

2. Opportunity Recognition

Review

Idea-generation is critical to effective entrepreneurship. However, there has been relatively little formal research on the underlying incentives needed to encourage people to focus their energies on relevant and novel ideas. This unit begins by identifying the sources of innovation. You learned that ideas come from many sources and that generating plenty of ideas is imperative for success. In order to facilitate this process, the unit provided an example of some popular and useful **idea-generation tools**.

The focus of attention then moved to the concept of **opportunity**. You learned the difference between an idea and an opportunity.

The unit provided techniques to help you assess your opportunity to see if your idea is worthy of further development. It is useful to assess your idea using the **RAMP** checklist:

- Return
- Advantages
- Market
- Potential