



Signs that you have a viable business idea

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Do you want to start a business? Perhaps this is an idea you have been thinking about quite a lot. Perhaps it is something you have been thinking about for as long as two years, but not done anything about. You may want a side hustle to help you increase your income, or you may decide that the world of formal employment is not for you and your business will be your career. Whatever your intentions, if you want to start a business then you need a business idea that will get off the ground.

In order to get your business going you have to consider – Do I have a viable business idea? Whether you are thinking about starting a side hustle to bring in more income or starting your own business, there are certain conditions that must be in place for your business to be a viable business proposition. Before you devote a lot of time and resources to opening a business, consider the following.

1. Do you have a product or service to offer? You need a product or service to offer to the market and people must be able to understand what they will get in return for their payment. Be able to articulate what your product or service is clearly so people easily understand what you are offering to them.
2. Are there people who will want, and be prepared to pay for, your product or service? You need people, potential customers that is, to want your product or service. If no one wants what you are offering, and you have no idea how to persuade anyone to purchase what you are offering, you don't have a viable business idea. (Not right now anyway.)
3. Are you able to produce your product and offer your service? You need to be able to produce the product or offer the service fairly easily. If you offer a service, you need people (which could include yourself) to be able to provide the service. If you are offering a product, you need to be able to manufacture the product.
4. Who are your potential customers? You need to clearly define the market you will target. Where are they based? Why would they want your product/service? What value will your product or service provide?

5. Can you make money from selling your products and services? And don't guess this. You need to do calculations. Which means you need to get into the numbers and financials from the word go. If it costs more to manufacture a product or provide a service than you can sell it for, you don't have a viable business.
6. Will there be sufficient market share for you to make a go of your business? Depending on the money you want to make in your business you need a solid portion of market share. Do some research and look at which companies, that is which of your competitors hold what portion of market share. Consider how much market share you want, and how you will take it away from competitors, and/or grow the market.
7. Do you have competitors and who are they? You need to understand who your competitors are, if there are any, for your products/services, and you need to be clear about what they offer. If necessary draw up a table of their offerings and also consider their pricing.
8. What differentiates you from your competitors? Is it service? Is it price? Is it knowledge? Is it high tech products and services? Why would customers buy from you rather than anyone else? In order to market and sell your products and services you need to be able to clearly show what is unique or different about your business.
9. Do you need a bricks and mortar outlet and is there a suitable place? While a lot of businesses will be online, and can thus operate globally, some may also opt to have an outlet in some location. Consider the location carefully. It costs money, but a presence in the right location can be very advantageous.
10. What are the future trends, and will your products and services survive beyond a year or two? You need to understand the industry you are operating in. What are the trends? What do potential customers want and what are they likely to want into the future? Where is technology going in the next five years and how will it impact your products, services and customer needs?
11. Work out your start-up costs as well as running costs on a month by month basis. If you are not sure how to do this get some help from someone who has started a similar business to you. Do you have the funding / money for the start-up costs and the monthly running costs for about a year? You need to work out start-up costs and expected monthly costs, so you can see what you will need to start your business and then run it monthly. Typically, a business can take anything from 12 – 18 months or even longer to get a solid client base and steady income. Do you have the cash to see you through this? If you don't have the cash where will you get it? A loan, funding, investors?

For some people the idea of starting a business is very exciting. For others, it is a truly daunting and sometimes even frightening concept. For a lot of people it is both. However, starting a business is not magic. There are processes and rules to follow, and if you follow them, you can make your journey so much easier. If you are going to start a business then you need to be clear about what it involves. And the first thing to get right is to have a viable idea for now and the near future.