

CHECKING THE VIABILITY OF YOUR IDEA

It makes sense to assess if your business idea is viable before you invest too much time and money in it. While there's no way to guarantee your idea will succeed, thorough market research will reveal if the time and effort you'll invest in a business venture has a good chance of offering a reasonable return on investment.

Can you answer yes to the following questions? If so, there is a good chance your business idea is viable.

- Do you have a unique selling point?
- Are there people who will want what you will have to sell?
- Are there enough people who will want what you have to sell, at the price you will set?
- Do you have enough money to last until your business is profitable?

DO YOU HAVE A UNIQUE SELLING POINT?

Sometimes a new business will be lucky to find a gap in the market – you might be the only mechanic in town, for example. But most of the time, your product or service will have to compete against similar products or services for customers and market share.

This is why your business needs to stand out from the competition – your unique selling point (USP) is what will encourage customers to buy from you.

Your offering might be:

- Cheaper or more economical to use.
- Better designed and easier to use.
- Locally made with ethically sourced ingredients or components.
- Healthier.
- More environmentally friendly or cruelty free.
- Weigh less, or be made of better material.

A USP is anything that makes what you offer better than similar products on the market. If you have a USP, it's worth further researching the viability of your business.

BUSINESS USPS

With so many businesses online nowadays and customers able to shop anywhere in the world, USPs are getting harder to maintain. However, it's possible to have a business USP even if you don't have a product or service USP.

Examples of business USPs can be your experience and expertise, having contracts in place with the best, most reliable supplier, or simply having the most convenient location.

DO YOU HAVE A MARKET?

Determining who your potential customers are and how many of them are in your area are crucial ingredients to business success.

Once you establish this, the next step is to ensure your market, whether it be teenagers, business people or retirees, will be interested in your offering, at the price you'll need to charge to run a sustainable business. In addition, consider whether you'll be able to sell your product or service more than once to the same customers, or whether you'll need a steady stream of new customers to make one-off sales to.

WHO ARE YOUR COMPETITORS?

Knowing who your potential competitors are is an important part of market research. You need to know their USPs, weaknesses, pricing and marketing strategies.

- Does your product or service really fill a need not already being met by the competition?
- Will your business be able to take a large enough share of the market to break even and start making a profit?
- If you're still answering yes, then it's time to crunch some numbers.

DO THE NUMBERS ADD UP?

Consider the following.

- What will it cost you to produce the goods or provide the service?
- What is your selling price?
- How much demand do you anticipate?

Also consider the return on investment you will get once your business is established. You want to be well compensated for your time, investment and effort.

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If you have any questions, please call 0800 CHAMBER (0800 242 623).

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