

Competition  
Entrepreneurial  
Conditions Identification  
Opportunity  
Macroeconomics Mindset Industry Status  
Value Curve Analysis  
Behaviors Motivation  
Canvas

Written by  
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# THE OPPORTUNITY ANALYSIS CANVAS

Dr. James V. Green

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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 25 undergraduate and graduate courses in entrepreneurship, innovation, and technology commercialization. He has created and led a host of innovative programs and activities to serve 100,000 innovators and entrepreneurs from 150 countries. With 20 publications, 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 the University of Maryland, Dr. Green held founder, executive, and operational roles with multiple technology startups to include Cyveillance (acquired by QinetiQ, LSE: QQ.L), WaveCrest Laboratories (acquired by Magna International, NYSE: MGA), and NetMentors.Org.

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# FORWARD

The Opportunity Analysis Canvas is a collaborative effort based on my experiences of teaching over 100,000 students and advising 100 companies, to include 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 think and see things 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, it is a process than could be taught. Before writing this book, I tested various ideas and approaches of teaching over nine years at the University of Maryland. These activities that 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 that you will be more effective in identifying and analyzing entrepreneurial opportunities and realizing your personal and professional goals.

James V. Green

May 14, 2013

# 1 INTRODUCTION

*I was seldom able to see an opportunity  
until it had ceased to be one.*

*Mark Twain  
Author and humorist*

**94,725.** This is the number of results for business plan books on Amazon.com at the time of this writing. 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 is the goal of this book.

The opportunity analysis canvas is a new tool for identifying and analyzing entrepreneurial ideas. Structured as a nine-step approach, the canvas is segmented into: (a) *thinking entrepreneurially* with an entrepreneurial mindset, entrepreneurial motivation, and entrepreneurial behaviors; (b) *seeing entrepreneurially* with macroeconomic changes, industry conditions, industry status, and competition; and (c) *acting entrepreneurially* with the value curve and opportunity identification.



# Definition: Opportunity

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

- Merriam-Webster Dictionary

## **What is an *opportunity*?**

Within the opportunity analysis canvas, the term *opportunity* refers to the creation of a new venture.

This can be a for-profit venture, a non-profit venture, or any related venture that creates value for the customers and the operators of the venture.

In retrospect, we all see good opportunities. It is 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 decision making processes, however, are only valuable in the present.

## **Missed opportunities**

Each year, thousands of students enroll in business plan courses at universities worldwide. Estimations suggest that less than 5% 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.

This mismatch of (1) entrepreneurial ambitions versus (2) 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 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. This is a precursor to writing 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 only begin to take shape when a new venture idea is formulated.

Customer discovery requires having a product or service concept to test.

Without the idea for the product or service, no business model nor customer discovery can begin. It is this first step of ideation that the opportunity analysis canvas aims to fulfill.

## How to use this book

This book is structured on a new tool called the opportunity analysis canvas. Each of the below 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 entrepreneurial decision-making. Next, tips and techniques are presented for how to develop your skills. Lastly, challenge questions are posed for you to apply these skills in developing your opportunity analysis abilities.

### The Opportunity Analysis Canvas™

<p>(1) ENTREPRENEURIAL MINDSET</p>	<p>(2) ENTREPRENEURIAL MOTIVATION</p>		<p>(3) ENTREPRENEURIAL BEHAVIORS</p>
<p>(4) MACROECONOMIC CHANGES</p>	<p>(5) INDUSTRY CONDITIONS</p>	<p>(7) COMPETITION</p>	<p>(9) OPPORTUNITY IDENTIFICATION</p>
	<p>(6) INDUSTRY STATUS</p>	<p>(8) VALUE CURVE</p>	

### **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**

Seeing entrepreneurially requires that you have a “big picture” perspective. This means that you recognize and understand the economic forces impacting your ideas as well as the industry and competitive factors now and in the future. With dedicated chapters on macroeconomic changes, industry conditions, industry status, and competition, each of these steps are 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 curve and opportunity identification, your entrepreneurial ideas can be transformed into action.