



BUSINESS 03

Clarification of the idea

Why and how to make your idea clearer and better organized;
a starting point for your business development.

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Warsaw University
of Technology



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Target



BUSINESS **MODULE 3**

Clarification of the idea

You have just evaluated your Human-Company Coherence and you wish to go further in the development of your company project. This training unit is for you. You will learn why and how to make your idea clearer and better organised. This is the starting point for your business development.

What will you learn in this module

- 1 Why you need to clarify your business idea
- 2 Using simple tools to clarify your business idea (as the five W's and a H or the mind map tool)
- 3 The basics of the business pitch



Chapters in this module

1 Why clarify your business idea?

2 The five W's and a H to precise your idea

3 Clarify with the category approach

4 Using a mind map

5 Pitching your business project



BUSINESS | MODULE 3 | CHAPTER 1

Why clarifying your business idea?

Clarifying your business idea is the first step in moving from a vague idea to a concrete project.

What will you learn in this chapter

- 1 Why it's important to have a clear and formalized idea of your business project.
- 2 Why skipping this step could be detrimental for your business development.



Why clarifying your business idea?

Clarification! Every idea makes sense when it is clarified. If you are undergoing this training, you probably have an idea. Perhaps you imagine that your idea is clear and precise... But are you so sure?



Clarifying an idea

Could you answer these questions quickly without any doubt and hesitation?:

- What is your project and how you plan to address the needs of your potential customers?
- What are the characteristics of your customers?
- How does a typical day as a future entrepreneur look like ?
- Are you planning to work alone or recruiting some employees ? How many and for which tasks exactly?
- Will you work with subcontractors? Which ones?

Now your project seems probably not so much clear... it's why you need to clarify it.

For doing that, you can use whatever you want: a notebook, some post-it, a word processing software, a spreadsheet etc.

Your main goal is to try to answer the most questions you can think about your business.

But keep in mind : nothing is set in stone ! Don't worry if you don't have the answers for all the questions.

The mere fact that you can think about questions for which you don't have an answer shows you're doing a great job.

Don't forget to write down all of your questions and the answers.

Clarifying an idea

Making your idea clearer is also the first step to learn pitching your business idea.

In fact, having a clear and precise business project is not only important for you, for how you will be managing your business creation steps and the development of your activity, it's at least as important for others: your stakeholders.

Long before the official launch of your business, you will be led to speak about your business in front of various players: potential customers, suppliers, prescribers, subcontractors etc.

Reaching your goals like:

- Acquiring your first clients;
- Negotiating appropriate supply terms & conditions with your suppliers;
- Making promising partnerships with other entrepreneurs

depends a lot on how you are able to pitch your business.

Being understandable, clear, precise and concrete are the keys to success when doing business development.

You don't have a business idea?

You're invited to get back to the training unit 2 "Human-Business coherence". Quite often, a business idea is much related to personal motivations and interests like:

- Your personal and professional experiences
- Your fields of interest
- Yours skills
- Your way of living
- Your values

Working on these fields will surely help you to find an appropriate idea.



Chapter summary

1

A clear business idea is a gateway to partnerships.

2

Achieving your business goals depends, to a large extent, on how well you are able to pitch your business activity.

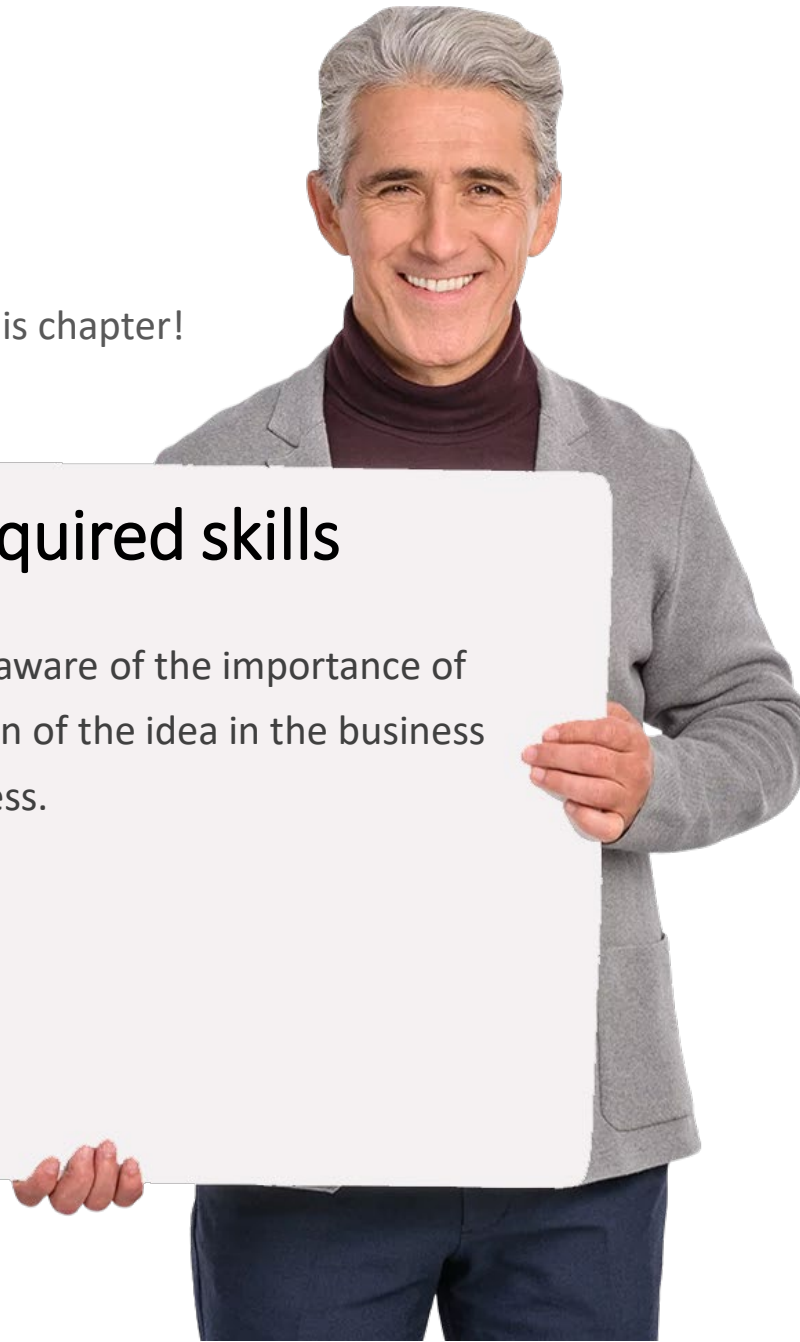
Chapter completed!

