

NEW SKILLS  
4 NEW ARTISTS

# NEW SKILLS 4 NEW ARTISTS

Co-funded by the  
Erasmus+ Programme  
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NEW SKILLS  
4 NEW ARTISTS

## UNIT 1.1

### WHAT IS ENTREPRENEURSHIP?

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## Introduce yourself



- Who are you?
- What do you want to do?
- What do you want to achieve with this course?

Click to add text



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## Course overview



1. Entrepreneurship, business & transversal skills.
2. Technology, home recording, lighting, audio visual, streaming, and creative uses of technology
3. Social media and marketing

One project linking all 3. E.g.

- Grant application for an event
- Setting up a teaching school
- Not necessarily what was in your application
- [https://www.youtube.com/watch?v=nywbAvJ8hn8&ab\\_channel=LorenaCant%C3%B3Wolt%C3%A8che](https://www.youtube.com/watch?v=nywbAvJ8hn8&ab_channel=LorenaCant%C3%B3Wolt%C3%A8che)

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## Code of conduct



- Constructive feedback - Learn by helping others
- Part of your work will be reviewing and commenting on 2 others
- Provide the type of feedback you would like to receive
- Confidentiality
- Any issues, contact lecturer

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## Entrepreneurship sections



1. Business Model Canvas and plan research/trial
  2. Implement your research/trial, scientific methods and probability
  3. Present your research/trial findings – plan your next steps after NS4NA
- Finish with a short – medium term plan and skills you can apply throughout your career

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## Goals of entrepreneurship module



- Guide you creating your plan
- Can better adapt and structure your own entrepreneurial actions & career
- Reflect on yourself, your goals, your ability and make / develop your career plan
- Specific support on your project - virtual start up incubator – **increase % success rate**
- **What % of start ups succeed?**

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## Many new businesses fail



Maybe 1 in 10 ?

With an employee:

- 20% fail in the first year
- 30% survive 10 years

Our goal is to improve chances of success

- Identify when to proceed, pivot/alter, abandon
- Common mistakes



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## Ethos



This module will be quiet high level (meta):

- But linking to your project and career – needs to be high level as projects vary so much between you
- Network – helping others is great way to learn!
- Learn a method for assessing ideas efficiently
- No easy answers – but a structure to tackle difficult problems

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## Coursework



**5 reflective journals** discussing the lecture material, self management and career planning exercises.

**2 presentations** (session 3 and 7)



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## Today's discussion



- Origin of 'entrepreneurship'
  - What does it mean?
  - Why is it relevant?
- Ask 'Why be an entrepreneur?'
  - For society
  - For the entrepreneur
  - For you
- Entrepreneurship in music
- Generate 5 ideas



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## Task – Career paths



- List 3 desired career paths (e.g. studio musician, touring artist, business owner)
- 1 undesired but obvious/easy path
- 2 project ideas that might help you achieve the desired career paths



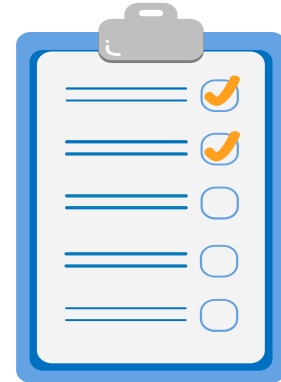
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## Working group (10 minutes)



Discussion prompts:

- A. Discuss what your initial thoughts for Task regarding career paths **and**
- B. Project ideas:
1. Who is this for?
  2. What do you bring to this idea?
  3. What skills do you need to improve to make it more successful?
  4. 2 minutes each, 1 minute presentation, 1 minute questions, suggestions and comments.

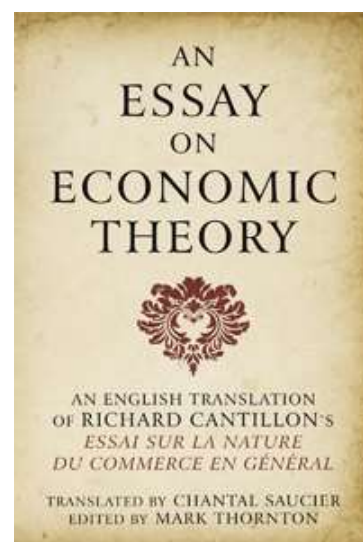


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## Etymology



- Old French *Entreprendre* (to undertake)
- Manager or promoter of a theatrical production
- Non-fixed income earners, unknown costs of production to earn uncertain incomes.
- Entrepreneur as a “risk-taker”



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## Richard Cantillon – an Irish Charlatan’s legal defence



Cantillon was born sometime during the 1680s in the southwest of Ireland, into a family of dispossessed Catholic landlords (Murphy, 1986). He eventually moved to France, became a banker and amassed a substantial fortune through some shady and disreputable dealings. From 1721 until his death in 1734, Cantillon was embroiled in several legal disputes, was accused of attempted murder and was briefly imprisoned on two occasions. According to Thornton (2005) it is likely that the economic theories included in his *Essai* were developed during this period, as part of his legal work and defence against charges of usury. Cantillon died in London, on the morning of 14 May 1734, ostensibly murdered by his recently discharged French cook. In terms of his

Matlay, H. (2005). Researching entrepreneurship and education: Part 1: What is entrepreneurship and does it matter? *Education and Training*, 47(8–9), 665–677. <https://doi.org/10.1108/00400910510633198>

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## Why is it such a buzzword?



- Joseph Schumpeter (1930s) viewed it as the key economic driver
- Energy and momentum
- Take risks
- Solve problems & big and small
- Provide jobs

Coined *Unternehmergeist* or "entrepreneur-spirit" & Creative destruction

Economies and society need these

BUT - What is it exactly?



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## Defining entrepreneurship



- Narrow – starting a new enterprise for profit. Novelty and risk.

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## Defining entrepreneurship



- Broad – opportunity identification and creation of 'financial, cultural, or social value for others' (EntreComp)
- To undertake, Emprender, Entrepreneurre, Ondernemen

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## Defining Entrepreneurship

- We will be using the broad definition, to observe and create opportunities, and to take initiative to create value
- As Schumpeter said ‘... the doing of new things or the doing of things that are already being done in a new way’



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## Entrepreneurship as a process



This process of:

1. Identifying
2. Designing
3. Assessing
4. Launching &
5. Running

A new business or venture or activity to create value

Those performing the process are **entrepreneurs**

The focus of this course will be 1-3



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## What do Entrepreneurs (musicians) experience



- Challenges
- Personal growth
- Need new skills (Learning to learn)
- Potential for financial reward & esteem
- A job/self employed
- Can be their own boss (but have to be their own boss)
- Independence (responsibility and isolation)
- Stress
- Risk of failure

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## Why be an entrepreneur



- Entrepreneurship said to drive innovation and the economy
- As a musician, entrepreneurial actions could support your career and help you be successful – however you measure success

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# UNIT 1.2

## IDEA GENERATION

The graphic features a red trumpet on the left, blowing musical notes into a large, grey, cloud-like shape on the right. The text 'IDEA GENERATION' is written in red inside the grey shape. The background has a pattern of small grey dots.

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### Idea generation

#### POSSIBLE STEPS

- 01 Identify a Gap, a Need, a Problem, a Dream, an existing Solution, etc.
- 02 Benchmark, Compare with, Learn from existing similar experiences.
- 03 Involve the right people in the process.
- 04 Brainstorm, Think & Rethink, Adapt, Shape it.
- 05 Transform your idea into a project!

The word cloud graphic contains various terms related to idea generation, such as 'IDEA', 'GAPS', 'Benchmark', 'Brainstorming', 'Compare', 'Why? Why? Why?', 'Share', 'Think & Rethink', 'Problem', 'Opportunity', 'People', 'Adapt', 'Shape it', 'Dream', 'Learn from existing similar experiences', 'Involve the right people in the process', and 'Transform your idea into a project!'.

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# Typical ideas

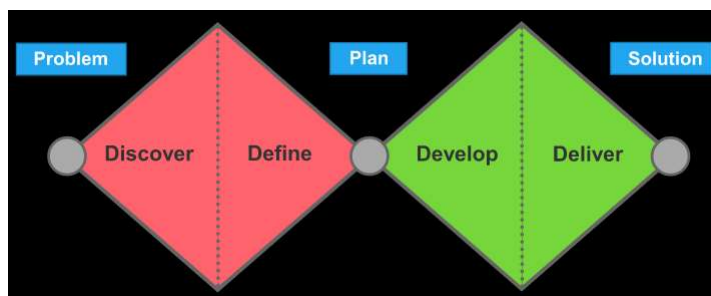


3 main groups...

G1: "Traditional" ideas	G2: "online-linked" ideas	G3: "Creations/events/ services"
<ul style="list-style-type: none"> <li>🎵 Career development &amp; promotion</li> <li>🎵 Multidisciplinary performances/creations/ incl. co-working &amp; fusions</li> <li>🎵 Creation of an orchestra/ensemble/group/b and</li> <li>🎵 Creation of courses / programmes / academy / school / work with children</li> </ul>	<ul style="list-style-type: none"> <li>📱 Creation of podcasts</li> <li>📱 Creation of online platforms</li> <li>📱 Band promotion, creation of a fan base / e-marketing</li> </ul>	<ul style="list-style-type: none"> <li>🎙️ Creation of new products (eg audiobooks)</li> <li>🎙️ Creation of music studio</li> <li>🎙️ Events organisation</li> <li>🎙️ Develop brand and new services</li> </ul>

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Source: <https://www.viima.com/blog/the-complete-guide-to-idea-challenges>



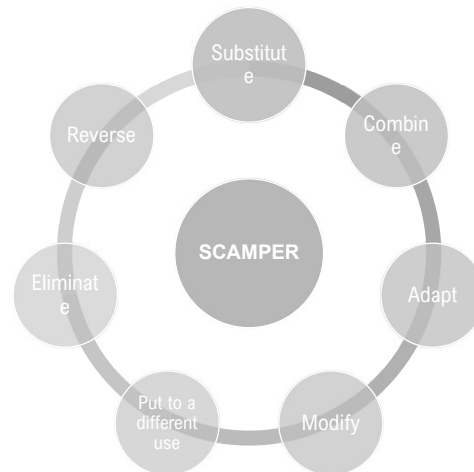
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## Techniques & tools, can you identify more?



### SOME EXAMPLES

- Idea Challenge
  - <https://www.viima.com/blog/the-complete-guide-to-idea-challenges>
- SCAMPER Technique
  - <https://www.designorate.com/a-guide-to-the-scamper-technique-for-creative-thinking/>
- Opposite Thinking / Analogy Thinking
  - <https://www.boardofinnovation.com/tools/opposite-thinking/>
  - <https://www.boardofinnovation.com/tools/analogy-thinking/>
- Among many others:
  - SWOT
  - Storyboarding
  - Rapid Ideation



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## Scamper prompts



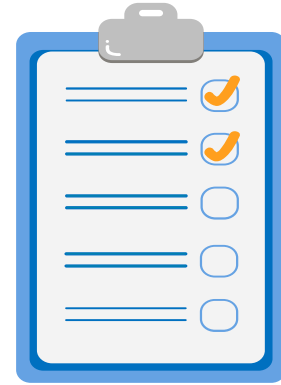
- Substitute – what could be replaced with something else to make a novel project?
- Combine – what could be combined to make an interesting idea – example Poetry and Jazz Festival, Kilkenomics – mixing economics and comedy.
- Adapt – adjust or tweak an existing idea
- Modify, minify or magnify
- Put to another use – apply existing process/ concept to another use
- Eliminate or elaborate – cut or double down
- Reverse or re-arrange

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## Task - Idea generation



- List 3 MORE entrepreneurial ideas you could develop that might help you achieve your desired career paths.
  - Example, I could develop an app to...
  - I could organise ... for my community.
  - I could work with ... to ...



Take 3 minutes here to do a rough draft

Prompts:

- Novel technology
- Novel social media or marketing approach (3<sup>rd</sup> module)
- An idea for musicians
- For the public

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## Can you qualify how good an idea is?



- We will now generate a number that will give us an indication of the potential Return on Investment
- For this, we need to estimate 3 inputs
  1. The effort/investment
  2. The reward/payoff if successful
  3. The chance of success

$(\text{Reward } \text{€}) \times \text{chance of success} = \text{ROI}$

$\text{Effort } \text{€}$



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## Effort investment required



1. Think about the effort (time doing work you don't enjoy) and money required for the project. What other benefits do you get from the project, the experience, the knowledge, the networking.

What would someone have to pay you to do this work?

How much do you value an hour of your time? €

What will you learn if it not successful - how valuable is it? Subtract this from the effort/investment.

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## Reward



2. Think about the reward if successful in quality of life, income and value. Give this in € - but it doesn't need to be monetary.

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## What is the probability of success



3. What is your current estimate of the % chance of success?

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## Expected value



(Reward €) x chance of success = ROI

Effort €

Estimate the 3 of these figures roughly now and let us know your answer

E.g. (Reward €50,000/ Effort €10,000)\* chance of success (30%) = ROI of 1.5

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## How do we interpret this?



- If  $<1$  this indicates a pivot or abandon may be wise
- If  $\sim 1$  it is unclear
- If  $>1$ , it indicates it is promising

All require further work before making a final decision.

This very useful for comparing multiple ideas

So complete this for the 3 ideas

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## What is your threshold?



If you want to be more cautious, increase your threshold (e.g. 1.2)

If you have few other options, you can reduce it to be less cautious (e.g. 0.8)

You may not care that your project has a low ROI – and that is okay – but do it with open eyes!

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## Task 3 – Elaborate on 3



Write a paragraph about 3/5 of the ideas.  
Include:

- what it is,
- What is its ROI (show calculation)
- who are the beneficiaries,
- how is it novel,
- different from what you have done before.
- What skills will you need to develop?
- Might you be able to get funding for your idea? What type?



