

Finding Your Business Idea: Opportunity Factors Worksheet

Business Idea:

Indicator	Questions	Notes
Demand	Who is most likely to buy this product or service? (Simple demographics)	
	Where is your market? (Local, Regional, National, International)	
	How many of these most likely buyers are in your market? (Demographic data)	
	How many of these people are realistically likely to buy? (Conservative guess)	

Expertise	What technical know-how and skills are required for this business?	
	On a scale of 0-10 (0=not at all, 10=Total Mastery), how well do I possess each of these skills?	
	If I rate below a 7 on any of these skills, do I have the capability to hire or outsource each of them?	

Resources	How much money is needed to start this business? (Best guess x2)	1) Start: 2) Do I have this money?
	How much money is needed to keep it running for the first six months? (Assume no profit, x2)	1) Six months: 2) Do I have this money?
	What raw materials do I need?	
	What equipment do I require?	
	Are there any other resources necessary to start and run this business?	

Profitability	How much would the product or service sell for?	S=
	What is the estimated direct cost per unit sold? (Over estimate)	E=
	Calculate contribution margin	CM=S - E=
	What are your estimated monthly overhead expenses? (Rent, utilities, subscriptions, insurance, admin; over-estimate)	O=
	Calculate breakeven point	O/CM=
	How likely is it that I can double the breakeven point every month?	

Distribution	How will my most likely buyer get access to my product or service?	
	Do I have that distribution channel already set up?	
	If not, how will I get access to that channel?	

Advantage	Do you possess a patent, pending or otherwise, related to this idea?	
	Do you own a trademark that has value, or can you secure rights to use a valuable trademark?	
	Do you have a patent or copyright for software or a unique process related to this idea?	
	If you do not have any of the above, how can you gain an advantage at doing or making something no one else can do or make?	

Based on my answers to the questions above, is this:

- a) A clear business opportunity
- b) Possibly a business opportunity
- c) Most likely just a clever idea
- d) Nothing more than an idea

(Circle your answer above.)