

Business idea

Focal points

I: Key Elements of a Business Idea

The business idea outlines the path from conception to its realization. It delineates how each entrepreneur will create goods, offer them in the market, and generate revenue.

1. Introduction page

The name of the business and the direction in which it will develop are presented.

Mission could/should be added, believes of the enrperneur, the design of the main approach.

2. Product

The main element presented is the PRODUCT.

What needs does the product satisfy?

- This could range from solving a problem or providing convenience to offering entertainment or luxury. The product satisfies various needs or desires of the consumers.

How is it useful?

- It could save time, improve efficiency, enhance quality of life, provide enjoyment, or fulfill specific requirements. The product offers utility or value to the consumers.

Why is the consumer willing to pay for it?

- This could be due to its unique features, superior quality, effectiveness in addressing their needs, or emotional appeal. Additionally, factors such as brand reputation, customer service, and perceived status or prestige associated with the product may also influence the consumer's willingness to pay for it. The consumer perceives the product as valuable and believes that the benefits it offers outweigh its cost.

3. Customer interaction

3.1. Who are the target buyers?

3.2. Who is the product intended for?

It may be for a specific age, gender, or group of people. For example, if it's vegan food or gluten-free/sugar-free, it will be aimed at diabetics, vegans. If it's energy bars/protein - it will be aimed at athletes. If it's a childcare center - it's aimed at mothers with young children, etc.

3.3. What are the channels of implementation (delivery)?

3.4. How do you reach customers?

If you have an online store and offer free delivery and free returns, you will attract more customers. Delivery may also be free over a certain amount or only with a specific company with which you have a contract.

3.5. What are the closest and easiest channels?

Nowadays, the most direct routes to people are the internet. If the product is aimed at a younger audience, advertising on Instagram is more effective, for example. The product will reach the younger audience much easier when it's advertised by an influencer on social media than advertising on TV.

Interacting with customers is a vital aspect of running a successful business. It involves engaging with existing and potential customers to understand their needs, provide assistance, gather feedback, and build relationships. Some **additional** topics to consider:

3.6. Active listening

Actively listen to customers to understand their concerns, preferences, and feedback. Pay attention to both verbal and non-verbal cues to ensure that you grasp their perspective accurately.

3.7. Personalization

Personalized communication fosters a sense of connection and demonstrates that you value their business. Tailor your interactions to each customer's individual needs and preferences.

3.8. Prompt response

Prompt responses show that you prioritize customer satisfaction and are committed to addressing their needs promptly. Respond to customer inquiries, concerns, and feedback in a timely manner.

3.9. Problem resolution

Approach problems with empathy and a willingness to find mutually beneficial solutions. Be proactive in addressing customer issues and resolving conflicts.

3.10. Feedback collection

Encourage customers to provide feedback on their experiences with your products or services. Use this feedback to identify areas for improvement and make necessary adjustments to enhance the customer experience.

3.11. Building relationships

Invest in fostering trust, loyalty, and goodwill to cultivate a loyal customer base. Focus on building long-term relationships with customers rather than pursuing short-term transactions.

4. The type of management

4.1. What resources are required?

- Material
- Intellectual
- human resources

4.2. What will be your primary activity?

4.3. Will you have auxiliary activities?

For example, if you manufacture clothes as your primary activity, you may also produce fabric for them.

4.4. Will you have partners?

4.5. If you produce something, who will support you?

5. Finances

By carefully analyzing the financial aspects of your business idea, you'll be better prepared to make informed decisions and position your venture for long-term success. Some key considerations:

5.1. What expenses are anticipated?

5.2. What are the major expenses?

- 5.3. Approximately, how much funding will be required?
- 5.4. Do you have investors, loans, or any programs?
- 5.5. What sources of funding do you have?

Determine how you'll finance your business idea. This could involve personal savings, loans, investments from family and friends, crowdfunding, or venture capital. Evaluate the pros and cons of each funding option and choose the most suitable approach for your circumstances.

- 5.6. Start-up costs should be included, as well as those needed for production, administration, and business maintenance.

Identify all the expenses associated with launching your business, including equipment, licenses, permits, initial inventory, marketing, and any other necessary investments.

- 5.7. Operating expenses

Estimate the ongoing costs of running your business, such as rent, utilities, salaries, marketing expenses, and supplies. It's important to have a clear understanding of your monthly expenses to ensure proper budgeting and financial management.

- 5.8. Which target group is your business aimed at?
- 5.9. What price are customers willing to pay for your product?
- 5.10. Is there truly a market for it?
- 5.11. Revenue projections

Develop realistic revenue projections based on market research, pricing strategy, and sales forecasts. Consider factors such as customer demand, competition, and market trends when projecting your sales revenue.

- 5.12. Profitability analyses

Assess the potential profitability of your business idea by comparing your projected revenue with your estimated expenses. Calculate your gross profit margin and net profit margin to understand how much revenue you'll retain after accounting for costs.

- 5.13. Cash flow management

Develop a cash flow forecast to track the flow of money in and out of your business over time. This will help you anticipate any cash shortages or surpluses and make informed decisions to manage your finances effectively.

- 5.14. Risk assessment

Identify potential financial risks and develop strategies to mitigate them. Consider factors such as economic downturns, changes in consumer preferences, competition, and regulatory challenges that could impact your business's financial stability.