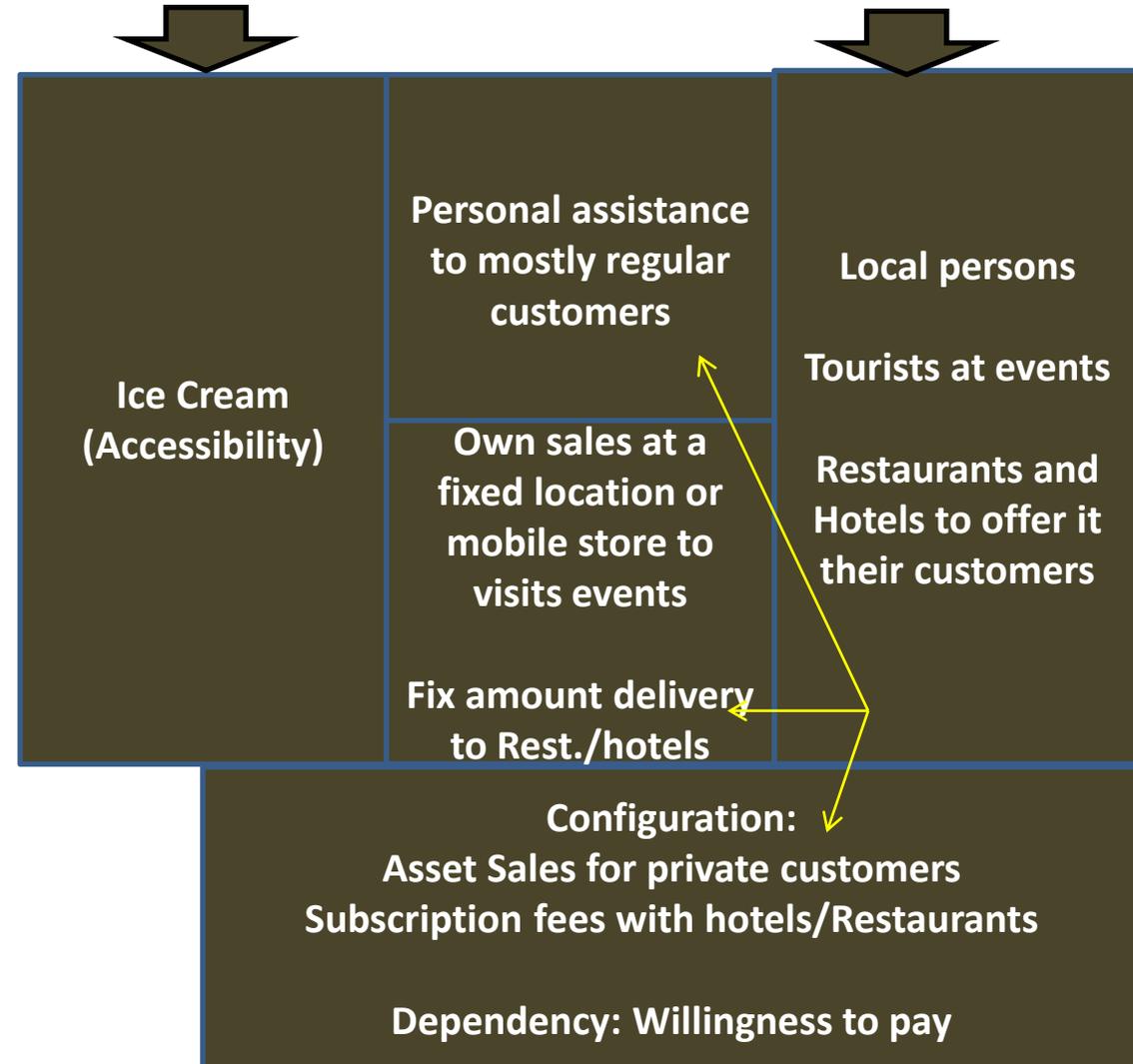


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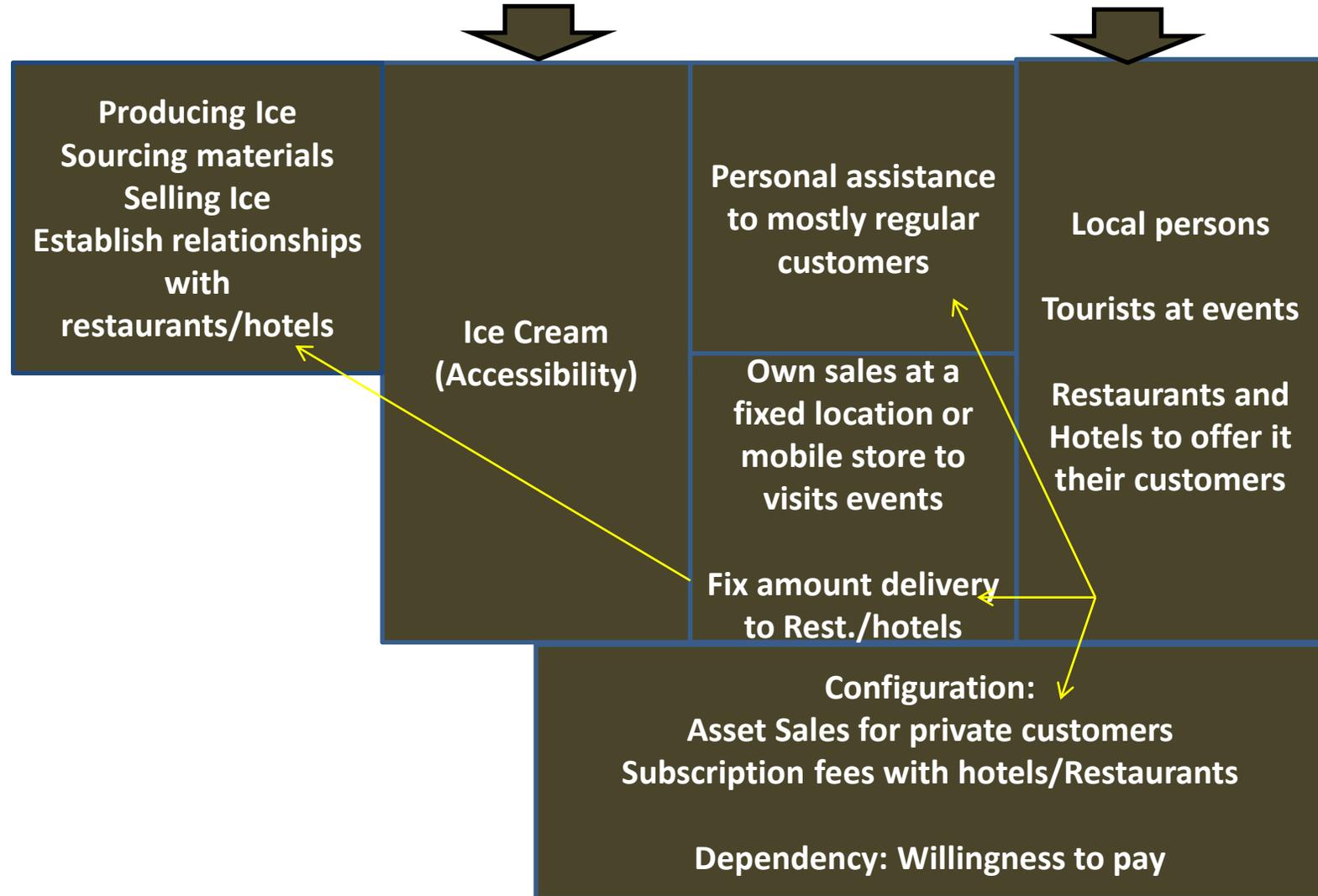


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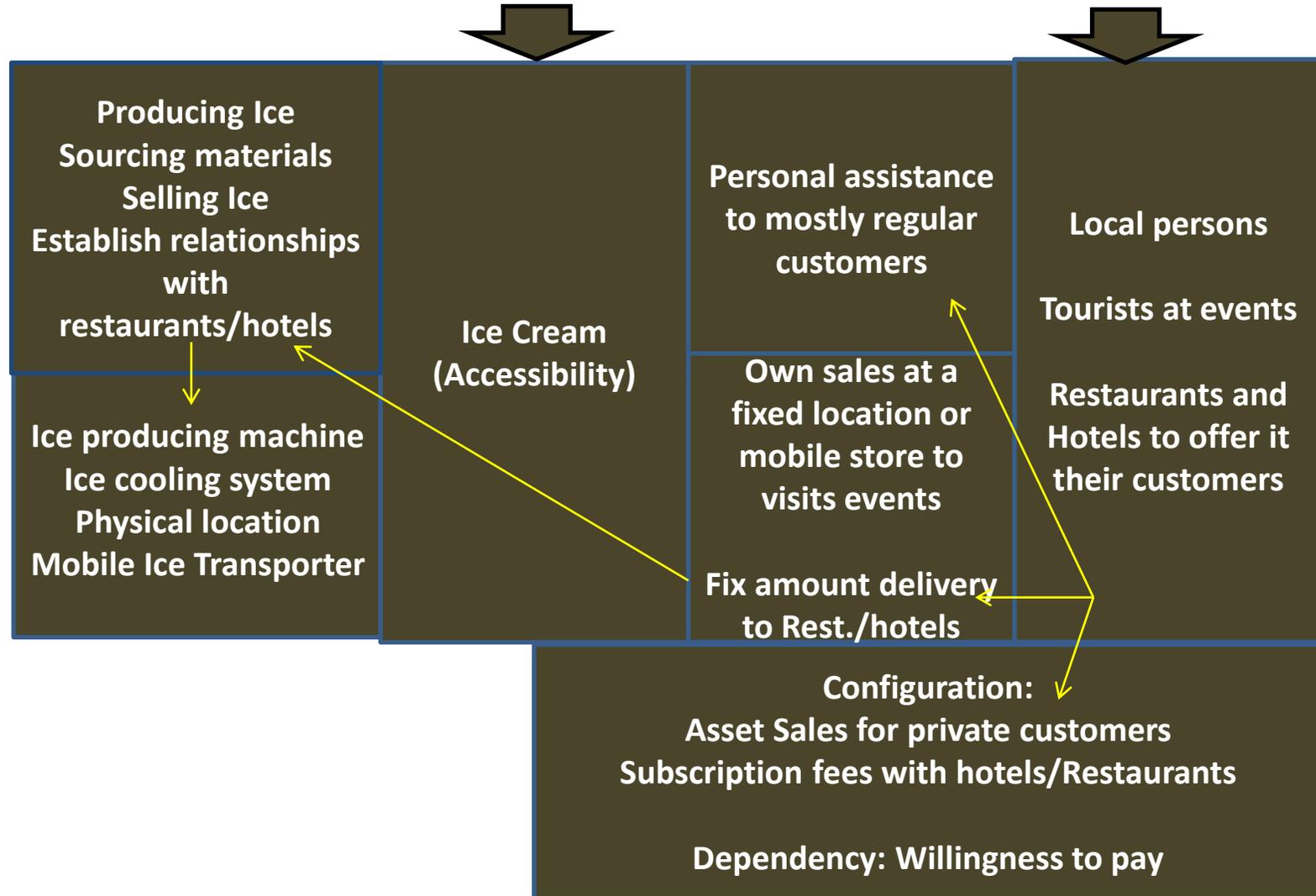


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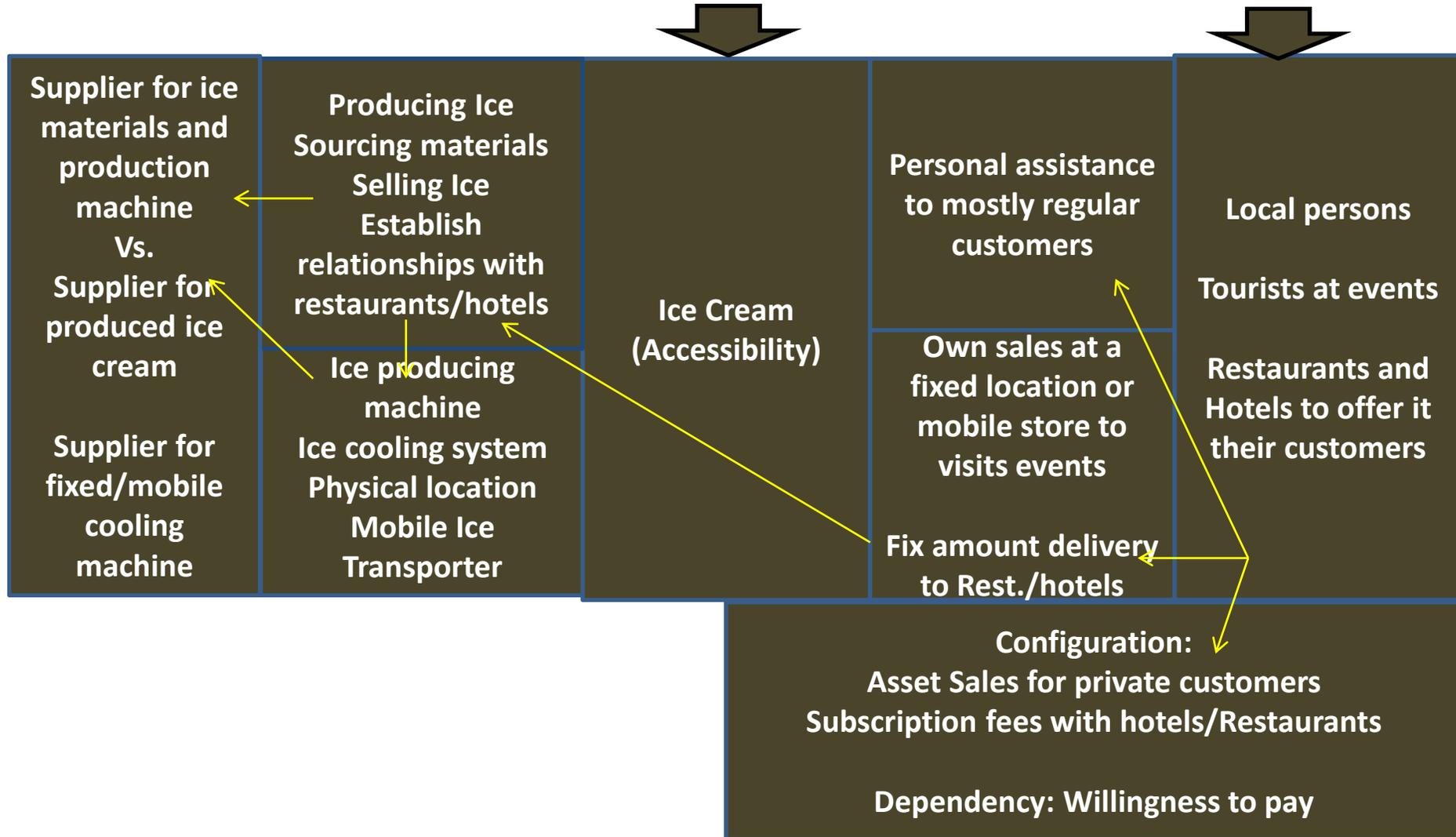


