



# Entrepreneurship 101

## Session 9. Testing your Business Idea







# The Process of Testing your Business Idea

## 1. Identify Critical Assumptions

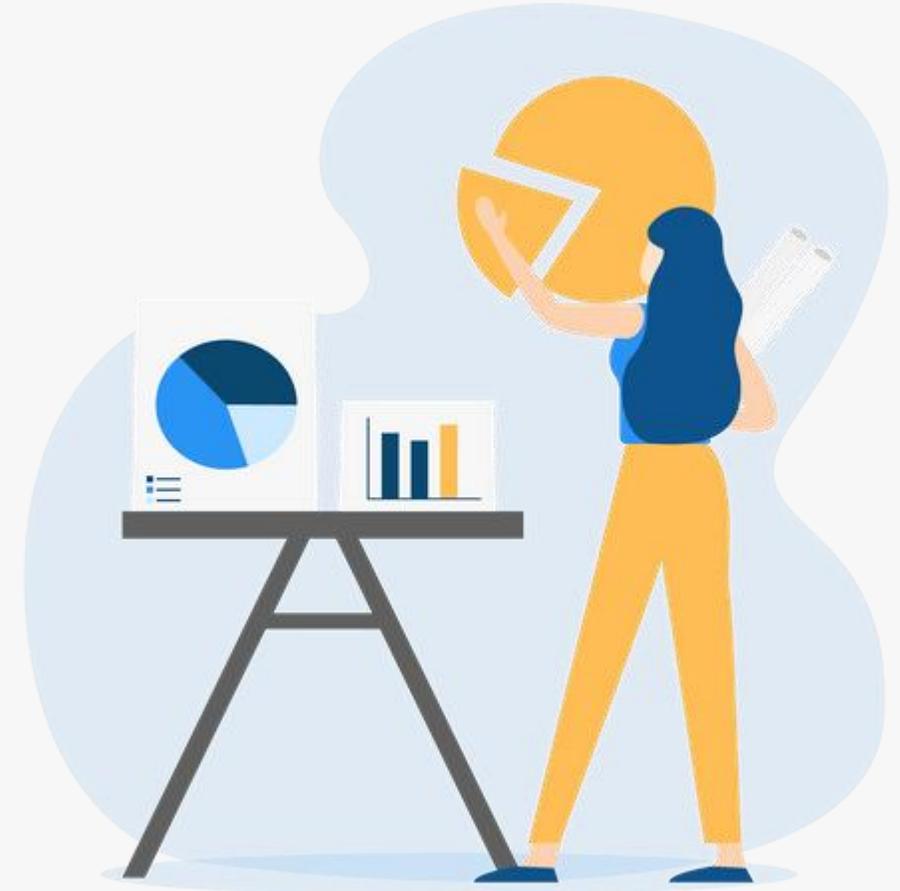
- What key guesses am I making?
- Only those guesses that are critical.

## 2. Choose and Plan the Appropriate Test

- Identify a test for each assumption.

## 3. Analyse the Results

- Make decisions with reliable data.



# How to Test your Business Idea through Research

- Conversations with relevant stakeholders.
  - Entrepreneurs, mentors & industry people.
- Reading material e.g. market research reports.
- Research:
  - Competitors – Who are they?
  - Market – What size?
  - Industry – What trends?



# How to Test your Business Idea through Customers

- **Customer Interview:**

- A conversation with a specific aim.
- Questions that you want answered.
- Can be one-to-one or focus group.

- **Customer Survey:**

- A paper based questionnaire.
- By phone, mail, online or in person.

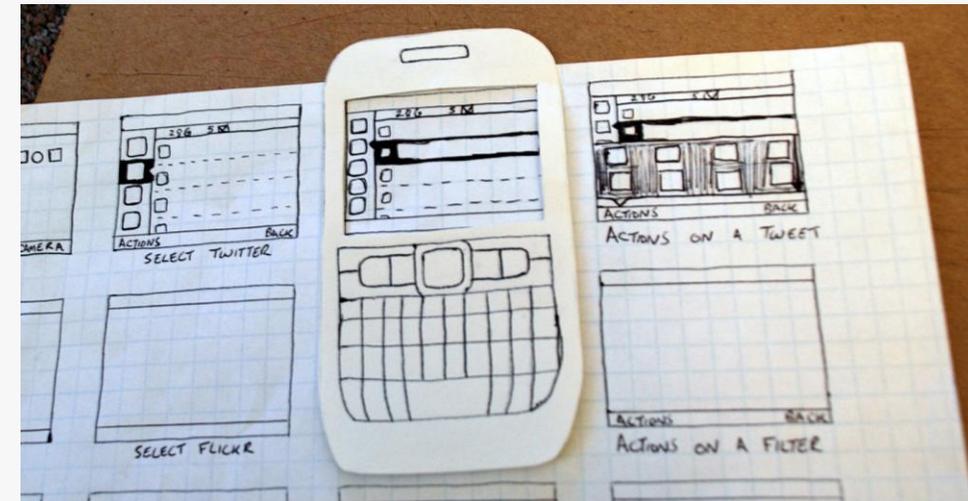


# Example of Survey Question

How important are the following features when choosing a gym?	Extremely unimportant	Somewhat unimportant	Undecided	Somewhat important	Extremely important
Reserving gym equipment in advance					✓
Early opening hours		✓			
Tailored personal training plans				✓	

# How to Test your Business Idea through Other Means

- **Carry out a demonstration/Build a prototype:**
  - A product, drawing, webpage or demonstration.
- **Build a Homepage:**
  - Gather feedback on your business idea.
- **Sell:**
  - Ultimate validation of idea.
  - Must deliver product/service agreed.



# Exercise – Identify a Test for your Key Guesses

1. Jot down your critical assumptions.
2. Assign each with an appropriate test:
  - Research
  - Customer interview/survey
  - Demonstration/prototype
  - Homepage
  - Sell

