



2.4 Start-up

2.4.1 New venture creation framework

2.4.2 Business model canvas

New Venture Creation



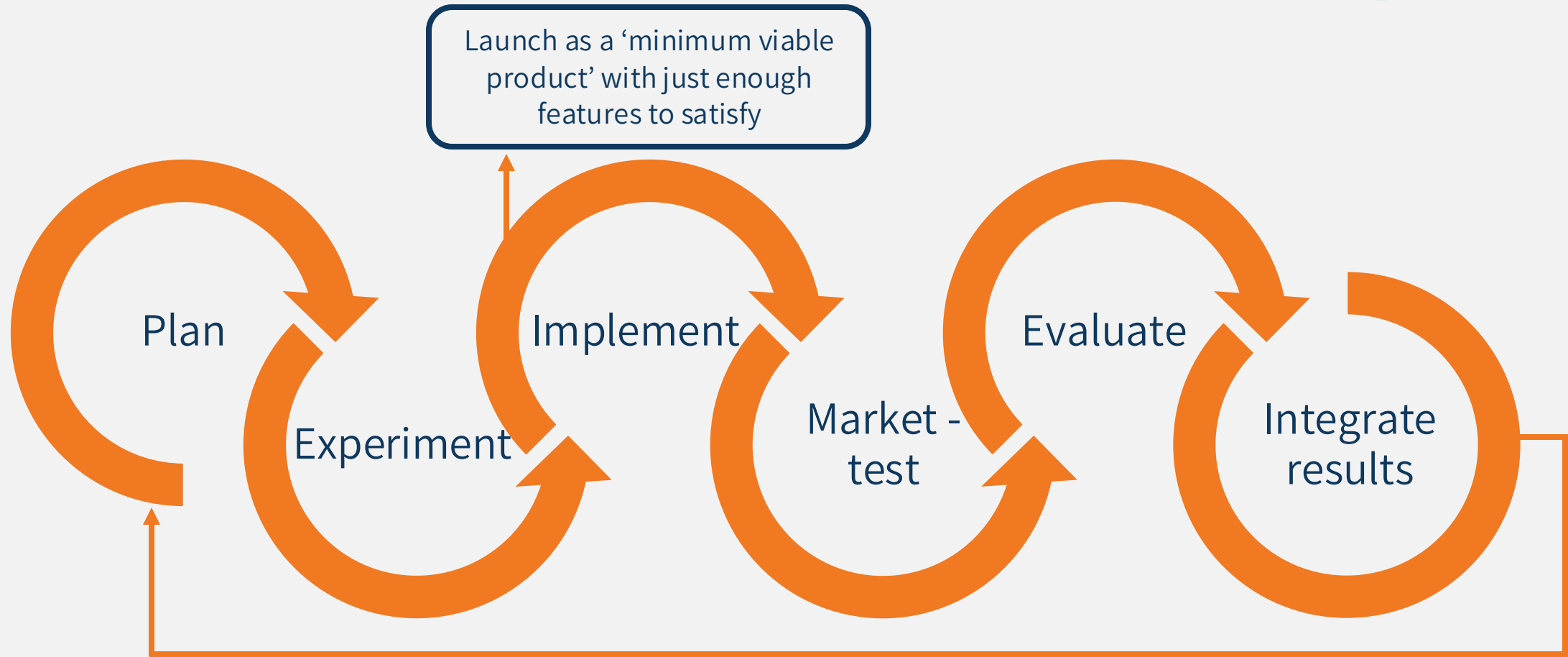
What is necessary knowledge for starting a business?



Start-up process



Lean start-up cycle



Restart cycle

Use customer feedback to validate learning

Design thinking

Define

Ideate

Choose

Identify the real problem to solve & define design brief unconstrained by existing solutions

Observe how people deal with problem & how similar problems in different contexts are handled

Look at problem from different perspectives & come up with as many options as possible.

Experiment with prototype solutions to see which work

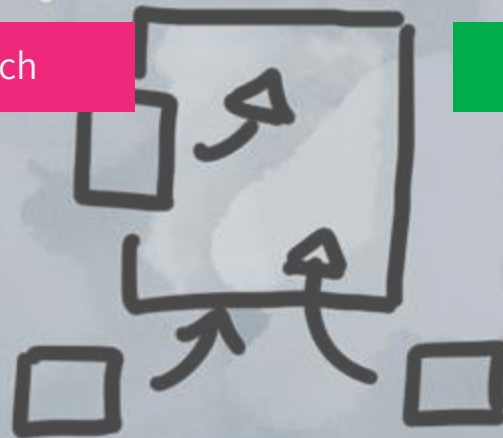
This is a process of synthesis which helps select the one(s) that work best