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# Holistic Idea Development with BMC

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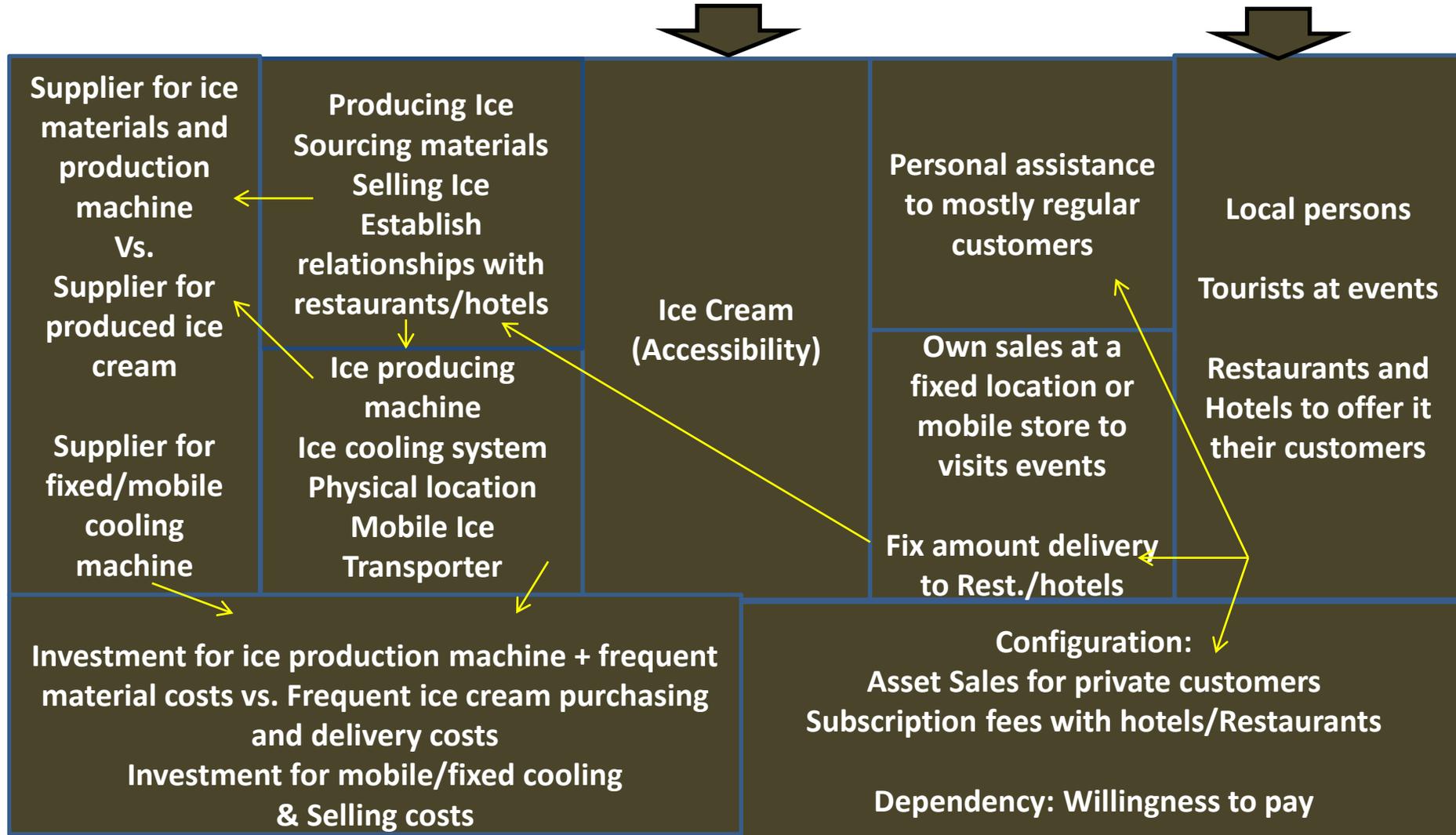


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# Holistic Idea Development with BMC

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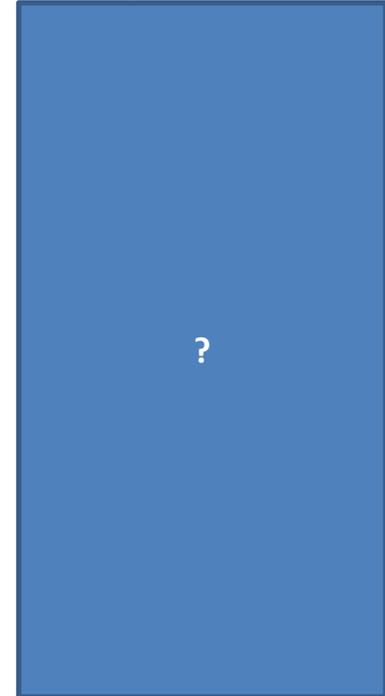


3) Configure the rest of the model

# Holistic Idea Development with BMC

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**1) Start with a customer need/segment**

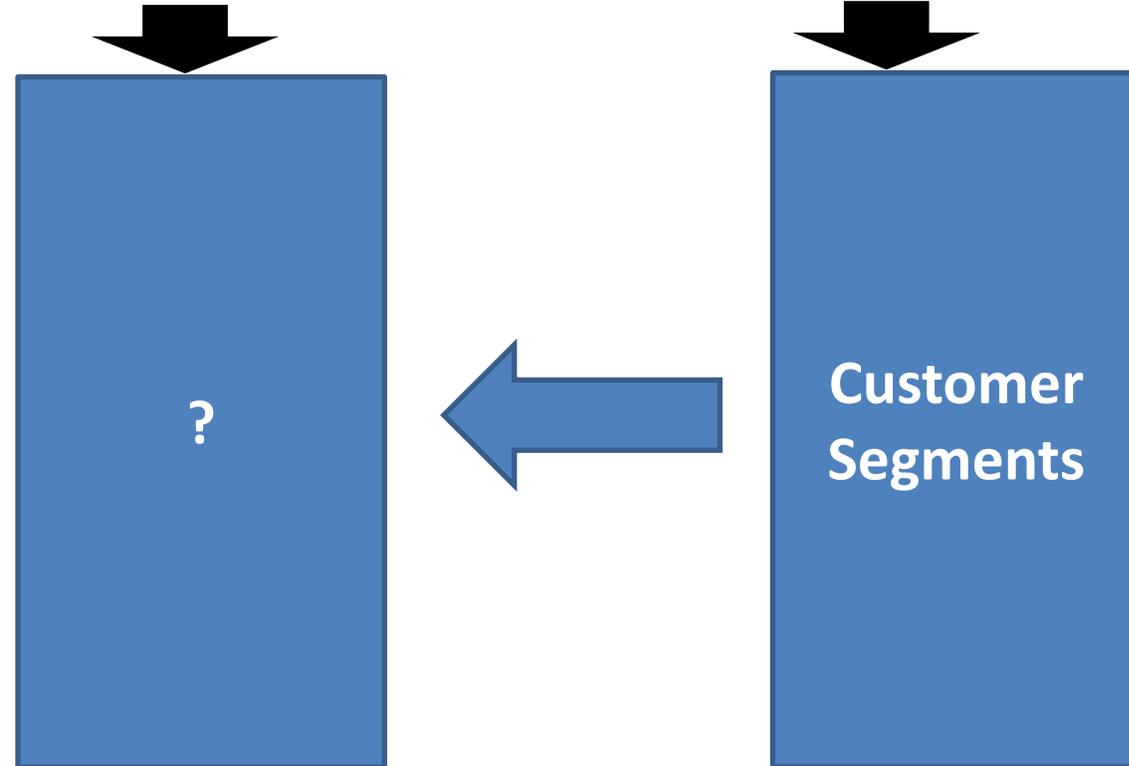


# Holistic Idea Development with BMC

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2) Look for a solution possibility

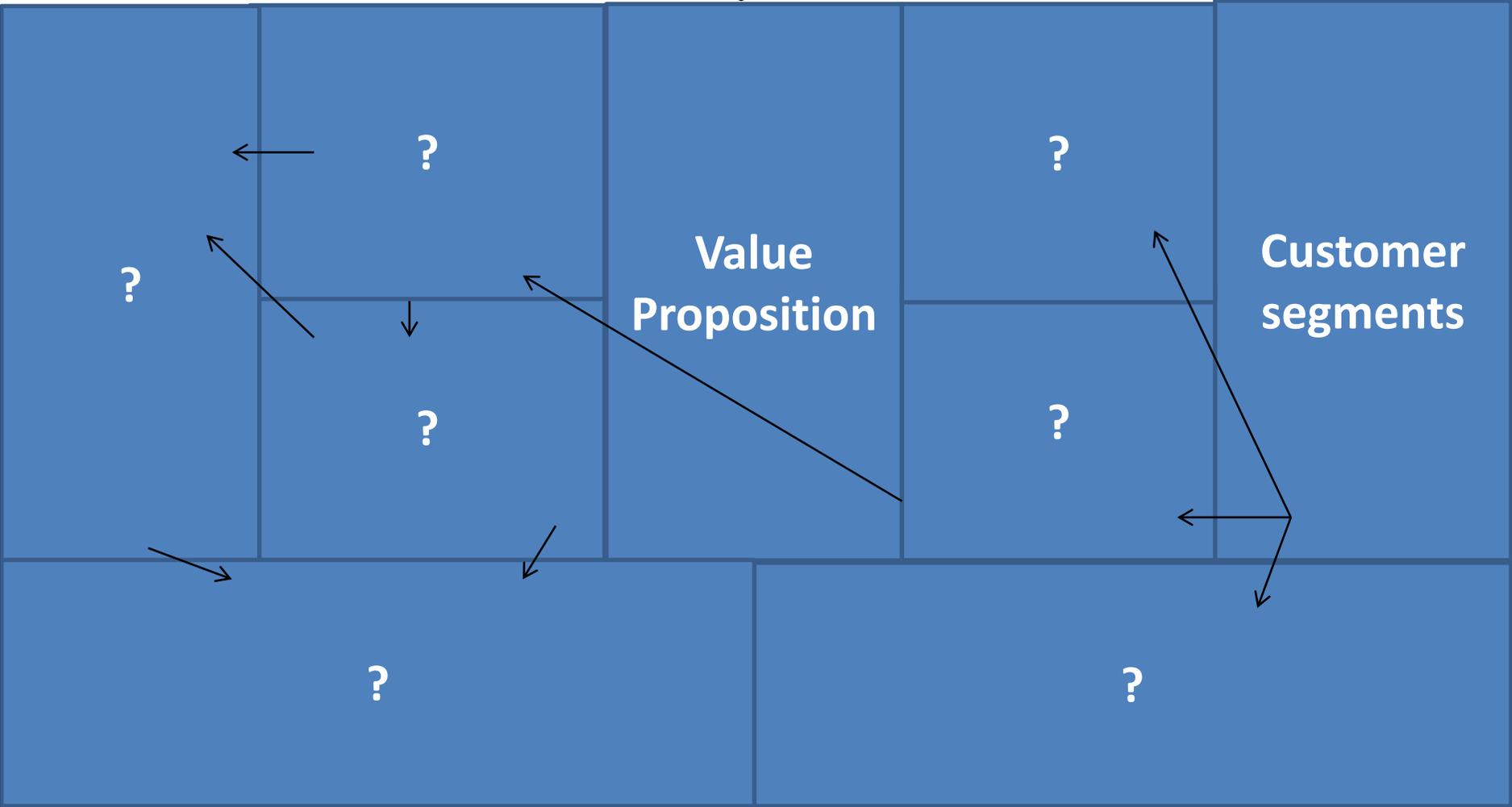
1) Start with a customer need/segment



# Holistic Idea Development with BMC

2) Look for an solution possibility

1) Start with a customer need/segment



3) Configure the rest of the model

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***Try it out and develop your own Business  
Model Canvas***