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## Make an excel table with a portfolio of ideas



Idea	Effort €	Reward	Chance of success	ROI

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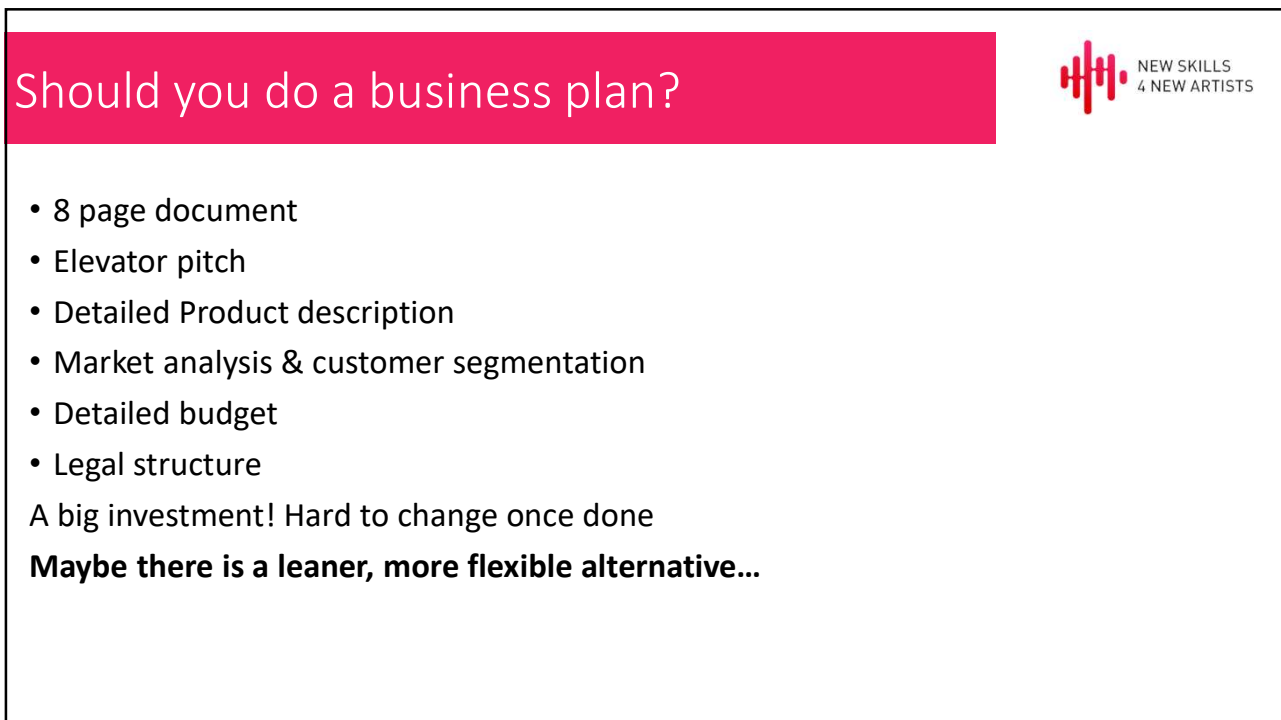
NEW SKILLS  
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UNIT 1.3

BUSINESS MODEL  
CANVAS  
INTRODUCTION

The slide features a red trumpet and several musical notes on a white background with a grey abstract shape. The text 'UNIT 1.3' and 'BUSINESS MODEL CANVAS INTRODUCTION' is displayed in red and black.

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Should you do a business plan?

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- 8 page document
- Elevator pitch
- Detailed Product description
- Market analysis & customer segmentation
- Detailed budget
- Legal structure

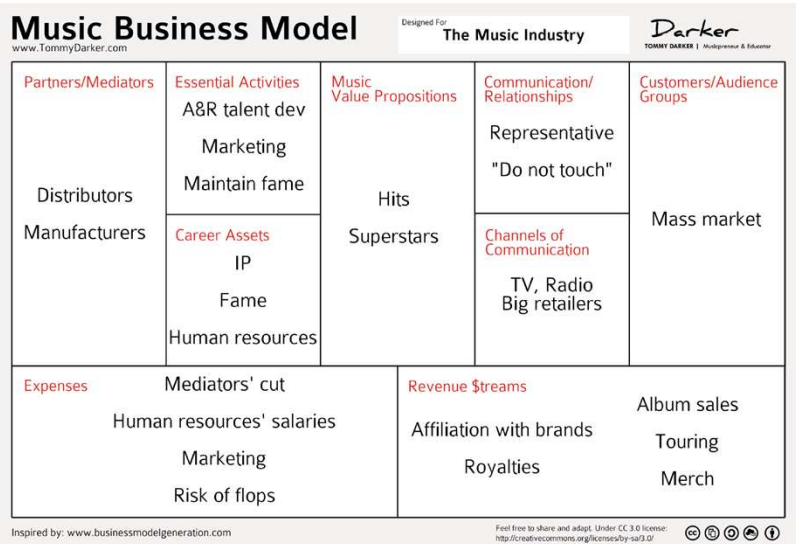
A big investment! Hard to change once done

**Maybe there is a leaner, more flexible alternative...**

The slide has a red header bar with the question 'Should you do a business plan?'. The logo 'NEW SKILLS 4 NEW ARTISTS' is in the top right. A list of business plan components is on the left, followed by a note about investment and a bolded alternative.

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## Business Model Canvas (BMC)

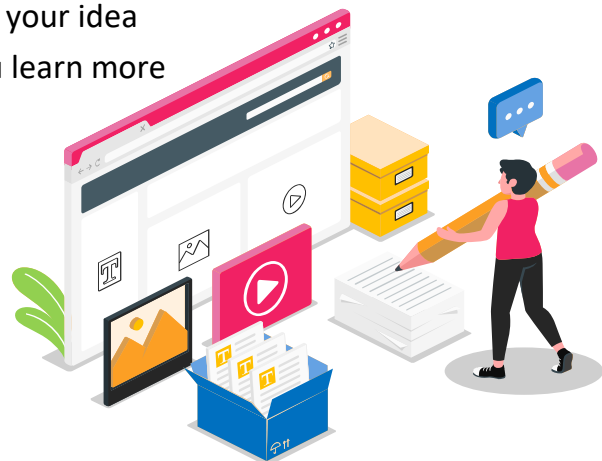


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## About the BMC



- Many variations – feel free to edit and adapt to fit your idea
- BMC is useful for visualising and presenting your idea
- Keep editing and updating your BMC as you learn more



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## Key aspects about business



- We will develop your ideas further using a tool called the business model canvas.

1. Value proposition
2. Customer/beneficiary segments / groups / types
3. Channel / routes / paths to customers
4. Customer relationships
5. Revenue streams (how will value be packaged)
6. Key resources
7. Key partners
8. Key activities
9. Cost structure

Here is an overview. <https://youtu.be/IP0cUBWTgpY>

Don't worry, we will break this down piece by piece and guide you step by step.

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## Task - homework



- <https://www.strategyzer.com/blog/posts/2015/9/6/at-zoo-labs-the-business-model-canvas-is-helping-to-redefine-the-music-industry>
- Read this article on the use of business model canvas in the music industry. What are the key take away messages for you and your projects? List at least 3.



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## You now have several entrepreneurial ideas



- Which idea do you want to develop with the BMC?  
Consider the:
  - Difficulty
  - Your familiarity with each problem
  - What are you most interested in?

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## Task – Idea selection



1. Which idea will you complete a BMC for next week?
2. Why have you chosen the idea?
3. List the main sources of income and main costs?
4. What relevant knowledge and skills do you have?  
<https://www.escuelasuperiordemusicareinasofia.es/archivo>
5. Name 2 important partners / stakeholders for your idea to succeed.




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# UNIT 2.1

## The Business Model Canvas




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## Recap of session 1



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- What entrepreneurship means
- Ideation – and tools for generating more ideas
- ROI
- Introduced the business model canvas – exercises in the journal - today applied practice with it –
- First set of exercises – how did you get on with the journal assignments



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## During this course



- You will be researching your idea to find ways to increase success using a new and highly effective approach
- All of this will be based on your business model canvas
- As we go through the next few slides - have the BMC template open and begin filling in for your selected idea



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## Value proposition can be:



- Providing an experience an emotion
- Providing a skill or competence
- Teaching a skill or competence
- Solving a problem
- What are people willing to pay for, fund, support?
- What is of artistic value to you?

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## Customer segments



End users. Age group, sub culture, geographic description.

Think of 2 different segments now for your selected idea



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## Key partners



- Who is essential to making your idea work? (Radio, parents of students?)
- Are there gatekeepers?
- Promoters / Agents / Media?
- Your team / band
- Boss who provides you flexibility



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## Key activities



- Organise and plan
- Create content
- Rehearsal
- Promotion
- Skill development

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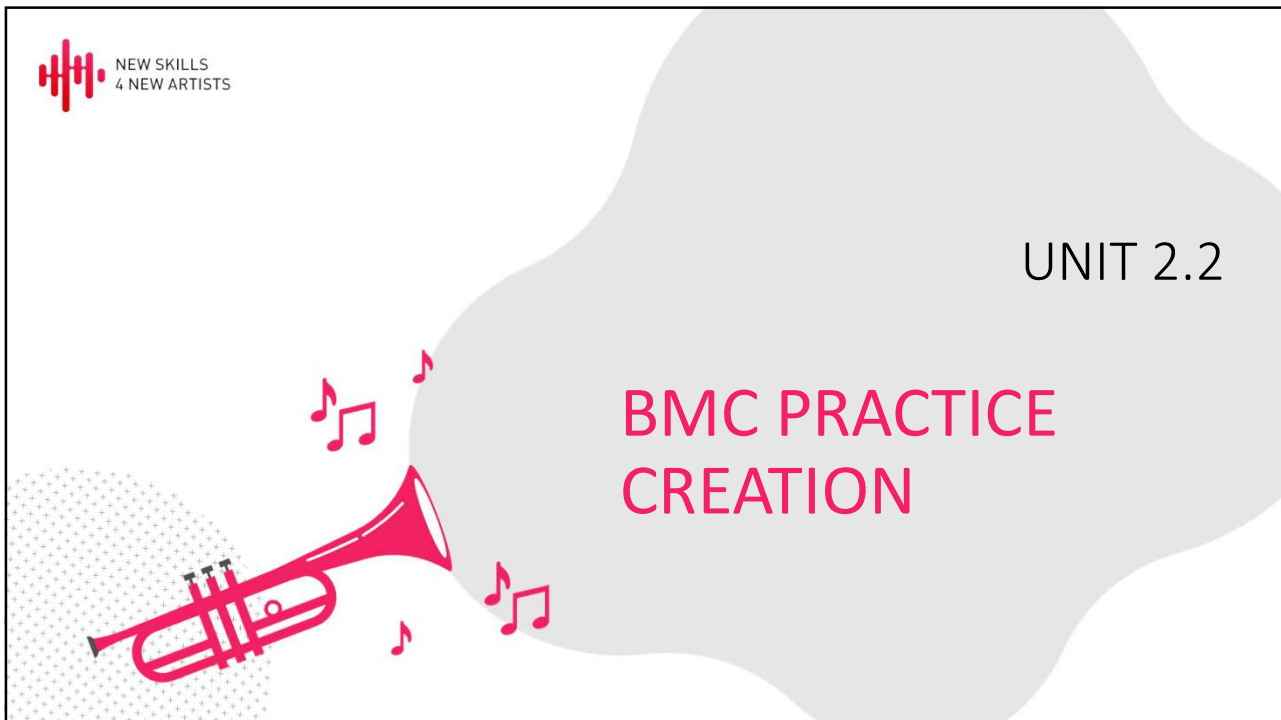
## Key resources



What is common to any activity?

- Time
- Money
- Motivation
- Goodwill of key partners
- Equipment
- Creativity / inspiration
- For musicians? Musical ability, charisma? Timing?

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UNIT 2.2

BMC PRACTICE  
CREATION

The slide features a red trumpet and several musical notes on the left side, set against a background of a grey abstract shape and a dotted pattern.

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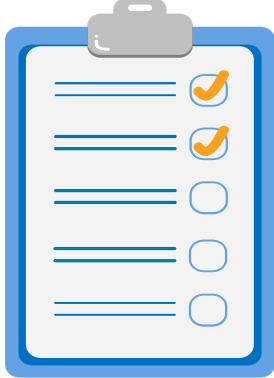
Task – Wedding band BMC



4 in a group.

