

20 TIPS TO HELP YOU CHOOSE A BUSINESS IDEA

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Introduction

Finding and refining an idea that you can turn into a successful business is the first - and often the biggest - stumbling block for budding entrepreneurs. Many people want to run their own business and have the aptitude to do it but struggle to pin down a viable idea.

All businesses either meet a need or provide a solution to a problem for a customer, so the following 20 tips are designed to provide inspiration for you to explore new areas and start thinking in practical terms about the products or services you could offer, and the business opportunities that may be open to you.

1) Use existing skills to supply a specialist product

Could you modify the skills and experience that you acquired while working for somebody else to meet the needs of a niche market?

For example, a former joiner could concentrate on manufacturing a limited range of quality furnishings such as beds, instead of competing against well-established tradespeople doing joinery work in people's homes. A mobile hairdresser could specialise in styling the hair of brides and bridesmaids in their homes so that they don't have to rush into town to get their hair done on their wedding day.

2) Turn your hobby into a money maker

Could your hobby form a basis for a business?

- Do you like gardening? Could you set up a landscape gardening firm?
- Do you enjoy cooking? What about a catering service for people having parties at home or a specialist cake making business? See www.500ways.co.uk/html/hobbies.html for more ideas.

Don't write off your hobby just because you do it for fun; somebody may be willing to pay for it. Besides, a lot of your business' success will come down to the amount of work and enthusiasm you put into it, so it helps to base your idea around something you enjoy doing already.

3) Social trends

Think about changes in society that might lead to new business ideas. For example, more people are starting social enterprises with a community focus to improve the quality of life for people in their area. Organisations in sectors including the arts, education and healthcare often operate in this way and funding for these kinds of organisations is growing. See www.unltd.org.uk for more information.

4) What type of person are you?

Does your personality suggest any business ideas?

- If you have persistence, skills of persuasion and the gift of the gab you might be a good salesperson. There are frequent openings for self-employed salespeople to sell other people's products. If you are good at dealing with people, you might be

just the person to take up a retail franchise, party planning opportunity or multi-level marketing scheme. Find out more about direct selling opportunities at www.dsa.org.uk.

- If you are one of the thousands of people who enjoy selling their surplus household items at car boot sales, you could start a legitimate business trading over the Internet by opening your own online shop. Specialist suppliers such as businesses selling vintage clothing to a niche market are often particularly popular. See www.ebay.co.uk for ideas and products to specialise in.

5) What's missing locally?

Look around in your own backyard. Think of the problems and difficulties that you have experienced in getting things for your home, or at work, or in your leisure activities:

- What problems cause you most inconvenience or cost you most to correct?
- What service was not available locally when you most needed it?
- Which parts, or products, were hard or impossible to obtain locally?
- What do you and your neighbours and friends most frequently complain about?
- What could you offer to local businesses - for example, a sandwich delivery service to isolated industrial estates?

Listen to people talking in the pub or the supermarket checkout queue. Find out what they have difficulty obtaining. Is there any way of providing a local service or product for any of these markets, which somebody will pay for? You can research local businesses by checking out directories like Yellow Pages (www.yell.com), as well as your local Chamber of Commerce (www.britishchambers.org.uk).

6) Are there any opportunities for tourism or leisure businesses in your area?

Is there a ready local market looking for leisure opportunities? A business like a tea shop, for example, may thrive in an area with a high population of pensioners and a high influx of tourists. You may want to consider opening an outdoor activity centre in a rural area. Try talking to people working in the local authority, Tourist Board or Regional Development Agency (RDA), as they may have suggestions or even run support schemes for businesses setting up in particular rural areas.

For more information go to www.visitbritain.com. Also see www.enjoyengland.com/find-tic/ to find contact details for local Tourist Information Centres (TICs) in England. To find TICs in Wales see www.visitwales.co.uk/server.php?show=ConWebDoc.6856 and to find TICs in Northern Ireland see www.discovernorthernireland.com/Local-Information-Offices-walk-in-only--A1125. To find Visitor Information Centres in Scotland, see www.visitscotland.com/guide/travel/travel-around-scotland/vics. To find your RDA look at

7) Use new technology to build a business

Look at the ways in which people live their lives in the 21st century and see if you can think of exploiting new habits to build a business. For example, almost everyone now has a mobile phone and businesses are now springing up to enable busy people to send text message gifts.

Social networking is also popular and sites such as YouTube (<http://uk.youtube.com/>) and Facebook (<http://en-gb.facebook.com>) can be used for marketing and networking purposes.

Blogging is also growing very fast and can be used to launch new ideas or get yourself noticed. A blog is a website maintained by an individual with regular entries on a particular subject. Some bloggers have been given large advances by publishers to write books based on their blogs.