Congratulations! You have successfully completed this chapter!

Summary of acquired skills

1

You are more aware of the importance of the clarification of the idea in the business creation process.



What is next?

Now you can either repeat this chapter or follow our study recommendation by clicking on one of the buttons below:

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The five W's and a H to precise your idea

The five W's and a H are one of the simplest tools for clarifying your idea.

In this chapter you will learn how to use it.

What will you learn in this chapter

- 1 | Detail your business idea by using basic interrogative words.



The five W's and a H to precise your idea

The five W's and a H is a basic of all project management. It's a simple tool that helps you to keep in mind the most important questions you should ask when taking on a project.

Answering these simple interrogative words gives a strong basis to your business idea.

In journalism, a story is considered as complete only if it gives answers to these 6 following questions.



The five W's and a H

- **Who** is it about ?
- **What** happened ?
- **When** did it take place ?
- **Where** did it happen ?
- **Why** did it happen ?
- **How** did it happen ?

Obviously, each interrogative word can be used differently in various contexts and repeated many times.



The five W's and a H

Here is an example of repetitions with **what**:

- **What** is my project? **What** is the added value of my project?
What are the strengths of my project? **What** are the weaknesses?...

An example with **why**:

- **Why** would the customers buy my product? **Why** I consider it's an added value regarding the competitors? **Why** don't the competitors have the same added value?

With 6 interrogative words you can ask thousands of questions to make your business clearer and clearer.



What
Who
Why
Where
When
How

Make the link with these business keywords to create questions and then clarify your business idea

Competences **Means (€, equipment...)**
Customers **Needs** **Human Resources**
Goals **Desires** **Obstacles**
Added-value **Expectations** **Threats**
Organization **Competitors** **Strengths**
Weaknesses **Constraints** **Opportunities**
Place **Regulations** **Context**
Evolutions **Prices** **Values**
Supply **Promotion** **Products & services**
Qualifications **Trade conditions** **Time**
AND MANY MORE

Typical WHAT questions

- What are my Strengths? What are my competitors' strengths?
- What are my weaknesses? What are my competitors' weaknesses?
- What is the added value of my products/services? What is the added value of my competitors' products/services?
- What are my personal and business goals?
- What are my skills and motivations?
- What are the consumption habits, the needs and the expectations of my customers?
- What are the features of my products/services?
- What is the ethics of my business?



Typical WHO questions

- Who are my competitors?
- Who are my customers?
- Who are my suppliers/providers?
- Who are my sub-contractors?
- Who are my associates?
- Who are my co-workers?
- Who are my institutional partners?



Typical WHY questions

- Why do I decide to create this business?
- Why people would be interested in buying my products/services?
- Why my products/services are different from those of my competitors?
- Why my ethics are coherent with customers expectations?
- Why my skills, strengths and motivations are strong enough to run a business?
- Why my offer is competitive?
- Why my marketing strategy is appropriate to my business industry?



Typical WHERE questions

- Where will I buy my products/services?
- Where will I sell my products/services?
- Where will I promote my business?
- Where will I store my products?



Typical WHEN questions

- When will I buy my raw materials (purchase frequency)?
- When will I sell my products/services (seasons and opening hours)?
- When will I promote my business?



Typical HOW questions

- How is the organization of human resources planned?
- How is the supply chain of my products planned?
- How is my promotion campaign planned?
- How is my commercial development action plan planned?
- How to price my products/services ?
- How to reach clients?



