### Answers

#### Chapter 3 Quiz

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
</table>
| 1. List the six new venture typologies. | 1. Copy-cat  
2. Incremental product/service development  
3. Market expansion  
4. Disruptive innovation  
5. Market paradigm shift  
6. New-to-the-world industries |
| 2. What is disruptive innovation? | Introducing radically new products/services into existing markets. |
| 3. What is market paradigm shift? | Changes in established market conventions. |
| 5. What is dominant logic? | Paradigms or conventions that establish a status-quo that is rarely questioned. |
| 6. Define the term **value chain**. | The primary and support activities that add value to a product/service. |
| 7. List nine elements in the value chain. | 1. Inbound logistics  
2. Operations  
3. Outbound logistics  
4. Marketing and sales  
5. After-sales service |
| 6. | Procurement |
| 7. | Human resource management |
| 8. | Technology development |
| 9. | Firm infrastructure |

8. List Drucker’s seven sources of entrepreneurial opportunity.

1. The unexpected
2. The incongruity
3. The inadequacy in underlying processes
4. The changes in industry or market structures
5. Demographic changes
6. Changes in perception, mood and meaning
7. New knowledge

9. List Dyer’s five discovery skills.

1. Associating
2. Questioning
3. Observing
4. Experimenting
5. Networking

10. What is brainstorming?
A group activity that generates as many ideas as possible without criticism.

11. What is futures thinking?
A holistic perspective that develops a vision about the future state after a change has taken place.

12. What are mind maps?
A map of related ideas from one original idea.

13. What is analogy?
Connections between apparently unrelated things.

14. What is attribute analysis?
The features of a product/service are examined to see if they might be altered to provide the same or improved benefits to customers.

15. What is gap analysis?
A ‘map’ of product/market attributes based on dimensions that are perceived as important to customers.

16. What is perceptual mapping?
Maps the attributes of a product within specific categories.

17. What is non-metric mapping?
Maps products in generic groups that customers find similar and then tries to explain why these groupings exist.

18. What is a repertory grid?
A more systematic extension of non-metric mapping that uses market research to group similar or dissimilar products and explains the differences.

19. List the Boyd’s five ways
1. Subtraction

New Venture Creation: A framework for entrepreneurial start-ups
For more resources visit [http://www.palgrave.com/companion/burns-new-venture-creation](http://www.palgrave.com/companion/burns-new-venture-creation)
© Paul Burns 2014
of ‘thinking inside the box.

2. Division
3. Multiplication
4. Task unification
5. Attribute dependency

20. Define the term **lean start-up.**

| 20. Define the term **lean start-up.** | The launch of a product/service in its ‘minimum viable’ state, then using customer feedback in an iterative fashion to further tailor it to the specific needs of customers. |