8) Research large firms, local authorities and other public bodies in the area

What do existing businesses in your area make, and what do they buy in from outside the area? In many cases they will be buying goods from outside the region because there is no one to supply them locally. Similarly, local authorities, schools and organisations like the Police are purchasers of equipment and services. Sign up to receive notification of tender opportunities or visit sites which advertise available tenders.

Go to www.direct.gov.uk to locate the contact details of your local authority, and see www.supply2.gov.uk for an overview of the purchasing procedure of public authorities and details of contracts and tenders issued by the Government.

9) Think about selling other people's goods

Many new firms start off by selling goods that somebody else makes. A number of opportunities exist to distribute foreign goods in the UK. For example, the United States of America Department of Commerce (US Commercial Service) publishes a regular magazine listing businesses looking for facilities and distributors (this is available from all US embassies and consulates). Look at www.buyusa.gov/uk/en for more information.

Chambers of Commerce also publish regular listings of businesses seeking partners willing to manufacture under licence or to act as sole distributors. See www.britishchambers.org.uk/6798219244118711479/find-a-chamber.html to find your local Chamber. Also see sites like www.alibaba.com for more information on distribution, import and export opportunities.

10) Watch the news

Newspapers, magazines, online discussion forums, blogs and e-zines are all fruitful sources of new and emerging trends and problems that need a solution. Scanning the small ads section of your local paper is a good way to get a feel for local patterns of supply and demand and you should also read the business opportunities sections in the national newspapers. Try the following resources as a starting point:

- To search for local, regional and national newspapers and magazines in the UK see www.mediauk.com and www.newspapersoc.org.uk.
- To find online discussion forums on a variety of business and general interest topics see www.ukbusinessforums.co.uk.

11) Cash in on current trends

Consumer perceptions and changing priorities result in trends that can lead to business opportunities.

Various scares have raised public concern about the way in which food is produced. Consumer attitudes have changed: people are

becoming increasingly interested in naturally produced food which can be traced back to the supplier, such as organic food, and in buying from local producers. Farmers' markets have become popular and offer a wide range of natural products.

At the same time, some people are now questioning the benefits of traditional medicine and are turning to complementary therapies instead.

Business opportunities emerging from these trends could include selling naturally produced or organic food; or offering complementary medicine services, such as aromatherapy or homeopathy. See www.soilassociation.org or www.chisuk.org.uk for more details.

Consumers' tastes and needs change regularly and are influenced by a range of factors such as the media, current fashions, changing demographics and advertising. These changes in attitude can often lead to great business ideas and in recent years juice bars, lifestyle consultants and raw food cafés, to name just a few, have all provided opportunities for budding entrepreneurs.

Keep up with these and other current consumer trends at www.trendwatching.com and see www.springwise.com for more inspiration.

12) Copy business ideas that have taken off elsewhere

Business ideas often originate abroad and then spread throughout the UK. The founder of Kwik-Fit, Tom Farmer, got the idea from the 'Muffler Shops' he saw on a visit to the US. Can you pick up on a trend and be the first to offer that product or service in your local area? For instance, the decline in the popularity of DIY led to entrepreneurs in London offering a niche service assembling flat-pack furniture for customers. See www.handylocals.com.

13) Keep up with changes in the law

New legislation is often a rich source of new business opportunities. Every new piece of legislation generates opportunities in terms of administration and compliance. There may be a need to supply parts to adapt an existing product or process to meet new safety or health regulations, or a demand for people to provide new services.

For example, with the introduction of Energy Performance Certificates (EPCs) for properties in the UK, people are now training for the Domestic Energy Assessor (DEA) qualification, which will enable them to carry out inspections. See www.energy-performance-certificates.org/dea for more information about EPCs and DEAs.

Keep track of forthcoming legislation at www.opsi.gov.uk.

14) Buy an existing business

You might consider buying an existing business - but if you do, make sure you find out why the owner is selling up. Even if the vendor is retiring, why was it not worth his family's while to continue? Businesses for sale are usually advertised in the local paper and could also be advertised in relevant trade magazines (see www.tradepub.com for a directory of these). You could also try the following resources for regularly updated business opportunities:

- [Businesses for Sale.com](http://www.businessesforsale.com) has a database of various types of business for sale at <http://uk.businessesforsale.com>.
- Daltons advertises businesses for sale at www.daltonsbusiness.com.
- Loot.com advertises businesses for sale and properties to rent at www.loot.com.

Franchising is another option - you get the independence and satisfaction of running your own venture, but benefit from marketing support and an established customer base. The following web links provide more information and opportunity listings for franchising:

- The British Franchise Association - www.thebfa.org.
- Which Franchise.com - www.whichfranchise.com.
- franchiseinfo - www.franinfo.co.uk.
- Franchise EXPO.co.uk - www.franchiseexpo.co.uk.

15) Use all the research tools you can find

Government statistics, surveys and consumer market research are all available and easily accessible over the Internet. You should scour the web for ideas, gaps in the market or useful networking opportunities. There are also major exhibitions, packed with start up ideas, specifically aimed at people who are looking to become self-employed. A wealth of literature exists in this area and your local library will have extensive information sources.

