

OUTLINE AND GUIDELINES IN PREPARING A FOREIGN MARKET OPPORTUNITY ASSESSMENT (FMOA)

I. Description of the Product or Service Idea and Competition

This section focuses on one of the major areas of the opportunity analysis plan: the idea itself and the competition. The product or service needs to be described in as much detail as possible. A prototype or schematic of the product is often helpful in fully understanding all its aspects and features. All competitive products and competitive companies in the product (service) market space need to be identified and listed. The new product/service idea should be compared with at least three competitive products/services that are most similar in filling the same identified market need. This analysis will result in a description of how the product/service is different and unique and will indicate its unique selling propositions. If the idea does not have at least three to five unique selling propositions versus competitive products/services on the market, the global entrepreneur will need to more carefully examine whether the idea is really unique enough to compete and be successful in the market.

Questions:

1. What is the market need for the product or service?
2. What are the specific aspects of the product or service (include any copyright, patent, or trademark information)?
3. What competitive products are already available and filling this need?
4. What are the competitive companies in this product market space?
Describe their competitive behavior.
5. What are the strengths and weaknesses of each of your competitors?
6. What are the NAIC and SIC codes for this product or service?

7. What are the unique selling propositions of this product or service?
8. What development work has been completed to date on the idea?
9. What patents might be available to fulfill this need?
10. What are total industry sales over the past 5 years?
11. What is anticipated growth in this industry?
12. How many new firms have entered this industry in the past 3 years?
13. What new products have been recently introduced in this industry?

II. An Assessment of the Market

The second section of the opportunity analysis plan addresses the size and the characteristics of the market. Market data should be collected for at least 3 years, so that a trend is apparent for the overall industry, the overall market, the market segment, and the target market. This can be done through gathering as much secondary (published) data as possible. For example, if you had an idea for a motorized wheelchair for small children that was shaped like a car, you would get market statistics on the health care industry (overall industry), wheelchairs (overall market), motorized wheelchairs (market segment), and children needing wheelchairs (target market). This funnel approach indicates the overall industry market size as well as the size of the specific target market. Not only should the size of these markets be determined but also their characteristics. Is the market made up of a few large companies or many small ones? Does the market respond quickly or slowly to new entrants? How many (if any) new products are introduced each year in the market? How geographically dispersed is the market? What market need is being filled? What social conditions underlie this market? What other products might the company also introduce into this market? Based on this section of the opportunity analysis plan, the entrepreneur should be able to determine both the size and the characteristics of the market, and whether it is large enough and suitable

enough to warrant the time and effort required to proceed and perhaps actually enter the market.

Questions:

1. What market need does the product/service fill?
2. What are the size and past trends over the last 3 years of this market?
3. What are the future growth prospects and characteristics of this market?
4. What social conditions underlie this market need?
5. What market research data can be marshaled to describe this market need?
6. What does the international market look like?
7. What does the international competition look like?
8. What is the profile of your customers?

III. Entrepreneurial Self-Assessment and the Entrepreneurial Team

Next, both the entrepreneur and the entrepreneurial team need to be assessed. At least one person on the team needs to have experience in the industry area of the new idea. This is one characteristic that correlates to the probability of success of the venture. Several questions need to be answered, such as why does this idea and opportunity excite you? Will this idea and opportunity sustain you once the initial excitement has worn off? How does the idea and opportunity fit your personal background and experience? How does it fit your entrepreneurial team? This section of the opportunity analysis plan is usually shorter than the previous two sections and allows the entrepreneur to determine if indeed he or she is really suited to successfully move the idea into the market.

Questions:

1. Why does this opportunity excite you?

2. What are your reasons for going into business?
3. Why will this opportunity sustain you once the initial excitement subsides?
4. How does this opportunity fit into your background and experience?
5. What experience will you need to successfully implement the business plan?
6. Who are the other members of your team?
7. What are their skills and experience?

IV. Next Steps for Translating This Opportunity Into a Viable Venture

This final section of the opportunity analysis plan delineates the critical steps that need to be taken to make the idea a reality in the marketplace. The steps need to be identified and put in sequential order, and the time and the money needed for each step needs to be determined. If the idea cannot be self-financed, then sources of capital need to be identified. The entrepreneur should always keep in mind that most entrepreneurs tend to underestimate both the costs and the time it will take by about 30%.

Questions:

1. Examine each critical step.
2. Think about the sequence of activity and put these critical steps into some expected sequential order.
3. Determine the amount of time and the amount of money each step will require. If you cannot self-finance (provide this money), where would you get the needed capital?

Reference:

https://us.sagepub.com/sites/default/files/upm-binaries/70386_Hisrich_Chapter_6.pdf