***Within the next steps***

# The Business Module Canvas

## The Nine Building Blocks for a Holistic Business Concept

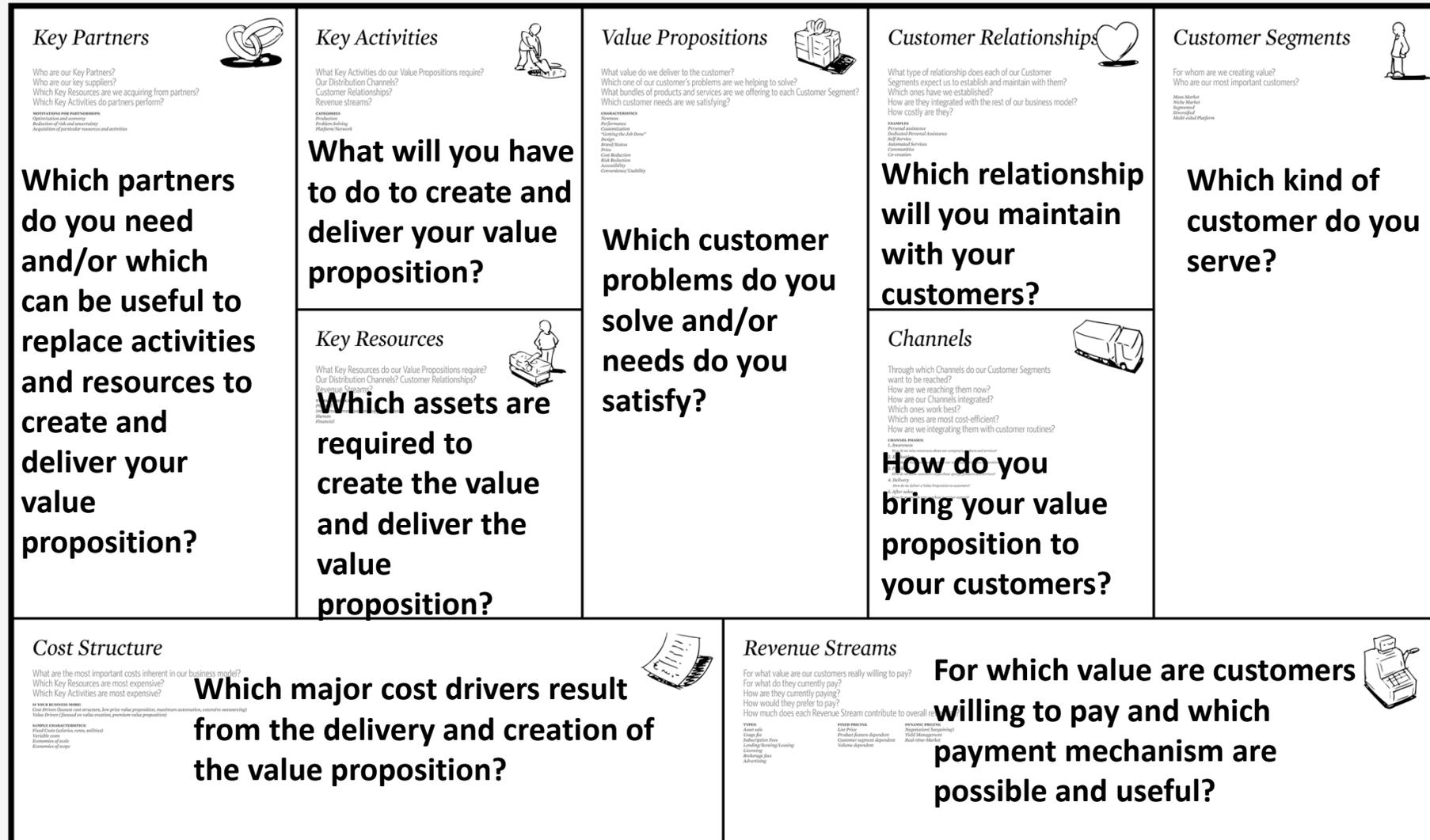
### The Business Model Canvas

Designed for:

Designed by:

On: Day Month Year

Iteration: No.



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***STEP 1***  
***Think about***  
***Your Value Proposition & Customer Segment***

# Value Proposition Block

A Value Proposition creates value for a customer segment through a mix of elements satisfying the needs of a customer segment.

## Visible Outputs

Products

Services

Assortments

## Value for the customer

- Newness
- Performance/Quality
- Customization
- “Getting the job done”
- Design
- Brand/Status
- Price
- Cost reduction
- Risk reduction
- Accessibility
- Convenience/Usability
- Network possibilities

# Value Proposition Block Commodity Categories

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Special Cases  
Networking,  
Experience &  
Explanation  
Goods

Consumption  
vs.  
Durable Goods

Investment  
vs.  
Private Goods

**Why should we  
distinguish/what are the  
differences?**

Substitute  
vs.  
Complementary  
Goods

Private  
vs.  
Public Goods

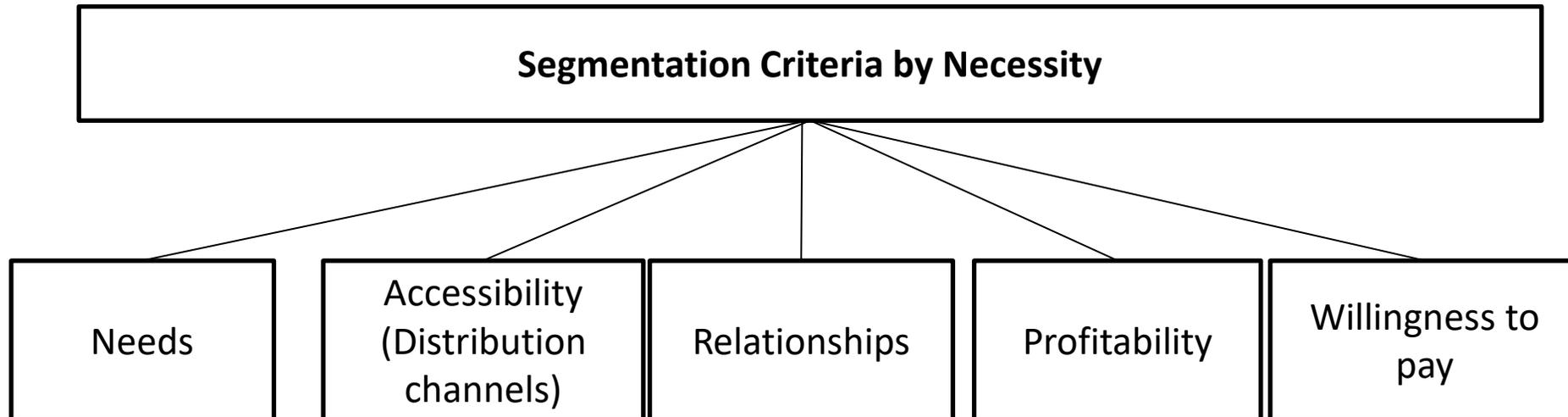
Convenience  
vs .  
Luxury Goods

# Customer Segments

## Reasons for Segmentation

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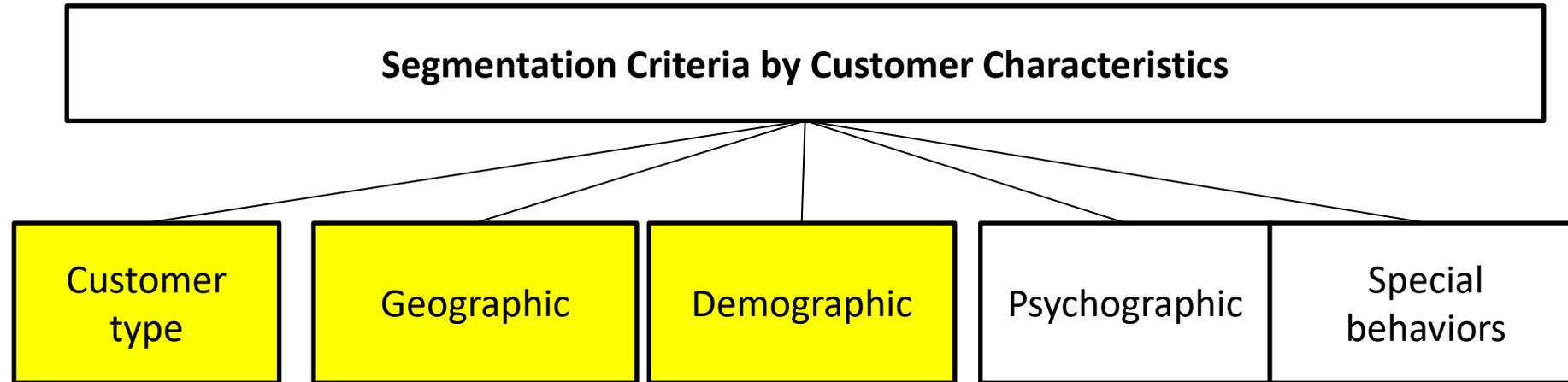
*A segmentation is always necessary when you have to adapt your business elements to it.*



# Customer Segments

## Useful Segmentation Criteria's

*To build a segment you should know which characteristics can describe your customer group to which you tailor your business.*



- Consumer
- Business
- Government
- Donor

- Region
- Size of population
- Population density
- Regional language area
- Etc.

- Age
- Gender
- Income/purchasing power
- Nationality
- Religion
- Etc.

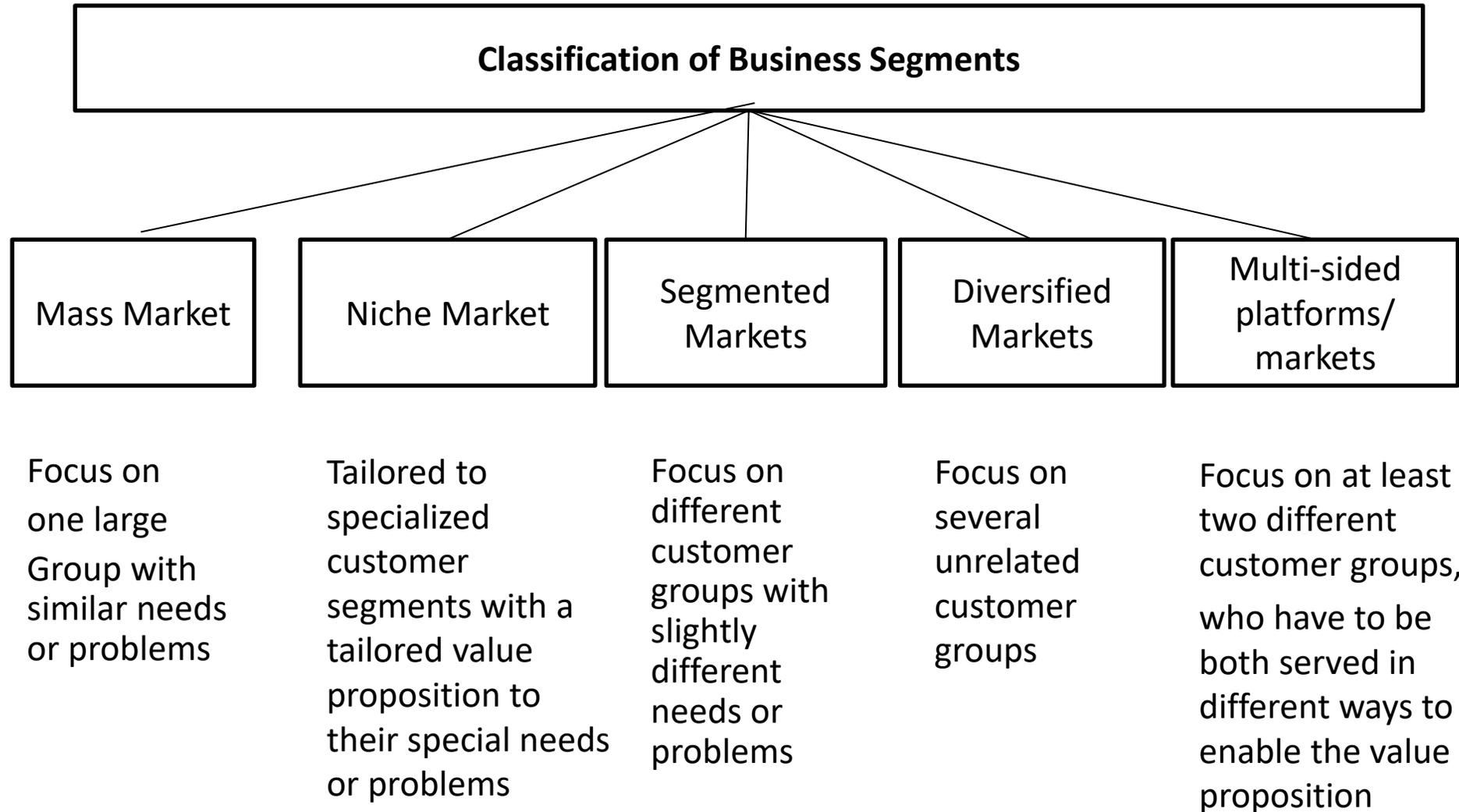
- Social level
- Art of life
- Personality
- Etc.

- Leisure activities
- Attitudes
- Etc.

# Customer Segments

## Business Segment Classification

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# Assignment

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***Please, describe your Value Proposition and  
Customer Segments and develop a first  
rough Canvas!  
45''***

## Example: Rural Hair Saloon Based on Solar Energy

<p><i>Supplier for hairdressing material and investment goods</i></p>	<p><i>Hairstyling</i></p>	<p><b><i>A rural hair saloon as center of communication which offers modern hairstyles within reach</i></b></p> <p><b><i>(Accessibility/ Performance/ Convenience/ Status)</i></b></p>	<p><i>Dedicated Personal Assistance</i></p>	<p><b>Niche segment Rural woman</b></p> <p>CS 1: In the close area which use the hair saloon as center of communication</p> <p>CS 2: Within farer reach which come only to the hair saloon for special hairstyles</p>
	<p><i>Suitable location, Solar system, hair dressing equipment and materials</i></p>		<p><i>Awareness Generation through Mouth-to-mouth and sales at fixed comfortable location</i></p>	
<p><i>Costs for solar system, its appliances and the location</i></p>			<p><i>Asset Sales for hairdressing</i></p>	

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***STEP 2***  
***Think about***  
***Your Channels, Relations and Revenues***  
***15“***

# Channels Block

## Channel Phases

*The channel building block describes how a company communicates and reaches its customer segments to deliver a Value Proposition.*

Channel Phases				
Pre-Sales		Sales		After-Sales
Awareness	Evaluation	Purchase	Delivery (& Payment)	After Sales

How do we make our customers aware about our Value Proposition and help them to understand its usage?

How do we present and bring our Value Proposition to our customers?

How do we provide post-purchase support?

