**So, You Are Going To Start A Business?**

Jan 29, 2016

Before you do, see if you can answer the following questions about your idea/company. If you can answer all of them in a convincing fashion you might just be ready! These or variations of these questions often asked by leading start-up incubators as they screen candidates for participation and possible funding.

 **Tell us about your idea or company in three sentences or less.** (Do you have your elevator pitch really nailed down?)

**Explain the problem you are solving.** This is usually something that causes your target audience time, money or hassles.  It usually replaces something or some activity they are currently doing but does it faster, easier or better.

 **What is your idea to solve the problem**? Is your idea a product or a service or both? Can you explain your idea in one sentence?

 **Why are you starting your company now?** Timing is one of the factors most closely correlated with new product/company success. What makes you think now is the right time? Are you early to market? Are you late? Or do you have Goldilocks timing and think you are hitting the market at just the right time?

 **Who, or What Companies will benefit the most from your offering?** Do you know for sure who will get the most out of your offering and how many similar people or companies like them exist? What is the total addressable population of your audience?

 **Who else is solving the problem your idea addresses?** They may not attempt to solve it the same way or possibly not as good but you do, but you do have competition, even if it is not direct. What are their solutions to the problem you have identified?

 **How is your idea unique?** What do you do that your competition does not? What experience or expertise can you offer that you competition cannot. What is it that you are willing to do that your competition is not? Does your uniqueness matter to your intended audience?

 **Have you already built a prototype of your product or service?**What research have you done with the people you expect to pay for the product? How long will it be before you have something that can be tested?  What are your next steps in development and plans to continually improve your offering?

 **How do you plan to make money?** A great idea not sold is just an idea. What are your marketing plans for profitably selling your offering?

 **What is the background of your team?** Does your team have the right skills needed? Do you have a good group of advisors who can mentor, and help open doors for you?

 **Will you be able to acquire each customer for less money than it cost you to acquire them?** The Facebooks and Amazons of the world are the rare exceptions where you build it and they will come. Both Facebook and Amazon were well timed and well-funded. For virtually everyone else you will need to be able to acquire customers as you go in at least a break even fashion or your “burn rate” will kill you.

 **Assuming that you are successful how will you be able to scale your business?** Imitation is the highest form of flattery and success attracts competition. How do you plan to stay ahead of your competitors and address your audience quickly while the timing window is still open?

 **What have you done so far that shows you can succeed?** If you have a prototype, test market or beta version of your offering how has it been received? Are people willing to take the green stuff that is negotiable at the grocery store out of their pocket to pay for your offering?

 **What is your long term vision for your company?** Are you happy with a project that leads to a nice lifestyle for your family so you can be comfortable? What does that look like? Do you want a large global enterprise that rocks the world, or something in between?

 Answering each of these questions will not only help you prepare to pitch your idea to possible investors but the process should also help you refine your concept to make it better. The process of answering these questions might also tell you that it is not the right time to launch, or that perhaps you should consider other ideas.