

FOCUS

On The

PROBLEM



We are going to learn one of the most important concepts in entrepreneurship:

FOCUS ON THE PROBLEM.

It is natural to begin building a business by talking about your solution.

You have a great idea and want to turn it into a profitable company, so of course this is what you want to focus on.

Quite naturally, **entrepreneurs** want to focus on their solution. That is the exciting part of the business, after all.



Customers, on the other hand, think first about their problem.

They want to know how you will solve it for them, so your solution has to be better, faster, or probably cheaper.

Unfortunately, that rarely leads to a successful business. Thinking mostly about solutions means that you are focusing on a product or service. But to build a business you need to be thinking a lot about the customer, and the problem they have. That means going outside and talking a lot about your ideas to people who you think have the problem you want to solve.

Benefits of Problem-first entrepreneurship

1

It lets you narrow down your efforts by using early customers to determine the best features you should be building. For example, an idea for a new type of energy storage device may need four types of plugs for different consumer items, but early testing reveals that 90% of people use the same plug. The company could then focus on that one rather than build all four options at greater expense.

Benefits of Problem-first entrepreneurship

(cont.)

2

It lets you find your true competitors, not just companies that do something similar. For instance, an entrepreneur who wants to start a grain storage company may be looking at the other storage products on the market, when most farmers are just laying out their crops on the ground. The actual competition is the ground, not a fancy storage device, especially for cheaper products.

Benefits of Problem-first entrepreneurship

(cont.)

3

It lets you understand more about the solution that you will build. Someone may be trying to start a company that delivers clothing material to a tailor or seamstress. As they study the problem, they will learn more about the cost of transportation, the time it takes to move material from one place to another, and the types of vehicles that are used.

Benefits of Problem-first entrepreneurship

(cont.)

4

It lets you find new customers. As you start to learn more about your customers and the problem they have, you may find many other groups that share that problem. They may be local, or national, or international. It could be an extra 1,000 people or another 1,000,000 people. In any case you will now have new markets where you can eventually sell your solution.

ACTIVITY:

Complete Your Problem Worksheet

**THANK
YOU!**