

Business startup series

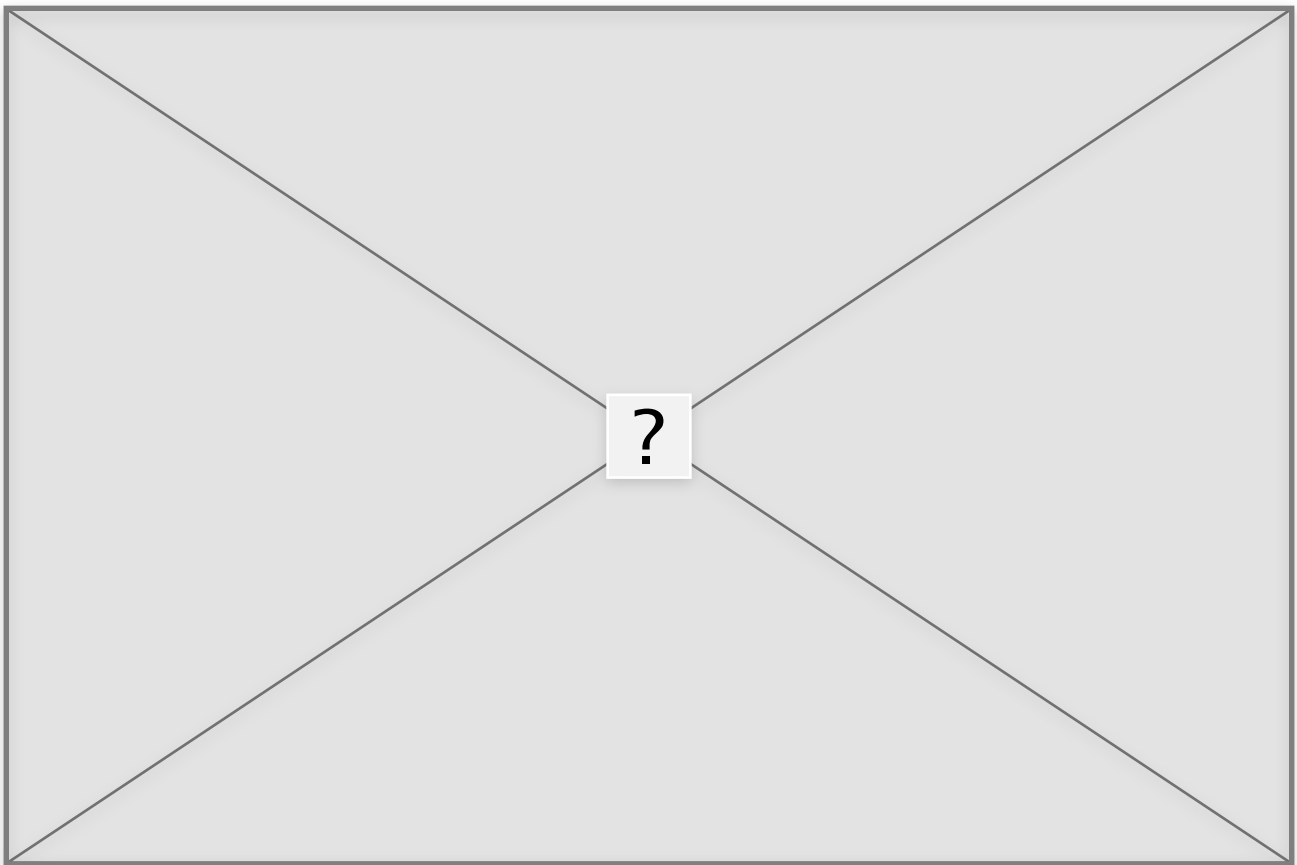
Resource book 1

Business idea development process



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1. How to come up with a business idea:

A lot of work goes into starting a business: you need to draw up a business plan, develop your presence online, and develop your marketing material. Before all that, however, you have to come up with your ideas for the business. This could be a new product, service, or method, but it has to be something that people will pay for. Finding that great idea takes thought, creativity, and research.

Keep this in mind when thinking about your business idea.

Ideas for growth

Think about what services would improve people's lives. Keep a list of your strengths and weaknesses in mind. When you look at that list, does anything come to mind that would improve people's lives?

Spend some time considering your own experiences. With some time and creativity, you can probably identify several products or services that would help you:

On the next page, we are going to look at some of the things that you are good at and enjoy doing. One of the key things in starting your own business is that ideally, you should work at something you love doing.

