

SESSION 2: ASSESSING YOUR BUSINESS IDEA

CHECK IT OUT!

Choosing a Business Worksheet

This worksheet will help you ask yourself some tough questions about your business idea.

Most people have one business idea they want to explore. If you have more than one business idea, you'll need to pick one to concentrate on when writing your business plan. This worksheet can help you decide which idea is best for you. If the first idea you choose doesn't make sense after you do some research, you can always try another.

For each business idea, answer yes or no to the following statements:

Business Idea 1: _____	Yes	No
1. I have experience in this business		
2. I'm passionate about this idea		
3. I have enough money to start my business		
4. I have the skills I need for this business		
5. I have enough time to start this business		
6. I have a mentor with experience in this business		
7. My product is unique		
8. I know where my customers are		
9. I can run this business by myself		
10. I know what I would do if the business failed		

Business Idea 2: _____	Yes	No
1. I have experience in this business		
2. I'm passionate about this idea		
3. I have enough money to start my business		
4. I have the skills I need for this business		
5. I have enough time to start this business		
6. I have a mentor with experience in this business		
7. My product is unique		
8. I know where my customers are		
9. I can run this business by myself		
10. I know what I would do if the business failed		

Business Idea Worksheet

Once you've chosen a business idea to research, it's time to do some initial testing.

1. What's your business idea? Is it a manufacturing, retail, or service business?

2. Why did you choose this idea, instead of a different one?

3. Do you have a name for your business yet? If so, write it here (or list the possibilities).

4. Jot down some notes about how your business idea fits in with your personal and business goals. (See Session 1, *Personal Goals Worksheet* and *Business Goals Worksheet*.)

Business Niche Worksheet

Your business niche is what makes your business different from others like it. It's what gives customers reasons to buy from you, instead of your competitors.

List the things that make your business and your product unique. Be specific! For example, you shouldn't say "good customer service," because all businesses say they provide this. Instead, you should explain the things you'll do to ensure good customer service.

Why My Business and Product are Unique		I think it's a niche	Customers say it's a niche
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			

Next, place a checkmark in the second column if you're assuming this item is a niche, or the third column if potential customers have actually told you that you offer something unique.

It's very important to get feedback from potential customers at this stage. What do they want? What can't they find from any of your competitors? Will you be able to meet their needs, and still keep your prices affordable? You can check it out by talking to family, friends, and neighbors who might be potential customers.

Customer Profile Worksheet

Your **primary customers** are the ones who are most likely to buy from you. They are your target market. Your **secondary customers** are the ones who are likely to buy after your primary customers.

For example, a childcare center's primary customer might be single, working mothers with children ages 1 to 4 years old, who live within two miles of the center. Its secondary customer might be mothers who work at a factory three miles away. Because they're farther away, they're a bit less likely to use this center. But they're more likely to use it than people who live or work eight miles away.

Write down your thoughts about your primary and secondary customers below. In upcoming sessions, your research will show how accurate your thoughts are.

If you're having problems being specific, try this: Pretend that you only have \$100 to spend on attracting new customers to your business, and you want to make sure that spending it will result in a sale. Who would you want to attract with this limited amount of promotional money?

	What I think now...	
Customer Characteristic	Primary Customers	Secondary Customers
Gender (male or female?)		
Average age, or age range		
Income level		
Education level		
Residence location		
Employment/job location		
Worker type (professional, hourly, etc.)		
Marital status (married, single)		
With or without children		
Renter or home owner		
Lifestyle/interests (sports, arts, pets, etc.)		
Level of familiarity with your service		
Specific beliefs/opinions that affect your business		
If selling to other businesses:		
Type of business (what industry?)		
Annual sales		
Number of employees		
Location		
Specific to your business:		

Customer Profile Worksheet—continued

After you identify your customers, you need to find out if there enough of them to support your business. Government census data from the Internet or local library can get you started.

You also need to decide what percentage of these customers are likely to buy. (Remember: Not all of your target customers will buy your product!)

You'll be researching more of these and other questions about your target market in Sessions 8 and 9. For now, the important thing is to give these questions some thought.

Beginning the Research Process Worksheet

1. What do you already know about your type of business? How did you get this information?

2. What aspects of your business are most important to its success?

3. List some places you can visit to research your business, or people you can talk to about it.

Resource Checklist Worksheet

This checklist will help you identify sources of good business information. You may also want to start a file of contact information (names, companies, addresses, phone numbers, and so on). This will be valuable if you need additional information later.

Resource	Date Completed (or Already Have Information)	Need to Do By (insert date)
Get familiar with local library		
Read daily newspaper/business news		
Visit/research competition		
Talk to Chamber of Commerce		
Get Local Economic Development Department information		
Get State Commerce or Development Department information		
Investigate trade associations		
Learn about U.S. Small Business Administration (SBA)		
Learn about SBDC (Small Business Development Center) or local Women's Business Center		
Visit banker/loan officer		
Check Internet resources		
Get license/permit information		
Find government census data		
Other:		
Other:		
Other:		
Other:		

Contingency Planning Worksheet—continued

3. Suppose you decided to close your business for good. What steps would you take?

4. If your business closed, what would you do to earn income and pay back any debt?

5. If your business succeeded and grew faster than you planned, describe the steps you would take:

6. List any worries you have, or areas of special concern. How will you address these issues before you start your business?

Your Worksheets Assignment Due for Session 3



Please work on the following worksheets at home:

- *Customer Profile Worksheet*
- *Beginning the Research Process* (finish questions 1 through 3)
- *Resources Checklist Worksheet*
- *Contingency Planning Worksheet* (be ready to share some of your contingency plan steps at the start of the next session)

Review the other worksheets we worked on during Session 2 class time. Write down any questions you have, so that we can discuss them at the start of Session 3.

Writing Your Business Plan



The information you gather in this session, and the questions you answer in the worksheets, will be useful in later written assignments. There is no *Writing Your Business Plan* assignment due for Session 3.



Additional Notes

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.