



## Entrepreneur Sanity Checklist Look *Before* You Leap

*The following are some of the questions I ask in entrepreneur sanity check consultations. Everybody and every idea is different - but the basics stay the same.*

- 1. How is it (idea, product, technology) different?** It can't be some vague "innovative" statement. Just about everyone (your competition) says things like "innovative" and "solutions." I'm yawning and so will your potential customers.
- 2. Is it different *enough*?** Is there a compelling reason why people would choose you over others?
- 3. Why would anybody care about the difference?** There has to be something in it for *them*.
- 4. Who would buy it (and why)?** It may not be who you think.
- 5. What are your potential customers doing now?** (to solve the problem, accomplish the task.)
- 6. How many would buy it? (potentially)**
- 7. Would they buy more than one?**
- 8. How are you going to sell it?** If through third parties – what third parties? Why? Can you afford a multi-level pricing and margin structure?
- 9. How are you going to deliver it?** I'm not talking just about shipping, although that can be a huge job. What about e-commerce? Direct sales? Channels?
- 10. How are you going to support it?** Who will answer the phone? Ship replacements? Handle questions? Work with distributors?
- 11. How long will it take to get to market?** It will always take longer than you think – and what will be going on while you're developing and building? There's a *reason* we call them "market windows" – they tend to close (even slam shut).
- 12. What external factors (economic, political, environmental, etc.) could affect your opportunity?** Something as mundane as road construction could kill your business. If you're dependent on a sole source for manufacturing – what would happen if that source went away?
- 13. Can you afford to fail?** I'm not just talking financially. How is this going to affect your perspective, life and family? Sure, we all want to plan for success – but keep in mind worst case scenarios. Do you really want to wipe out your kids' college fund and have no recourse? (My Dad did – and it wasn't pretty, for him or for us.)
- 14. If you've got co-founders, does everyone have the same commitment and vision?** If one of you is all about making money and doesn't care how...and the rest of you want to change the world...you're going to have trouble down the road.
- 15. Have you set aside some money?** You should *always, always*, tuck something away for a bad month or a good new marketing idea. Have an emergency fund that you never *ever* touch, even in an emergency! (I do. I keep six months operating funds in a money market.)

*Are you passionate enough about it to take a deep breath and jump– knowing you could fail?*