



school for
social
entrepreneurs

Will Your Idea Work?

**Unlock Your Potential Workshop
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Content

- **Being clear about your idea**
- **The difference between need and demand**
- **What market are you in?**
- **Estimating the size of your market**
- **Costing your product or service**
- **Who are your customers?**
- **Who are your competitors?**
- **Market research methods**
- **Other issues to consider**
- **Have you got the right attitude?**

Be Clear About Your Idea

- **Have you got a mission statement or short description of your organisation?**
- **What is your product or service?**
- **What makes it different/unique? Why will people buy from you rather than someone else?**

The Difference Between Need & Demand

- **You may well feel that there is a social need that is currently not being met, but there must be someone willing to buy it**
- **Will the people who use your product or service pay for it, or will another organisation?**

What Market Are You In?

- **Decide what market you are in and find out as much as you can about this market e.g. reports, journals**
- **Try to estimate the size of the market – and how much of it you can realistically take**

Estimating the Size of the Market

- Try to come up with as accurate a figure as you can

Example – local organic veg box delivery service

- There are now over 500 veg box delivery schemes in the UK (over 30 in the East Mids, including 4 in Northants)
- How many households can I expect to attract?
- How much per week will they buy?

Costing Your Product or Service

- **Trading enterprises have two types of costs:**
 - Variable costs - vary according to the volume of trading activity and include items such as raw materials or temporary labour
 - Fixed costs or overheads - do not depend on the volume of trade and include items such as rent and salaries
- **What is the market rate for your product or service?**
- **How much do you need to earn?**

Who Are Your Customers?

- These could include people who purchase your product/service directly or funders
- Research your potential customers – Mintel, local authority, www.neighbourhood.statistics.gov.uk, www.upmystreet.com
- For questionnaires and surveys – useful tips on the Business Link website www.businesslink.gov.uk and www.statpac.com/surveys
- Also Survey Monkey www.surveymonkey.com
- Split your customers into groups (market segmentation)

Who Are Your Competitors?

- **If the customer is to buy your product/service, they will have to NOT buy something else**
- **Research your competitors**
 - **How do they price their products?**
 - **Who are their customers?**
 - **What are their competitive advantages and disadvantages?**
 - **What might their reaction be to you entering the market?**
 - **Think about how you could improve on what they do**
- **Visit other social enterprises operating in the same market but located in a different area**

Market Research Methods

The following are methods used frequently by market researchers:

- **Surveys:**

- in-person
- telephone
- postal
- on-line

- **Focus groups**

- **Personal interviews**

- **Observation**

- **Field trials**

Think about the specific needs of your customers and how much they will be willing to spend.

Other Issues to Consider

- **Competitive advantage** – How will the organisation use its social purpose to develop a competitive advantage in the proposed market?
- **Cash-flow** – How will the organisation obtain sufficient finance and generate sufficient income to remain solvent in the first 12-24 months?
- **Competencies** – Does the organisation have the skills to be efficient, effective and economical in the chosen product or service area?

What's Your Attitude Towards ...

- **Do you like solving problems?**
- **Do you like taking (calculated) risks?**
- **Do you seek out new challenges?**
- **Do you find change exciting?**
- **Can you make decisions?**
- **Can you be flexible enough to learn from mistakes?**
- **Have you got enough determination to keep going when things get tough?**