The five W's and a H

In the annex

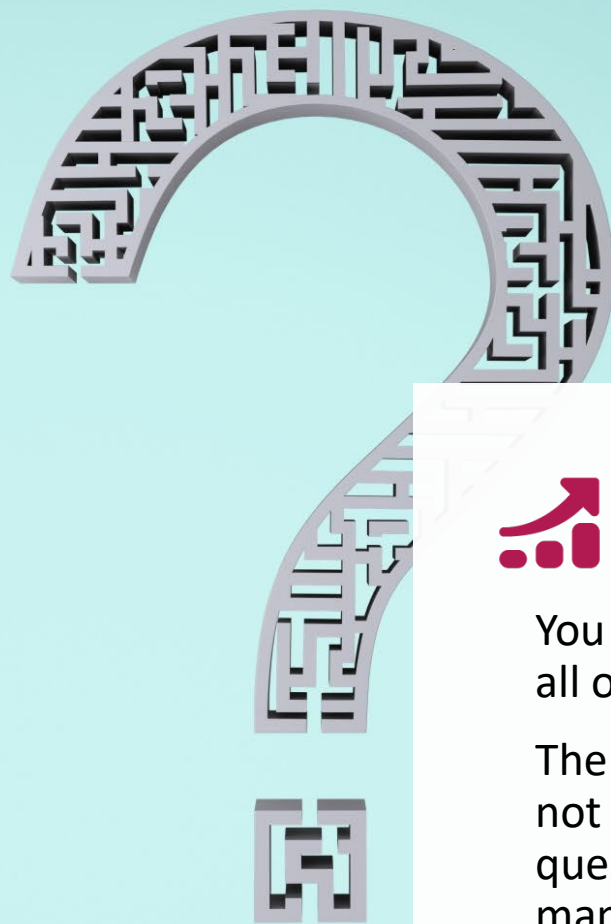
“HoS_TU_BUSINESS_03_Clarification_of_the_idea_annex_01”
you can find an example of clarification with the five W's and a H for a SHAFE business project.

That example is obviously non exhaustive. You're invited to work deeper and with more precision than that example.



[View annex 01
\(PDF\)](#)

[Download annex 01
\(WORD\)](#)



Did you know?

You are not expected to answer all of the questions.

The main goal of this exercise is not to answer precisely to these questions, it is to generate as many questions as possible to broaden your horizons about your business idea.

Chapter summary

1

Answering these simple questions provides a solid foundation for your business idea.

2

Generating as many questions as possible to broaden your horizons about your business is the best way to clarify your idea.

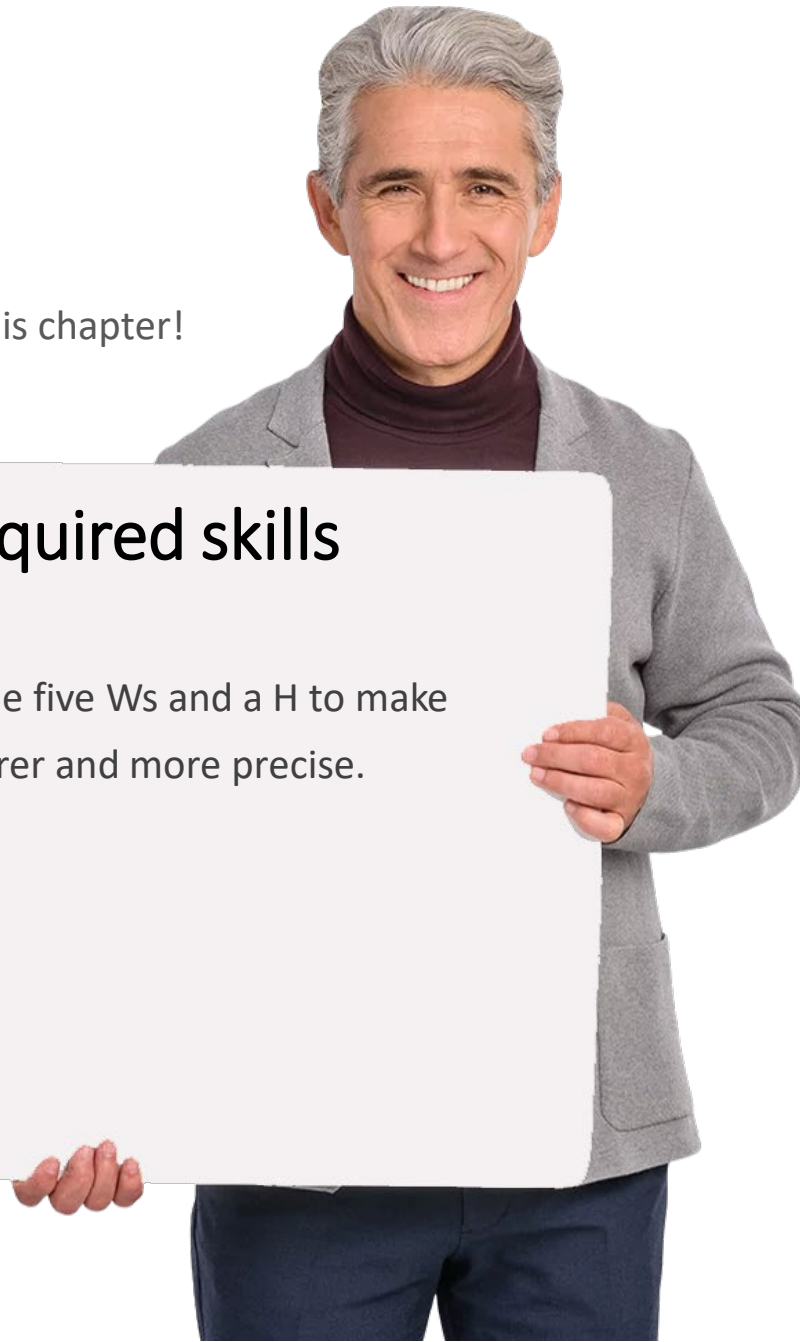
Chapter completed!