### Main Evaluation Criteria

Customer needs  
Shareholder needs  
Salesforce needs

# Channels Block

## Channel Mediums

*We have to configure with which mediums and how the Value Proposition gets delivered to our customer groups and to decide if we do it by our own or outsource it to partners.*

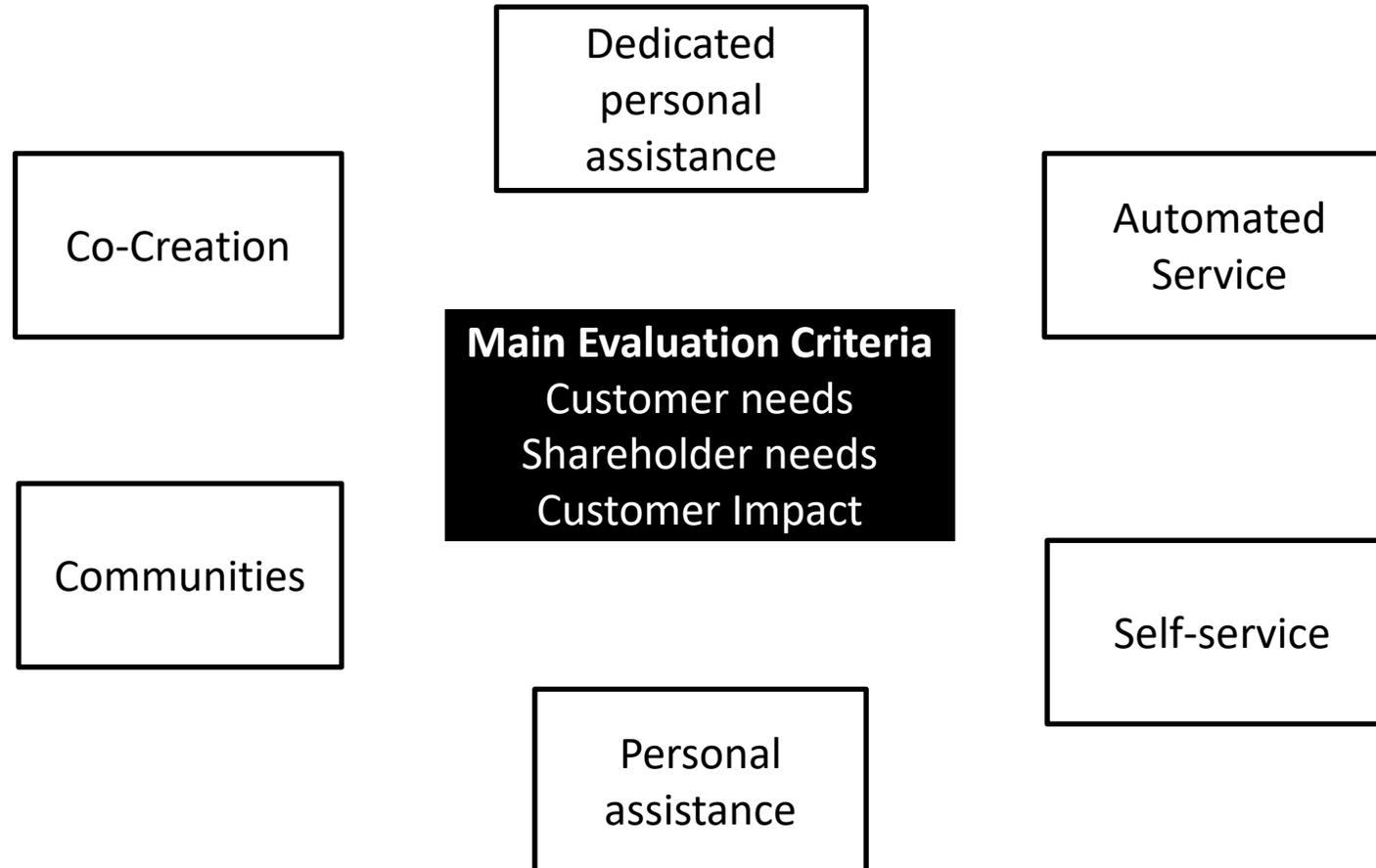
Channel Phases				
Pre-Sales		Sales		After-Sales
Awareness	Evaluation	Purchase	Delivery (& Payment)	After Sales
Own vs. Partner	Mouth-to mouth, TV, Radio, newspapers, direct mailings, internet website, merchandising, home visits, etc.	Physical Stores, Web stores, Home visits, Call Center, Markets & Events	<i>Delivery</i> At point of sale, Home-Delivery, Pickup at a specific place	At point of sale, At point of customer, At a specific place
		4P configuration	<i>Payment</i> Before vs. after delivery At once vs. partly With which means	

# Customer Relationships Block

## Customer Relation Categories

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*The customer relation block describes the relationships a company establishes with specific customer segments.*

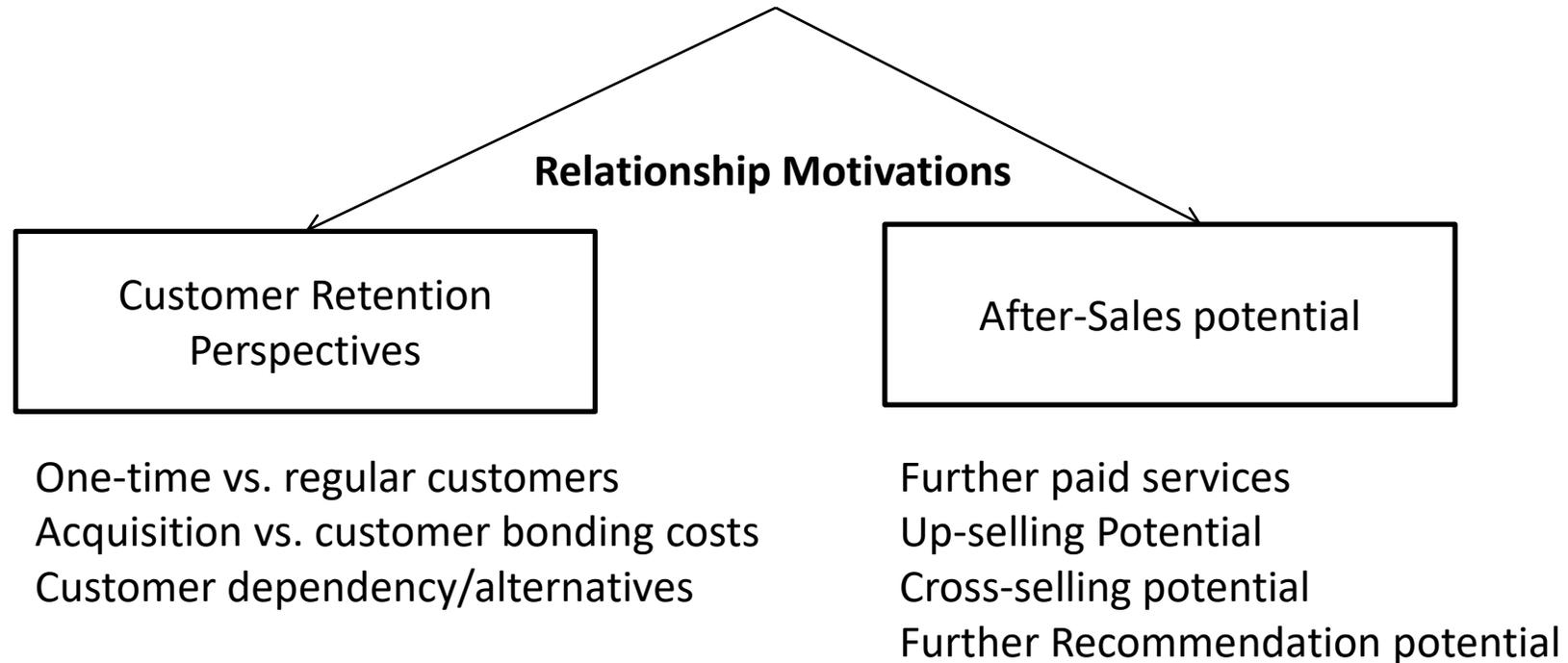


# Customer Relationships Block

## Customer Impact and Relationship Efforts

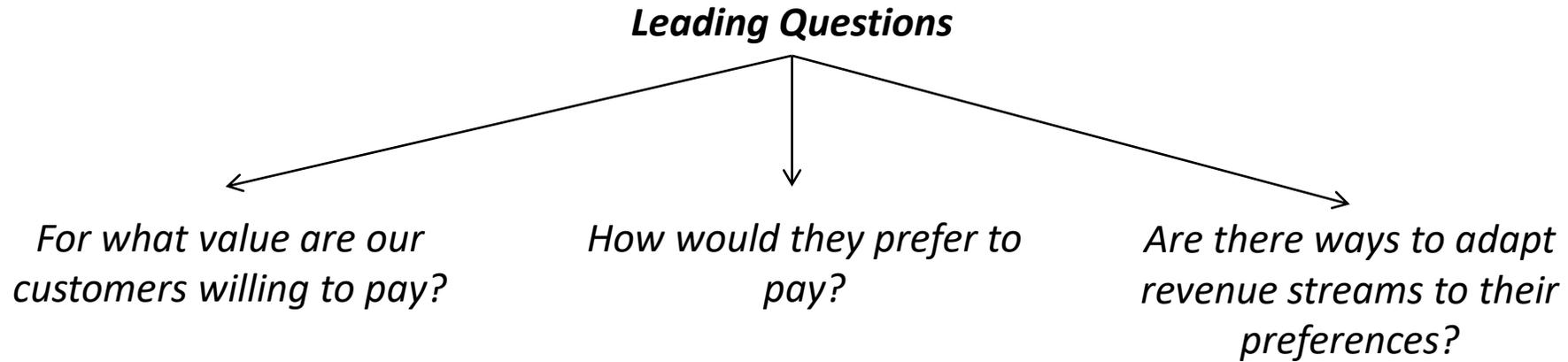
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*The higher importance and impact of customer retention is, the more company's focus on the establishment on customer relationship needs.*



# Revenue Streams Block

The Revenue Stream Block represents the cash a company generates from each Customer Segment.



**Ways of revenue stream generation.**

Asset Sales	Usage fees	Subscription fees
Lending/Renting/Leasing	Licensing	Brokerage fees
	Advertising	

# Revenue Stream Block

## Pricing Mechanisms

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**Fixed Menu  
Pricing**

vs.

**Dynamic  
Pricing**

List price

Product feature dependency

Customer segment dependence

Volume dependency

Negotiation

Yield Management

Real-time-market

Auctions

# Assignment

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***Please, summarize your channel phases, configurations, customer relations and revenue streams and adapt your canvas corresponding.***

***45''***

# Rural Hair Saloon based on solar energy

<p><i>Supplier for hairdressing material and investment goods</i></p>	<p><i>Hairstyling</i></p>	<p><b>A rural hair saloon as center of communication which offers modern hairstyles within reach</b></p> <p><b>(Accessibility/ Performance/ Convenience/ Status)</b></p>	<p>Dedicated Personal Assistance &amp; Co-creation of events</p>	<p><b>Niche segment Rural woman</b></p> <p>CS 1: In the close area which use the hair saloon as center of communication</p> <p>CS 2: Within farer reach which come only to the hair saloon for special hairstyles</p>
	<p><i>Suitable location, Solar system, hair dressing equipment and materials</i></p>		<p><b>Awareness</b> Mouth-to-mouth &amp; special sales offers and events</p> <p><b>Sales</b> Fixed comfortable location close to markets and mobile sales at event services</p>	
<p><i>Costs for solar system, its appliances and the location</i></p>			<p><b>Revenue Streams</b> Asset Sales/usage fees for hairdressing Asset sales for drinks (and renting for events)</p> <p><b>Market potential</b> 6.000 birr per month</p>	

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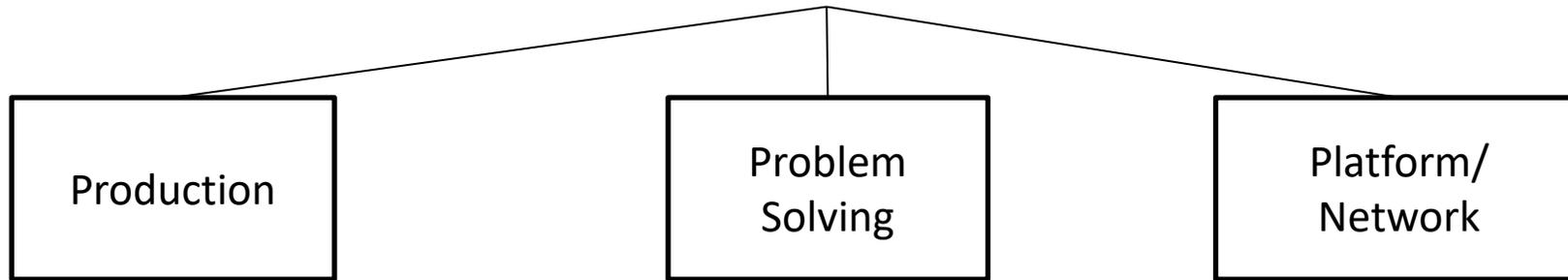
***STEP 3***  
***Think about***  
***Your Activities & Ressources***

# Key Activities Block

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**The Key Activities Block describes the most important things/activities a company must do to create your Value Proposition, your Distribution Channels and Customer Relations.**

## Categorization of Activities



Which operational activities have to be done, to design, to make and deliver the product or service?

