

Is it a good idea?

There are countless frameworks in textbooks, trade books, journal articles, periodicals, and on the web that claim to predict the feasibility and value of new venture ideas. The list below is a simple and useful summary of four key questions that are at the heart of many of these frameworks. It's important to start to think about these questions. In case you see major hurdles, it might be better to pick another idea or rethink your idea. Note that some answers to the question below might only reveal themselves in the next phase. This is a first reality check.

Is it doable?

Market feasibility

- What exactly are you selling?
- Is it a concept looking for a market or vice versa?
- How is the need being filled now?
- Who/what is the competition?
- Advantages/disadvantages of the product/service.
- Why your product? (differentiation/uniqueness/proprietary).

Customer

- Who is your customer (a typical profile)?
- Will the customer pay enough? Can you charge enough?
- What critical factors will lead you most quickly to your customer base?

Economic feasibility

- Are there any obvious roadblocks from the government – both local and national?
- Is the international situation likely to change?
- Are you too far ahead of the times? You can miss the boat by being too early too!

Technological feasibility

- Is the technology for your product already available, or is it still in development?
- If still in development, what stage is it in and what can go wrong?
- If it's available, is anyone else using it to develop the same product/service as you?

Is it worth doing?

Financial feasibility

- If you personally owned the funds required (make an estimation), would you invest them in this idea?
- Is the trade-off between risk and potential return in balance?

Can I do it?

Why you?

- What special strengths do you bring to this enterprise?
- What are your relevant weaknesses and how will you overcome or compensate for them?
- Can your team execute on the critical success factors needed in the industry?
- Which network contacts can help you with implementing the idea?

Do I want to do it?

- Does it excite you?
- Why do you want to do this – really?
- Are you willing to give up your free time to go after this idea?

Reference: Effectual Entrepreneurship, 2011, Stuart Read, Saras Sarasvathy, Nick Dew, Robert Wiltbank, Anne-Valérie Ohlsson.