Congratulations! You have successfully completed this chapter!

Summary of acquired skills

1

You can use the five Ws and a H to make your idea clearer and more precise.



What is next?

Now you can either repeat this chapter or follow our study recommendation by clicking on one of the buttons below:

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BUSINESS | MODULE 3 | CHAPTER 3

Clarifying with the approach by categories

The category approach is another method you can use in addition to the five W's and a H approach to further clarify your idea.

What will you learn in this chapter

- 1 Identify categories to go further in your business clarification.
- 2 Using categories to detail your business idea.



Clarifying with the approach by categories

To clarify your business idea, you can use the five W's and a H approach we just saw and/or you can also use the approach by categories.



The 8 different categories

We identify 8 categories related to your business idea:

1. You
2. Your products/services
3. Your logistics and organization: shop, warehouse, employees...
4. Your customers
5. Your competitors
6. Your partners: suppliers, subcontractors...
7. The regulations
8. The context: political, social, technological, economic, demographic

Linking words

From the slide 36 to 43, you will find numerous words with bullets.

As you did in the slide 19, your goal is to make a link between the yellow word and these words with bullets.

For instance, in the slide 36, the yellow word is **you**. Some of the words with bullets skills, goals or needs.

Your goal is to link the word **you** with these “bullet words” to clarify your idea.

For example, **you** linked with skills = “What are your skills?” or **you** linked with needs = “What are your needs?”

If we take an example with the slide 37, **products & services** linked with “Added Value” = “What are the added values of your products/services?” or “What is the added value of your competitors’ products/services?”.

And so on.

Words commonly associated with you

- Skills
- Motivations
- Personal constraints
- Goals
- Needs
- Desires
- Network
- Qualifications
- Experiences
- Values and ethics



Words commonly associated with products & services

- Specific features / characteristics
- Added Value
- Prices
- Costs
- Quality
- Quantity
- Supply strategy
- Trade strategy
- Promotion strategy



Words commonly associated with logistics & organization

- Supply strategy
- Storage
- Employee management
- Purchase policy
- Rental/purchase of the premises



Words commonly associated with customers

- Expectations
- Needs
- Customs/habits
- Constraints
- Spending power
- Average basket
- Purchase frequency
- Profiles: age, sex, social-professional category...



Words commonly associated with competitors

- Specific features / characteristics
- Added Value
- Prices
- Costs
- Quality
- Quantity (produced/sold per week/month/year)
- Supply strategy
- Trade strategy
- Promotion strategy
- Values and ethics



Words commonly associated with partners

- Specific features / characteristics
- Added Value
- Prices
- Costs
- Quality
- Quantity
- Supply policy
- Trade policy
- Interests in collaborating with you [prescribers]



Words commonly associated with regulations

- Hygiene norms
- Accessibility norms
- Security norms
- Fire prevention/evacuation norms
- Diploma/certificate required
- Authorization required



Words commonly associated with context

- Political orientation (favourable towards your activity/industry?)
- Technological evolutions (substitution risks? Adaptation investments needed?)
- Social-economic characteristics (e.g., rate of unemployment?)
- Demographic changes (e.g., population loss? Ageing population?)



Chapter summary

1

There are 8 different categories you can work on to detail your business idea

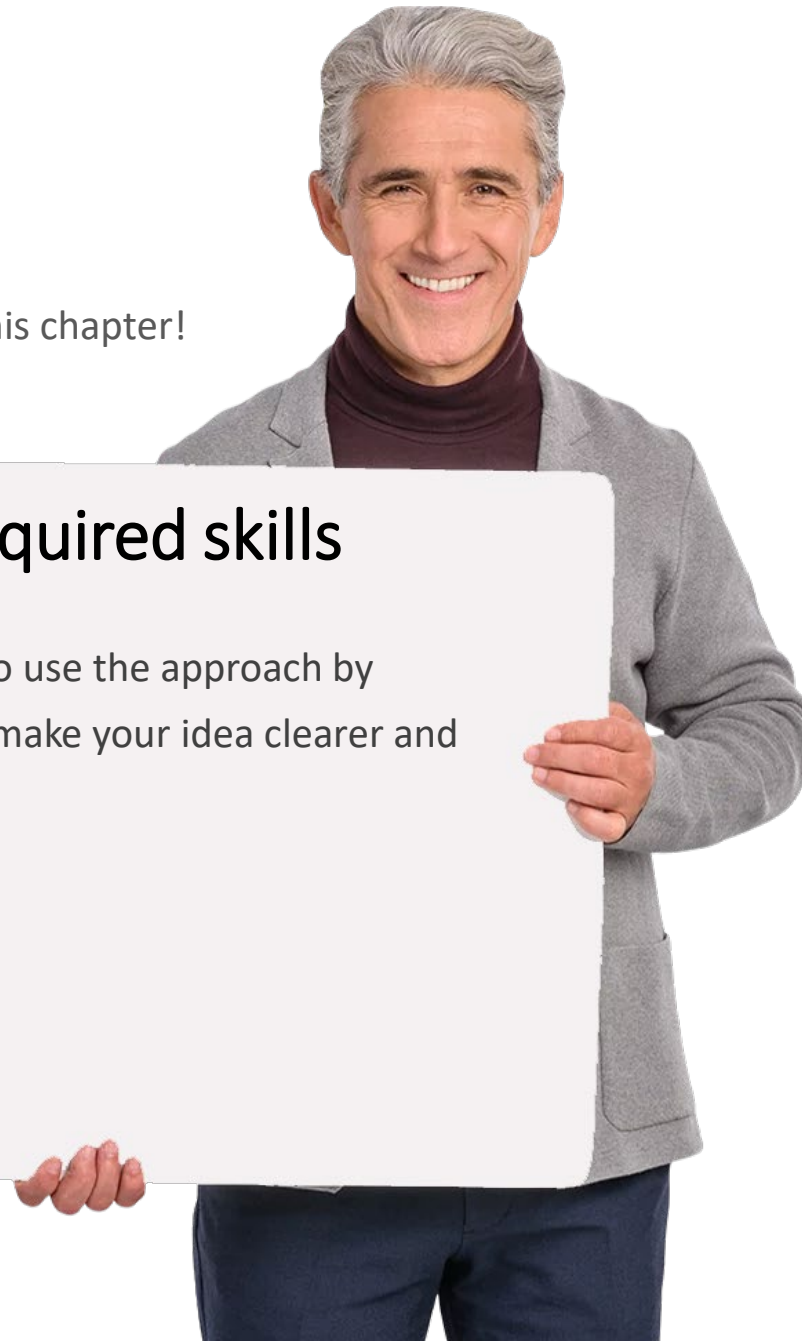
Chapter completed!

