

Is your business idea viable?

Turning a brilliant idea into a successful business isn't as easy as it may seem. Even the best concepts fall flat without a proper foundation. Follow these steps to find out if your lightbulb moment is a potentially viable business idea.



Have a business idea?

Lets test it.

Research the market



Thorough research can help you determine the costs, competition, size, and viability of a target market.

Good places to start:



Internet and libraries



Blogs



Magazines, trade journals and newspapers



Other media

Understand the market? Still think your idea is viable? Great! Let's check out the next step!

Defining the paying customer

Define your ideal customers and their buying habits. Define and categorize:



Conduct surveys or polls online



Interview potential customers



Search for existing data on your demographic

Compile results to gain a clearer picture of what your paying customer looks like.

Solicit honest feedback

Don't be afraid to ask others what they think. Let potential customers test a few price points or try out the products themselves.

People to consult:



Family, friends and peers are great resources for objective advice.



Prospective customers, local store owners, or even the competition can offer helpful feedback you can use. (careful not to give away the idea)

Now that you have armed yourself with all this data, let's get started with planning the business.

Consider the marketing strategy

What type of marketing? How much will it cost?

Here are a few basics:



Website: basic sites range from \$750-\$3,000



Social media marketing: cost-effective tool



Low-cost marketing: blogging or product demo videos



Face-to-face networking: build business relationships at local events

Thorough research will help you find the most effective marketing mix.

Determine monthly overhead, sales needed to cover expenses, and net profit.

Assess the costs of your venture



Cost of materials: inventory, ingredients, and components



Cost of labor: time and money needed for service or offering

Once you've calculated the costs, set the pricepoint. Remember, you must cover costs and generate profit on every sale to remain viable.

Research and experience will help you determine the viability and profitability of your idea.