This is why so many hobbies turn into successful businesses because it's something that people have loved doing for some time and now they have decided to make some money out of it!

This, of course, refers mainly to a product-based business, however, there would be many of you that will choose a service-based business. This might be based on utilising all the hard-earned knowledge and skills developed over many years of working for someone else. A good example of this could be that after years of working in management you have decided to start your own business as an independent consultant, I did, and my business kick-started from there.

2. Product-based business ideas?

A new business idea will likely either be based around a product or a service, each requires some thought and creativity. They both have advantages and challenges that you should consider before focusing on one or the other.

For a new product, you'll have to develop one, or improve upon an existing one, then consider manufacturing to produce it. This is an expense, but a successful product can be very lucrative. Or you could consider other means of selling products like purchasing products online from alibaba.com or elsewhere, and using the fulfilled by Amazon drop shipping program. [Find out more here](#) This is a good way option when considering an existing product however, the cost of advertising can be expensive so please bear this in mind.

This is why the next option is so appealing to many people.

3. Service-based business ideas?

If you are coming from a management, sales or office background then you may be considering a service-based business. Providing a service will eliminate the need for developing and manufacturing a new product.

Many areas could be pursued here when looking at business ideas. You may have been involved in specialist areas or systems in a management or sales capacity, this could fall into the consultancy business area as an opportunity.

You may have been a technical sales manager or sales representative, here you might consider consulting in these areas of starting your own business. An example here might be starting your security advisory service or starting a security installation and service business. There are many service operations these days that can be replicated which could provide an opportunity for a startup business.

Notwithstanding the required qualifications and certifications that may be required in carrying out such work, though as the business owner these may only apply to those actually in the work activities.

Or of course, the business could be just you as a sole trader, which is probably the best option.

Some ideas for sole traders are listed below ...

- **Start a consulting business:** If you have a good what I call **KSE** set, meaning **K**nowledge, **S**kills and **E**xperience then one of the best services you can offer is to start an independent consulting business. If you have a good range of **KSE** then this could be worth considering.

There are businesses, entrepreneurs and aspiring entrepreneurs out there who will be willing to pay for your services as long as they will get results. It is important to state that your **KSE**, pedigree and the deliverables that you command are your most effective marketing tool as a consultant.

This is one of the best ways to return to work quickly if you have lost your job for any reason. Even if you are in retirement this is a great opportunity. There is merit to being part of the **grey army**, and believe me, a little grey hair means experience, and experience means dollars, trust me, consulting was my golden ticket.

Now refer to some of the examples that follow, which all are forms of independent consulting in one way or another.

- **Online marketing:** Online marketing is one of the business-to-business services that you could start. If you have marketing skills, you can source for companies that are looking for people to help them market their goods and services.
- **Freelance writer:** Freelance writing and content creation is something for those who are looking to start a business-to-business (b2b) service. Just like most online businesses, you can start this type of business with little or no startup capital. You could also sign up to [Medium](#) and other platforms and earn money blogging.
- **Freelance graphic designer:** Another area that you might consider is freelance graphic design. You can set the hours you work to suit yourself, choose the type of projects that you want, and build your portfolio. From website design to blog graphics and more, many people seek out graphic designers to support them on a variety of projects. There are many Apps out there that can help in you this area, one of the best being [Canva](#) and there is a free version.
- **Video coverage and photography:** Video coverage and the photography business is yet another service that is worth considering if you have experience in this area.

Several businesses depend on professional photographers to help them take professional photo shots of their products, to display them on their website or in their publications (*brochures, catalogues, diaries, calendars etc*).

Also, don't rule out wedding photography, start with friends and family then work your way up from there. You will need a website to display your work, choose a platform like [Squarespace](#) which have many great templates for photographers.

No doubt you would have developed many contacts over the years so do what I did and contact them one by one, starting with the best ones first. I met up with them (*usually over a coffee*) and reminded them of my skill sets and how I could help them and over time the opportunities started to trickle in.

I needed to be flexible, and a fast learner for some of the opportunities that came my way. However, I was a good researcher and I knew exactly where to find stuff online, and whom to call and meet to pick their brains. So by the time I delivered my assignments I was pretty much an expert on the subject.

A word on qualifications:

Personally throughout my consulting career I was never asked once about what qualifications I had. It was always about the knowledge, skills and experience (**KSE**) that I brought to the table that the client was interested in and ultimately paid for. Sure if your **KSE** is centred around finance, accounting or other professional services then the expectation would be that you would have the required qualifications to match what you were consulting on, ultimately you would have to be the judge of this.

