



IDEAS VS OPPORTUNITIES WORKSHEET

This worksheet will help you to systematically differentiate viable business opportunities from business ideas. Score each section, add the section totals together for a grand total, and graph your progress on the "score sheet".

CONCEPT ANALYSIS (30 points)

1. _____ **PROBLEM:** (5 MAX POINTS) – There's quantifiable MARKET DEMAND for products/services like mine:
 - a. "My research shows yes" (5 points)
 - b. "My research shows maybe" (2 points)
 - c. "My research shows no" (0 points)
 - d. "Research? What research?" (-5 points)

HW 1: Look up your NAICS Code for your industry: <http://www.naics.com/search.htm>

HW 2: Look @ US Dept of Labor Statistics - Consumer Expenditure Survey: <http://www.bls.gov/cex/> to assess average annual expenditures by geographic and demographic attributes.

HW 3: Look @ US Dept of Labor Statistics –Time Expenditure Survey data: <http://www.bls.gov/tus/>

HW 4: Visit US Census Bureau Service Sector Expenditures: www.census.gov/services/index.html

HW 5: Find AVG annual spending (per person) or (per business) for your product or service: www.Google.com

2. _____ **SOLUTION:** (5 MAX POINTS) - Your product or service provides a SOLUTION that is:
 - a. Revolutionary – a unique approach that totally changes the existing paradigm – (5 points)
 - b. Evolutionary – updates an existing paradigm with valuable enhancements – (3 points)
 - c. Same – replicates the industry standard – (1 point)
3. _____ **STARTUP COSTS:** (5 MAX POINTS) - Your startup COSTS are:
 - a. Enough for me to finance out of pocket – (5 points)
 - b. A bit more than I can finance myself and requires additional financing – (3 points)
 - c. A lot more than I can finance myself and would require nearly 100% financing – (1 point)

HW 1: Determine your startup costs: <http://www.csqnetwork.com/bizstartupcalc.html>

2X(____) = ____:SECTION TOTAL (30 MAX POINTS)

MARKET ANALYSIS (30 points)

4. _____ **INDUSTRY:** (5 MAX POINTS) - Your assessment of your INDUSTRY determines it is:
 - a. Growing (3 points)
 - b. Plateaued (1 point)
 - c. Declining (-2 points)

HW 1: Visit Oregon Labor Market Info System for local industry trends: <http://www.qualityinfo.org/olmisi/CEP>

HW 2: Visit US Census for local for local sector activity by establishments: <http://www.census.gov/econ/cbp/>

5. _____ **CUSTOMERS:** (5 MAX POINTS) – What you know about your CUSTOMERS based on your research:
 - a. I know who AND where my customers are, based on their demographic and geographic traits (5 points)
 - b. I'm not sure who OR where my customers are (0 points)

HW 1: Visit ZipSkinny.com for consumer demographic info by zip code: <http://www.zipskinny.com>

HW 2: Visit City-Data.com for additional local consumer demographic info by city: <http://www.City-Data.com>

6. _____ **COMPETITION:** (5 MAX POINTS) - Your assessment of your COMPETITION shows:
 - a. Based on my research there is little direct or indirect competition within my market niche (5 points)
 - b. Based on my research there is no direct or indirect competition within my market niche (4 points)
 - c. Based on my research there is substantial direct or indirect competition within my market niche (3 points)

HW 1: Visit US Census for local sector activity by establishments: <http://www.census.gov/econ/cbp/>

HW 2: Google search "TYPE OF BUSINESS, CITY OR ZIP CODE" assess results - distance from your location

HW 3: Visit <http://portlandmaps.com/> enter address, select businesses assess results ¼ mile of your location

HW 4: Visit Oregon Labor Market Info System - statewide industry stats: <http://www.qualityinfo.org/olmisi/CEP>

HW 5: Visit US Census for local sector activity by establishments: <http://www.census.gov/econ/cbp/>

2X(____) = ____:SECTION TOTAL (30 MAX POINTS)

FINANCIAL ANALYSIS (60 points)

7. ___ **BUSINESS MODEL:** (5 MAX POINTS) – Assessing the strength of your business model:
- Business will generate ongoing revenue primarily from one-time sales* (5 points)
 - Business will generate revenue through a combination of ongoing, repeat, and one-time sales* (4 points)
 - Business will generate repeat sales revenue primarily from repeat customer sales* (3 points)
 - Business will generate one-time sales revenue primarily from one-time sales* (2 points)

