



Startup costs and opportunities

'DIPO DAVIES 11/07/19



Hello!

I am Dipo Davies

I am here because I am an Ijebu Businessman

I was not always a tight -
fisted SOB

Losing N40m can do that to a man..
the start up story of Castles Lifestyle
magazine



Lessons Learned

- Too much money can be a bad thing. The N30k Vs N300k start-up
- You need to UNDERSTAND what you are offering and what is CRITICAL kick off that offering.

You just might have enough money to start off that business.

What is a business opportunity?

What you can sell to others to make a profit that you deem satisfactory





***An entrepreneur's personal
and business goals are
inextricably linked.***

Prof Amar Bhide



William Sahlman's 4 interdependent factors critical to every new venture:

1. **The People** – who are the people starting and running the venture?
2. **The opportunity** – a profile of the business itself (what will it sell, to whom, how fast can it grow)
3. **The context** – factors that inevitably change (interest rates, regulatory environment etc) but cannot be controlled by the entrepreneur
4. **Risk and Reward** – assessment of everything that can go right or wrong and a discussion of how the entrepreneurial team will respond



To conserve time and money, successful new founders also minimise the resources they devote to researching ideas. The appropriate analytical priorities will vary for each venture...Smart founders dive in and improvise, and as soon as problems arise, they begin looking for solutions. They plug holes quickly and change strategies as events unfold.

Prof. Bhide

Let's x-ray the opportunity



- Who is the new venture's customer?
- How does the customer make decisions about buying this product or service?
- To what degree is the product or service a compelling purchase for the customer?
- How will the product or service be priced?
- How will the venture reach all the identified customer segments?
- How much does it cost (in time and resources) to acquire a customer?
- How much does it cost to produce and deliver the product or service?
- How much does it cost to support a customer?
- How easy is it to retain a customer?



However popular comprehensive research and planning may be in some business arenas, they don't suit the fast-moving environment of start-ups.

Entrepreneurs must move quickly on their ideas or opportunities may no longer exist. There is a world of ingenuity, spontaneity, and hustle. Profitable survival requires an edge derived from some combination of a creative idea and a superior capacity for execution. Instead of in-depth analysis, therefore, successful entrepreneurs adopt practical approaches that are quick, inexpensive and timely.

Prof Amar Bhide



Recommended Reading

- The questions every entrepreneur must answer
AMAR BHIDE
- How to write a great business plan
WILLIAM A. SAHLMAN
- How entrepreneurs craft strategies that work
AMAR BHIDE



Thanks!

Any questions?

You can find me at

@dipodavies

dipo.davies@castles.com.ng