

The idea equation

Covered in this section:

The components of a complete idea

- The idea equation:

Target + Problem / Benefit + Business model

- In order for a business idea to be considered complete, it needs to have all three components
- An incomplete idea just states a problem but doesn't offer a solution to it
- However, ideas evolve over time, and they usually start with being incomplete

1) Target

Who is benefiting from your idea?

It could be a group of people, other businesses, etc.

Always pick a specific target

2) Problem / Benefit

Problem: You identify something people are struggling with, a pain point, and you make a solution to fix it

Benefit: You find some value that you can add to a product or service, and people will pay to enjoy it

3) Business model

The business model is the way in which you make money from your product / service

Always have more business models just in case the first one doesn't work