

Kansas City SCORE

SESSION 2: Business Concept

Polishing Your Business Idea



About SCORE

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- Non Profit
- Started in 1964
- 320 Chapters
- 10,000 Volunteers
- Successful and experienced executives acting as volunteers
- Seminars and workshops
- Free Mentoring
- score.org

Welcome!

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- Please take a second to respond to the poll.

Agenda

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- Identify Your Target Markets
- Collect Valuable Competitive Information
- Create a Compelling Position in the Market
- Test Your Product or Service

Capture Your Dream

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They all started with a dream!

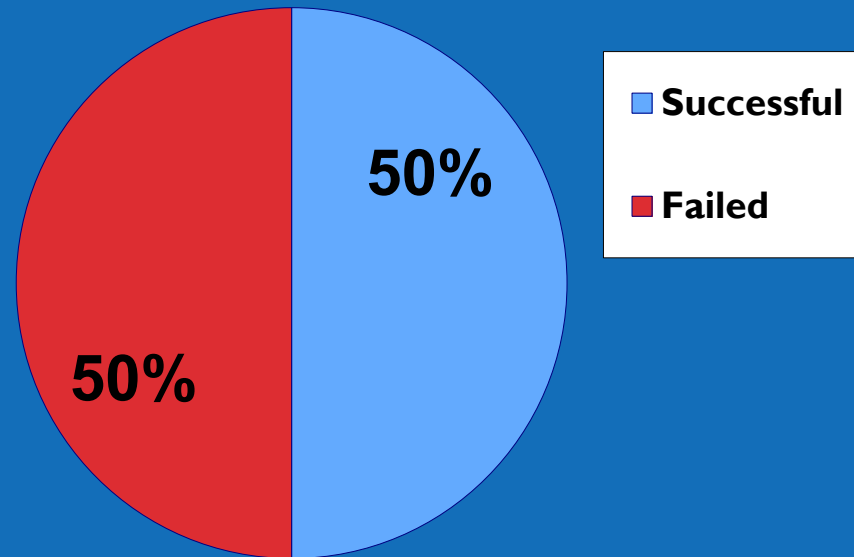
- Steve Jobs
- Bill Gates
- Mary Kay Ash
- Walt Disney
- Steven Spielberg
- Oprah Winfrey
- Sam Walton

What is your dream?

Reality: Proper Planning is Key

After 5 Years

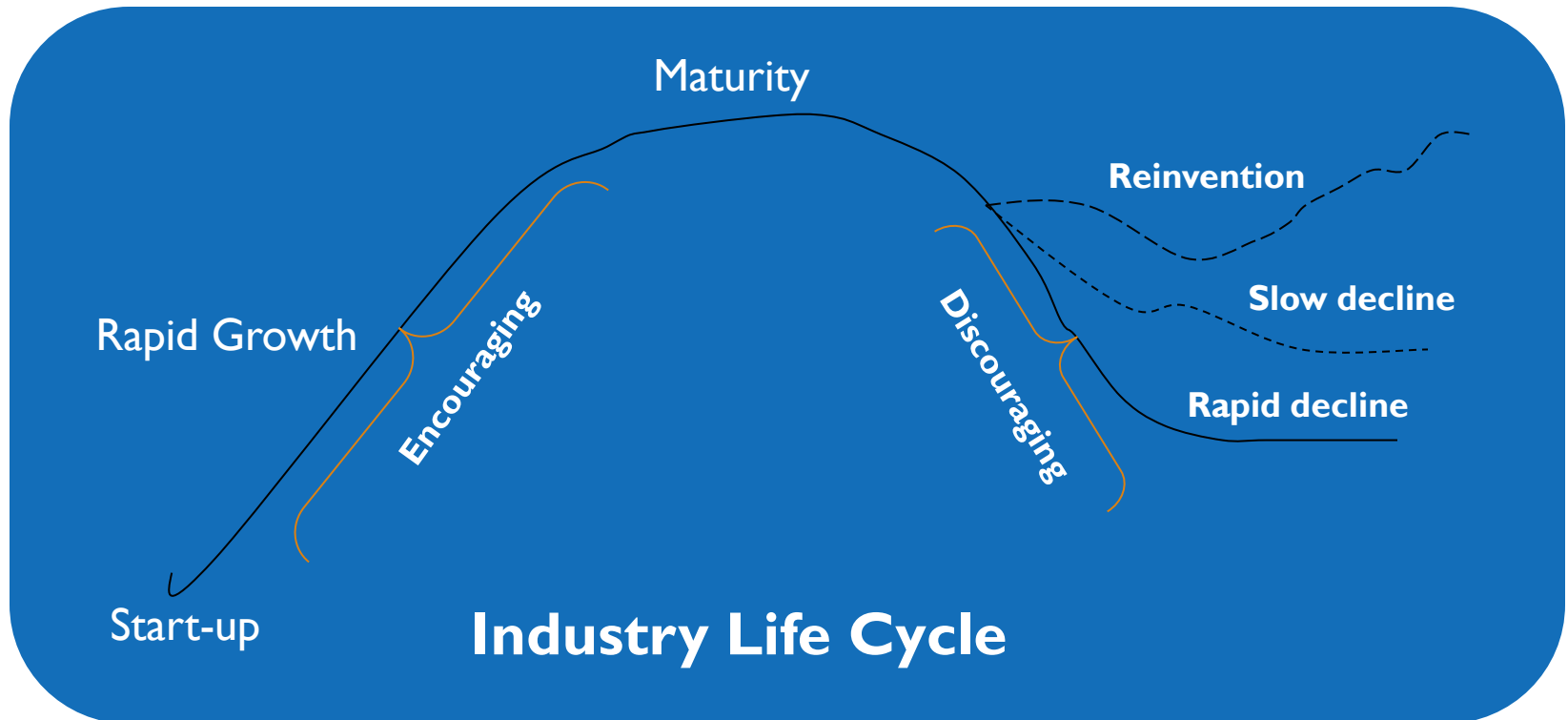
Percent of
New Businesses
(2+ employees)