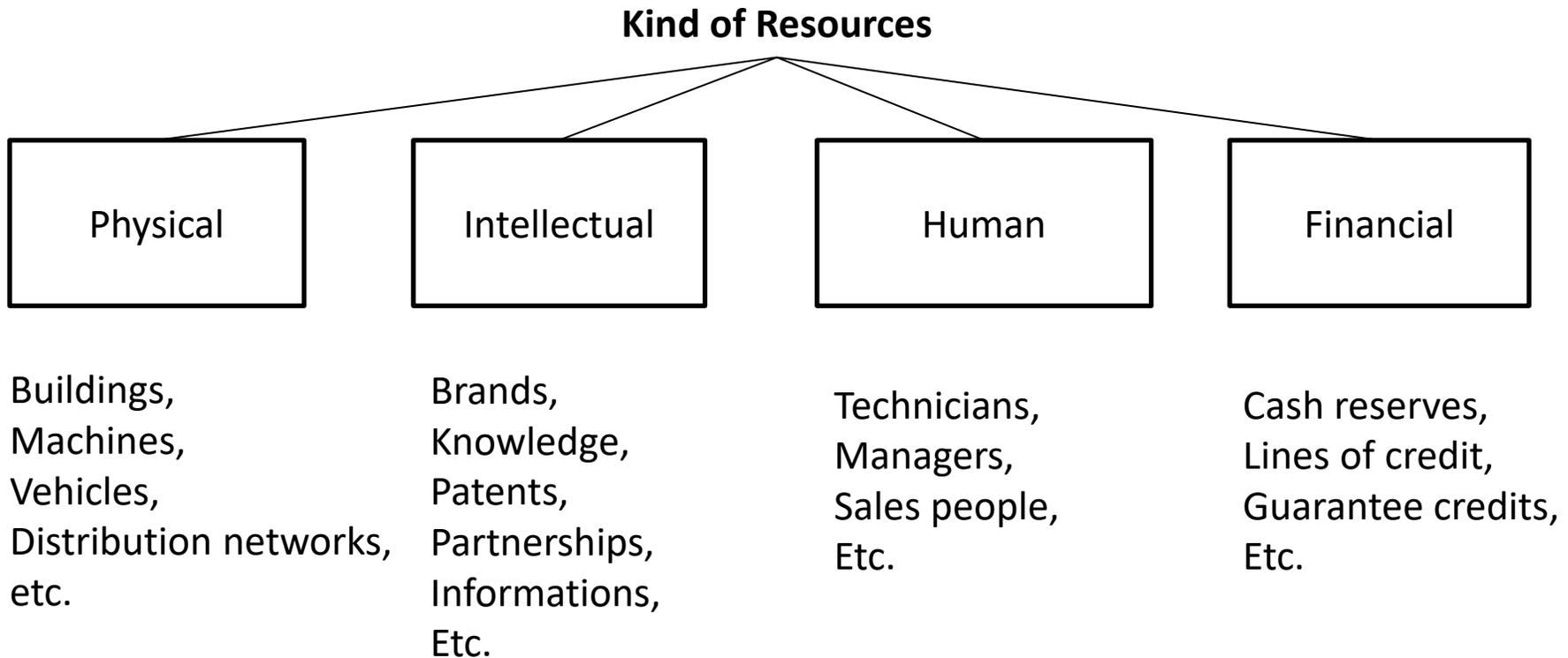
What have to be done to ensure our capability to solve frequent individual customer problems?

Which networking activities have to be done to ensure the matching of at least two different groups which depend on each other?

# Key Resources Block

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The Key Resources Block describe the most important assets you need to procure to create your Value Proposition, your Distribution Channels and Customer Relations.



# Assignment

---

***Please, summarize your necessary key activities and resources and adapt your canvas corresponding.***

***45''***

# Rural Hair Saloon based on solar energy

<p><i>Supplier for hairdressing material and investment goods</i></p>	<p>Hairstyling, offering services at events, own event organization, marketing, sourcing of materials and maintenance of solar systems</p>	<p><b><i>A rural hair saloon as center of communication which offers modern hairstyles within reach</i></b></p> <p><b><i>(Accessibility/ Performance/ Convenience/ Status)</i></b></p>	<p>Dedicated Personal Assistance &amp; Co-creation of events</p>	<p><b>Niche segment Rural woman</b></p> <p>CS 1: In the close area which use the hair saloon as center of communication</p> <p>CS 2: Within farer reach which come only to the hair saloon for special hairstyles</p>
	<p>Suitable location, 12 V Solar system, hair dressing equipment and materials, entertainment material and hairdressing skills</p>		<p><b>Awareness</b> Mouth-to-mouth &amp; special sales offers and events</p> <p><b>Sales</b> Fixed comfortable location close to markets and mobile sales at event services</p>	
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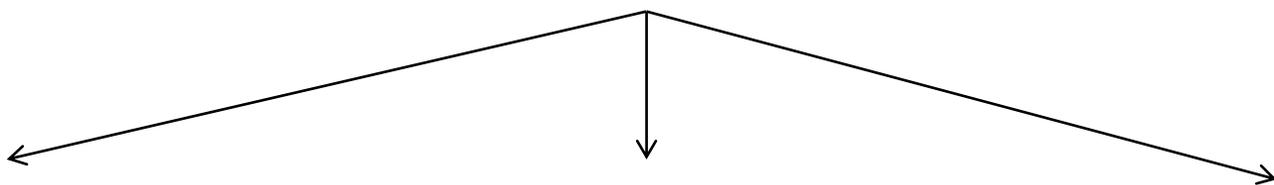
***STEP 4***  
***Think about***  
***Your Partners & Costs***

# Key Partnerships Block

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**The Key Partnership Block describes the network of suppliers and partners you need to create your Value Proposition, your Distribution Channels and Customer Relations and/or you can establish to replace own key activities and key resources.**

## ***Leading Questions***



*Which suppliers and partners we need beyond our own key activities and resources?*

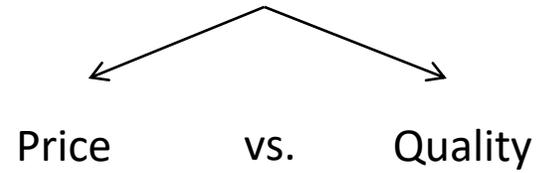
*Which particular resources and key activities could be useful to replace to optimize our cost structure and reach of customers?*

*Is it possible to establish further partnerships to reduce risk and uncertainty?*

# Cost Structure Block

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## Strategic Orientation for Cost Structure Cost-driven vs. Value driven



## Kind of Costs



# Assignment

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***Please, summarize your necessary and possible key partnerships, research your cost and think of potential partners.***

***45''***

## BOSS Example Rural Hair Saloon

<p>Supplier in the city for hairdressing material and magazines and investment goods</p> <p>Supplier within reach for drinks (and water)</p> <p>Partnerships with market sellers for sourcing and transportation</p>	<p>Hairstyling, offering services at events, own event organization, marketing, sourcing of materials and maintenance of solar systems</p>	<p><b><i>A rural hair saloon as center of communication which offers modern hairstyles within reach</i></b></p> <p><b><i>(Accessibility/ Performance/ Convenience/ Status)</i></b></p>	<p>Dedicated Personal Assistance &amp; Co-creation of events</p>	<p><b>Niche segment Rural woman</b></p> <p>CS 1: In the close area which use the hair saloon as center of communication</p> <p>CS 2: Within farer reach which come only to the hair saloon for special hairstyles</p>
<p>Investment costs for solar system and its appliances, fixed costs for rent and unskilled laborer, variable costs for hairdressing equipment</p>		<p><b>Revenue Streams</b></p> <p>Asset Sales/usage fees for hairdressing Asset sales for drinks (and renting for events)</p> <p><b>Market potential</b></p> <p>6.000 birr per month</p>		

---

***STEP 5***  
***Think about***  
***Your Bottlenecks***

# Bottleneck Analysis

## Bottlenecks

Critical factors which have to be fulfilled that the business works

### *Hairdresser Example*

#### Identification

**What could go wrong?**

Skills Sets for maintaining and hairdressing insufficient

Early Break down of solar system or applications

Mobile operation damages solar system

Willingness to pay/ customer number

Critical Water access

#### Consideration

**How to take it into account?**

Careful selection of skilled hairdresser & providing of solar maintenance training

Efficient construction of BOSS Application with high quality materials

Careful location analysis including consumer surveys and selection of a location with high draw area

# Assignment

---

***Please, identify your bottlenecks and search for solution possibilities.***

---

***STEP 6***  
***Evaluate Yourself***

# Adapted SWOT Analysis

## Quick Check for Evaluating Business Concepts

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<p style="text-align: center;"><b>Strengths</b></p> <p>Which strengths does our business have? Where are we better compared to others?</p>	<p style="text-align: center;"><b>Weaknesses</b></p> <p>Where are we weak in? Where others might be better?</p>
<p style="text-align: center;"><b>Opportunities</b></p> <p>What market developments could be of advantage for our business? What chances could arouse to enable the growth or expansion of our business?</p>	<p style="text-align: center;"><b>Threats</b></p> <p>What regulations, developments or other external factors could threaten the success of our business? What problems could arouse?</p>

# The Solar Ice Cream Wagon in Arba Minch

<p style="text-align: center;"><b>Strength</b></p> <ul style="list-style-type: none"><li>• Only accessibility of ice cream in a very hot area</li><li>• Mobility increase market area and purchasing frequency which enable higher market potential</li></ul>	<p style="text-align: center;"><b>Weakness</b></p> <ul style="list-style-type: none"><li>• Not experienced in producing quality ice cream</li><li>• Difficulty of maintenance in case of defects of the solar system or the refrigerator</li></ul>
<p style="text-align: center;"><b>Opportunity</b></p> <ul style="list-style-type: none"><li>• Encouraging environment for technology transfer in the country attracts support</li><li>• Ice cream production can be expanded to sell to other businesses such as restaurants</li><li>• Further wagons can be produced to expand ice cream sells to other areas with central ice cream production in Arba Minch</li></ul>	<p style="text-align: center;"><b>Threat</b></p> <ul style="list-style-type: none"><li>• Local regulations of doing business by moving from sub town to sub town</li><li>• Accessibility at events might be limited through competition hurdles</li><li>• Supply Problems of Ingredients delivered from Addis</li></ul>

# HOMework

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***REPEAT AND ADAPT  
YOUR Business Model Canvas  
and prepare a presentation for it***



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## Chapter III

*Learn to build your own business idea  
and learn how to sell it!*

**WHAT IS ACTUALLY AN ENTREPRENEUR AND WHY IT SEEMS NICE  
TO BE ONE?**



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**What do you expect from a life of an entrepreneur?**

**How would it be to be one?**

# The Typical Entrepreneur

## Who of the following is a typical Entrepreneur?



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# Sample Entrepreneur Life

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**Do you know an Entrepreneur in your environment?**

**What do you think, how is his or her life?**

# Tasks/Duties of an Entrepreneur

---

**To create and run their own venture,  
Entrepreneurs have to**

- ... invest their own money and their total time in their business;
- ... generate income with their business to pay for their food and serve their family;
- ... develop a promising idea and convince people for it;
- ... set plans & goals
- ... make decisions and have to live with the consequences of their decisions
- ... deal with employees, customers, investors and suppliers
- ... solve problems and have to adapt to changing circumstances
- ... face risks, experience failures and live with a high level of uncertainty.



**What does that mean for the life of an Entrepreneur?**

# The Typical Entrepreneur

## Who of the following is a typical Entrepreneur?



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# What is your motivation to become an entrepreneur?



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# Why you are not an entrepreneur already? What you are afraid of?

