Business Opportunity Identification

A good business opportunity is that which is a techno-economically and commercially viable and feasible and environmentally sustainable proposition. Every entrepreneur needs to identify a sound opportunity. To identify an opportunity, one needs to:

i. Collect basic information on local resource base, e.g. agriculture, forest and mines

ii. Collect information on Opportunity Identification (OI) exercise done earlier (if any), by DIC, banks, other financial institutions, etc.

iii. Discuss the potential business opportunities with existing entrepreneurs

iv. Discuss with octroi and sales tax officials about the inflow of goods

v. Collect information on new major investment going to materialise in the area

vi. Collect negative list of banned items for financing

vii. List out poor performing industries

viii. Collect information on skill base—especially on handicrafts, etc.

ix. Collect information on availability of infrastructure like power, water and transport, etc.

The opportunities in the food-processing sector may be classified on the basis of the following parameters:

1. Natural Resource-Based Opportunities: such as the ones based on cereals, cash crops, fruits and vegetables, agro-wastes, animals, marine-based, processing of food products like cereals and pulses,
Following the above method, will offer a large number of business opportunities. However, please remember, these opportunities are location and time specific. An opportunity today may not remain an opportunity tomorrow. Or an opportunity in a forest area may not hold good in the deserts of Rajasthan, as the resource base will change. Moreover, one would also need to assess the viability and feasibility of the opportunities before pronouncing them as business opportunities.

An opportunity may be absolutely viable but may not be feasible if it is mismatched. For example, although setting up a large flourmill may be a perfectly viable proposition, it may not be feasible to set up one in Sunderbans for an illiterate rural or tribal man. Therefore, one needs to consider the following facts before deciding upon an opportunity:

- One’s Education
- Experience
- Economic Background
- Investment Capacity
- Family Background
- Managerial Capabilities
- Market Competition with other Producers/Size of Market
- Location of the Unit
- Availability of Technology and Process Know-how
After ascertaining these factors, a SWOT analysis of the entrepreneur vis-à-vis the identified opportunity should be conducted. If both match, one can proceed for a preliminary feasibility study through market survey. It is advisable to zero in two to three opportunities to finalise one.

A set of introspective questions while deciding upon an opportunity:

- How comfortable are you with the technology? Will you be able to handle it?
- What is the situation of competition? How will you withstand the competition?
- Will you be able to muster enough resources (especially finance)? Will you be able to manage investment from your own resources? If not, how do you plan to get funds?
- How critical is the government support for your product?
- Is raw material easily available? If not, how will you manage regular supply of raw material?
- Will you get adequate skilled manpower? If not, how will you manage?