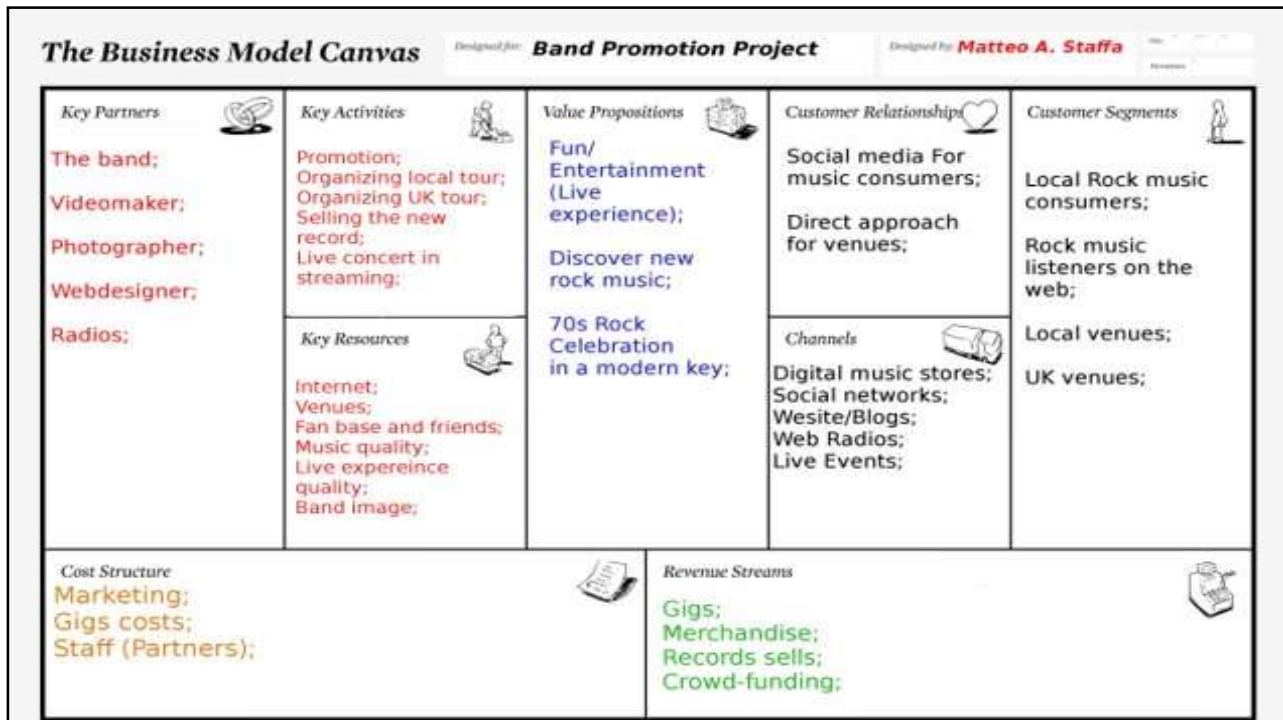
In a team –complete a BMC for a wedding band promotion project collaboratively using the template.

Present back to the main group in 15 minutes




The clipboard icon shows a list of six items, with the first two marked with orange checkmarks and the remaining four with empty circles.

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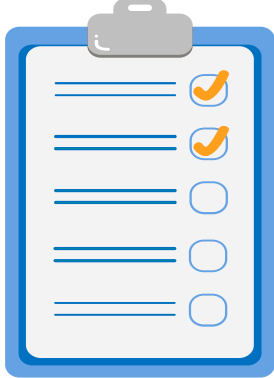


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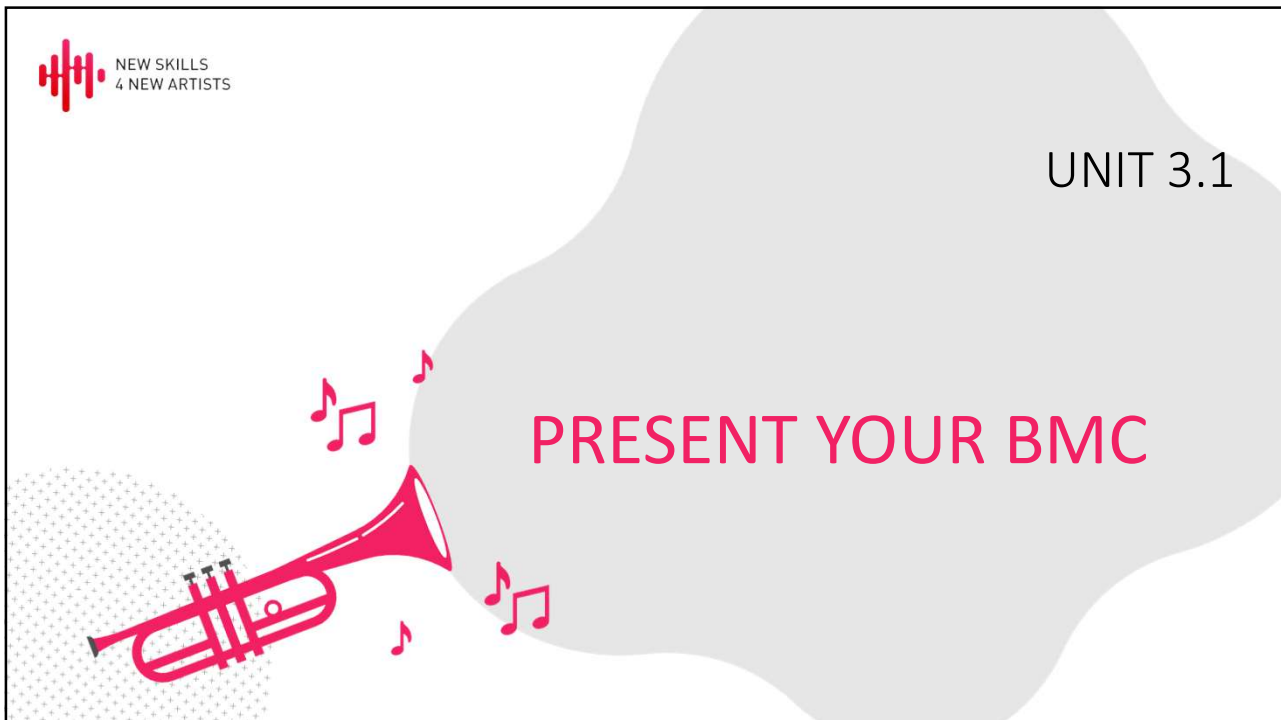
For homework


[1 more article on the BMC](https://medium.com/the-musicpreneur/music-business-models-101-design-9e118e6b9c26)  
<https://medium.com/the-musicpreneur/music-business-models-101-design-9e118e6b9c26>

Create a BMC for your idea.



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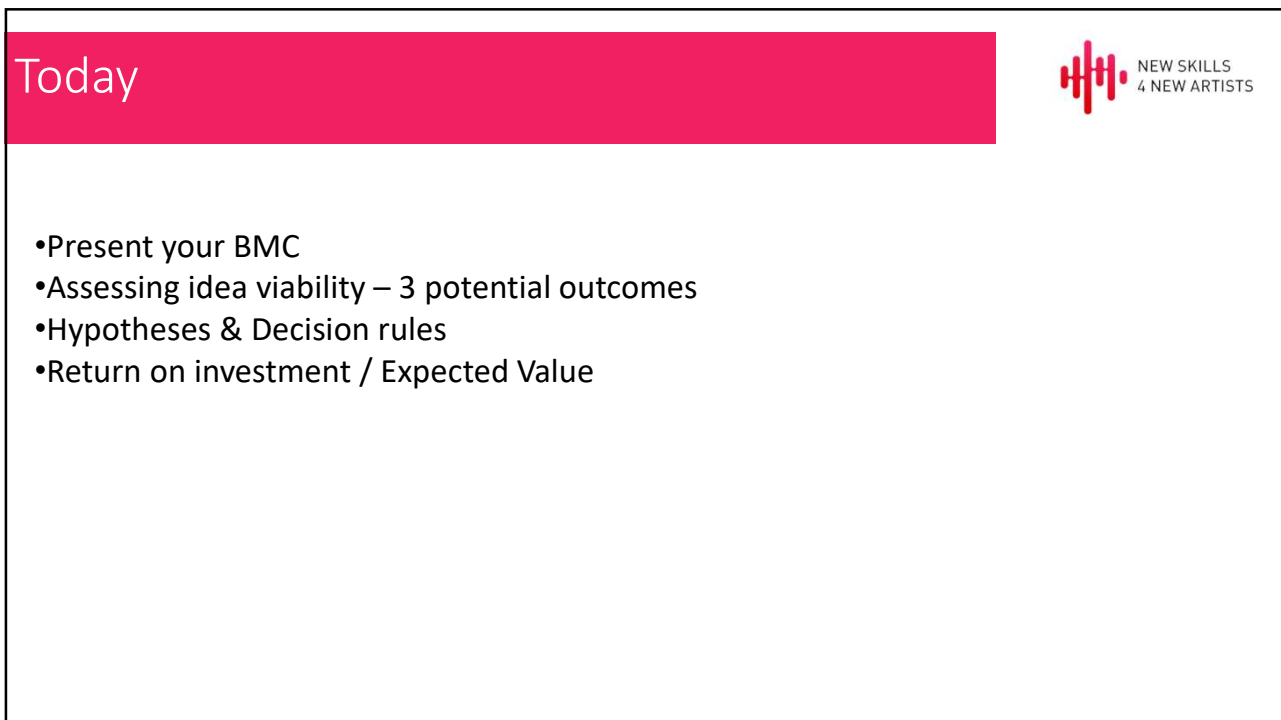
The slide features a white background with a large, light grey, wavy shape on the right side. In the top left corner, there is a red logo consisting of vertical bars of varying heights, followed by the text "NEW SKILLS 4 NEW ARTISTS". In the top right corner, the text "UNIT 3.1" is displayed. The central focus is the text "PRESENT YOUR BMC" in a bold, red, sans-serif font. To the left of this text, there is a red illustration of a trumpet with several musical notes floating around it. A pattern of small grey dots is visible in the bottom left corner.

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UNIT 3.1

PRESENT YOUR BMC

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The slide has a white background. At the top, there is a solid red horizontal bar. To the left of this bar, the word "Today" is written in white. To the right of the bar, there is a red logo consisting of vertical bars of varying heights, followed by the text "NEW SKILLS 4 NEW ARTISTS". Below the red bar, there is a bulleted list of four items.

Today

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- Present your BMC
- Assessing idea viability – 3 potential outcomes
- Hypotheses & Decision rules
- Return on investment / Expected Value

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## Present your own BMC



3 minutes presentations of your BMC  
+  
2 minutes questions & feedback

How will you apply the feedback you received for your BMC?



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## Expected value (Recap)



$\frac{(\text{Reward } \text{€}) \times \text{chance of success}}{\text{Effort } \text{€}} = \text{ROI}$

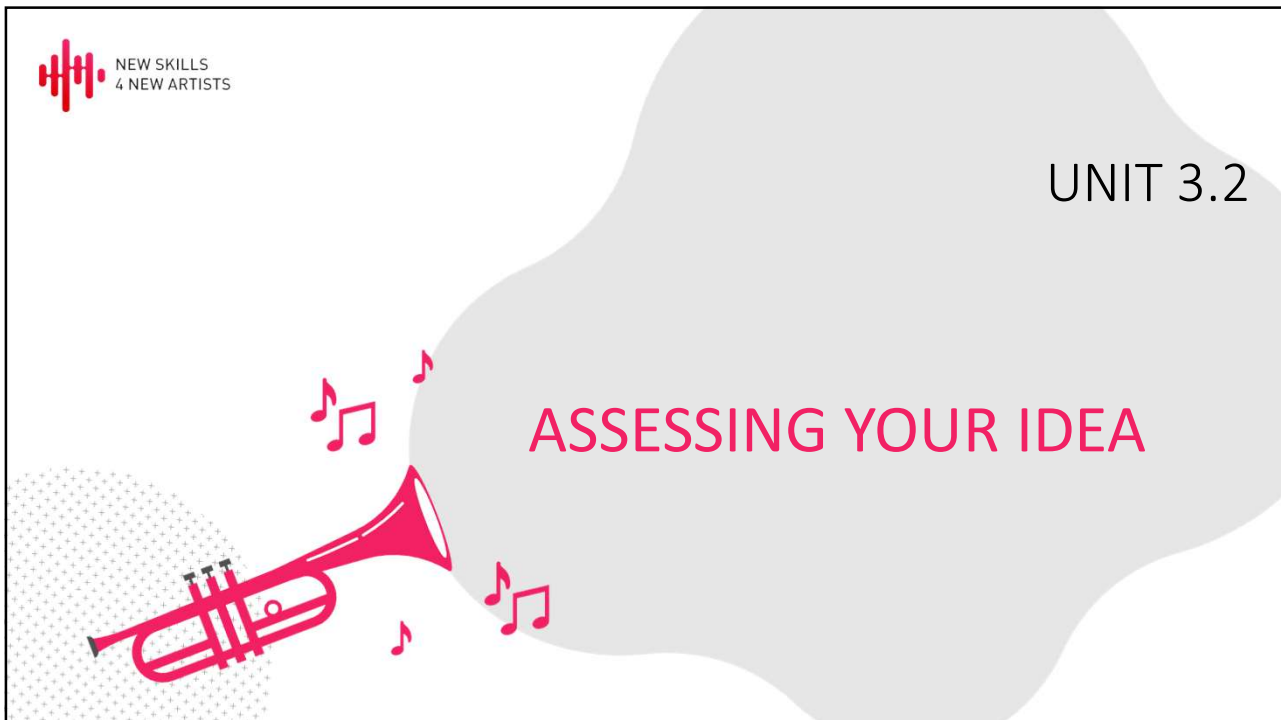
Estimate the 3 of these figures roughly now and let us know your answer

E.g. (Reward €50,000/ Effort €10,000)\*  
chance of success (30%) = ROI of 1.5

What is your expected chance of success?



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UNIT 3.2

ASSESSING YOUR IDEA

The graphic features a red trumpet on the left, with several red musical notes floating around it. The background is a light grey shape with a dotted pattern on the left side.

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## How to assess your idea

- What percentage of new businesses (established formally) **survive** 5 years?
- What percentage of musical ideas succeed/survive?
- Consider the stage – just an idea, a plan, in development, operating



The illustration shows a woman with dark hair in a ponytail, wearing a blue sleeveless top and blue pants, sitting in a grey chair with red legs. She is looking at a laptop on a desk. She is wearing yellow high-heeled shoes.

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## Useful links



<https://www.independent.ie/business/small-business/one-in-three-firms-fails-in-its-first-five-years-38801226.html>

<https://www.investopedia.com/financial-edge/1010/top-6-reasons-new-businesses-fail.aspx#:~:text=Data%20from%20the%20BLS%20shows,to%2015%20years%20or%20more.>

**66% of established survive 5 years in Ireland and US**

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## What % of pre establishment ideas become established?



