The business idea quiz
Do you have a great business idea? Answering a few key questions is the first step to determining if your idea might translate into a viable business. Test the viability of your idea below.

1. a. What’s your idea? ____________________________
   ____________________________________________
   ____________________________________________

   b. What product or service are you offering?
   ____________________________________________
   ____________________________________________
   ____________________________________________
   ____________________________________________

   c. What need are you fulfilling? ________________
   ____________________________________________
   ____________________________________________

2. a. Who’s going to buy or use it? ________________
   ____________________________________________
   ____________________________________________
   ____________________________________________

   b. If you had the entire market to yourself, how many people would buy it?
   ____________________________________________
   ____________________________________________
   ____________________________________________
   ____________________________________________

   c. What is a realistic estimate of how many people would really buy it from you?
   ____________________________________________
   ____________________________________________
   ____________________________________________
   ____________________________________________

   d. Do you have any data or research to back up your estimate? ____________
   ____________________________________________
   ____________________________________________
   ____________________________________________
   ____________________________________________

3. a. How is your product different or better than other products or services? ________________________
   ____________________________________________
   ____________________________________________
   ____________________________________________
   ____________________________________________

   b. What makes you unique? ____________________
   ____________________________________________
   ____________________________________________
   ____________________________________________
   ____________________________________________

   c. Why would they buy from you rather than the competition? ________________________________
   ____________________________________________
   ____________________________________________
   ____________________________________________
   ____________________________________________

4. a. Is it easy to get into this business? __________
   ____________________________________________
   ____________________________________________
   ____________________________________________
   ____________________________________________

   b. If so, what would prevent someone else from creating a similar competitive business? __________
   ____________________________________________
   ____________________________________________
   ____________________________________________
   ____________________________________________

   c. Do you have special knowledge or skills that others don’t have?__________________________
   ____________________________________________
   ____________________________________________
   ____________________________________________
   ____________________________________________

5. a. How do you plan to get your product or service into the customers’ hands? ________________
   ____________________________________________
   ____________________________________________
   ____________________________________________
   ____________________________________________

   b. Who will distribute your product? __________
   ____________________________________________
   ____________________________________________
   ____________________________________________
   ____________________________________________
c. Will you sell it directly, or will you pay someone else (a distributor) to sell it? __________________
   __________________________________________
   __________________________________________

d. How many people are in the selling chain between you and your end customer? __________
   __________________________________________
   __________________________________________
   __________________________________________

e. How will each of them be paid? ______________
   __________________________________________
   __________________________________________
   __________________________________________
   __________________________________________

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a. How much will you charge for your product?
   __________________________________________
   __________________________________________
   __________________________________________
   __________________________________________

b. How does that compare to similar products or services? ____________________________
   __________________________________________
   __________________________________________
   __________________________________________
   __________________________________________

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a. How will people find out about your product?
   __________________________________________
   __________________________________________
   __________________________________________
   __________________________________________

b. How will you advertise? ____________________
   __________________________________________
   __________________________________________
   __________________________________________
   __________________________________________

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a. How are you going to make money? __________
   __________________________________________
   __________________________________________
   __________________________________________
   __________________________________________

b. How much will it cost to get started? ________
   __________________________________________
   __________________________________________
   __________________________________________
   __________________________________________

c. How much money will you bring in? ________
   __________________________________________
   __________________________________________
   __________________________________________
   __________________________________________

d. How much will it cost to provide the products or
   services? ____________________________
   __________________________________________
   __________________________________________
   __________________________________________
   __________________________________________

e. What are your expenses (rent, supplies, employees, benefits, fees)? ________________
   __________________________________________
   __________________________________________
   __________________________________________
   __________________________________________
   __________________________________________

f. Calculate your profit:
   Profit $___________ = Revenue $___________ — Expense $___________
   __________________________________________
   __________________________________________
   __________________________________________

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Once you’ve answered these questions, you should have a better idea of whether your idea is viable. Take your revenue estimates and cut them in half. Now double your expenses.

   Revenues $___________ / 2 = $___________
   Expenses $___________ x 2 = $___________
   Profit $___________ = Revenue $___________ — Expense $___________
   __________________________________________
   Are you still making a profit? ________________
   __________________________________________
   __________________________________________
   __________________________________________