Congratulations! You have successfully completed this chapter!

Summary of acquired skills

1

You are able to use the approach by categories to make your idea clearer and more precise.



What is next?

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Using a mind map

A mind map is a visual tool that can help you to formalise your business idea in more detail. In this chapter you will learn how to use it.

What will you learn in this chapter

- 1 What is a mind map.
- 2 How to use it to formalize your business idea.



Using a mind map

Whatever you use the five W's and a H approach, the approach by categories, or both, now, you probably have enough elements to start clarifying your project.

You can use a notebook, a word processing software, some post-it or whatever you want.

Nevertheless, there is an interesting tool that can surely help you: the mind map.



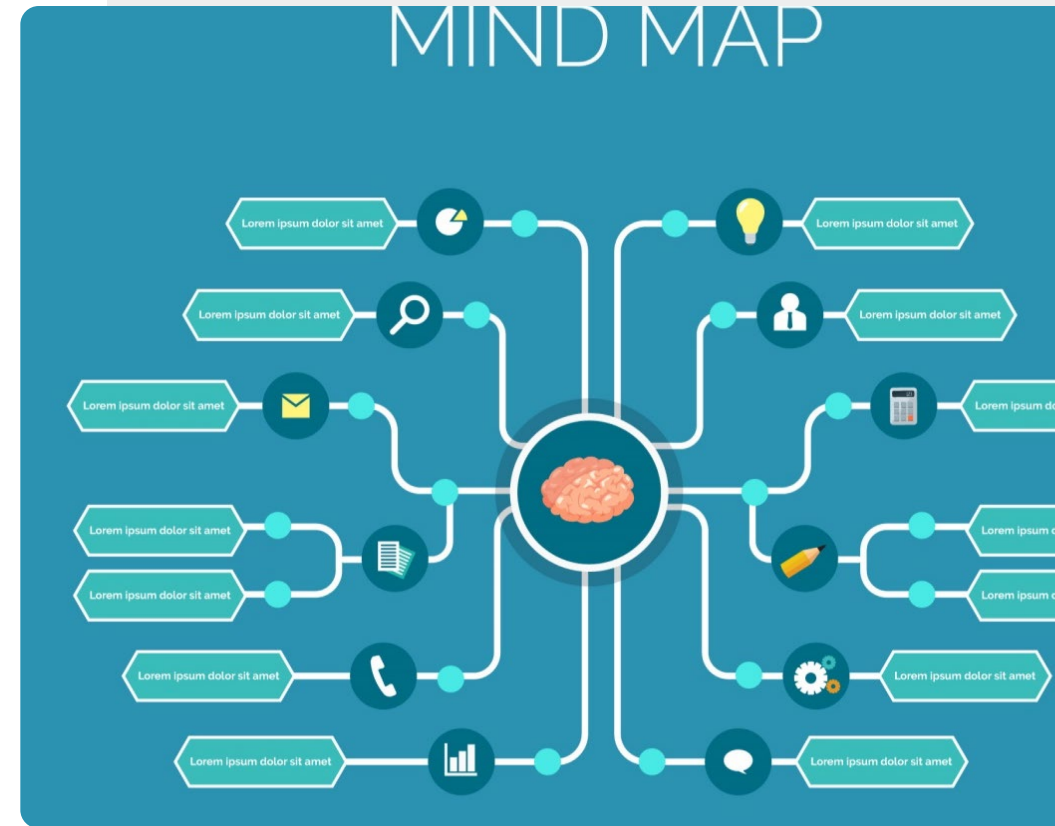
What is a mind map?

A mind map is a diagram in which information is represented visually as branches starting from a central idea.

In fact, by its visual design, a mind map can enable you to grab complex ideas at a glance.

Mind maps look like trees:

- A central idea/topic = tree trunk
- Main ideas/topics = primary scaffolds
- Subsidiary ideas/topics = secondary branches/parallel limbs



How to build a mind map?