# Common reasons for becoming an Entrepreneur

---

**Passion**

**Independence**

**Control**

**Helping**

**To Create**

**Money**

# Common fears/obstacles which prevent people to become an Entrepreneur

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**Ridicule**

**Family  
influence**

**Opportunity  
Costs**

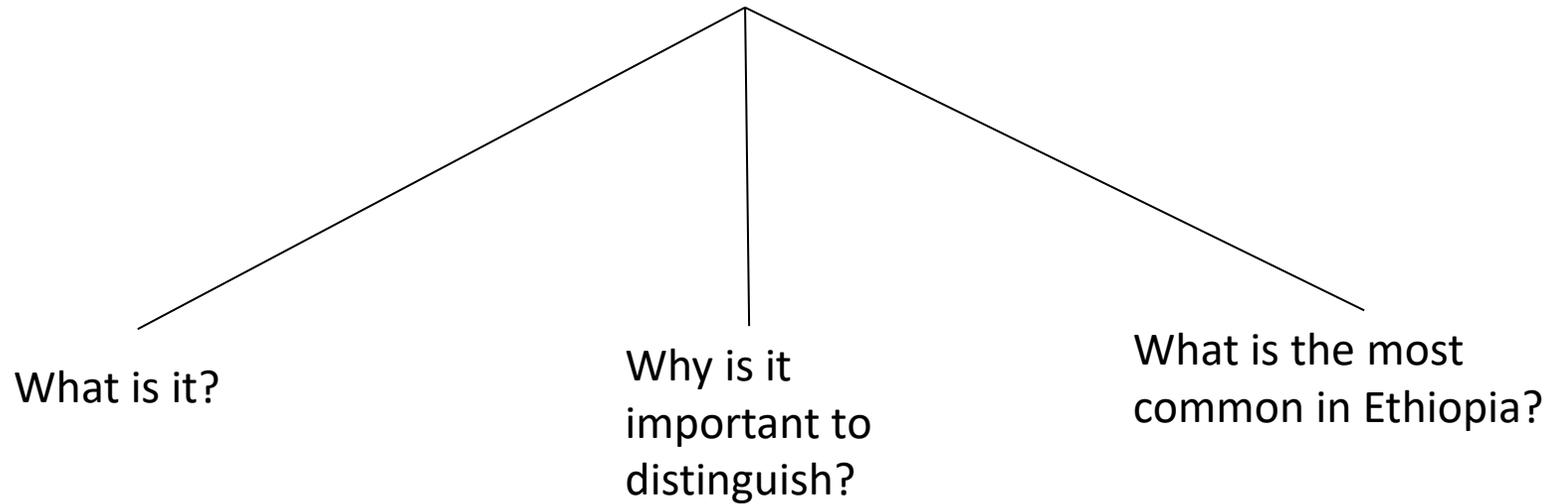
**Risk**

**Failure**

# Major Motivation Distinction Entrepreneurship

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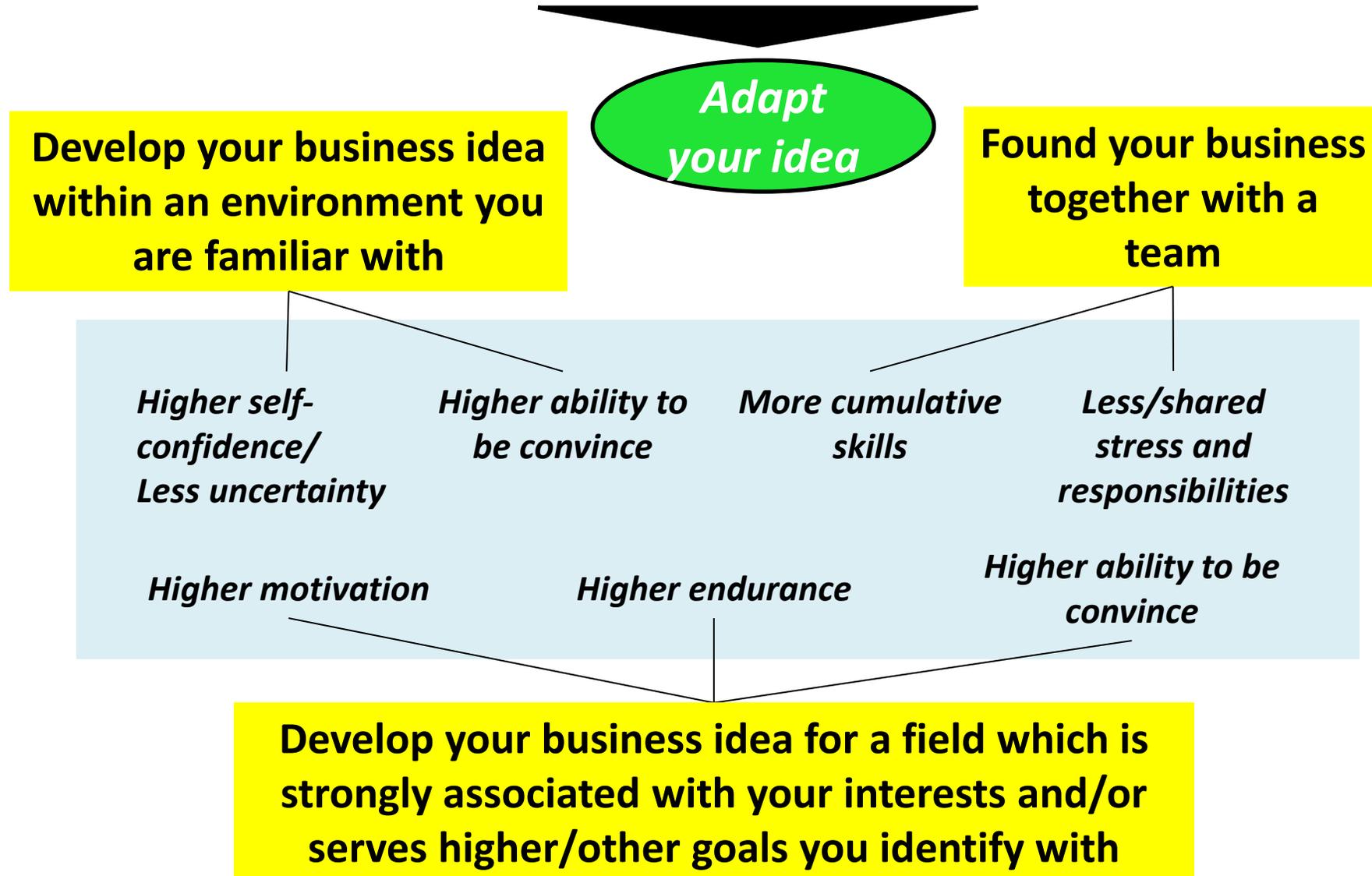
## Necessity Driven vs. Opportunity Driven



**What kind of Entrepreneur you want to become?**

## *Enhance your initial position*

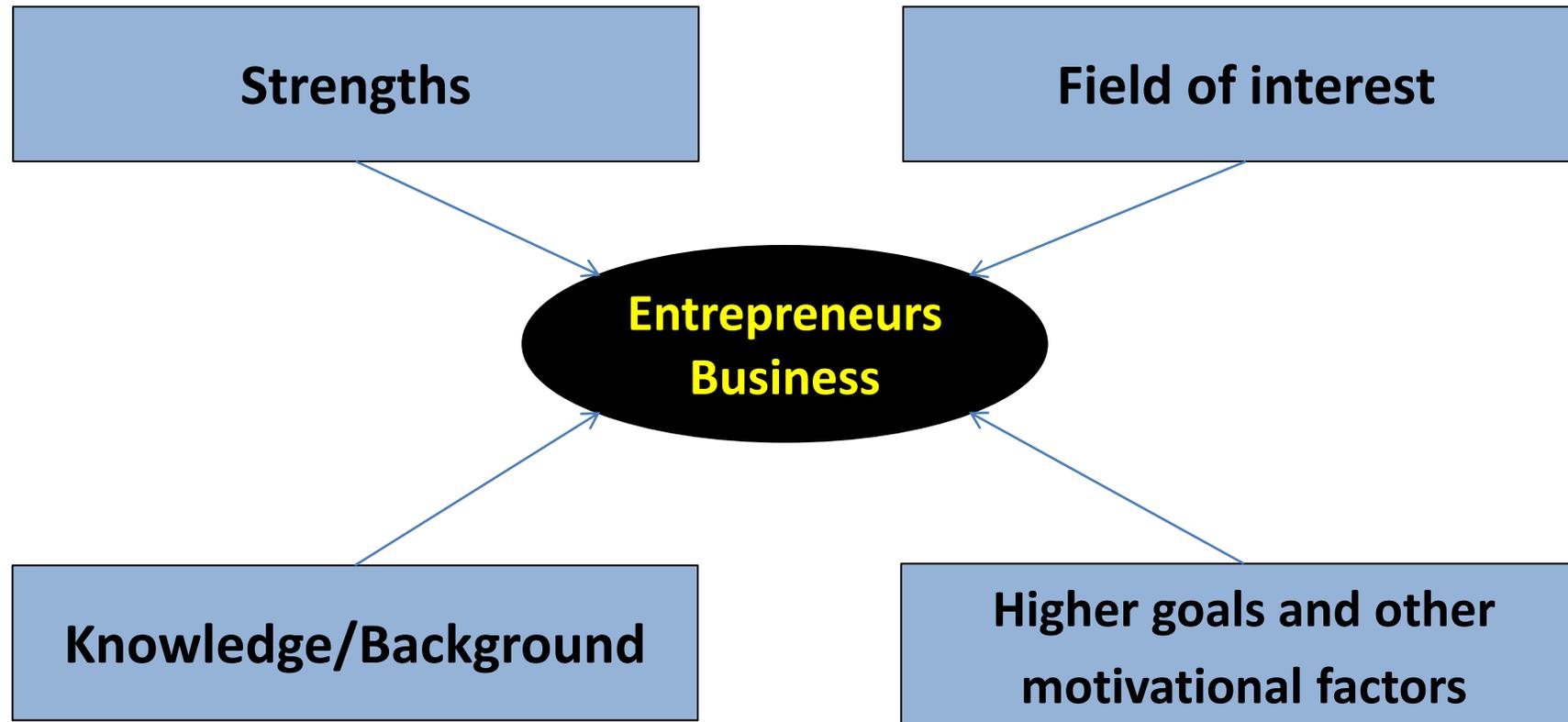
### How to make it easier for yourself to fulfill entrepreneurial skills



## Sample Entrepreneur Strengths / Motivation

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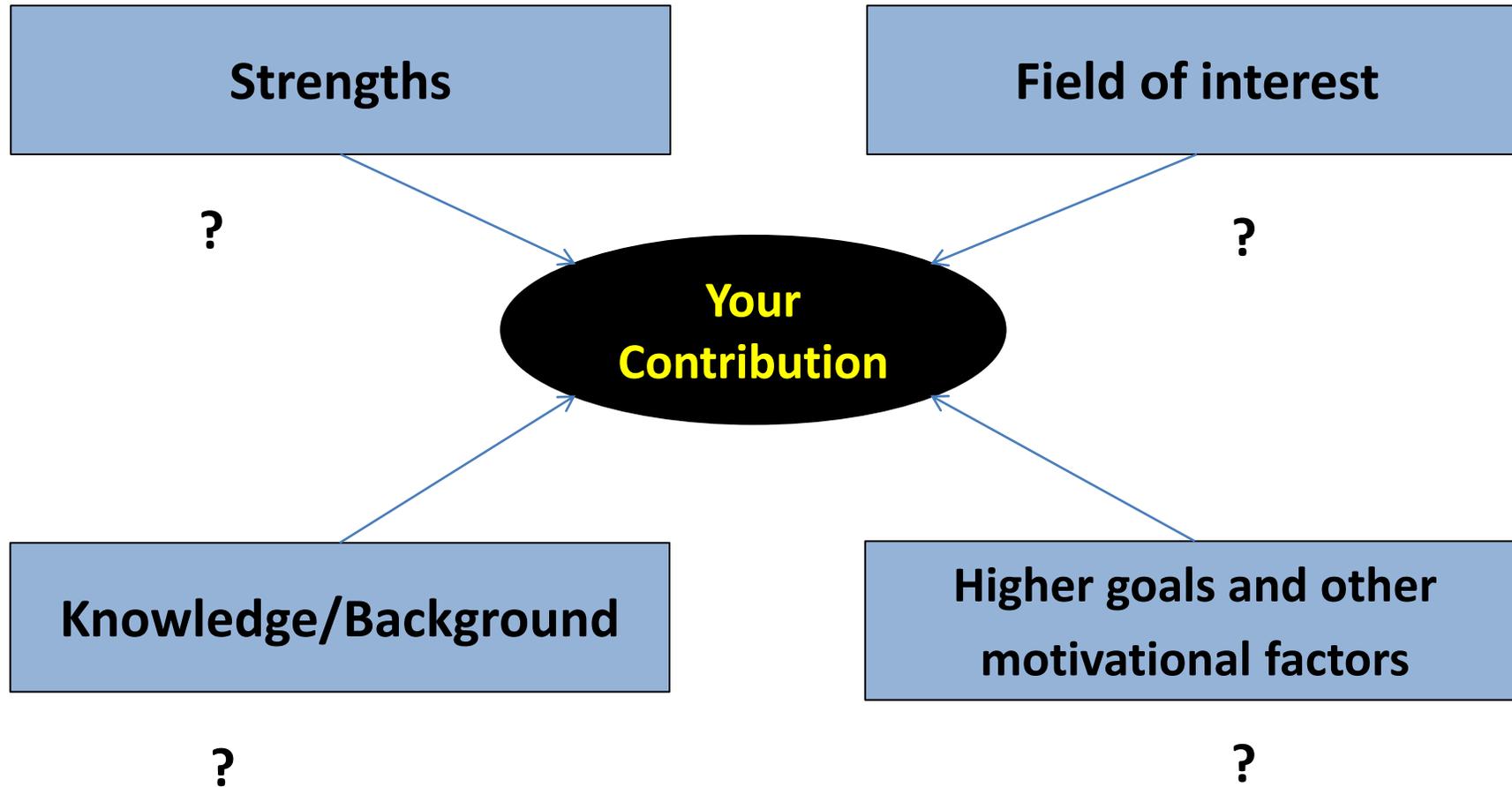
**Which strengths does your sample entrepreneur has from your point of view and how this is related to his field of business?**



# Your Strengths / Motivation

---

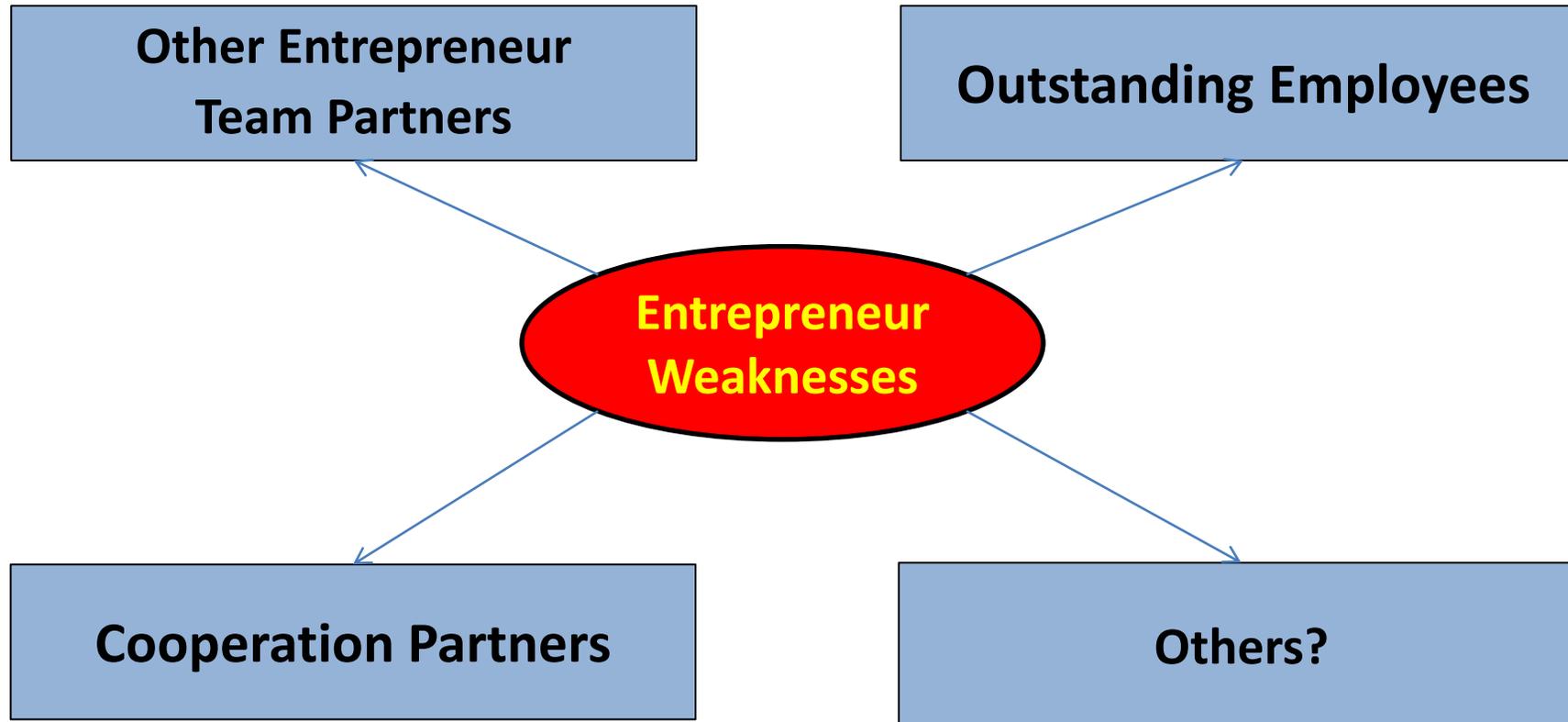
**Which strengths do you have and what's your motivations?  
Which contribution to the business you can do?**



