

Business Selection Checklist

The following chart is designed to help you choose the business that's right for you. To fill it out, follow these three steps:

(1) In the far left-hand column, list the business ideas you're considering by order of interest. So, in the top left-hand blank space, put the idea you think you're most interested in. Underneath it put the next idea and so forth until you've listed all of your possible ideas down the left side of the chart.

(2) Now take each idea and rate it on a scale of 0-3 in each of the areas listed. Use the following rating system: 0-none, 1-below average, 2-average, and 3-above average.

Here's a look at each of the categories and some of the things you should consider when rating them:

Your knowledge of the business. How much do you know about the area? Will you have to spend extra time and money teaching yourself the business? Will you have to take on a partner because you don't know the business well enough?

Rating: 0-no knowledge of the business; 1-some indirect knowledge of the business; 2-limited knowledge; 3-working knowledge.

Your experience in the field. In some cases, you may have a lot of knowledge about the subject, but not much experience. Have you ever owned or worked in this type of business before? To what extent is hands-on experience crucial to the business?

Rating: 0-no experience; 1-indirect experience; 2-limited experience; 3-familiar with the business.

Your skills. Ignore, for now, those skills that might be common to each of your ideas, and try to concentrate on skills that are unique to that business. To what extent do you possess those skills? If you lack them, how difficult will it be to acquire them?

Rating: 0-none; 1-limited skills; 2-some skills; 3-extensive skills.

Ease of entry. Think both of the costs of entering the business and of the competitive barriers that might exist. For example, a service business that you can run from your home might be relatively inexpensive to start, but if several others are already providing that service, entry in the field may be difficult.

Rating: 0-crowded field, very difficult to enter; 1-limited entry available; 2-mix of large and small competitors; 3-virtually unrestricted entry for any size business.

Uniqueness. Uniqueness does not necessarily mean that literally no one else is providing the same product or service; it can mean that no one else is providing the product or service in the same way you intend to provide it, or it can mean that no one else is providing that product or service in your area. You're looking for some way to distinguish your product or service from others who are already in business.

Rating: 0-your product or service widely available; 1-a few to several others offering your product or service; 2-only one or two others; 3-no others providing your product or service.

Business idea	Your knowledge	Your experience	Your skills	Ease of entry	Uniqueness	Total

(3) Now total up the numbers. Here are some tips for making sense of the numbers and for narrowing your list of business possibilities:

- eliminate any of your ideas that scored less than a total of 10
- eliminate any idea that did not score at least a 2 in every category
- eliminate any idea that did not score at least a 3 in the uniqueness category

How many ideas are left? If the answer is “none,” then you need to use the list to identify where you need to improve and you need to develop a strategy for raising the “1’s” to “2’s” or “3’s.” If the answer is “more than one,” you have a pleasant dilemma: a choice of which business to start. If the answer is “one,” you may have just found the business that’s perfect for you.