

Opportunity Screening Guide

*Some straight forward questions to ask
yourself before you do your business plan*

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Welcome to the Opportunity Screening Guide. We prepared this guide to help you lay the foundations for preparing a business plan for an idea you have identified.

The Guide's content asks you 45 in-depth questions that can be used for any opportunity you are considering. It is designed to get you thinking about important details of your personal life and your business idea. The answers you provide in this booklet will serve as an excellent base for your planning process. So, be thorough in your explanations now because it will help you later.

If you do feel that you have identified an opportunity and that you are ready to proceed, the next step will be to prepare your business plan.

You may find need to complete more research on the opportunity to accurately assess your opportunity. You can always make another copy of this guide to try answering the questions again. It will be helpful for you to compare your answers each time you work through the Guide.

You may either find that based on the answers you provide your idea does not present an opportunity for you right now. Or, perhaps you are just not quite ready to start your own business yet based on your current needs and capabilities. Either way, don't be discouraged, because we're always ready to help you find the right path to get you prepared to start the kind of business you want.

The Opportunity Screening Guide has 10 sections:

Part A	Your Business Idea
Part B	The Opportunity Conditions
Part C	Current Status of Your Idea
Part D	The Market and Your Customers
Part E	Your Competition
Part F	Financing and Profitability
Part G	You and Your People
Part H	Fatal Issues
Part I	Other Issues and Considerations
Part J	Final Thoughts

Please review each question carefully. We encourage you to review the whole guide at first, then try the questions one section at a time. When you feel you are finished, please contact us to make an appointment to review your results, and to discuss what you have learned in the process. We will then be able to help you plan your next steps toward building your own business.

PART A

Describe Your Business Idea

Question 1 What is the business you want to enter? (25 words or less)

Question 2 What products, services or activities will be sold?

Question 3 What is the estimated life time of the items that you will sell?

Question 4 Will your business operate locally, provincially, beyond?

Question 5 Describe objectively the strengths and weaknesses of the product, service or activity. (Be Realistic)

PART B
Opportunity Conditions

Question 6 What is it about the trends, competition, market conditions, economics and your capabilities that create this opportunity? How long will these conditions exist?

Question 7 Why do you believe that you can seize and capture this opportunity?

Question 8 What are the prospects that the venture can be successful?

Question 9 Are the risks, rewards, trade-offs acceptable to you?

Question 10 Do you plan to enter the market as a full-time business or otherwise?

Question 11 What is the opportunity for growth?

PART C
Current Status

Question 12 Do you have samples and/or prototypes available? Do you have any letters of intent or pre-sales?

Question 13 How much time and money do you estimate it will take to develop the product or service, test it with customers and open the business?

Question 14 Does your product and service involve any kind of proprietary protection (i.e. patents, copyrights, trademarks)? Have you started this process?

Question 15 Do you have a business name registered and location and suppliers identified?

PART D
The Market and Your Customers

Question 16 What industry does your opportunity exist within?

Question 17 Identify as many trends taking place in your industry as possible.

Question 18 What do you estimate to be the total market size for your product or service? How did you arrive at this figure?

Question 19 Where do you get your industry/market intelligence?

Question 20 Who are the primary customers that you are targeting? Provide as much demographic and psychographic information as possible.

Question 21 Are there other groups of people that will also benefit from your product or service? Name them specifically.

Question 22 Have you sold to any of these groups in the past?

Question 23 What are the benefits that these groups will derive in purchasing from you?

Question 24 How often will a customer return to purchase from you?

Question 25 Where do these people buy competitive or substitute products now?

PART E
Your Competition

Question 26 List your major direct competitors (serving the same market niche) in order of their reputed share of the market. Identify which company is the price leader, the quality leader, the most innovative, growing the most rapidly, apparently having trouble or even failed (explain why).

Question 27 Identify major indirect competitors (producers of substitute products) and describe them and how they may impact on your sales.

Question 28 For each competitor, describe their marketing tactics (i.e. sales force, terms of sale, promotional tactics, distribution and service)

Question 29 How much control and influence, if any, do you have among customers, suppliers, and the channels of distribution?

Question 30 Describe your major competitive advantage(s) (e.g.: location, process, access to resources, people)

Question 31 Describe your strategy to gain advantages over your direct Competitors and in what time frame you expect to be able to gain them.

PART F
Financing and Profitability

Question 32 What is your best estimate of the capital required to setup and operate this business for three months? How will you raise it?

Question 33 Estimate your potential profit after taxes, and in relation to the start-up capital and operating expenses, how long will it take until you have a positive cash flow? Until you break-even?

Question 34 What is your gross margin (Sales minus Cost of Goods Sold) on the sales of your major products and services?

Question 35 Does the level of profit that you estimate seem attractive as a return to you for all your effort? Based on your profit estimate, is the rate of return attractive for investors? for you?
(return on investment = net profit after tax / total assets)

PART G
People Issues

Question 36 Do you feel working on this business idea will help you fulfil your personal goals? Are you sufficiently committed to the opportunity and the potential outcomes? How does this commitment translate into hours of time you are willing to invest and dollars you are personally willing to invest?

Question 37 What management know-how, knowledge of the industry and other skills are required for success? Do you have these skills?

Question 38 What are your estimates on the number of staff you need to operate your business?

Question 39 What is your strategy to hire and maintain your staff? Can you instill your vision and motivation into those who you may hire?

Question 40 Do the significant others in your life support you in this venture?

PART H
Fatal Issues

Question 41 In order of importance, what are the major risks and problems that you can identify in operating this business?

Question 42 How will you monitor the likelihood of one of these problems approaching?

Question 43 How you do to maximize your ability to anticipate and survive any of these perceived threats?

PART I
Other Vital Issues

Question 44 Are there any other vital issues or considerations relevant to the nature of your opportunity and proposed business?

PART J
Final Thoughts

Question 45 After reviewing and answering the questions in this booklet, describe how you feel about the possible viability of your business idea.