Source: SBA Office of Advocacy, Frequently Asked Questions about Small Business, March 2022

The Industry Life Cycle

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Where is your industry now and how might it change in the future?

Other Market Trends

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Important Considerations

- Political
- Social
- Environmental

Trend Sources

- Newspapers
- Periodicals
- Television
- Internet / Social Media



Essential Questions

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- Do your customers really need it?
- Can you give it to them?
- Will your customers be your champions?
- Will you make a profit?



Your Skills

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Your Experience

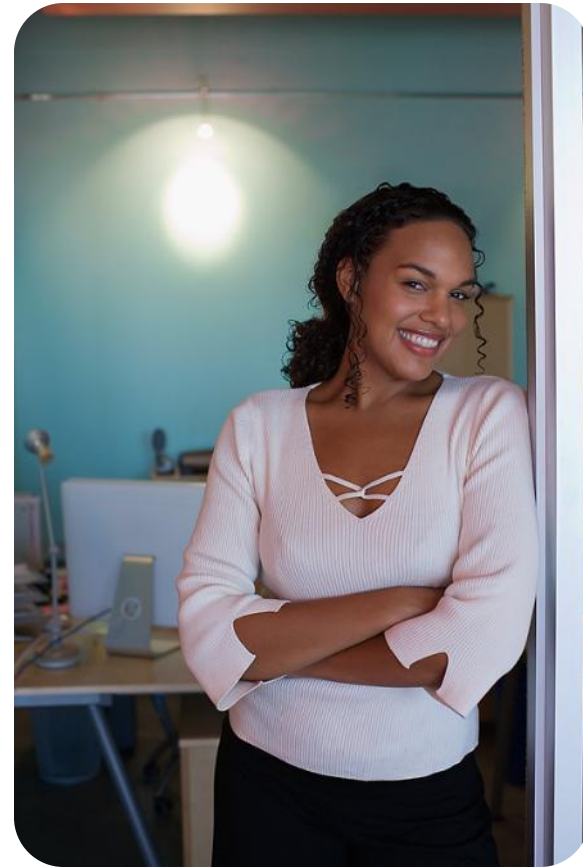
- Skills that fit your idea
- Experience working in this business?
- Personal risk tolerance
- Family situation
- Time and energy
- Motivation

Business Concept / Idea

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Defining a Market Need

- Need fulfilled or problem solved
- Product/service features and benefits
- Competitive advantage



Identify Your Target Markets

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- You must know how to get and retain customers
- You can't afford to reach everyone
- You can't make everyone happy

What Are Your Target Customers Expecting?

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Most customers have experience buying from the competition.

They have developed wants, needs and expectations.

You must know how to create a happy customer.

Who Is Your Ideal Customer?

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A
B
C
D



Target Markets

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Who are your ideal customers?

