

Will It Fly

Test Your Business Idea

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Jennifer Croft – About Me



- started my own business when I was 20 years old
 - have taught more than 3,000 people how to start and run their own businesses
 - have more than 35 years experience in marketing
 - owner of Croft Communications, Inc. – an SEO firm
 - founder of www.fiveminuteclasses.com
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- teach a 2-day “Business Bootcamp” through the Commons on Champa
 - offer a free “SEO Q&A Session” every 3rd Wednesday of the month (remote), from 11 am – 12:30 pm (Colorado time); RVSP through The Commons on Champa
 - split my time between Denver and Winter Park

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Introductions

Introductions

- your name
- briefly (1 minute or less) tell us about the business(es) you're thinking of starting

10 Criteria To Test Your Business Idea

- why bother testing your business idea
- what is the importance of the 10 criteria



Marketing

#1: Target Market

Evaluate your target market:

- what are you selling
- who are you selling to
 - business-to-business or business-to-consumer
 - industry
 - demographics
 - psychographics
- what's the size of your target market (is it shrinking, stable, or growing)

#2: Marketing Plan

Evaluate your marketing plan:

- what types of marketing will you do to reach your target market
- what will be the rate of return (ROI) on your marketing

leads

initial sales

reorders

lifetime value of a customer/client

- Resource: <https://www.fiveminuteclasses.com/worksheets/small-business-free-marketing-plan-template/>

#3: Competition

Evaluate the competitive landscape:

- where will you position yourself in the marketplace, in terms of price vs quality/service
- how do you stack up against 3 of your competitors, in 5 primary categories
- Resources:

<https://www.fiveminuteclasses.com/wp-content/uploads/2017/04/Price-vs-Quality-Service-Worksheet-PDF.pdf>

<https://www.fiveminuteclasses.com/worksheets/small-business-competitor-comparison-template-spreadsheet/>



Money

#4: Start-Up Costs

Evaluate how much it will cost to start the business:

- how much will it take to start the business and where will the funds come from
- how will your cash flow
- when will you reach breakeven (without a salary and with a salary)
- Resources:

<https://www.fiveminuteclasses.com/worksheets/small-business-startup-costs-template-spreadsheet/>

<https://www.fiveminuteclasses.com/worksheets/small-business-cash-flow-template-spreadsheet/>

#5: Earning Potential

Evaluate the earning potential:

- how much will you have to sell and/or produce to make the salary you'd like
- Resource:

<https://www.fiveminuteclasses.com/worksheets/personal-monthly-budget-template-spreadsheet/>

#6: Income Stream

Evaluate the potential income stream:

- will you have steady reorders
- is there potential for passive income and/or residual income
- will you have contracts
- will you be able to get referrals (from word-of-mouth and/or gatekeepers)
- is the business scalable



Personal

#7: Good Fit

Evaluate whether your business idea is a good fit for you:

- do you have a passion for the business
- do you have experience and/or expertise
- do you have management skills
- is the business “portable” and/or flexible

#8: Timing

Is the timing right:

- is the timing right personally
- is the timing right in the marketplace

#9: Risk Level

How much risk level is there:

- how much financial risk
- how much legal risk
- how much competitive risk
- how much changing trends risk



Exit Strategy

#10: Exit Strategy

Is there a clear exit path:

- will you be able to sell or transfer the business when you're ready to quit



Score Your Idea

Score Your Idea

Give each of the criteria a score of 1-10, 10 being the highest:

#1: Target Market

#2: Marketing Plan

#3: Competition

#4: Start-Up Costs

#5: Earning Potential

#6: Income Stream

#7: Good Fit

#8: Timing

#9: Risk Level

#10 Exit Strategy



Next Steps

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Next Steps:

- use www.fiveminuteclasses.com as a resource (there are 50 videos and 20 worksheets – all of which are free)
- 2-day Business Bootcamp at The Commons:
<https://www.thecommons.co/business-bootcamp/>
- 10-week Co.Starters program at The Commons:
<https://www.thecommons.co/costarters-at-the-commons/>
- Free “Power Hours” at The Commons: <https://www.thecommons.co/power-hours/>