



Small Business Builder: Look Before You Launch

Better Look Before You Launch

By Mary Campbell

March 21

Does your great idea have webbed feet? Maybe even wings? Or is it just floating along, depending on the winds and waves to get it moving?

You've heard that it takes more than an idea, no matter how creative, for a product/service/business to succeed. On the other hand, even dumb ideas occasionally catch the public's imagination and succeed where their more sensible cousins have failed. (The pet rock comes to mind, as do bleached toilet paper and facial tissues — perceived as more "sanitary" than unbleached, never mind a little dioxin here and there.)

You might even know some disgruntled entrepreneurs whose great ideas were scorned by the smelly old Marketplace (what does IT know?), which just didn't Appreciate Their Genius or wasn't ready for a Brilliant Concept that was "decades ahead of its time."

Will It Float?

Back to your brainchild — the Clever Quacker, an infants' bathtub toy that recites math facts ("the square root of 121 is 11; the square root of 49 is 7; the square root of 841 is 29; the square root of 46,052 &").

It's clever, all right, but will it fly? Will it even float?

Kathleen Allen knows a thing or two about entrepreneurial inspiration. Allen wrote *Entrepreneurship for Dummies*, and that's one of her less stellar achievements.

A successful entrepreneur, a consultant in technology commercialization, and an entrepreneurship professor at the University of Southern California, she wrote *Growing and Managing an Entrepreneurial Business* and *Launching New Ventures* (both Houghton Mifflin, 1999) and *Entrepreneurship and Small Business Management* (Glencoe/McGraw-Hill, 2000) — plus dozens of other mainstream and academic books and articles.

For would-be purveyors of brainy birds and other business concepts, Allen suggests doing some research before sending out the news releases:

Questions to Ask

First, "gut-test your product" and "identify what the pain is." Is anyone suffering for lack of your product? What need or want does it fill?

Second, "talk to people in the marketplace" and find out if others share your enthusiasm.

Third, "see if you can turn your idea into a business concept, but only after walking yourself through the process." When reality strikes, and you appreciate the hard work and persistence that go into marketing even basic necessities, your hot idea might seem a little cooler.

If it still lights your fire, the next step is to refine your concept: identify the product (or service), define the need or want it fills, identify your target customer, and determine the distribution process.

"Many people define the customer too broadly," Allen says. Since start-ups typically have scant capital, "you need to target resources to customers who need your product the most." The Clever Quacker would likely appeal to parents who want their babies to be both clean and capable of bailing them out of any emergency involving the hypotenuse of a triangle □ a narrow customer base, to be sure, but probably willing to pay dearly for a Sudsy Scholar.

Business Plan on the Back Burner

Forget about the business plan for now, advises Allen. "After you've done your feasibility analysis, then it's time to do the business plan; otherwise, it makes no sense."

Allen recommends the "funnel approach": start by studying your industry, then the target market; next, test the product, put together your team, and seek financing.

"Talk to people in your industry," Allen says, to get basic information such as "where you can get supplies and who your competitors are." Interview consumers in your target market; explore the need for a patent, a trademark, or other legal protection. Include on your "team" advisory board members, strategic partners, and others who can fill out "all the areas of expertise you need."

Omitting the feasibility assessment is "the biggest mistake new business owners make," Allen cautions. "There are plenty of firms willing to take your money" to conduct the research for you, but Allen believes it's a mistake to outsource this key function.

To be successful, she says, "the entrepreneur must do the legwork."

An editor since the age of 6, when she returned a love letter with corrections marked in red, Mary Campbell founded Zero Gravity in 1984 to provide writing, editing and marketing services. Small Business Builder is published on Wednesdays.

Copyright © 2007 ABC News Internet Ventures