- Type: retailer, consumer, etc.
- Income level/ability to pay
- Demographics
- Lifestyle
- “Hot Buttons”



Collecting Key Competitive Information

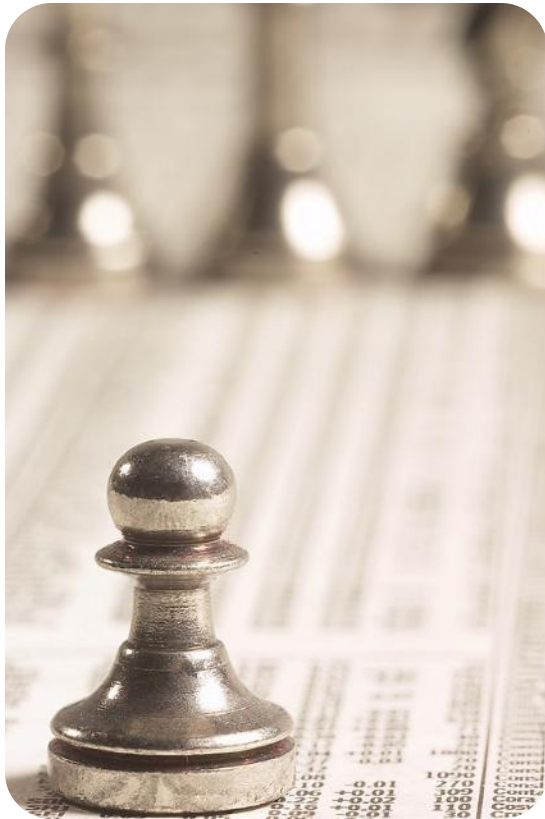
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- Industry
- Competitors
- Market Trends

Competitive Analysis

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A competitive analysis should examine your competitors’:

- Features,
- Market share,
- Pricing,
- Marketing,
- Differentiators,
- Strengths,
- Weaknesses,
- Geography, and
- Customer reviews.

Ongoing Competitive Research

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- Be the Customer
- Find and Follow 5 Smart, Successful Companies in Your Field
- Bookmark them, like them on Facebook
- Capture their marketing ideas, products, services, pricing, etc.

Create a Compelling Position in the Market

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Why would customers purchase your offering rather than go to a competitor?

What unique items are you selling?

What are your strengths and special interests?

What do customers want that they aren't getting?

What motivated you to start this business?

Test Your Product or Service

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Before spending significant money:

Give it to a small group of knowledgeable users to try out.

Make “exploratory” sales calls.

Make note of questions, issues, problems and objections.

Ask questions to clarify feedback.

Resolve issues and retest.

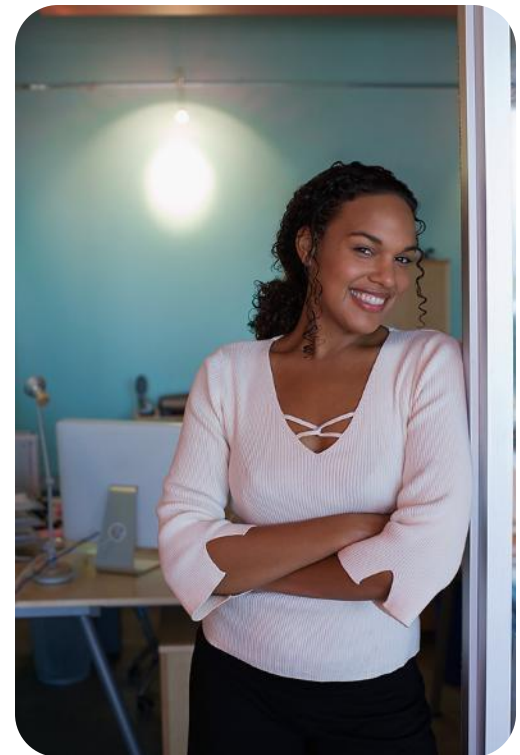
Demonstrate Your Passion for the Business

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Passion is your drive, ambition and the love of what you do and who you serve.

What part of the business makes you excited about what you are doing?

Customers want to buy from people who are excited about their product and excited about working for them.



Examine Your Image and Marketing Materials

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You Are What You Appear To Be

Customers are looking for clues.

Present yourself as established and competent.

Don't let weak areas linger.



Industry Research

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- Set up Google Alerts
- Find Online Forums
- Contact Trade Associations
- Google “How to start a _____ business”
- Use ChatGPT
- Look for Business Plans Online
<https://www.liveplan.com/sample-business-plans>

Your Local Business Librarian

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- Specially trained to help small business people
- Web-based searches for information (e.g., Reference USA)
- They know the questions you need to ask

Review

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