# Sample Entrepreneur Weaknesses and Supporters

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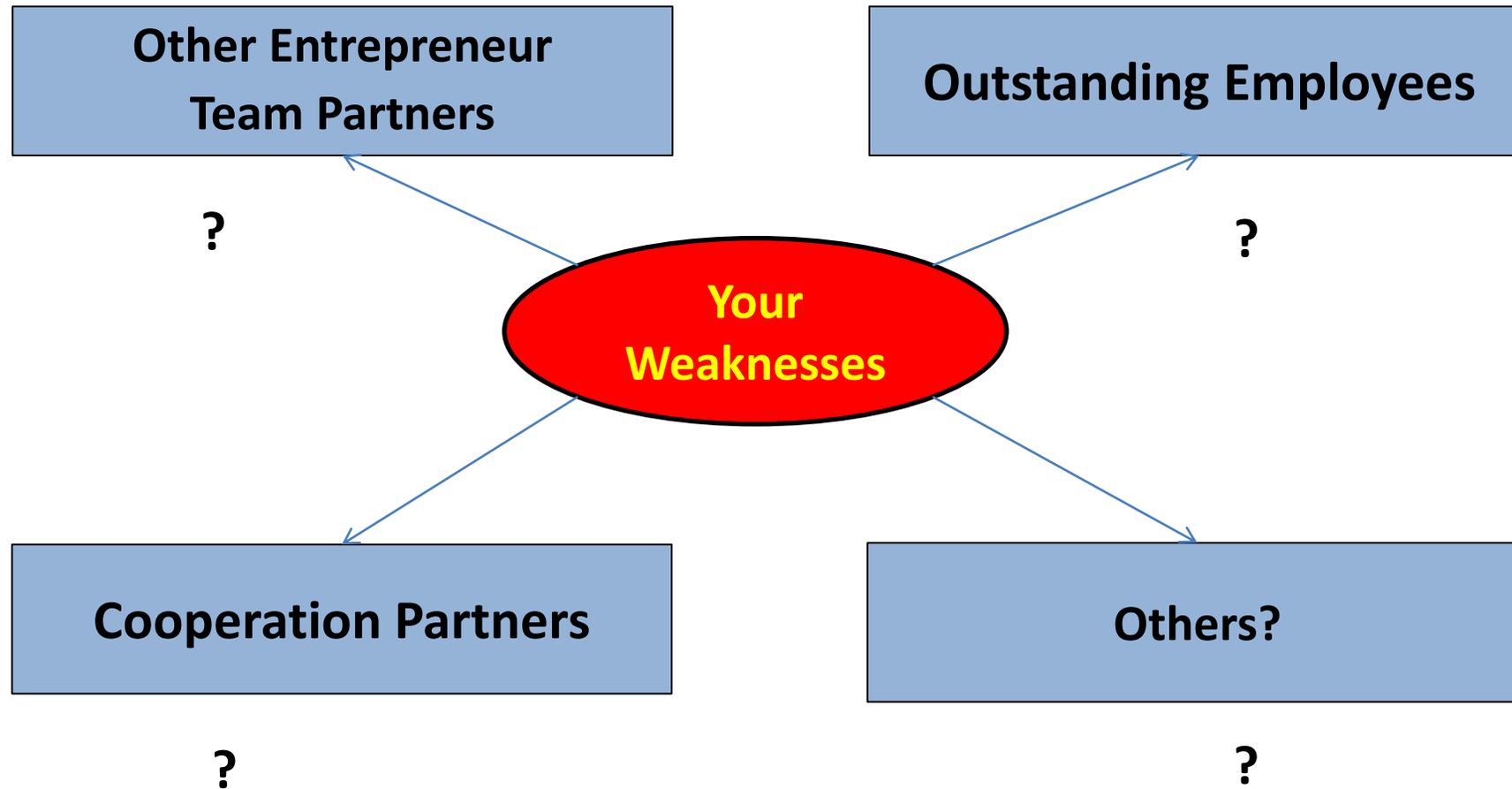
**Which weaknesses does your sample Entrepreneur has from your point of view and what helps him to overcome them?**



# Your Weaknesses and Supporters

---

**Which weaknesses do you have and how can you balance them?**





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# Team Building



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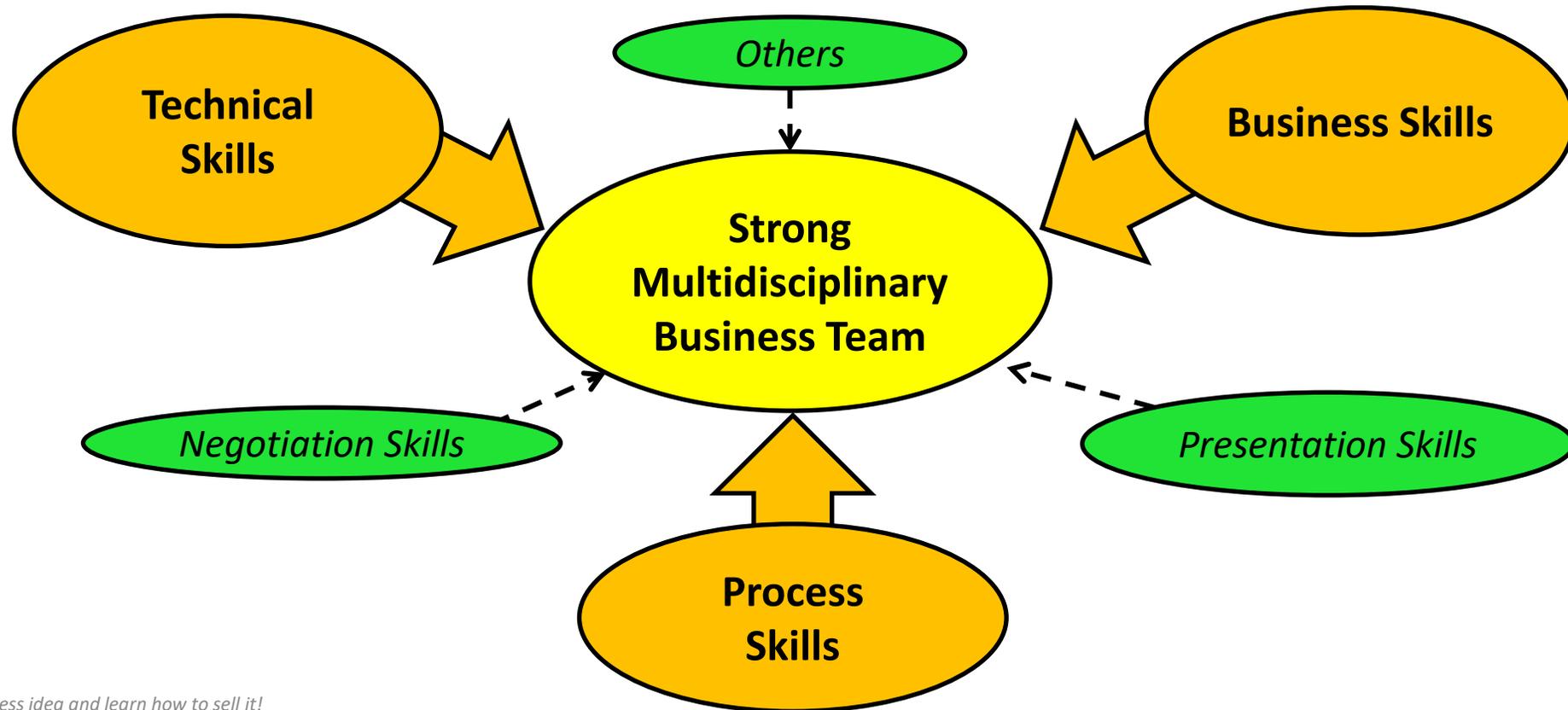
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**step**  
Sustainable Training  
and Education Programme



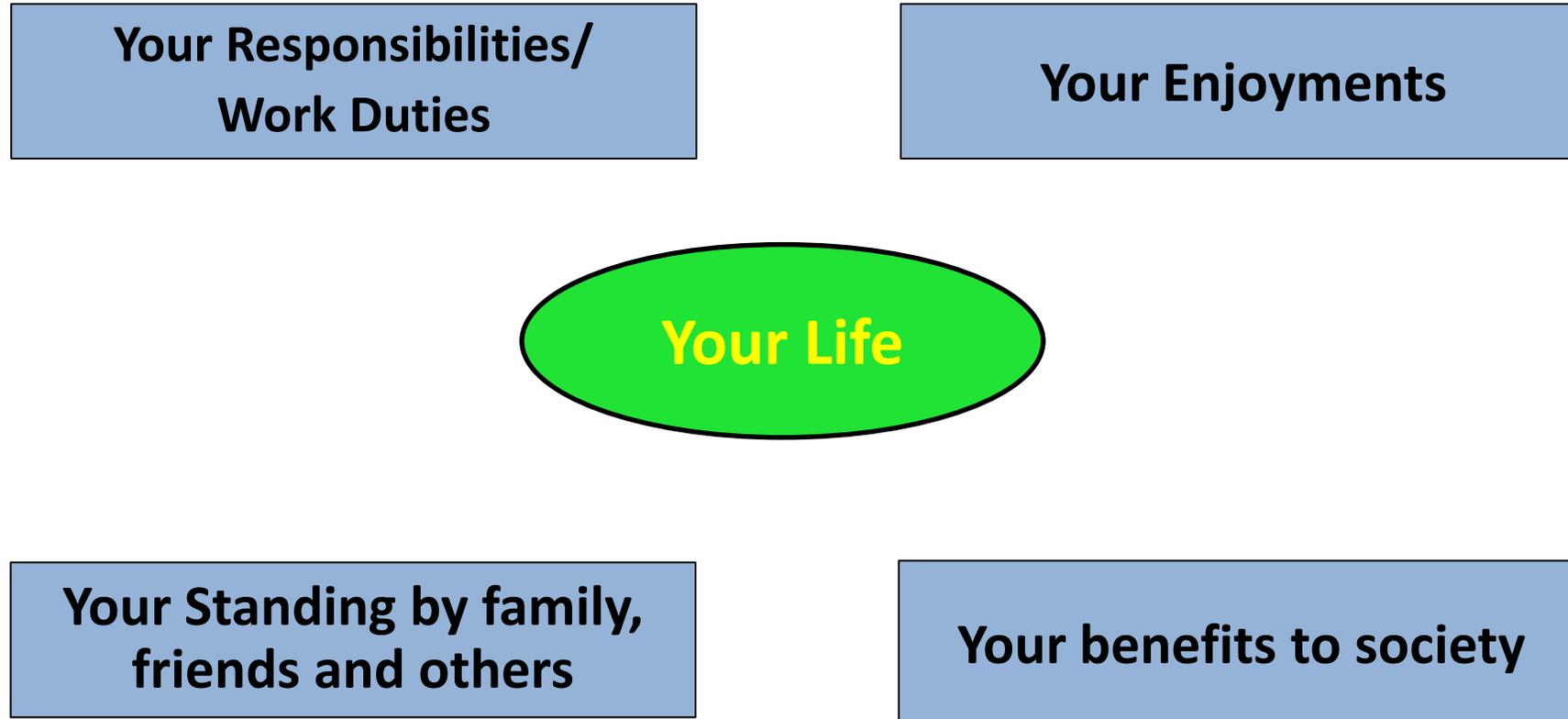
## Build a strong Entrepreneur Team with contributing skills



# You as Entrepreneur

## How would your life be like?

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## Chapter IV

*Learn to build your own business idea  
and learn how to sell it!*

**HOW CAN YOU CHECK IF YOUR BUSINESS IDEA IS REALISTIC?  
PART I – PLAN YOUR PROTOTYPE**

# First Plan what to do!

---

**Wish**

## Example: The WOOPS-Party Model

I want to build a prototype

**Outcome**

- I have something in my hand to demonstrate to investors to receive funding for my business
- I have something in my hand to demonstrate to customers to see if there is really demand for it
- I will get to know if I really can realize my project
- ...

**Obstacle**

- How to finance the materials for my prototype
- How to get access to the necessary building equipments
- ...

**Plan**

Building „quick and dirty“ prototype and demonstrate to customers and present consumer results and prototype building plan to interested parties ...

**Support**

University might have funds or market linkage and can enable access to workshops

**Party**

When I finalized my prototype, I will organize a party at **Centera** with my team to celebrate our first success.

# What kind of PROTOTYPE???

---

## *Definition of prototypes by purpose. Test or communication??*

- **Paper Prototype** is a printed or hand-drawn representation of the user interface of a software product. Such prototypes are commonly used for early testing of a software design
- **User Experience Prototype** represents enough of the appearance and function of the product that it can be used for user research
- **Proof-of-Principle Prototype** to verify some key functional aspects
- **Visual Prototype** represents the size and appearance, but not the functionality, of the intended design
- **Working Prototype** represents all of the functionality of the final product.
- **Form Study Prototype** is a preliminary type of visual prototype in which the geometric features of a design are emphasized
- **Functional Prototype** captures both function and appearance of the intended design

# PROTOTYPE???

## **Question-set 1: What for??**

What is your stage of product development?

For what purpose you need a prototype?

What prototype you can produce?

How can a prototype help you in your process?

## **Question-set 2: How??**

Who I will build my prototype?

Which material I need for my prototype?

Which technic and tools I need for my prototype?

Which skills and experience I need to fabricate my prototype?

How much time and budget I have to build my prototype?