No good data on this but worth having an estimate in mind

What are the potential outcomes from assessing your idea?

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## Potential outcomes?



We will use 3:

1. Abandon idea (for another idea?)
2. Pivot or change based on insight gained
3. Proceed with idea, develop further and test again.

All 3 are potentially valid.



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## Outcome 1 - Abandon an idea



- This is the correct decision if there low or very low chance of success and high cost to pursuit
- This is incorrect if continuing had a good chance of success relative to the investment of time and effort

# 1

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## Outcome 2 Pivot or change



A pivot is when you identify a more promising related approach.  
Pivots are normal – most start ups will be pivot once or twice.

They should be concerted and deliberate (don't jump from one failing idea to a poorly defined idea).

We do BMC (not a business plan) because it is flexible and facilitates pivots

# 2

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## Outcome 3 - Proceed

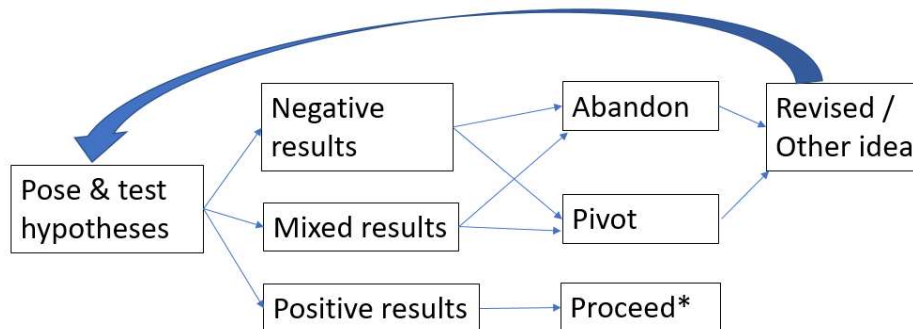


- Your research and development indicate the idea has a good enough chance of success
- This ideal outcome: What does it look like for your idea?
- This is incorrect if your idea is unviable or not the best use of your efforts

# 3

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## Process overview



\*Even when proceeding with an idea, we can pose and test ideas about the details.

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## How would you make your decision about your idea?



- Can you describe the steps or process that will go through to decide if you will proceed, pivot, or abandon?
- Take a minute to consider this NOW.
- Anyone want to share their initial thoughts or current plan?

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## Typical answers



### **Goal - increase my streams/downloads**

Idea/project:

- I could pay for ads and see if it is worth it.
- I could try collaborating with someone and see if that increases the streams

Problem - lacks structure, is vague and ambiguous

Should aim for a very clear process

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## Good answer

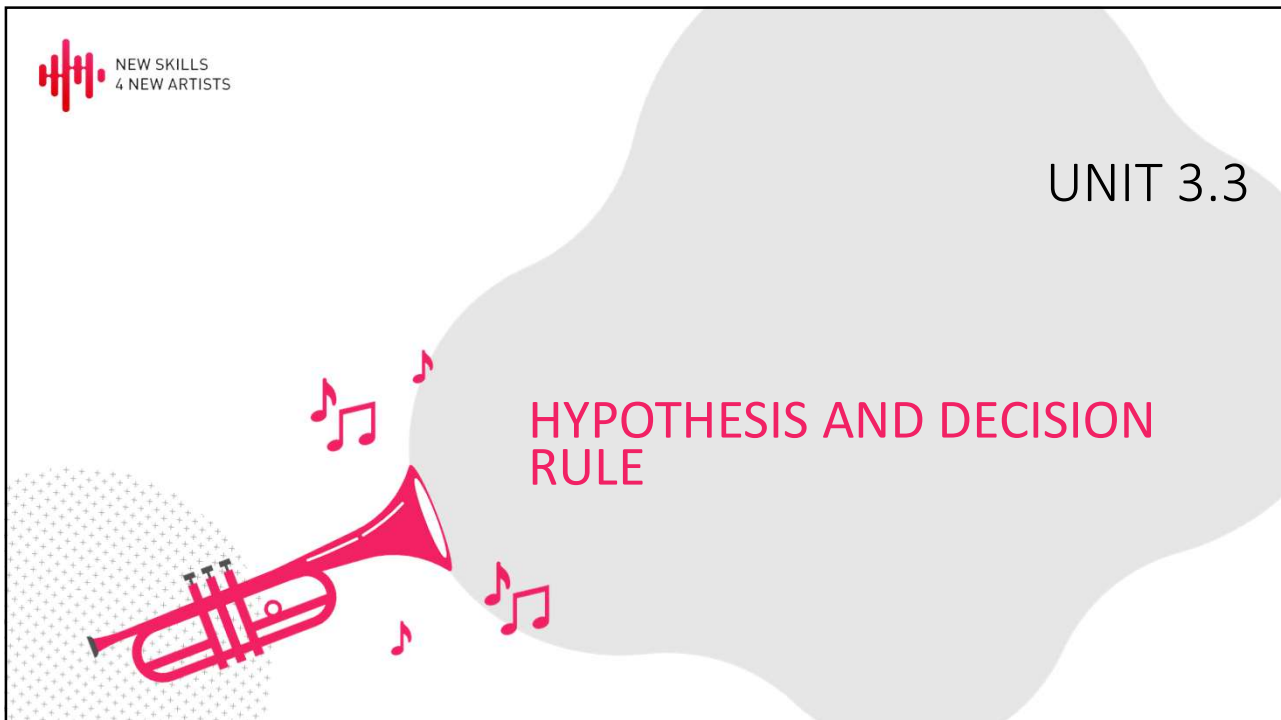


1. I will run a promotion on social media and see if there is a big enough demand for my services (almost a hypothesis)

2. I will proceed if the extra revenue generated covers the cost of the promotion (a testable hypothesis)

**A clear hypotheses provides structure and clarity to activities**

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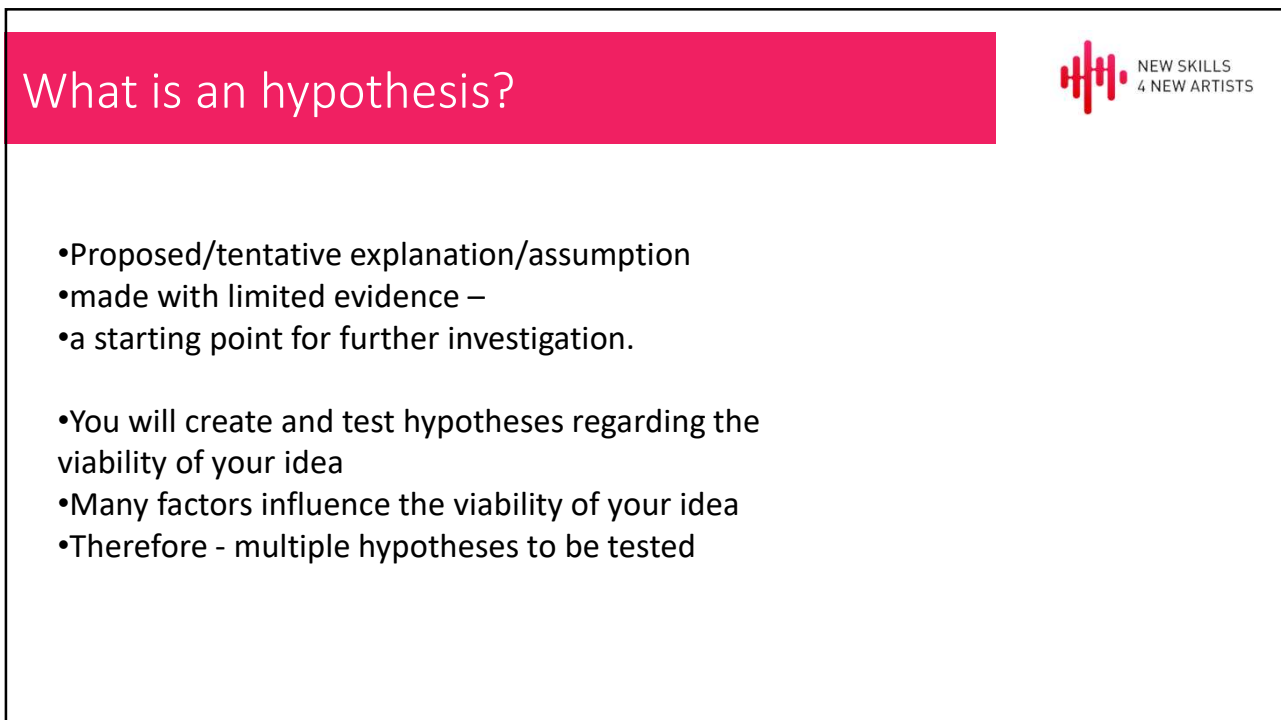


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UNIT 3.3

HYPOTHESIS AND DECISION  
RULE

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## What is an hypothesis?

- Proposed/tentative explanation/assumption
- made with limited evidence –
- a starting point for further investigation.
- You will create and test hypotheses regarding the viability of your idea
- Many factors influence the viability of your idea
- Therefore - multiple hypotheses to be tested

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## Which one is a correctly formulated business hypothesis?



I will interview 20 potential customers and

1. will make my decision based on these
2. If I get positive feedback I will proceed
3. If >50% of customers prefer a group class @ €20, compared to a 1-1 service @ €50 I will create a group class

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## Which one is a correctly formulated business hypothesis?



I will interview 20 potential customers and

1. will make my decision based on these
2. If I get positive feedback I will proceed
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78

## Quiz - Which of the following are clear hypotheses?



1. If less than 50% of the visitors of my webpage click to read the product description, then I will develop a new prototype of my product
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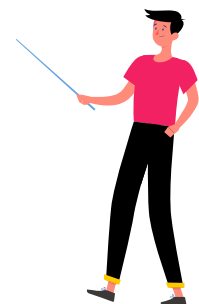


79

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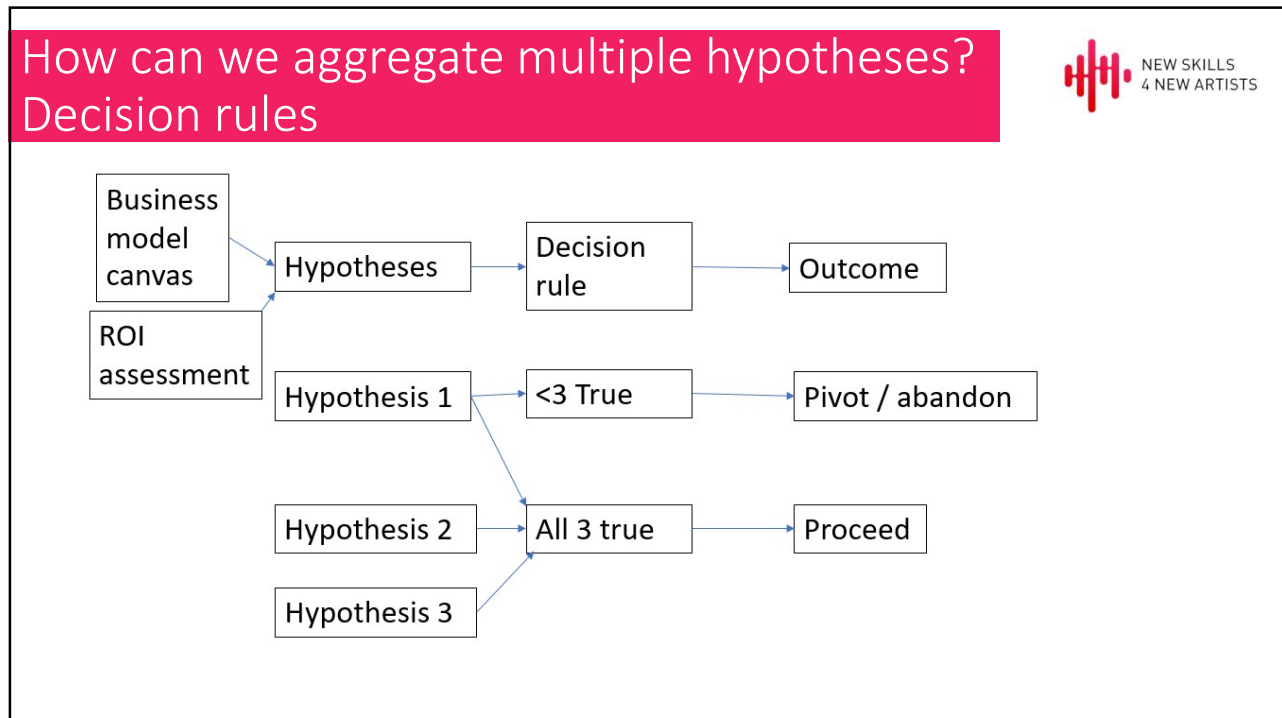


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80





81

## Decision rules



- Set explicit **decision rules (if then statements)** based on clear metrics. E.g. minimum threshold % of interviews required to support its hypotheses.
- Without a clear set of hypotheses and a rigorous method for testing them, you are likely to
  - 1.collect less useful feedback,
  - 2.made incorrect inferences, and
  - 3.continue with low viability business ideas

82

## Types of error



- A false positive (not cautious enough) - (invests while she should not have invested)
- A false negative - (does not invest while she should have invested) –(too cautious)

83

## Quiz –threshold



An entrepreneur sets a threshold value (e.g. a ROI) above which she decides to make the investment.

If she sets a higher threshold,  
She is **more likely** to:

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3. Make no error
4. Make an unprofitable investment?



84

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85

## Review the ROI variables for your idea:



- Effort – what might make this harder or easier? (Say having partner)
- Reward – what might make the reward bigger or smaller?
- Chance of success - what would increase or reduce the chance of success?