Here is a simple methodology to build a mind map:

- Start is a central bubble with your main idea that could be the name of the idea or a picture to represent it.
- Connect your main ideas with central bubble using colours. Your main ideas could be represented by images, key words, symbols, whatever is on your mind.
- Connect subsidiary ideas with the main ideas in the same way you connected your main ideas with central bubble.
- And so on.



Using a mind map

In the annex

“HoS_TU_BUSINESS_03_Clarification_of_the_idea_annex_02” we share with you a mind map model to clarify your business idea.

You can view (PDF version) and, of course, modify (DOC version) this model and make it fitting better with your idea and your personality.

If you're interested in that tool, you can download, for free, the software XMind here : <https://www.xmind.net/download/>.

Once downloaded, you will be able to open the annex “HoS_TU_BUSINESS_03_Clarification_of_the_idea_annex_02” and to modify it or to create a new model.



View annex 02
mind map model
(PDF)

View annex 02
mind map model
(XMIND)

Download XMind
software

Chapter summary

1

A mind map is a diagram in which information is represented visually as branches from a central idea.

2

Using a mind map helps you to visualize your business idea.

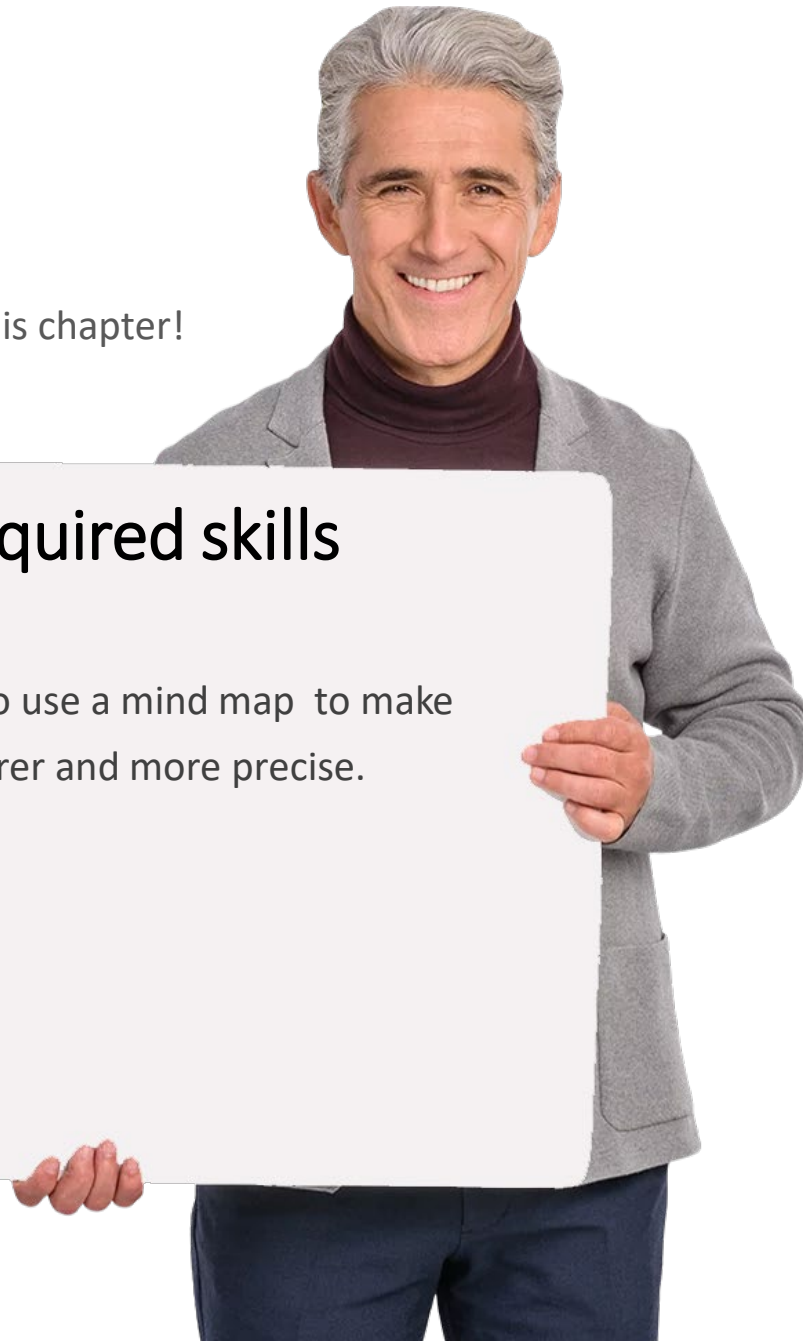
Chapter completed!

Congratulations! You have successfully completed this chapter!

Summary of acquired skills

1

You are able to use a mind map to make your idea clearer and more precise.



What is next?

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BUSINESS | MODULE 3 | CHAPTER 5

Pitching your business project

Your pitch is your company's first showcase. When you meet with partners or customers, many opportunities can arise from the clarity of your pitch.

What will you learn in this chapter

- 1 | How to pitch your business project idea



Presenting your business project

Meeting a banker, a chartered accountant, a supplier, a commercial lessor or just a potential future client.

Even before you're making your first sales, there will be plenty of opportunities to talk about your business idea.

The way you'll talk about it could depend the future of your project.

Let's learn the basics how to present your business idea.