## **Question-set 3: For whom??**

Who will see or touch my prototype?

Who is my target group for presentation?

Is the prototype for internal or external communication?

## Example: solar wagon

---

**To organize the manufacturing of a prototype you need to organize your resources!!**

**Human-ware**  
are abilities, skills, knowledge, etc which are used to change inputs that involve human beings into products (outputs).

**Info-ware**  
is an organized information, standard, list of blueprints, core process and maintenance manual which are used to change inputs including records to products (outputs).

**Orga-ware**  
is a technology which includes organizational structural methods, techniques, relationships and practices which are used to change inputs to produce products (outputs).

**Techno-ware**  
refers to machineries and different equipment which are used to change materials including inputs into products (outputs).

## Exercise: planning your prototype *20 min!!*

---

Please fill the given columns to list necessary planning information to build YOUR prototype

Human-ware	Info-ware	Orga-ware	Techno-ware

## Exercise: Build your own quick-prototype out of the given materials to be used for first the feasibility check

---

- Ask yourself, which message (solution, help, feeling, lifestyle,..) you want to transfer to your future customer with your prototype?
- How can I transfer the key message of the product to the customer with simple materials and technics
- Organize your team.
- Who can do which part best?
- Design your prototype
- Build your prototype
- Think about the question, you will ask people on the street
- Think about whom (target group) you will ask
- Think about how to record and evaluate the answers

*good luck!!!!*

# A Quick Paper-Prototype

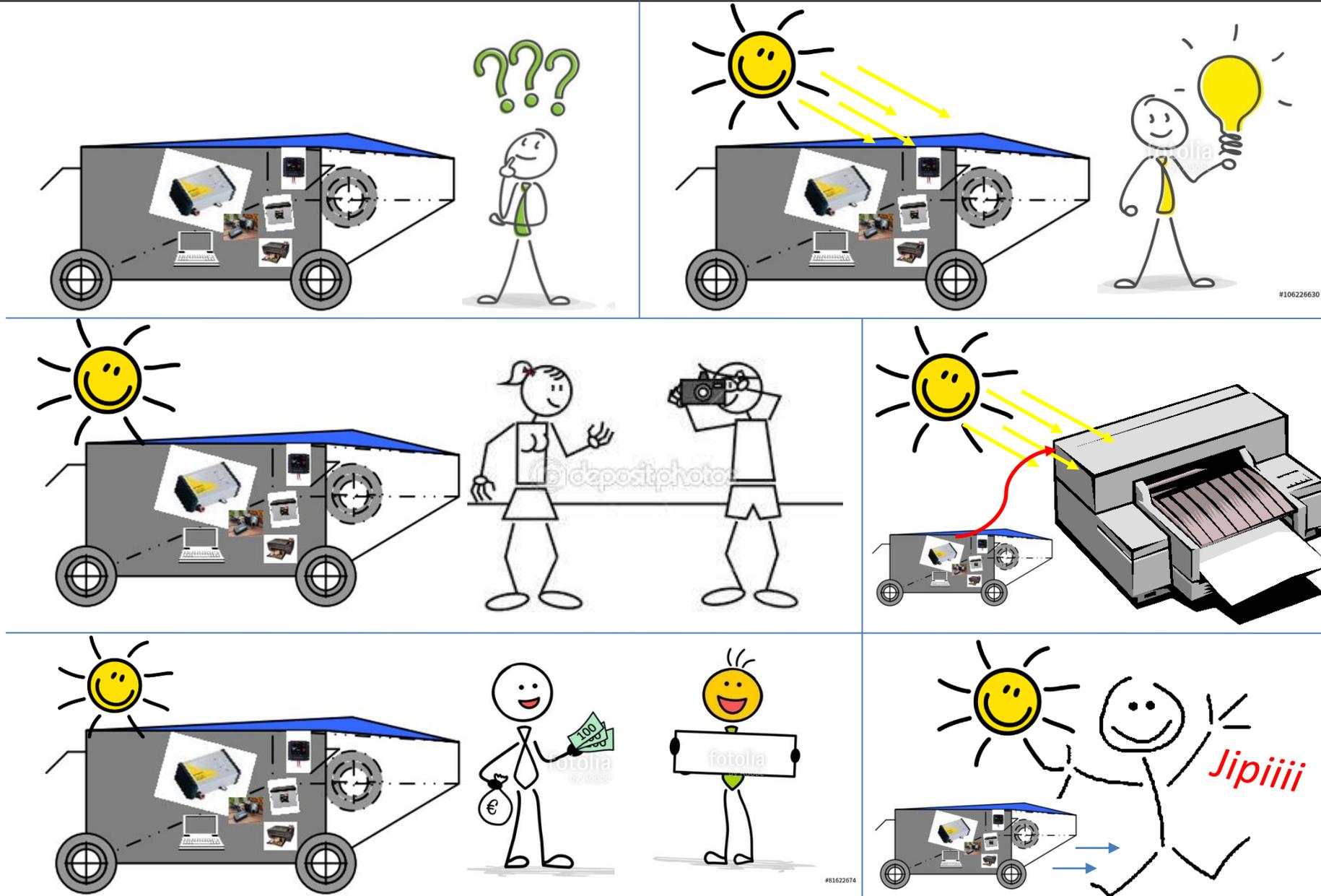
---

- Paper
- Cardboard
- Marker
- Colour
- Tape
- Glue
- Scissors
- Cutter
- Matches
- Toothpicks
- Straws
- Ballons
- Thread
- Idea and Creativity.....



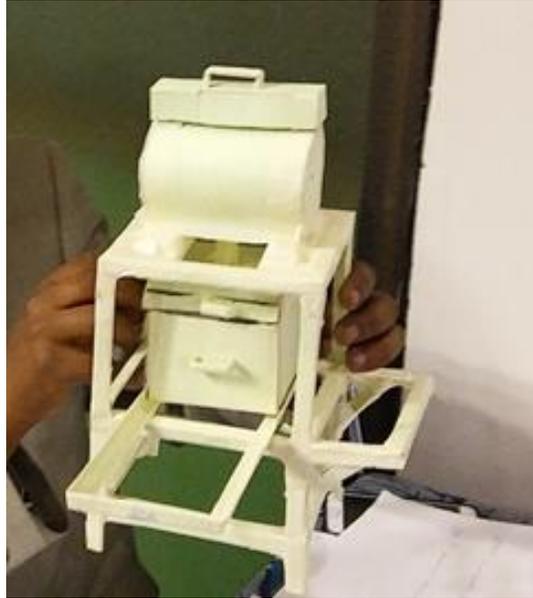
*Less than one hour time to be ready!!!!*

# „Quick & Dirty“ Prototype: Example Paper Context Story of the Solar Wagon



# „Quick & Dirty“ Prototype Inspirations Reality Examples

***A combined Milk Processing Machine  
as Paper Model***



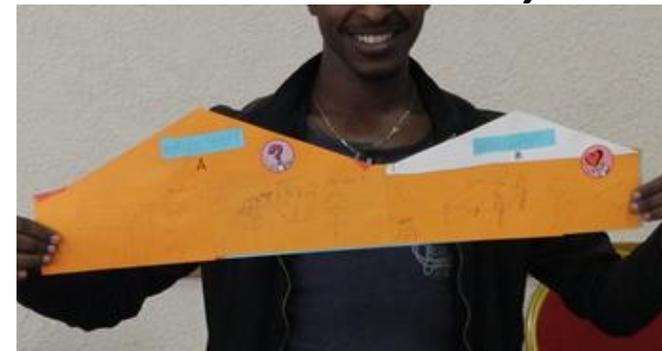
***A Multiple Leather Stamp Machine  
as Paper Model***



***A combined Milk Processing Machine  
as Context Story***



***Multifunctional Wood & Lathe Machine  
as Context Story***



---

***So let us build our first Prototype 😊***



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## Chapter V

*Learn to build your own business idea  
and learn how to sell it!*

**HOW CAN YOU CHECK IF YOUR BUSINESS IDEA IS REALISTIC?  
PART II – FEASIBILITY CHECK**

---

***How can you evaluate if your business idea  
is feasible?***

## Two questions to ask? And a further to check

---

**Can I build it?**

**Exist customers  
willing to buy?**

**Can I sell to prices  
which cover my  
costs?**

# Can I build it?

---

## Materials needed for building

- What materials do I need?
- Are these materials available?
- Where can I buy it?
- What do they cost?

## Materials needed for running

- Which frequent materials do I need to operate my prototype?
- Are these materials available?
- Where can I buy it?
- What do they cost?

## Capacities and Infrastructure needed

- Which equipment do I need to build it?
- Can I access them?
- How much will the accessibility cost?
- Do I have all the knowledge needed to build it?
- Can I acquire the knowledge needed?
- What are the acquisition costs?
- Are the infrastructure conditions sufficient to operate the prototype?

# Exists customers willing to buy?

---

## Who is my target customer?

- Age
- Gender
- Job/Education
- Income
- Interest, etc.

## What are his or her needs?

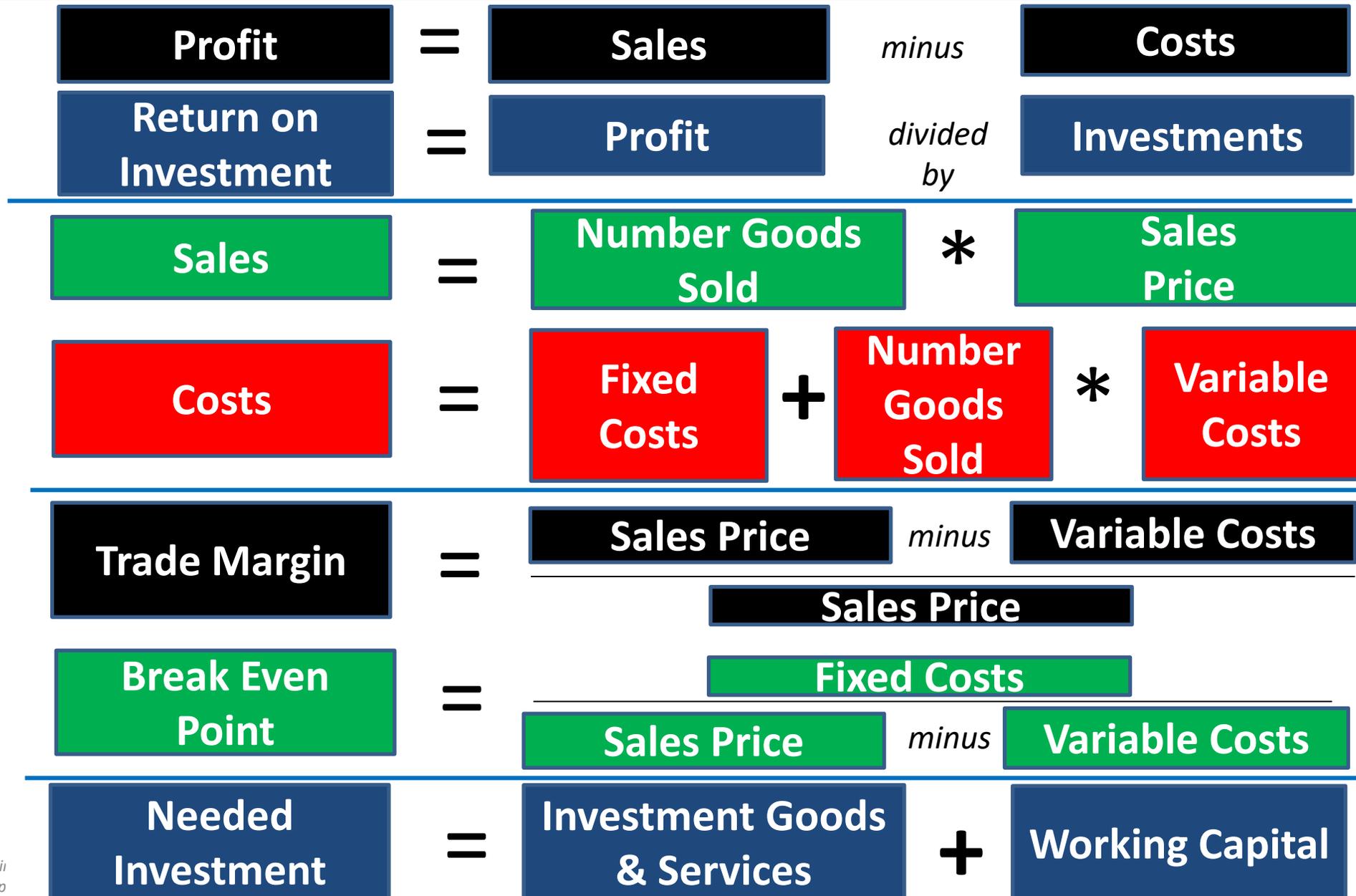
- Do the customer like the value which is offered?
- How much he or she is willing to pay for it?
- How often he or she will need my product or service?

## Which alternatives exists?

- Exists similar products or services?
- What is the difference?
- How much do they charge?
- Where are they located?

# Can I sell to prices which cover my costs?

## Basics to Finance



# Can I sell to prices which cover my costs? „Quick and Dirty“

---

## Calculate your market potential

### Estimate

- Size of sales market
- Number of customers and purchasing frequency
- Potential Sales Price

## Calculate your Costs

### Variable Costs

- Materials for building
- Fees
- Etc.

### Fixed Costs

- Rent
- *Employees*
- Etc.

### Investment Costs

- Machines
- Brokers
- Licenses
- Etc.

## Calculate your Profitability

- Profit
- Margin
- Needed Investment
- Break Even
- Return

## What to do to check?

---

### Think about

- Whom to ask?
- Where to find?
- What to ask?
- How to ask?

### Prepare

- Question lists
- Visualized Prototypes
- Demonstration Material

### Go and ask

- Consumers
- Suppliers
- Competitors

### Analyze

- Consumer Demand and Market Potential
- Sales Prices and Purchasing Costs
- Supply Availability
- Competitive Advantage



---

***Prepare your thoughts!***  
***Go out and check!***  
***Come back and analyze!***  
***Present your results!***