Take a 5 minutes **now** to start this. They could be the hypotheses you will test



86

## Task – posing more questions



- Examine your BMC to identify more questions
- Now take another 5 minutes to note down more questions to test.



87

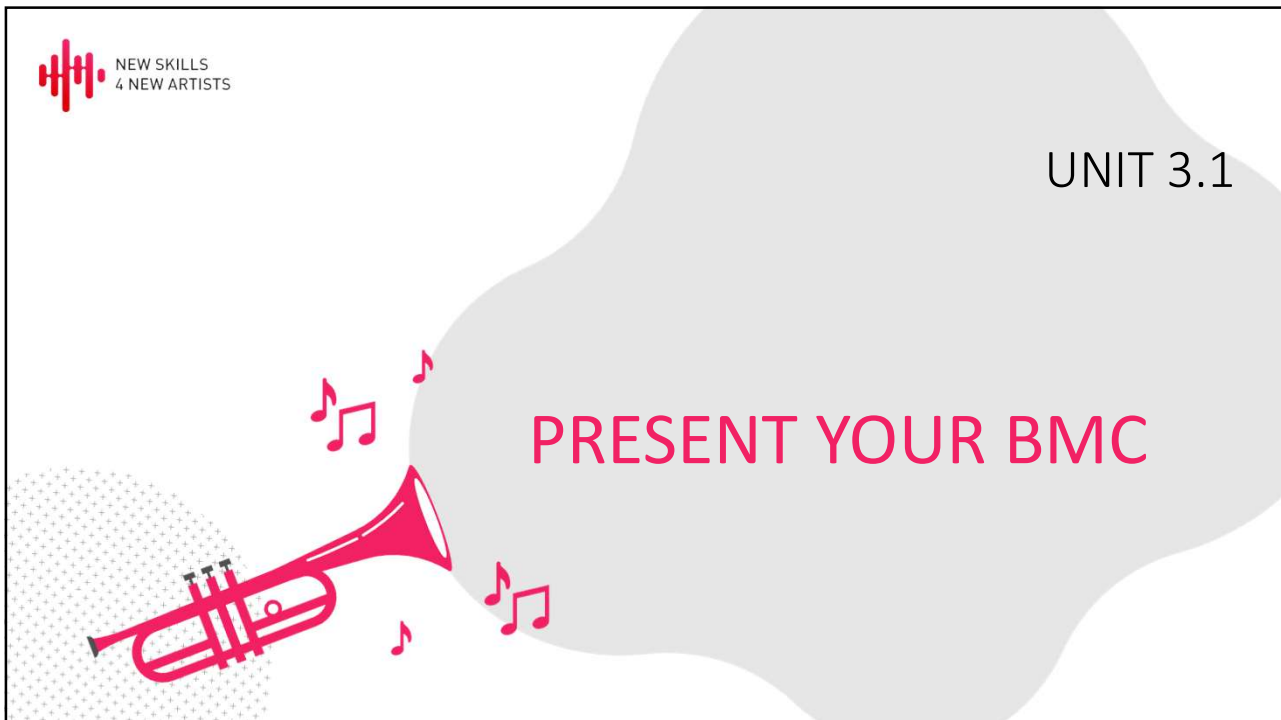
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- <https://youtu.be/sBUI6rKnvr0?t=94>
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88



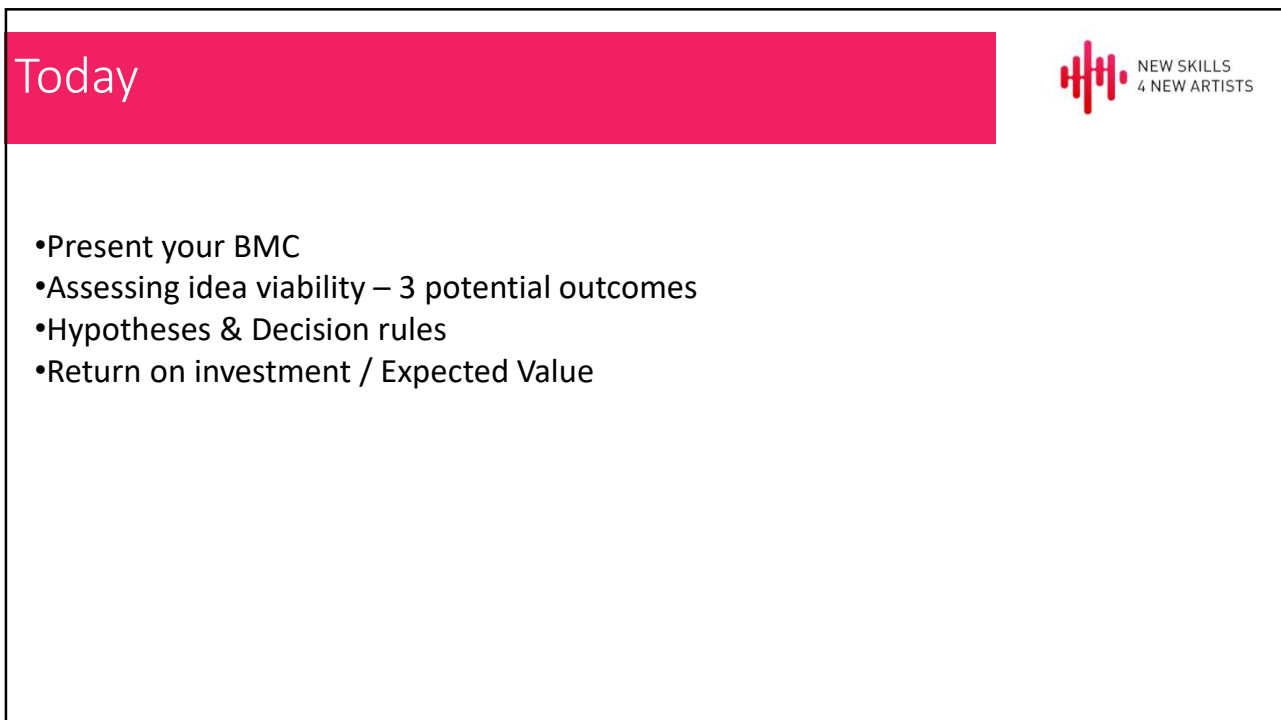
NEW SKILLS  
4 NEW ARTISTS

UNIT 3.1

PRESENT YOUR BMC

The slide features a red trumpet and several musical notes on the left side, set against a background of a grey abstract shape and a dotted pattern.

89



Today

NEW SKILLS  
4 NEW ARTISTS

- Present your BMC
- Assessing idea viability – 3 potential outcomes
- Hypotheses & Decision rules
- Return on investment / Expected Value

The slide has a red header bar with the word 'Today' in white. The logo 'NEW SKILLS 4 NEW ARTISTS' is in the top right corner. The main content is a bulleted list of topics.

90

## Present your own BMC



3 minutes presentations of your BMC  
+  
2 minutes questions & feedback

How will you apply the feedback you received for your BMC?



91

## Expected value (Recap)



$$\frac{(\text{Reward } \text{€}) \times \text{chance of success}}{\text{Effort } \text{€}} = \text{ROI}$$

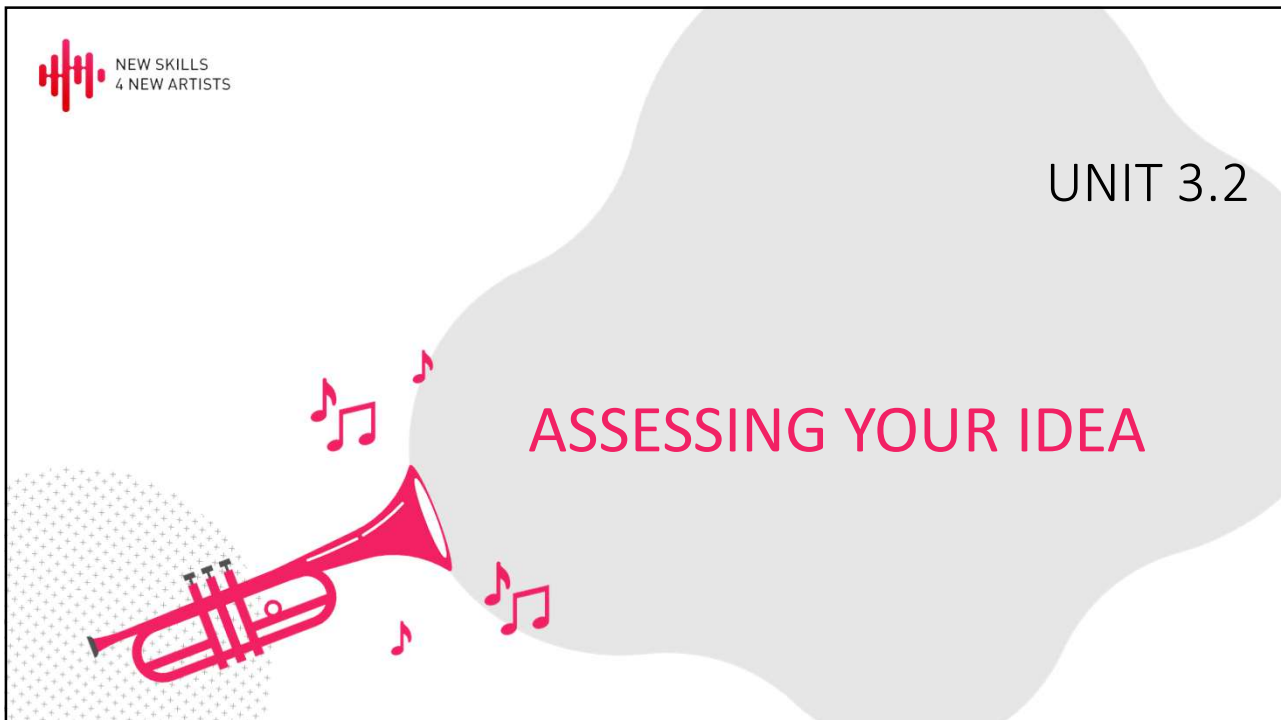
Estimate the 3 of these figures roughly now and let us know your answer

E.g. (Reward €50,000/ Effort €10,000)\*  
chance of success (30%) = ROI of 1.5

What is your expected chance of success?



92



NEW SKILLS  
4 NEW ARTISTS

UNIT 3.2

ASSESSING YOUR IDEA

93



How to assess your idea

NEW SKILLS  
4 NEW ARTISTS

What percentage of new businesses (established formally) **survive** 5 years?

What percentage of musical ideas succeed/survive?

Consider the stage – just an idea, a plan, in development, operating



94

## Useful links



<https://www.independent.ie/business/small-business/one-in-three-firms-fails-in-its-first-five-years-38801226.html>

<https://www.investopedia.com/financial-edge/1010/top-6-reasons-new-businesses-fail.aspx#:~:text=Data%20from%20the%20BLS%20shows,to%2015%20years%20or%20more.>

**66% of established survive 5 years in Ireland and US**

95

## What % of pre establishment ideas become established?



No good data on this but worth having an estimate in mind

What are the potential outcomes from assessing your idea?

96



## Potential outcomes?



We will use 3:

1. Abandon idea (for another idea?)
2. Pivot or change based on insight gained
3. Proceed with idea, develop further and test again.

All 3 are potentially valid.



97

## Outcome 1 - Abandon an idea



- This is the correct decision if there low or very low chance of success and high cost to pursuit
- This is incorrect if continuing had a good chance of success relative to the investment of time and effort

# 1

98

## Outcome 2 Pivot or change



A pivot is when you identify a more promising related approach.  
Pivots are normal – most start ups will be pivot once or twice.

They should be concerted and deliberate (don't jump from one failing idea to a poorly defined idea).

We do BMC (not a business plan) because it is flexible and facilitates pivots

# 2

99

## Outcome 3 - Proceed

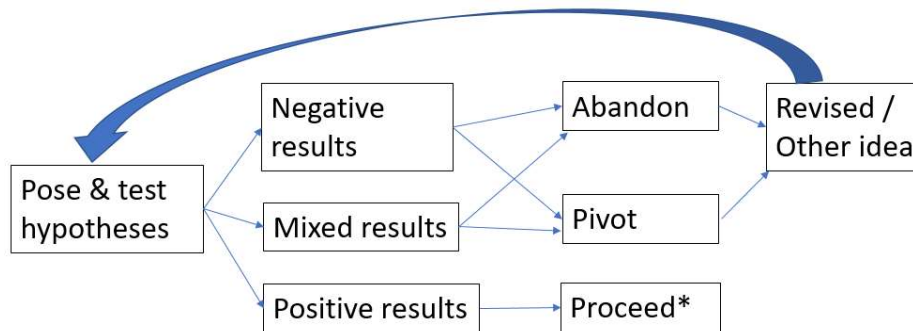


- Your research and development indicate the idea has a good enough chance of success
- This ideal outcome: What does it look like for your idea?
- This is incorrect if your idea is unviable or not the best use of your efforts

# 3

100

## Process overview



\*Even when proceeding with an idea, we can pose and test ideas about the details.

101

## How would you make your decision about your idea?



- Can you describe the steps or process that will go through to decide if you will proceed, pivot, or abandon?
- Take a minute to consider this NOW.
- Anyone want to share their initial thoughts or current plan?

