Incubation. Incubation is the stage during which a person considers an idea or thinks about a problem; it is the “mulling things over” phase. Sometimes incubation is a conscious activity, and sometimes it is unconscious and occurs while a person is engaged in another activity. One writer characterized this phenomenon by saying that “ideas churn around below the threshold of consciousness.”

Insight. Insight is the flash of recognition—when the solution to a problem is seen or an idea is born. It is sometimes called the “eureka” experience. In a business context, this is the moment an entrepreneur recognizes an opportunity. Sometimes this experience pushes the process forward, and sometimes it prompts an individual to return to the preparation stage. For example, an entrepreneur may recognize the potential for an opportunity but may feel that more knowledge and thought is required before pursuing it.

Evaluation. Evaluation is the stage of the creative process during which an idea is subjected to scrutiny and analyzed for its viability. Many entrepreneurs mistakenly skip this step and try to implement an idea before they’ve made sure it is viable. Evaluation is a particularly challenging stage of the creative process because it requires an entrepreneur to take a candid look at the viability of an idea. The process of evaluating the feasibility of new business ideas is discussed in Chapter 3.

Elaboration. Elaboration is the stage during which the creative idea is put into a final form: The details are worked out and the idea is transformed into something of value, such as a new product, service, or business concept. In the case of a new business, this is the point at which a business plan is written.

Figure 2.5 illustrates the opportunity recognition process. As shown in the figure, there is a connection between an awareness of emerging trends and the personal characteristics of
the entrepreneur because the two facets of opportunity recognition are interdependent. For example, an entrepreneur with a well-established social network may be in a better position to recognize emerging technological trends than an entrepreneur with a poorly established social network. Or the awareness of an emerging technology trend, such as digitization, may prompt an entrepreneur to attend conferences or workshops to learn more about the topic, expanding the social network.

Techniques for Generating Ideas

In general, entrepreneurs identify more ideas than opportunities because many ideas are typically generated to find the best way to capitalize on an opportunity. Several techniques can be used to stimulate and facilitate the generation of new ideas for products, services, and businesses. Let’s take a look at some of them.

**Brainstorming**

**Brainstorming** is used to generate a number of ideas quickly. It is not used for analysis or decision making—the ideas generated during a brainstorming session need to be filtered and analyzed, but this is done later. A brainstorming “session” is targeted to a specific topic about which a group of people are instructed to come up with ideas. The leader of the group asks the participants to share their ideas. One person shares an idea, another person reacts to it, another person reacts to the reaction, and so on. A flip chart or an electronic whiteboard is typically used to record all the ideas.

A productive session is freewheeling and lively. The main objective is to create an atmosphere of enthusiasm and originality where lots of ideas are generated. However, there are four strict rules for conducting brainstorming sessions. If they are not adhered to, it is unlikely that the participants will feel comfortable openly sharing ideas:

- No criticism is allowed, including chuckles, raised eyebrows, or facial expressions that express skepticism or doubt. Criticism stymies creativity and inhibits the free flow of ideas.
- Freewheeling, which is the carefree expression of ideas free of rules or restraints, is encouraged; the more ideas, the better. Even crazy or outlandish ideas may lead to a good idea or a solution to a problem.