Presenting your business: key points

- Preparing your presentation is time and energy consuming. It requires a lot of tests and readjustments. It requires also to train in front of different types of publics (family, friends, etc.).
- A presentation is never rigid. Regarding the business step you're working on and the person you're speaking to, you have to be able to adapt your speech. Make the presentation fitting the context and the interlocutor.
- Make things simple. One of the first mistake is going into too much (unnecessary) details. Be concise, if your contact wants more details, he/she will ask.
- Be ready to present anywhere, in any context to any interesting interlocutor. Don't miss an opportunity to present your business project.



Process

1

2

3



Find an original teaser to introduce your business

Try to create an appropriate context or an opportunity to introduce naturally and ingeniously your business idea. Try to make it original and attractive.

Process

1

2

3



Build a personalized story

Build your own story to introduce the emergence and the development of your business idea.

Don't hesitate to use anecdotes and make it fitting your personality and your business image.

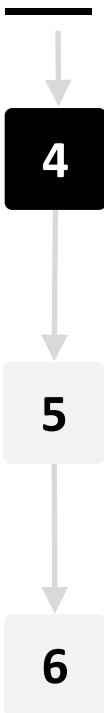
Process



Explain the needs you meet

Explain clearly and precisely which needs you meet with your products/services and which problems you mean to solve with it.

Process

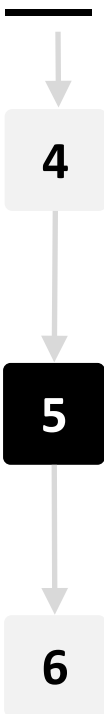


Put forward the added value of your business

Why you? What do you do « better » or at least differently from your competitors?

To convince, you have to stand out from the crowd.

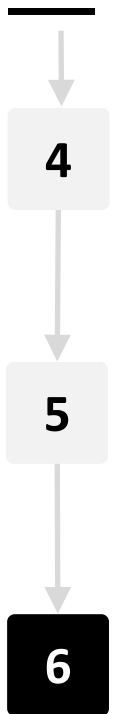
Process



Put forward your values and ethics

Put forward your values and the meaning of your business. People are more and more involved in sustainable/responsible consumption, your values, ethics and your business vision are decisive to attract.

Process



Address your goals and intentions

What are you expecting from the person(s) you're talking to? What is the purpose of the discussion?

You must make known what you expect from your interlocutor. A conversation has always a purpose.

Pitching your business project: tips

- Make sure you have several pitch versions according the context : <1 minute, ~2-3 minutes and ~5 minutes.
- Avoid technical and complex jargon. Be direct and concise.
- Create a coherent common thread (ideally in the form of a story) to move from one topic/idea to the next one.
- Make your pitch fitting your personality and your values = avoiding impersonal pitch.
- Don't be to rude on yourself and avoid being too much perfectionist. Favour natural pitch over rigid script.
- Prepare, test, debrief and readjust. Training is the key.



Chapter summary

1

Preparing your pitch takes time and energy. It requires numerous tests and adjustments.

2

Make your pitch fitting the context and the audience.

3

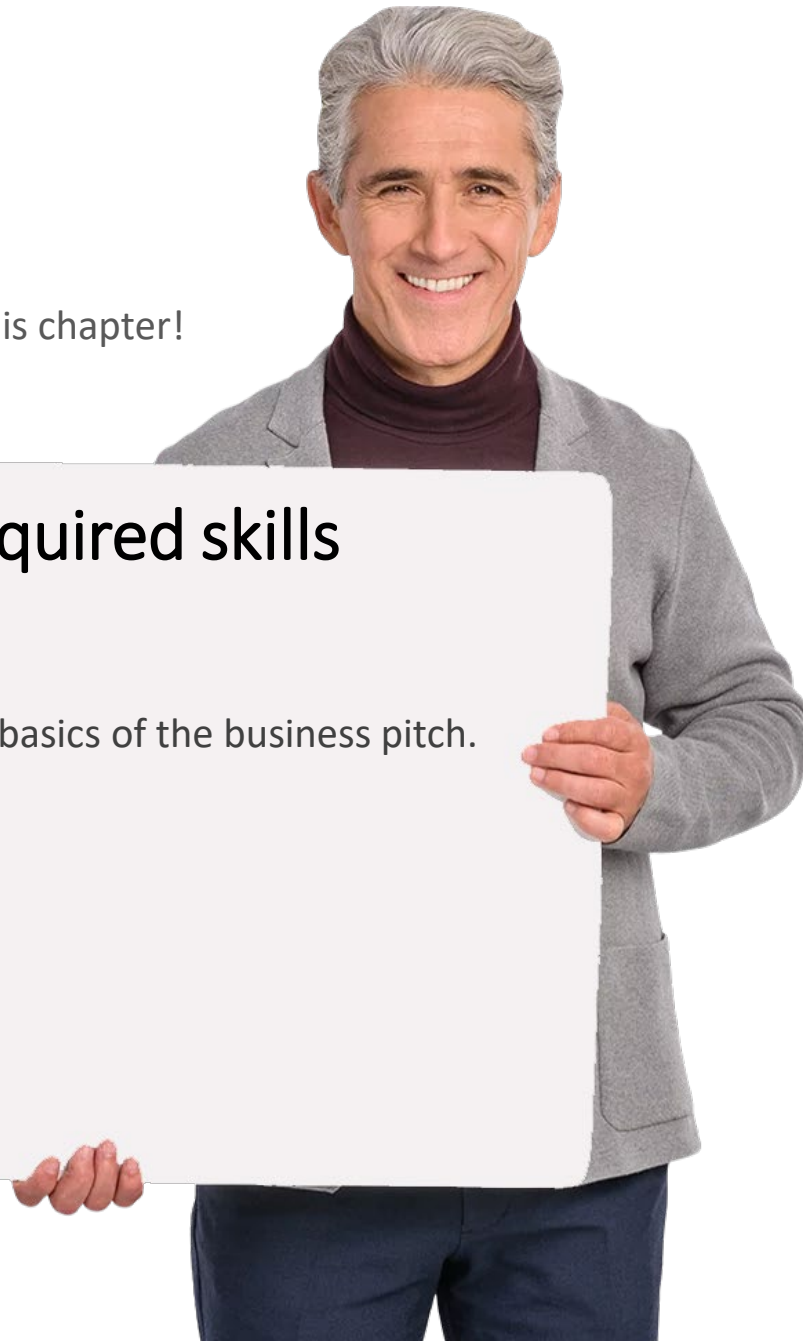
Make a pitch tailored to your personality, your strengths and values.

