Opportunity Recognition and Evaluation

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1. **Definition**
   - The process of identifying and assessing potential business ideas worth pursuing.
2. **Sources of Opportunity**
   - Unmet customer needs, inefficiencies in existing markets, new technology, regulatory changes, and demographic/social shifts.
3. **Evaluating an Opportunity**
   - **Market size**: is the potential customer base large enough?
   - **Problem severity**: how painful is the problem for customers?
   - **Competitive landscape**: how crowded is the space, and what is the differentiation?
   - **Feasibility**: can the entrepreneur realistically execute, given resources and skills?
4. **Validation Techniques**
   - Customer interviews, surveys, minimum viable products (MVPs), and pilot testing before full commitment.
5. **Common Pitfalls**
   - Falling in love with an idea without validating real demand, and underestimating the resources/time needed to execute.
6. **Why It Matters**
   - Most startup failures stem from pursuing opportunities that were never properly validated - rigorous evaluation reduces this risk significantly.