4. More ideas to help when starting a business

Here is a mixture of tips and ideas for both product and service businesses.

(a) Identify a problem with an existing industry

Frequently, businesses or inventions began because someone was frustrated with the current way of doing things. A good way to come up with a business is to look for these problems. If you're feeling frustrated about something, it is possible that others feel the same way, which gives you a potential opportunity. Creating Apps is a good example of this.

An example might be that no one in your area provides repair work for lawnmowers. You could remedy this by providing that service, and enlarge your thinking around other services that you could provide. This might be gardening, leaf blowing and garden tidying up etc.

(b) Build upon an existing business idea

Rather than a problem with the current industry, you might notice something that a business does well. Take that and see if you can improve upon it, maybe even in a different area. By taking ideas one step further you could carve a niche for yourself.

(c) Look towards the future

Become an innovator, don't stick with old methods or technologies, but rather look ahead and see what could be a thing of the future.

You can do this by asking yourself what the next logical step is for a product or service. Since online learning and video conferencing are becoming more popular, for example, you might want to start a business that specialises in training entirely live online. Check out [Skillshare](#) and a new favourite of mine [PayHip](#) which provide options not only for **online course** creation but also:

- Digital downloads
- Coaching
- Memberships
- Physical products

(d) Conduct preliminary research

While market research is usually only used after you have an idea, you can do some early research to discover what people value. This can help you come up with an idea based on people's wants and needs. Investigate the internet and see what the common keywords or internet searches are, then Google these keywords, or look them up on Google Trends. This will show you what people search for most often, which can spark ideas for you in terms of ideas for business. Also, check out [Keywords Everywhere](#) or [KeySearch](#) (which I use) and understand the process for Keyword Research this will help you enormously in your business down the track.

(e) Apply your skills in a different area

Another way to come up with a new product or service is to use skills you've acquired in another area. Often you can creatively apply skills learned elsewhere to improve a completely different field. When considering your business ideas, take all of your skills into account. You may have a certain talent that could work well in a different field.

(f) Write down all your ideas

Every idea, no matter how small or how seemingly pointless, could have value. Get into the habit of writing down every idea you have in a notebook or on your smartphone. Carry this with you at all times, because you never know when inspiration could strike. This way all your ideas can be kept in one convenient place. Flip through it regularly to see if you can expand on any of what you've written down.

Though you can keep your notebook with you, you should consider dictating on your phone or computer (*the phone is best*). That way if your notebook gets lost or damaged, you have a backup (*make sure you have a backup set up on your phone*). Also, digital files will allow you to catalogue your ideas more neatly and effectively and will be easy to locate.

(g) Foster your creativity

Don't be too critical of your ideas at this stage. During this brainstorming period, you shouldn't feel constrained. Instead, free your mind and see what you come up with. There are several ways you can stimulate your creativity and help come up with ideas.

Take walks. Several studies have documented that walking helps stimulate brain activity, particularly creativity. Commit to taking a walk a few times a week, especially if you're feeling stuck. Not only will this benefit your health, but it can help you come up with your next great idea.

Be sure to take your smartphone with you on walks to capture any ideas you come up with. If you need ideas, go to a local store, preferably a department store with a lot of products. Then just walk the aisles and take note of the products you see. What do they offer people?

Also take note of what you don't see, as this will give you an idea of what isn't on the market that may be a saleable product. Talk to people from diverse fields. If you're trying to come up with new software, don't only talk to fellow computer experts. Branch out and talk to people from different fields, especially fields that you aren't familiar with.

See how they use products or services to improve their lives. This will help you think outside the box and look at things from a different angle. A new viewpoint can give your creativity a big boost.

(h) Take breaks

Though it is a bit cliché, the stories of people coming up with brilliant ideas in the shower are true. The brain often thinks up ideas when you're not forcing it to. By taking a step back, you're letting your brain rest. During that rest time, you should do your best to not think about your business, product, or anything related to it.

Distract your brain with a movie, a book, a walk, or any other activity you enjoy. During your break, you may just have a eureka moment that solves the problem you've been having and capture this gem.

5. Evaluate your ideas

Weigh your strengths and weaknesses with your plan. You may have a great idea, but no real way to implement it. Before moving on, think about if you could follow through with this plan. For example, if you think you could open a restaurant, but have never worked in one before this idea is a little bit out of your reach!