Try the following as starting points:

- Demographic and statistical information - www.statistics.gov.uk for England and Wales as well as UK wide, www.gro-scotland.gov.uk for Scotland and www.nisra.gov.uk for Northern Ireland.
- Consumer profiles and information on local postcode areas - www.upmystreet.com.
- Listings of UK trade fairs and exhibitions - www.exhibitions.co.uk.

16) Provide a service that helps others feel good

Increasingly, people wish to simplify and de-clutter their lives and at the same time also give back something to the community. Could you provide a service that would meet both these needs and fit in with the current ethos? One business idea that might achieve this is a junk clearance service, as goods collected could be given to charity - see www.anyjunk.co.uk as an example and for more information and details of franchising opportunities available. For more ideas, see www.globalideasbank.org which aims to promote creative ideas that will help society.

17) Could you go freelance?

The UK workforce is changing, with many more people choosing to work flexibly, from home or outside the traditional employment relationship. By going freelance you can often choose to work from home or in various places to cover absent staff or to help with the peaks and troughs in established businesses. During times of economic uncertainty many organisations lay off permanent staff and are more likely to use the services of freelancers or contractors when business activity increases. Many people are attracted to the variety and flexibility of this way of working.

Check out information and job listings for freelancers at www.freelanceuk.com and www.freelancers.net.

18) Look out for potential labour shortages

The shift towards academic qualifications and away from vocational training has left many skills shortages for traditional trades. Many former office workers have retrained as plumbers and started their own businesses because of shortages and the subsequent financial rewards. You could investigate similar skills or service shortages in your area.

19) Cash in on the 'time-poor'

Could you start a business that meets the needs of busy people who have little time available to themselves? All sorts of business ideas fall under this category, from simple ones such as dog walking and personal shopping though to Internet-based businesses such as selling items on eBay and other auction sites. As an example, see www.dogdaysonline.co.uk.

20) Could you invent something?

The British have a proud history of inventions, from penicillin to the train, and many of today's household names are the brainchildren of enthusiastic individuals. Many applications for patents are made by individuals rather than businesses or institutions. You can get more information from the UK Intellectual Property Office (UK-IPO) by visiting www.ipo.gov.uk.

Hints and tips

- Write down your ideas and research and organise your notes in a file. It will help you think things through systematically, and will form the basis of your business plan when you finally choose an idea.
- Your local enterprise agency should be able to help you assess your ideas for a business. It, along with your local library, will be listed in the phone book.
- This list is not definitive - it's just a starting point to help you think about the opportunities available.

Further information

For practical start up and small business tips, ideas, know-how and news, go to:

Website: www.enterprisequest.com

To access hundreds of practical factsheets, market reports and small business guides, go to:

Website: www.scavenger.net

- BIF 12 An Introduction to Intellectual Property
- BIF 17 A Guide to Running a Business from Home
- BIF 47 A Guide to Sources of Market and Business Information
- BIF 98 Could You Run Your Own Business?
- BIF 120 A Guide to Buying a Business
- BIF 154 A Guide to Using a Business Start Up Adviser

Books

'Working for Yourself: An Entrepreneur's Guide to the Basics'
Jonathan Reuvid
2008
Kogan Page Ltd

Useful contacts

The Institute of Business Consulting is the professional body for business consultants. Its website includes a search facility to find a consultant or adviser.

4th Floor
2 Savoy Court
London
WC2R0EZ
Tel: (020) 7497 0580
Website: www.ibconsulting.org.uk

The National Federation of Enterprise Agencies (NFEA) represents Local Enterprise Agencies (LEAs) in England.

12 Stephenson Court
Fraser Road
Priory Business Park
Bedford
MK44 3WJ
Tel: (01234) 831623
Website: www.nfea.com

Enterprise Northern Ireland provides information and support for people starting businesses in Northern Ireland.

Aghanloo Industrial Estate
Aghanloo Road
Limavady
BT49 0HE
Tel: (028) 7776 3555
Website: www.enterpriseni.com

Business Link delivers support, information and advice to businesses in England.

Tel: 0845 600 9006
Website: www.businesslink.gov.uk

Invest Northern Ireland provides business support, advice and information to new and existing businesses in Northern Ireland.

Tel: (028) 9023 9090
Website: www.investni.com

Business Gateway provides business support services to small and medium-sized enterprises in Scotland.

Tel: 0845 609 6611
Website: www.bgateway.com

Highlands and Islands Enterprise (HIE) is the Scottish Government's economic development agency for the region. It targets support towards businesses with high growth potential.

Tel: (01463) 234171
Website: www.hie.co.uk

Flexible Support for Business (formerly Business Eye) provides business support to small and medium-sized businesses in Wales.

Tel: 030 0060 3000
Website: www.business-support-wales.gov.uk

CONTACT-

for further information.

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