

Research/Feasibility: Your First Step



Research starts at the first question you ask. All of the information you will first gather is to answer the question, “Should I start this business?” As you develop the answer you might even change the purpose of the business. Some ideas might be shelved for the future.

1. Personal Considerations

Start small. Talk to friends, family and coworkers to begin to collect your thoughts. Ask everyone to evaluate your ideas honestly. Start to form your mission statement.

Network. Talk to other business owners to discover the realities of owning your own business. How many hours do they work, how soon did the business start to show profit, how soon could they take a salary, what personal qualities helped them, what personal weaknesses did they have to overcome?

Self-evaluate. Use the answers to the above questions and consider the following:

- Do you know why you are considering starting a business?
- What end results do you expect?
- Do you like making your own decisions?
- Do you have the ability to be the decision maker 24/7?
- Do you have the stamina to work the hours required?
- Do you have drive, motivation and emotional strength?
- Are you prepared to do the work of a “no show” employee in addition to your own?
- Do you plan ahead? Can you meet deadlines?
- Can you set realistic goals and work toward them?
- Can you accept living at a lower standard for perhaps years?
- Are you prepared to use your savings?
- What skills are needed and do you have them?
- Will this business match your career goals?
- Do you know exactly what arrangements you will have to make if you are going to keep your present employment?

2. Research the Field

Network with owners of similar businesses. Common sense says to do this in a location other than your prospective area. Usually people love to talk and give advice. Call first to schedule an appointment and stick to the amount of time allotted. Remember, their donated time is money.

- What companies are serving the market?
- What companies may be considering a similar product?
- How are their businesses' sales—steady, increasing, decreasing?
- How is your product different from theirs?
- Can the market support your entrance?

Visit the Chamber of Commerce. Ask what organizations exist to help develop new businesses. For Tippecanoe and the surrounding counties, see the Appendix section.

Libraries usually have older information, including local demographics, how-to books and business magazines. For library listings, see page 52. Join associations, attend workshops, use the Internet. The Greater Lafayette Small Business Development Center offers a free workshop every month on starting a business. An Entrepreneurship Academy is offered every year also. This academy has a fee, but the Lafayette Urban Enterprise Association and others offer scholarships to qualifying persons. The academy runs 10 weeks and meets once a week.

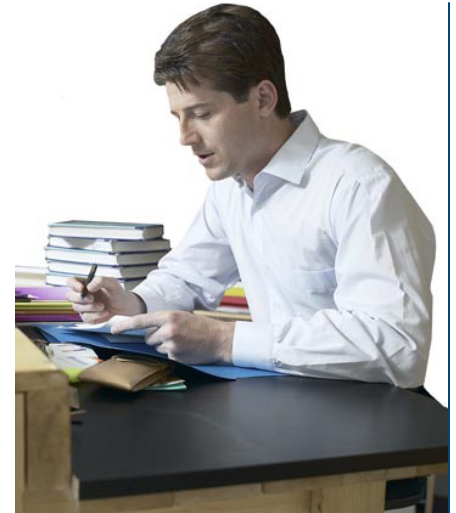
3. Determine Your Market

Determining who will be interested in your product or service requires research and planning.

- Who are your customers, and what is the basis for their purchasing decisions?
- Why will they want your product or service?
- Can they afford your product?
- What makes your business different from your competitors? What need of theirs do you fill?
- What are some problems you might encounter?
- How much of the market do you intend to capture?
- Is product demand seasonal or regional?

The public libraries may be the best places to start. They offer useful reference materials and a helpful staff.

Businesses in noncompetitive locations. As long as you pose no threat to them, what better source of information than those who have been “in the trenches” for some time? Look for a city of comparable size, see if your type of business exists there and talk to that owner. Be honest about what you’re doing, and have questions prepared ahead of time to minimize the time you take.



Prospective customers and interviews with people who might later become customers can be very valuable. Be sure that your target market needs what you will be offering, is accessible to you (through advertising and promotions, location and distribution methods), has reason to deal with you rather than your competitor, and is substantial enough to support your business.

The Lafayette-West Lafayette Chamber of Commerce offers information on business and changes in the area. It also offers a number of opportunities, such as its annual Business Expo.

<http://www.lafayettechamber.com>

Greater Lafayette Small Business Development Center (SBDC), sponsored by Purdue University with support from the Lafayette-West Lafayette Economic Development Corporation and the Lafayette-West Lafayette Chamber of Commerce offers personal consultations and referrals to other helpful resources.

<http://www.isbdc.org>

Marketing strategy comes from listening to your customers. They are not just buying a product or service. They are purchasing the benefits that your product or service has to offer. A good way to begin your marketing strategy is to determine how your product or service benefits the customer. Then analyze the best way to focus on these aspects. Locally, you may promote your product on radio stations, through area newspapers, on the television station, or in a number of other ways. Again, keep the tastes and interests of your target market in mind when determining the best way to reach it.

Periodically conduct feedback to determine the efficiency of your placement and message. Your need to be aware of your market and respond to it does not end when you open the doors. It is an on-going and important process. You must continue to be aware of your target market and possible changes in tastes and preferences.

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