102

## Typical answers



### **Goal - increase my streams/downloads**

Idea/project:

- I could pay for ads and see if it is worth it.
- I could try collaborating with someone and see if that increases the streams

Problem - lacks structure, is vague and ambiguous

Should aim for a very clear process

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## Good answer

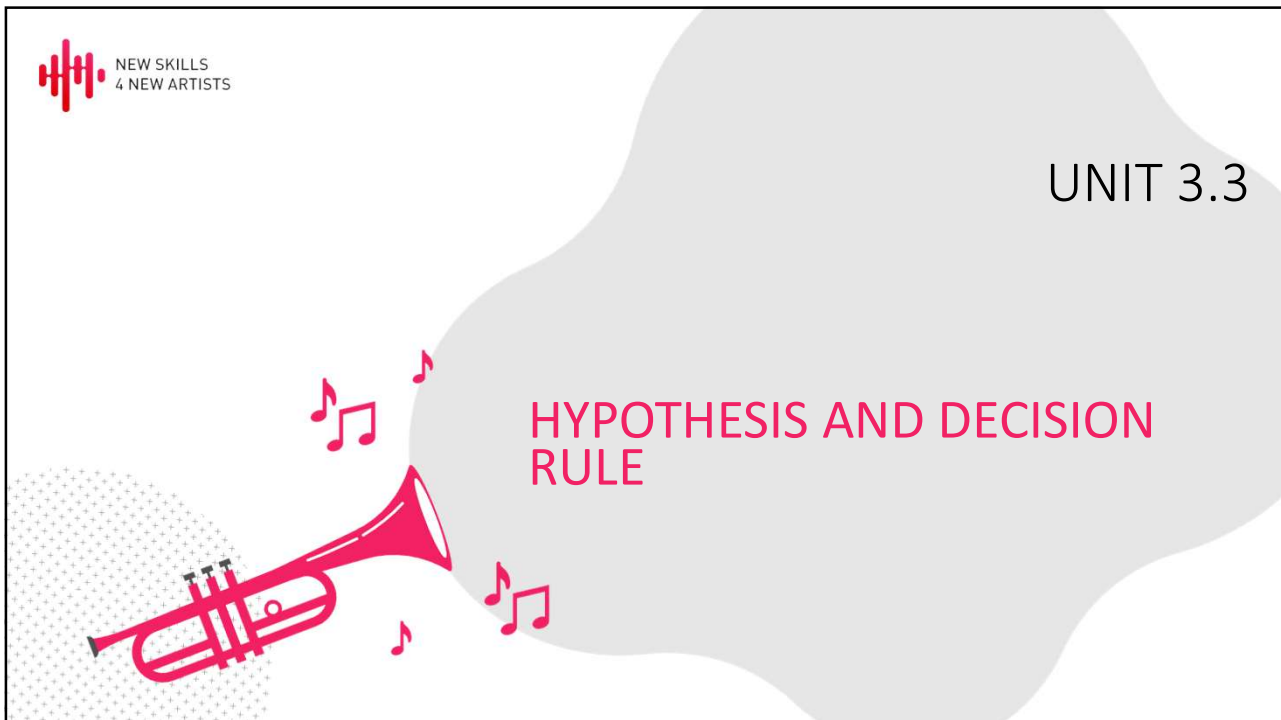


1. I will run a promotion on social media and see if there is a big enough demand for my services (almost a hypothesis)

2. I will proceed if the extra revenue generated covers the cost of the promotion (a testable hypothesis)

**A clear hypotheses provides structure and clarity to activities**

104




NEW SKILLS  
4 NEW ARTISTS

UNIT 3.3

HYPOTHESIS AND DECISION  
RULE

105

## What is an hypothesis?



- Proposed/tentative explanation/assumption
- made with limited evidence –
- a starting point for further investigation.
- You will create and test hypotheses regarding the viability of your idea
- Many factors influence the viability of your idea
- Therefore - multiple hypotheses to be tested

106

## Which one is a correctly formulated business hypothesis?



I will interview 20 potential customers and

1. will make my decision based on these
2. If I get positive feedback I will proceed
3. If >50% of customers prefer a group class @ €20, compared to a 1-1 service @ €50 I will create a group class

107

## Which one is a correctly formulated business hypothesis?



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108

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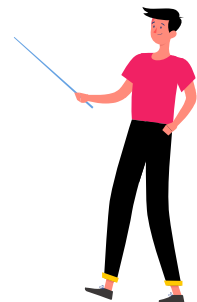


109

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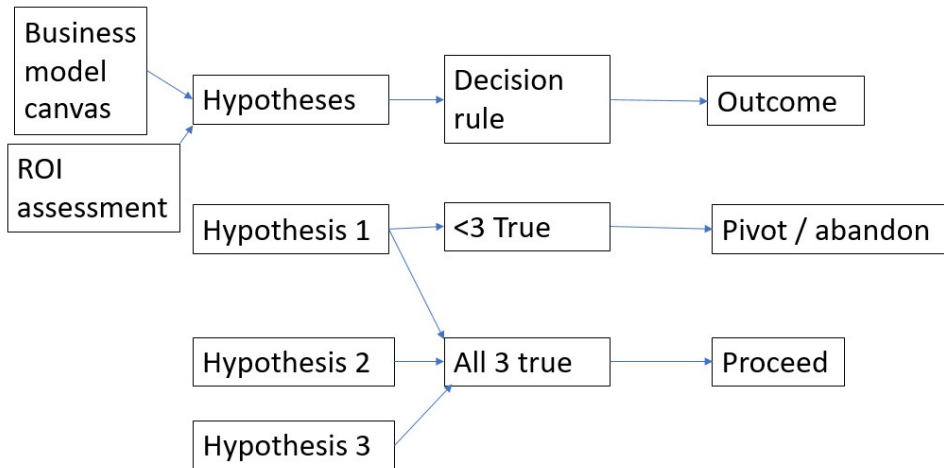


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110

## How can we aggregate multiple hypotheses? Decision rules



111

## Decision rules



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112



## Types of error



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113

## Quiz –threshold



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114

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115

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116

## Task – posing more questions



- Examine your BMC to identify more questions
- Now take another 5 minutes to note down more questions to test.



117

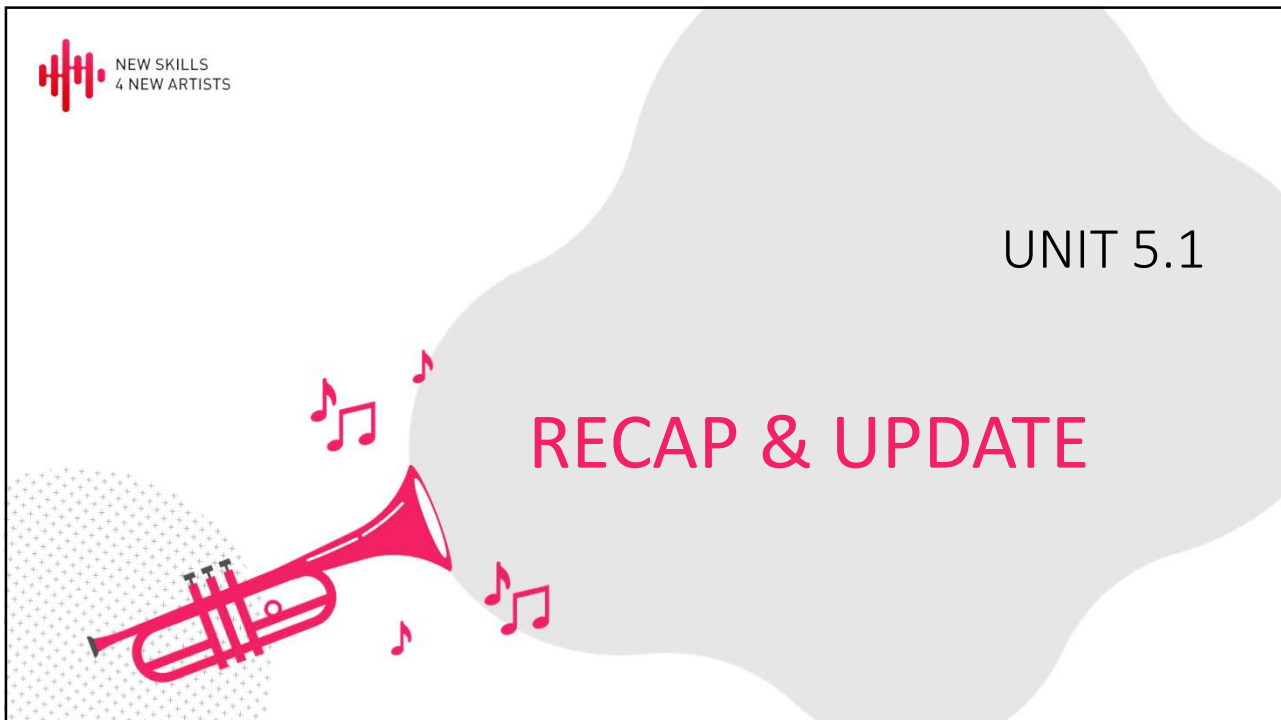
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118



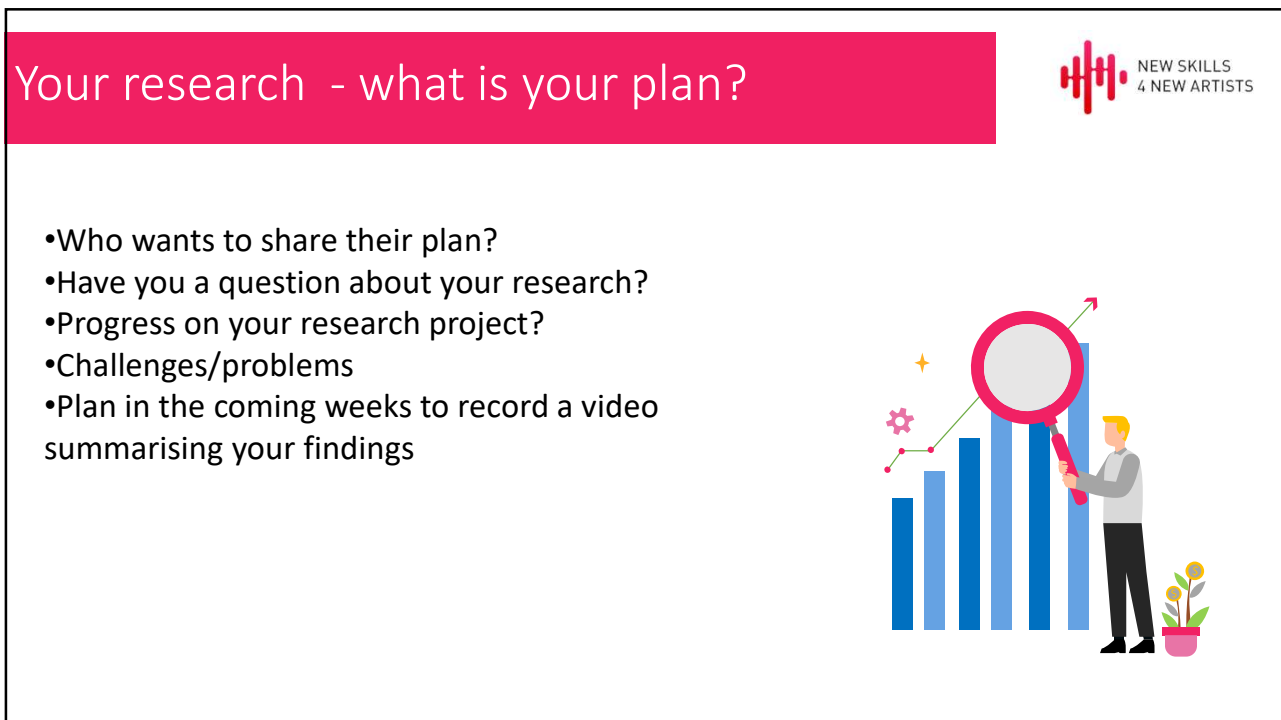
NEW SKILLS  
4 NEW ARTISTS

UNIT 5.1

RECAP & UPDATE

The slide features a red trumpet on the left with musical notes floating around it. A large, light grey, irregular shape on the right contains the text 'UNIT 5.1' and 'RECAP & UPDATE'. The background is white with a pattern of small grey dots on the left side.

119



Your research - what is your plan?

NEW SKILLS  
4 NEW ARTISTS

- Who wants to share their plan?
- Have you a question about your research?
- Progress on your research project?
- Challenges/problems
- Plan in the coming weeks to record a video summarising your findings

The slide has a red header bar with the title 'Your research - what is your plan?'. On the right, there is an illustration of a person in a grey shirt and black pants holding a large magnifying glass over a bar chart with four blue bars of increasing height. There are also gears, a star, and a potted plant in the illustration.

120

## Course so far building towards research questions



- Ideation
- Business model canvas
- Presentation last week and assessment
- Return on investment / Expected Value
- Hypotheses
- Decision rules

Towards the scientific approach of business model assessment – what is that?



121



## UNIT 5.2

# SCIENTIFIC APPROACH



122

## The scientific approach is when



Start ups and entrepreneurs take a scientific approach to:

1. Asking questions (posing hypotheses)
  2. Create decisions rules before collecting information (if x, then y).
  3. Testing them (lower bias when collecting data)
  4. Assess the idea using basic probability
- Perform better because they only develop high quality ideas.



123

## Applications of scientific approach



- Start-ups: proceed / pivot / abandon
  - Start-ups – making important decisions (not meeting the threshold of a pivot)
  - Businesses considering making a large investment / taking a risk
  - Businesses wishing to optimise core processes
- A more effective implementation of continuous improvement  
This is what you have been taught and are now implementing through your research



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## Task - Video



• <https://www.coursera.org/lecture/scientific-approach-innovation-management/inkdome-case-s57Y4>

What are the downsides of a **non**-scientific approach to assessing your entrepreneurial idea?