Chapter completed!

Congratulations! You have successfully completed this chapter!

Summary of acquired skills

- 1 You know the basics of the business pitch.



What is next?

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Conclusions

1

Clarification is the first framework of your business. What makes a simple idea become a structured project is how much the idea is clarified.

2

All along the process of your business creation, you will meet various different stakeholders that could have a real influence on the future of your business (e.g., a banker or prescribers).


3

Spending time clarifying your business idea is the best way to limit missteps when engaging your business project in its development.



Quiz

Click the **Quiz** button to edit this object

**BUSINESS** **MODULE 3**

What is the first step in clarifying a business idea?

- To have answers to as many questions as possible
- Be able to ask as many questions as possible

Module completed!

Congratulations! You have successfully completed this module!

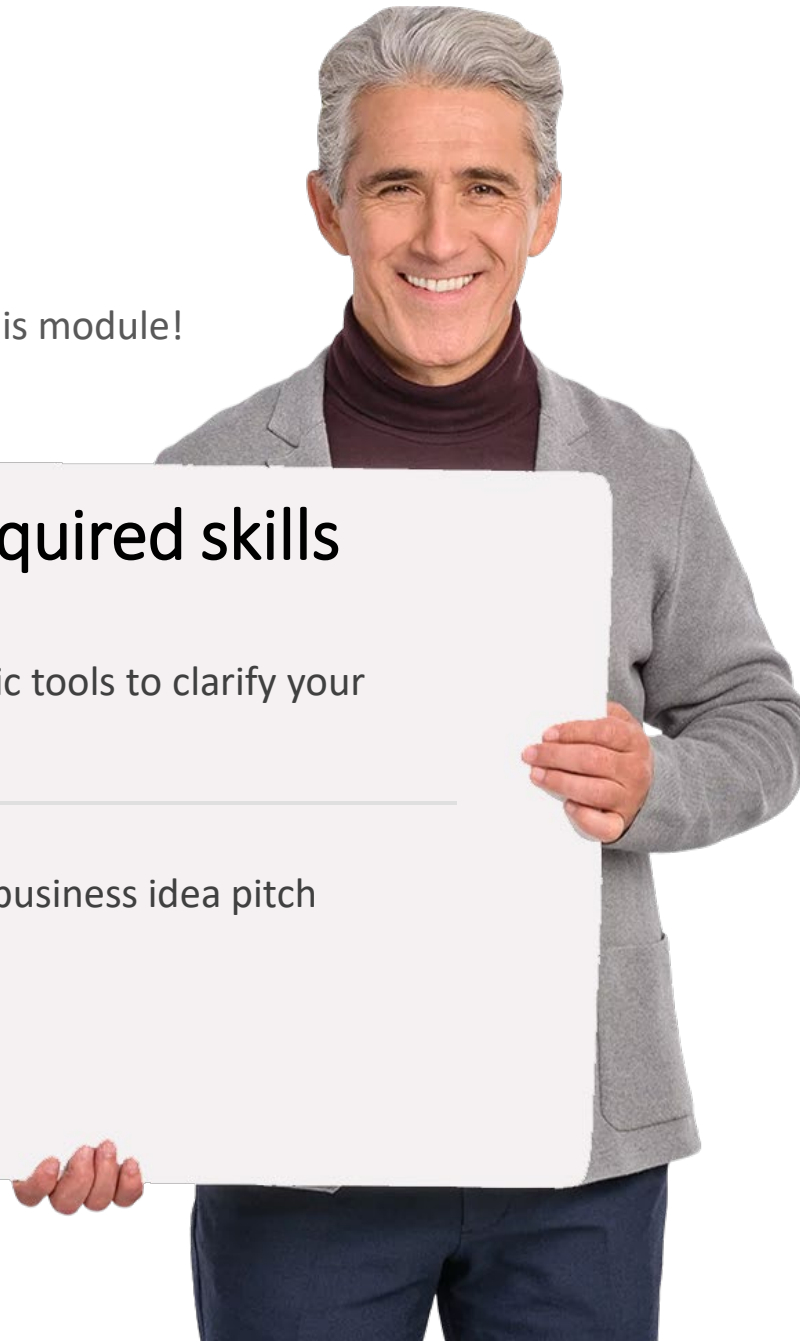
Summary of acquired skills

1

Managing basic tools to clarify your business idea

2

Basics of the business idea pitch



What is next?

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