HW 1: Research general info on different business models - http://en.wikipedia.org/wiki/Business_model

HW 2: Description of different business models: <http://www.master-your-business-model.com/types.html>

HW 3: Description of different web-based business model <http://digitalenterprise.org/models/models.html>

8. ___ **PROFITABILITY:** (5 MAX POINTS) - Your assessment of your potential GROSS-PROFIT MARGIN shows:
- This industry is known for gross profit margin (GPM) of higher than 40%* (5 points)
 - This industry is known for a GPM between 25%-40%* (3 points)
 - This industry is known for a GPM between 15%-25%* (2 points)
 - This industry is known for a GPM less than 15%* (1 point)

HW 1: Research your industry to determine a typical “gross profit margin” see RMA Guide in SBDC library

HW 2: Calculate “gross profit margin” online <http://www.bankrate.com/calculators/business/gross-ratio.aspx>

9. ___ **BREAK-EVEN:** (5 MAX POINTS) - Your assessment of your MONTHLY BREAK-EVEN shows:
- This business break-even is a fairly low – seems reasonable* (5 points)
 - This business break-even is fairly high – might be difficult* (3 points)
 - This business break-even is extremely high* (1 point)
 - I don't know my break-even* (0 points)

HW 1: Calculate your break-even http://www.bplans.com/business_calculators/break_even_analysis.cfm

HW 2: Calculate your personal monthly household budget: <http://www.frugalvillage.com/budget.shtml>

10. ___ **CASH-FLOW:** (5 MAX POINTS) - Your assessment of your potential for SHORT-TERM CASH-FLOW shows:
- This industry is known for short sales-cycles* (5 points)
 - This industry is known for long sales-cycles* (2 points)

HW 1: Research your industry to determine a typical sales-cycle to learn if its short or long

HW 2: Calculate projected cash-flow http://www.bplans.com/business_calculators/cash_flow_calculator.cfm

3X() = ___:SECTION TOTAL (60 MAX POINTS)

PERSONAL SUCCESS FACTORS (40 points)

11. ___ **BUSINESS VISION:** (5 MAX POINTS) – Your business vision:
- I have a clear vision of what I would like this business to look like in 2-3 years* (5 points)
 - I have a few different ideas of what this business might look like in 2-3 years* (2 points)
 - I'm not sure at this time what this business might look like in 2-3 years* (0 points)

HW 1: One Page Business Plan Template: http://www.onepagebusinessplan.com/sample_plans.html

12. ___ **ALIGNMENT:** (5 MAX POINTS) – How closely aligned are your business and life goals:
- My business vision supports my life goals* (5 points)
 - My business vision partially supports my life goals* (2 points)
 - I'm not sure what my life goals are or if my business supports them* (0 points)

HW 1: Read about “Primary Aim” <http://www.e-myth.com/cs/user/print/post/a-business-that-serves-your-life>

13. ___ **TIME-MANAGEMENT:** (5 MAX POINTS) – How well you manage your time:
- I have a system that supports me to be productive through easy and effective time management* (5 points)
 - I don't have a system, but complete most of my “to-dos” and manage my time effectively* (3 points)
 - I have a hard time getting things done and managing my time effectively* (0 points)

HW 1: Review WSJ.com review of three popular time-management strategies:

<http://online.wsj.com/article/SB10001424052748704538404574541590534797908.html>

14. ___ **FINANCIAL RESOURCES:** (5 MAX POINTS) – Your personal financial resources to support your startup:
- I have enough personal financial resources to support 9-12 months in business* (5 points)
 - I have enough personal financial resources to support 4-9 months in business* (3 points)
 - I have enough personal financial resources to support less than 4 months in business* (1 point)

HW 1: Determine your burn-rate: <http://management.about.com/cs/money/a/CanKeepGoing.htm>

HW 2: Determine your startup costs: <http://www.csqnetwork.com/bizstartupcalc.html>

2X() = ___:SECTION TOTAL (40 MAX POINTS)

_____:GRAND TOTAL (160 MAX POINTS)

Ideas vs Opportunities... Score Card