125

## Task 13 - Read about the scientific method



• <https://hbr.org/2020/11/founders-apply-the-scientific-method-to-your-startup>

- 7 minutes reading time
- What were the key differences between the treatment and the control group?
- Back in 10 minutes for a discussion



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## Task - 1 last article



• <https://voxeu.org/article/value-precision-entrepreneurial-decisions>

- No shortage of ideas - challenge identifying the best ones!
- Stack the odds in your favour by finding higher quality ideas
- Regarding the medium quality ideas (Table 1 in the article), what are the differences between the scientific and non-scientific approach?
- How might this affect your decision making process for your idea? Might you complete a few BMCs and compare them?
- Take 10 minutes now to read to begin answering

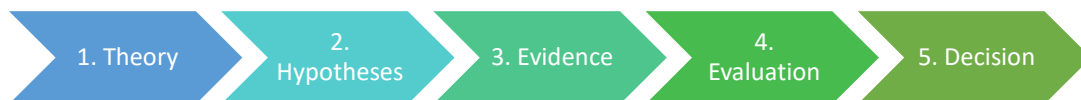


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## Process flow

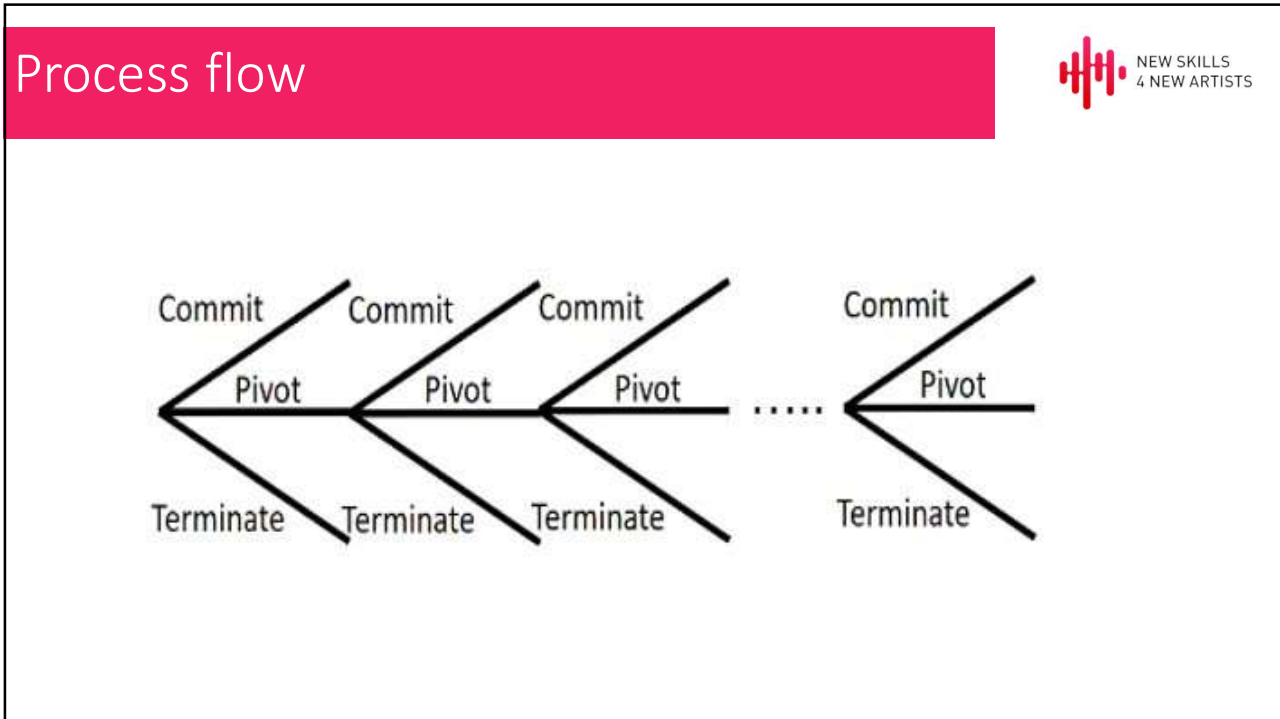


### A scientific approach to decision making

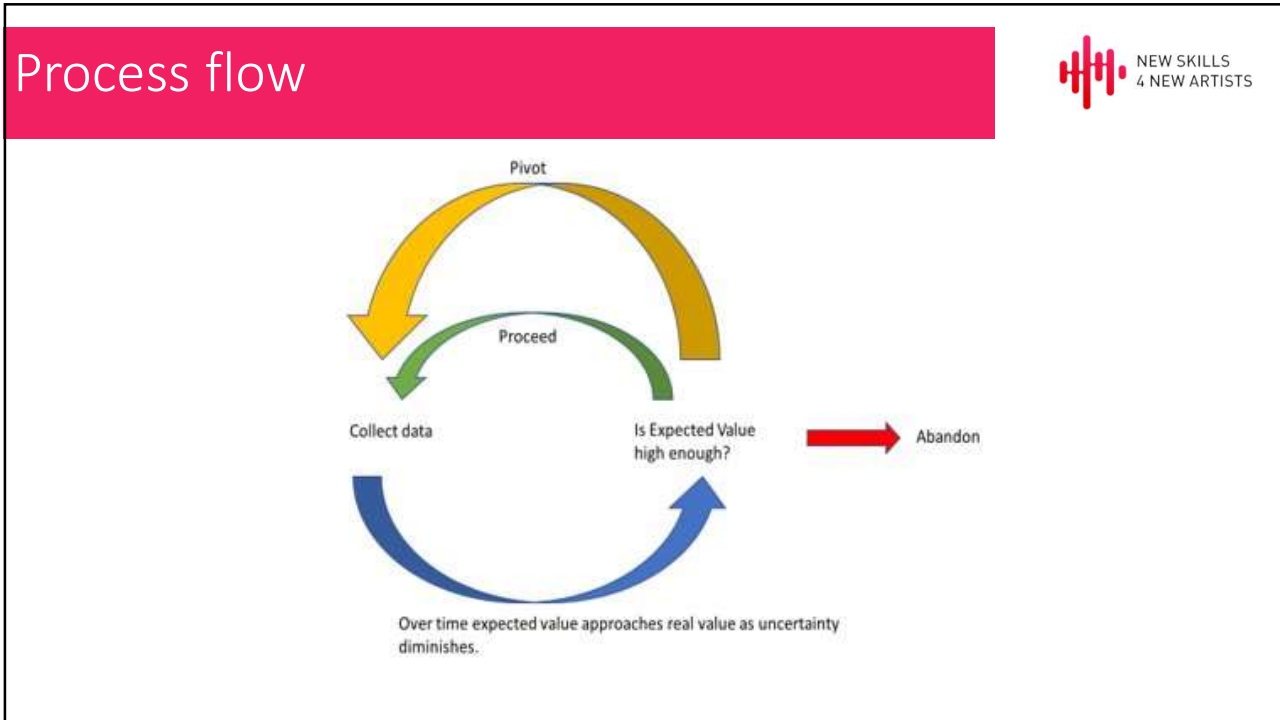


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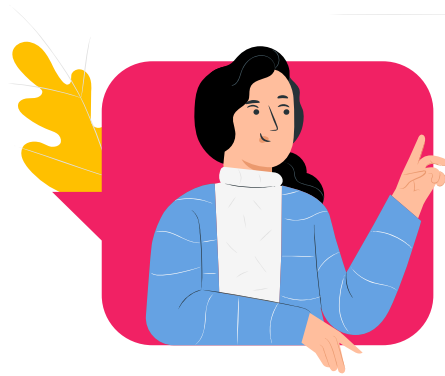


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## Discussion – questions on concepts covered so far?

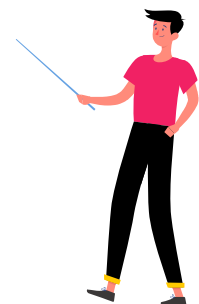


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## Probability and Bayesian reasoning



- We are now going to introduce some concepts which most people find hard, non-intuitive and off putting
- We are doing this because these concepts are proven to help new businesses increase their chances of success



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## What is probability ?



An assessment in uncertainty of how often an outcome will occur

- The **probability** of an event is a number between 0 and 1, where, roughly speaking, 0 indicates impossibility of the event and 1 indicates certainty.

- E.g. We believe that 15% (0.15) of start-ups succeed

- Conditional probability is an assessment conditional on something



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## Frequentist versus Bayesian



- Frequentist is based on a sample (data)
- Bayesian is adjusting an estimate based on new information (structured estimation updating)
- Bayesian reasoning requires judgement and so is controversial
- Start with a prior (base estimate – maybe from frequentist statistic), observe new data/information, update estimate up or down (similar to the conditional probability)



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## Conditional probability



- Baseline (prior) is 15% of start ups succeed
- Start ups that take a **scientific approach** to assessing their idea have a 20% chance of success. (untested assumption as of yet!)
- Conditional on the startup doing **the scientific approach**, they have greater chance of success
- Teaching you these concepts is likely to give you 5% (33%) greater chance of success



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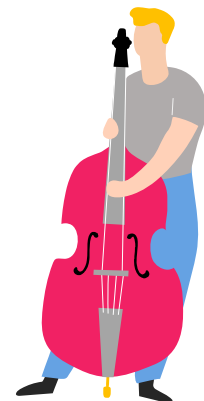
## Probability has multiple roles



For you as an individual and your start up

1. You will have an estimate of chance of success (1-99%)
2. You will do research to update/inform/improve your estimate
3. Make better decisions

- if you find positive results, your estimated chances of success (or reward or effort) should increase – but by how much (estimate)?
- If negative results, how much lower do estimate you chances of success will be?

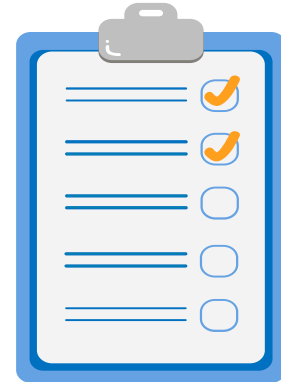


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## Task - Bayesian reasoning



- 15 minute tutorial to explain and test your understanding.
- Example
- ‘does a dog or cat like you IF they lick you?’.
- Same framework/tools/reasoning to assess ‘will my project idea be successful IF my trial/research is successful’. [https://programs.clearerthinking.org/understanding\\_bayes\\_theorem.html](https://programs.clearerthinking.org/understanding_bayes_theorem.html)



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## Next and final session – present your findings



Potential presentation structure

- Idea (BMC)
- Key questions/ hypothesis
- Research plan
- Results
- Plan for next 6 months

Illustrative video -

[https://www.youtube.com/watch?v=nywbAvJ8hn8&ab\\_channel=LorenaCant%C3%B3Wolt%C3%A8che](https://www.youtube.com/watch?v=nywbAvJ8hn8&ab_channel=LorenaCant%C3%B3Wolt%C3%A8che)



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NEW SKILLS  
4 NEW ARTISTS

# NEW SKILLS 4 NEW ARTISTS

Co-funded by the  
Erasmus+ Programme  
of the European Union

139

NEW SKILLS  
4 NEW ARTISTS

## UNIT 6

# COURSE RECAP

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## Today



- Progress on project
- Recap on entrepreneurship module
- Next session present your findings and plan



141

## Your research - how is it going?



- Good/ meh/ struggling
- Have a question for your research OR if you want to share your plan
- Interesting findings / experiences
- Challenges/problems
- 



142

## Potential video structure



- Idea (BMC)
- Budget / income statement
- Key questions/ hypothesis
- Research plan
- Results
- Plan for 2022
- When will you use the scientific approach next?

Illustrative video -

[https://www.youtube.com/watch?v=nywbAvJ8hn8&ab\\_channel=LorenaCant%C3%B3Wolt%C3%A8che](https://www.youtube.com/watch?v=nywbAvJ8hn8&ab_channel=LorenaCant%C3%B3Wolt%C3%A8che)



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## Overview of the course



- Introduced entrepreneurship
- Challenged you to develop some ideas
- Business model canvas
- Return on investment
- Research questions / hypotheses – methods (interviews, proof of concept etc)



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## Goals of entrepreneurship module



- Guide you creating your plan
- Better adapt and structure your own entrepreneurial actions & career
- Reflect on yourself, your goals, your ability and make / develop your career plan
- For you to develop flexibility, a portfolio of potential musical careers
- Specific support on your project - virtual start up incubator – **increase % success rate** – potentially reconsidering what success means

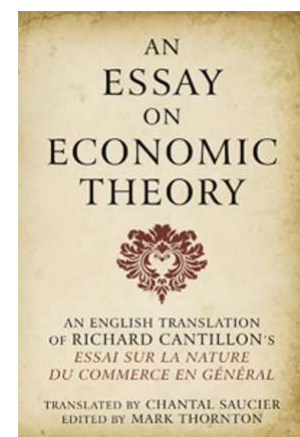


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## Etymology



- Old French *Entreprendre* (to undertake)
- Manager or promoter of a theatrical production
- Non-fixed income earners, unknown costs of production to earn uncertain incomes.
- Entrepreneur as a “risk-taker”



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## Defining entrepreneurship



- Narrow – starting a new enterprise for profit. Novelty and risk.



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## Defining entrepreneurship



- Broad – opportunity identification and creation of 'financial, cultural, or social value for others' (EntreComp)
- To undertake, Emprender, Entreprendre, Ondernemen



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## Entrepreneurship as a process



This process of:

1. Identifying
2. Designing
3. Assessing
4. Launching &
5. Running

A new business or venture or activity to create value

Those performing the process are **entrepreneurs**

The focus of this course will be 1-4



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## Task 3 – idea generation



- List 3 MORE entrepreneurial ideas you could develop that might help you achieve your desired career paths.
- Example, I could develop an app to...
- I could organise ... for my community.
- I could work with ... to ...