Try out solution(s) - tested & refine prototypes

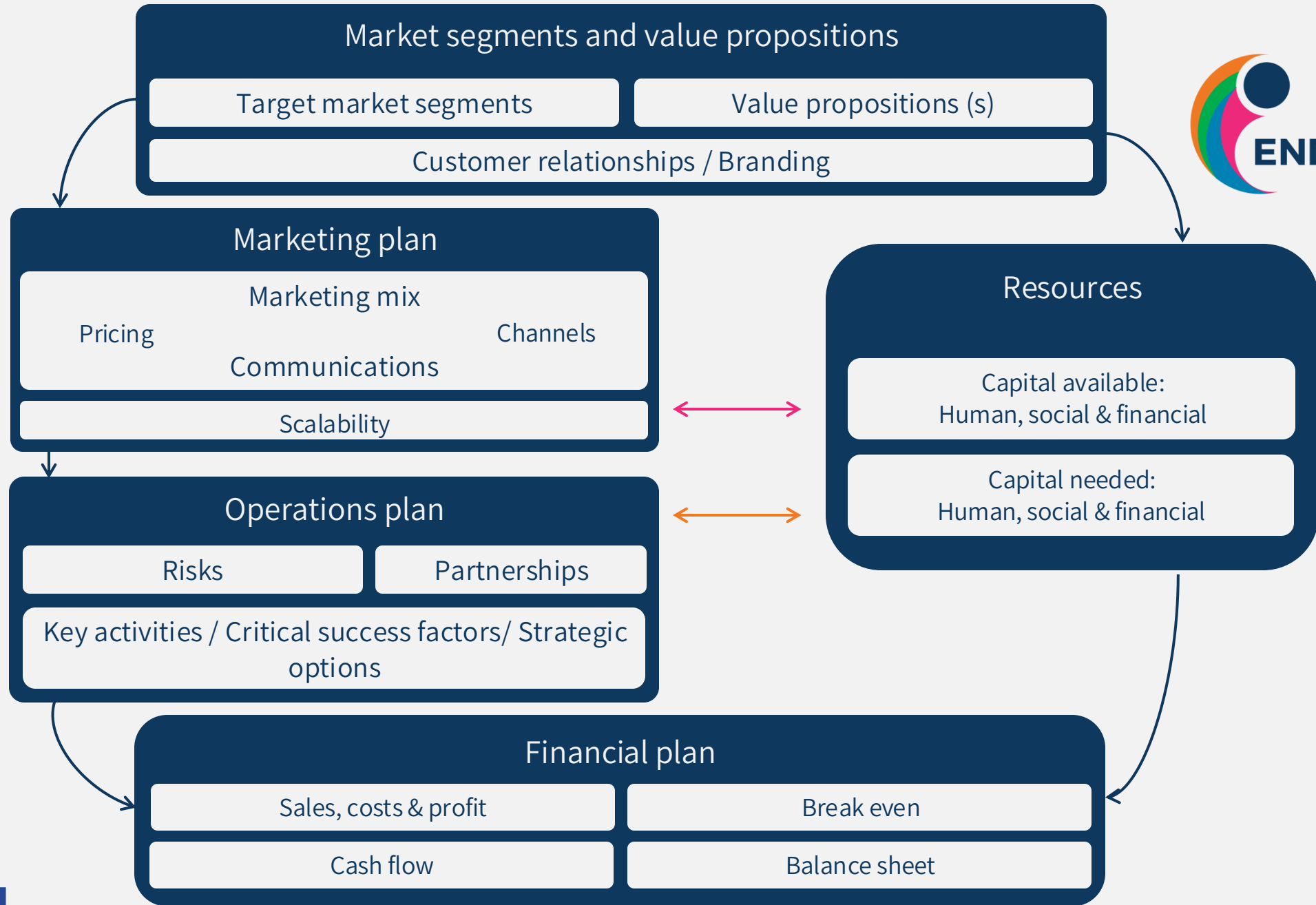
Research

Prototype

Implement



New Venture Creation Framework



New Venture Creation Framework

Target market segment(s)
Leisure and business travellers

Marketing mix, Pricing, Channels, Communications
Differential pricing
Low-cost marketing - PR, brand, web-based promotions etc.
Volume seat sales
Max sales of other products on web site

Key activities / Critical success factors / Strategic options
High usage volumes ('sweat' assets)
High operating efficiency
Develop staff (recruitment & training)
Develop supplier & partner relationships

Risks
Safety paramount
Passenger volumes
Exchange rate fluctuations
Oil price fluctuations

Customer relationships / Branding
Orange (very visible!)
No-frills, value-for-money
Internet based relations

Scalability
More destinations, planes, staff needed for expansion

Partnerships
Airports
Engine manufacturers & maintenance
Providers of additional services (rentals, hotels etc.)

Value proposition(s)
Safe, point-to-point air services across Europe
Consistent & reliable
Appealing fares (value-for-money)

Capital available: Human, social & financial
Flight & cabin crew
Efficient IT systems
Good brand recognition & marketing

Capital needed: Human, social & financial
Planes (leased?)
Servicing facilities (sub-contracted?)
Crew (self-employed?)

Breakeven
High breakeven
(High fixed costs, low variable costs)

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Commercial viability checklist



- Identified market need or gap in market
- No, few or weak existing competitors
- New or growing market
- Clearly identified customers
- High profit margins
- Not easily copied
- Identifiable risks that can be monitored & mitigated
- Scalability
- Viable business model

Assignment



Plan how you will develop & test your business idea.

Acknowledgments

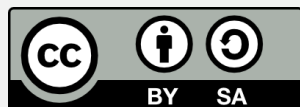


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