(a) Investigate if someone has already come up with your idea:

If you've thought of an idea, someone else may have also thought of it. As soon as you think you have a business idea, investigate if someone has already done it. You don't want to put months of work and financial investment into an idea, only to find out at the last minute that someone has already done it.

To avoid this, make sure you do thorough research and find out if your idea is truly original. Use a Google search and type in the service or product you have in mind. You may not get an exact match, just follow all leads to determine if someone has already started a business like the one you are considering.

(b) Investigate the competition:

If you do find out someone has already come up with your idea, don't panic. Plenty of new businesses have a lot of competition when they start, and they beat it by providing a better service or product. Now you have to investigate your potential competition.

Try becoming a customer of the competition. Buy their product or service so you can see first-hand how they operate. This way, you can examine your competition closely and find ways to improve upon their business.

Call the competitors and ask questions about their product(s) and talk to their customers to find out as much as you can. Conduct formal or informal surveys of your competition's customers. Ask them specifically what they're satisfied and unsatisfied with, so you can adjust your own business to their concerns.

Look at your competition online. There may be review pages or blogs that discuss your competition. Read these carefully to find out if people are unhappy with anything your competition does.

Finally, see if you can conduct mystery shopping on the phone and ask some questions about the product or service that lines up with what you are looking to start. You will be amazed at what you can find out just by doing this.

(c) Talk to potential customers:

Once you've formulated what you think is a good idea and told a few close friends, you need to go out and see if there is a market for your product or service.

You can do several things to determine if anyone would be interested in your business.

Conduct interviews in person. Go to areas where people might be interested in what product or service you have ideas for. For example, if you're developing a new range of fishing lures (or something similar), go to several camping goods/fishing stores and talk to people in the fishing section. Ask if you can stick around for a while and show their fishing customers your lures and get their opinion. The customers may also give you some ideas on improving the lures or ideas on other products they would like to see.

Give a very brief description of your proposed business, and ask shoppers if they would be interested in that sort of product. Be sure to keep your interactions short. While some people may be interested in talking further, most will probably get annoyed if you take too much of their time. Send out surveys via email. There are easy ways to design a simple survey using a platform like [SurveyMonkey](#)

(d) Identify risks and obstacles:

There are a few business problems many start-ups may encounter, so keep the following in mind.

Be willing to change. If you establish your business successfully, the market can still change around you. Keep up with these changes to stay competitive.

Quickly move on from failure. Many start-ups fail. You have to understand that this doesn't have to be the end, and you can start again with a better idea. There are many start-up examples in this document to keep your ideas flowing.

(e) Determine if you have a viable plan:

After all of this, you'll have to make a final judgement on whether or not your plan is doable. Several components go into evaluating your plan. Take all of them seriously to get a good feel for if you should continue with your plan.

Take into account all of the interviewing and surveying you've done. Is there a market for your idea? Be honest with yourself here don't convince yourself that there is a market if only a few people were interested. If no one will buy your idea or product, move on to another idea.

Make sure you have exhausted all possibilities like:

- Posts on social media
- Blog posts
- Facebook and other ads

What's your level of competition? If the competition will be stiff, you'll have to work cut out to outdo them. Take some time to define how exactly you'll be better than your competition to give yourself a fighting chance. Think differentiation!

Do a cost analysis of your plan. Even if there is a good market for your idea, you have to find out if it's economically viable. If start-up and maintenance costs are very high, perhaps you should reconsider.

Also, think about where will you get financing if you need it. Find out how much your idea will cost, and how much you can expect to earn from it.

(6) Making your idea a reality:

After carefully evaluating and weighing up your different ideas, you should come up with one that is your best and suits your *knowledge, skills, and experience*, your **KSE**. This then should be the idea that you focus your efforts on. After choosing your best idea, start implementing steps to make it a reality.

(a) Decide on your business structure.

The most common types of business structures available include:

- **Sole trader/ proprietor** - This is the most common type of all the business structures and the easiest to set up. *Go with this first.*
- **Partnerships** - At least two (or more) people operate as partners in the business.
- **Companies** - The company/corporation set-up is by far the most regulated of all the business structures.

(b) Develop a plan for your business

When you've decided on which idea you'll focus your efforts on, you'll need some kind of business plan before moving on. A business plan defines your company, and the service it provides, and projects the company's potential costs and earnings. This will help you to focus and organise your ideas,

If you are interested in finding more about starting a business then you should check out **[How to Start a Service-Based Business.](#)**