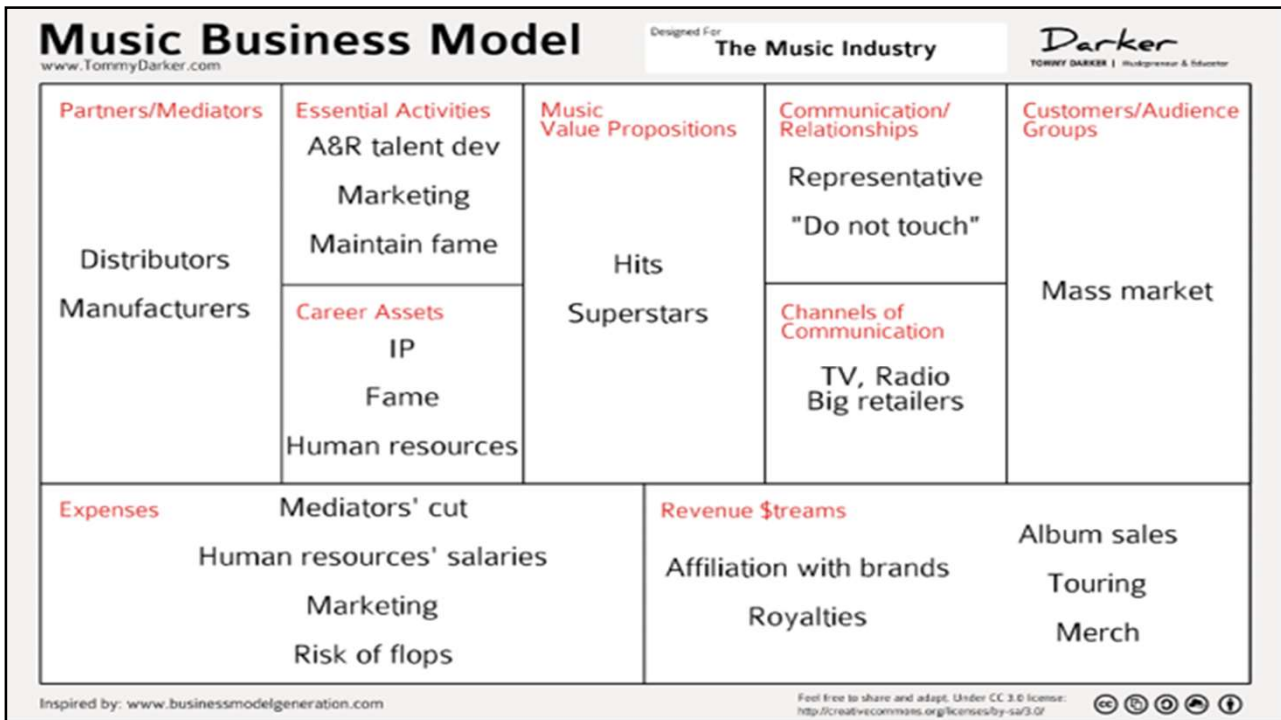
Take 3 minutes here to do a rough draft

Prompts:

- Novel technology
- Novel social media or marketing approach (3rd module)
- An idea for musicians
- For the public



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## Idea selection

NEW SKILLS  
4 NEW ARTISTS

1. Which idea will you complete a BMC for next week?
2. Why have you chosen the idea?
3. List the main sources of income and main costs?
4. What relevant knowledge and skills do you have?
5. Name 2 important partners / stakeholders for your idea to succeed.



152

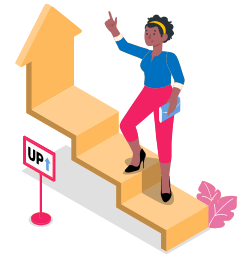
## The scientific approach is when



Start ups and entrepreneurs take a scientific approach to:

1. Asking questions (posing hypotheses)
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Perform better because they only develop high quality ideas.



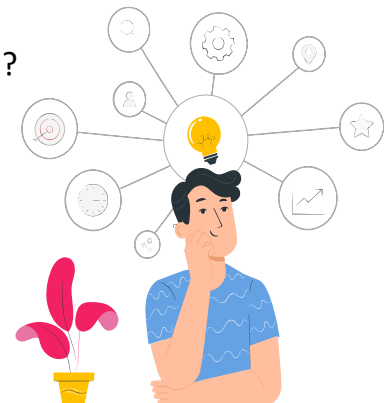
153

## If you established your idea



I.e. it is up and running – and active – but you are not yet sure it will be a success

What are the potential outcomes from assessing your idea?



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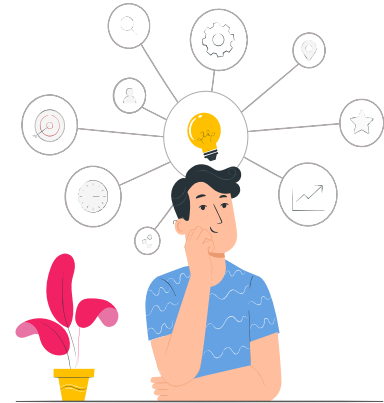
## Outcomes



We will use 3 outcomes:

1. Abandon idea (for another idea?)
2. Pivot or change based on insight gained
3. Proceed with idea, develop further and test again.

All 3 are potentially valid.



155

## What should you research?



Where is your greatest uncertainty?

- Untested questions / assumptions about your ideas?
- How can you run a small experiment / trial?
- Are you dealing with high or low uncertainty?

- Look to your BMC and ROI estimates
- Also consider what is feasible in 5 weeks...



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## Market research design



Your market research should take about 4 weeks and will run parallel. Your options include:

1. Create a website/ social media profile for your idea & test interest (don't use your family and friends network) and run a small advertisement and measure engagement. This will cost you some money.
2. Perform interviews with potential clients /fans/collaborators avoiding pitfalls
3. Create a proof of concept / prototype and get customers to test it. Will they pay for it?
4. Other valid, low bias method

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## Interviews



- Customer? How will you classify an interviewee as being a likely customer?
- They said yes to 4 of 5 key questions or does it need to be 5 out of 5 key questions?
- What percentage of interviewees do you expect to 'pass' this threshold?
- What percentage of interviewees should 'pass' for you to continue?

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## A/B testing – e.g 2 names (for events, festivals, or album names)



- On a website
- Mailing list
- Can combine with interviews
- Randomly selected subsets of your followers/subscribers
- Two platforms (e.g. for teaching)
- Need a clear metric of success (sign up to mailing list, click throughs)
- More guidance on A/B testing
- <https://hbr.org/2017/06/a-refresher-on-ab-testing>



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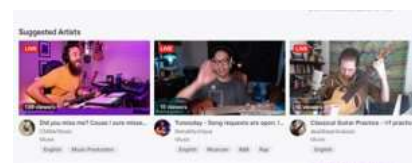
## Pilot / proof of concept /MVP



- For example:
- release your next song
  - Stream a performance on twitch
  - Trial your app
  - Offer a new type of lesson
  - Plan your new event (signups / ticket purchases)

Further guidance

<https://www.adroll.com/blog/marketing/proof-of-concept-what-it-is-and-how-to-do-it-right>



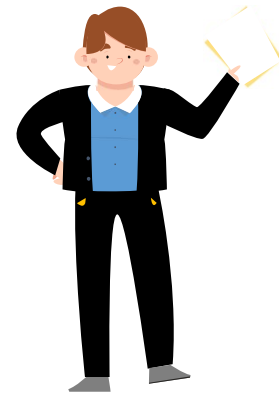
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## 1-1 discussions about your project and research



- Do get started early, and ask us questions now sooner rather than later
- Ask the questions you have now in the breakout rooms



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## Idea Viability



- Proposed explanation made on the basis of limited evidence as a starting point for further investigation.
- The hypotheses we will test relate to the viability of your idea
- Several things will influence the viability of your idea -> multiple hypotheses to be tested

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## Which one is a correctly formulated business hypothesis?



I will interview 20 potential customers and

- a) will make my decision based on these
- b) If I get positive feedback I will proceed
- c) If >50% of customers prefer a group class @ €20, compared to a 1-1 service @ €50 I will create a group class

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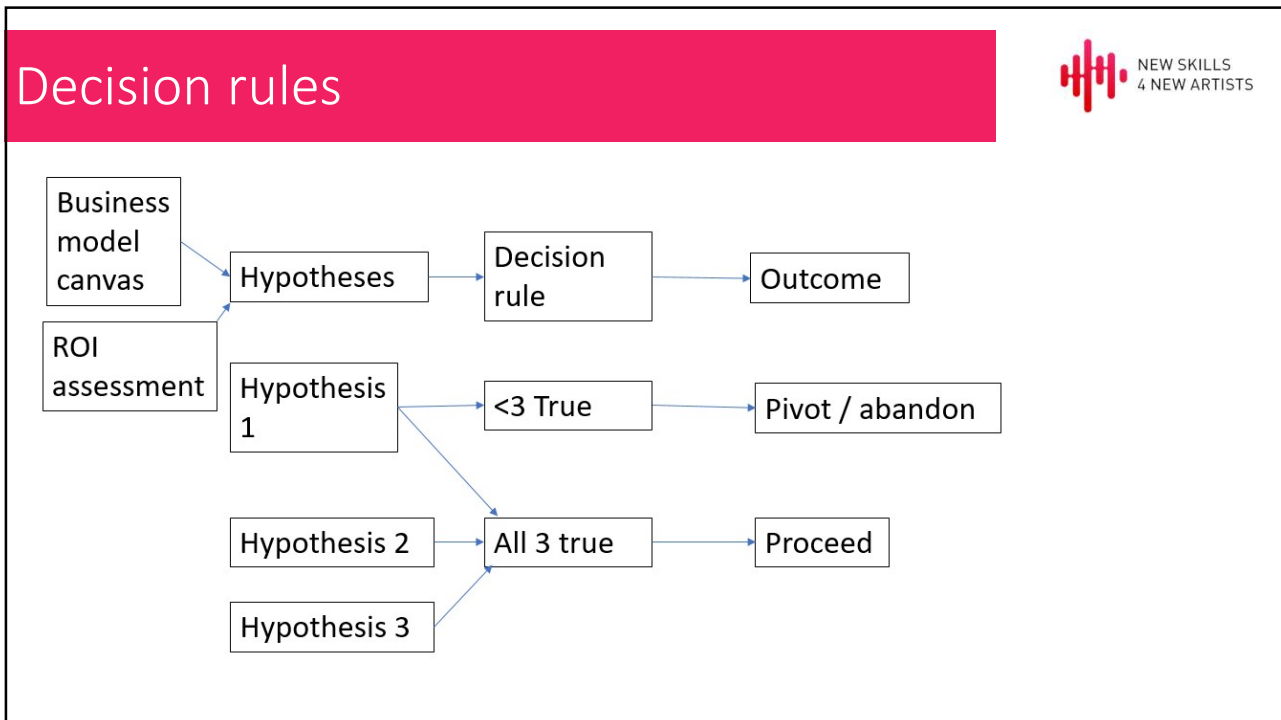
## Which one is a correctly formulated business hypothesis?



I will interview 20 potential customers and

- a) will make my decision based on these
- b) If I get positive feedback I will proceed
- c) **If >50% of customers prefer a group class @ €20, compared to a 1-1 service @ €50 I will create a group class**

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## Can you quantify how good an idea is?

- We will now generate a number that will give us an indication of the potential Return on Investment
- For this, we need to estimate 3 inputs
  - 1.The effort/investment
  - 2.The reward/payoff if successful
  - 3.The chance of success

$$\frac{\text{Reward €}}{\text{Effort €}} \times \text{chance of success} = \text{ROI}$$

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## Expected value



$$\frac{(\text{Reward } \text{€}) \times \text{chance of success}}{\text{Effort } \text{€}} = \text{ROI}$$

Estimate the 3 of these figures roughly now and let us know your answer

E.g. (Reward €50,000/ Effort €10,000)\* chance of success (30%) = ROI of 1.5



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## How do we interpret this?



- If <1 this indicates a pivot or abandon may be wise
- If ~ 1 it is unclear
- If >1, it indicates it is promising

All require further work before making a final decision.

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## In your video



- What was your first ROI estimate?
- What is it now after doing your research?



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## Conditional probability



- Start ups that take a **scientific approach** to assessing their idea, and find it worthwhile have a 20% chance of success.
- This is a conditional chance of success.
- Conditional on the startup doing **the scientific approach**, they have greater chance of success
- The goal of teaching you these challenging concepts is to give 5% (33%) greater chance of success
- 15% success → 20%
- No other approach has been proven as effective as this one

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## Probability has multiple roles



Baseline success (15%)

- Improvement from taking this course (e.g. 5%) might make it 20% (untested assumption as of yet!)
- These are averages for a group.

For you as an individual and your start up

- You will have an estimate of chance of success (1-99%)
- You will do research to inform/improve your estimate
- And therefore make better decisions

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## The power of thinking probabilistically



- A better way to interpret evidence
- This will inform the evidence (research/trial) you will complete about your project idea and how to interpret it.
- Support critical thinking

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## Potential video structure



- Idea (BMC)
- Budget / income statement
- Key questions/ hypothesis
- Research plan
- Results
- Plan for 2022
- Illustrative video -

[https://www.youtube.com/watch?v=nywbAvJ8hn8&ab\\_channel=LorenaCant%C3%B3Wolt%C3%A8che](https://www.youtube.com/watch?v=nywbAvJ8hn8&ab_channel=LorenaCant%C3%B3Wolt%C3%A8che)



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## Getting the most value from what you learned



- Can you create 3 more ideas?
- How many ideas have you in your portfolio?
- Looking for a hit... Release many singles until you get your break.
- Likely need many ideas before one is successful.
- Plan to apply the tools and methods you have just learned again soon or you are likely to forget them!

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