MICROMARKETING: A PRIMER FOR MICROENTERPRISE OWNERS

A WORKBOOK ACCOMPANYING MARKETING AND SALES TRAINING PRESENTED BY

START-UP USA

VIRGINIA COMMONWEALTH UNIVERSITY & GRIFFIN-HAMMIS ASSOCIATES

FOR THE U.S. DEPT. OF LABOR/OFFICE OF DISABILITY EMPLOYMENT & POLICY

This product was developed by START-UP USA, funded by a cooperative agreement from the U.S. Department of Labor, Office of Disability Employment Policy (Number E-9-4-6-0111). The opinions expressed herein do not necessarily reflect the position of policy of the U.S. Department of Labor. Nor does mention of trade names, commercial products, or organizations imply the endorsement of the U.S. Department of Labor. Virginia Commonwealth University is an equal opportunity/affirmative action institution providing access to education and employment without regard to age, race, color, national origin, gender, religion, sexual orientation, veteran's status, political affiliation, or disability. If special accommodations or language translation are needed contact VCU at: kinge@vcu.edu or Voice (804) 828-1851 | TTY (804) 828-2494.
INTRODUCTION TO MICROMARKETING

MicroMarketing is the term we’ve coined in differentiating promotional activities for small businesses, when compared to the more ubiquitous approaches endorsed in common marketing texts and employed by big business, the popular media, and the advertising industry. Most small businesses do not regularly rely on expensive print, radio, or television ads to sell their products or services, but rather use a networked approach. Traditional advertising promotes a disruptive approach to gaining the customer’s attention. Television commercials interrupt prime time broadcasts; sales jingles disrupt the flow of popular music on the radio; and blow-in cards drip into the lap of the magazine reader.

A networked, or MicroMarketing, approach to advertising costs little and is personalized or customized to the listener because the business owner is often the one delivering the message in public or private venues. Casual conversations and staged sales calls are both networked events usually based on the referral of a friend, former customer, or family member. They occur at civic, sporting, and holiday events such as local high school football games, church socials, Chamber of Commerce luncheons, and family reunions. They can be planned or unplanned; intentional or happenstance. The subject of occupation naturally occurs in conversation, and smart business owners use these opportunities to explain their enterprise. Whether delivering a talk at the annual Downtown Association’s “Spotlight on New Businesses” dinner, placing a brochure or business card on the local grocery store community bulletin board, or placing a Yellow Pages ad, the MicroMarketing approach is less intrusive than traditional mass marketing. MicroMarketing puts information where the customer will look for it.

MicroMarketing also emphasizes building Social Capital as a way of growing and sustaining a customer base. Social Capital, according to Robert Putnam, author of Bowling Alone, refers to the collective value of all "social networks" (who people know) and the inclinations that arise from these networks to do things for each other ("norms of reciprocity"). The MicroMarketing training accompanying this workbook emphasizes the development of Social Capital to enhance sales, and also as a means of leveraging community supports so often needed by individuals with significant disabilities.

Whether just exploring an enterprising idea, polishing a business plan, or rethinking an existing business model at a critical growth stage, marketing plays an essential and substantive role in success. In the authors’ experience, marketing efforts and sales strategies are too often lacking vitality, creativity, and consistency. This workbook is specifically designed to assist business owners, stakeholders, and rehabilitation personnel in augmenting promotional efforts. While the material herein certainly stands alone and has proved useful, we again strongly recommend attendance at the marketing training this was designed to compliment.

For further information, please contact the authors: Cary Griffin: cgriffin@griffinhammis.com or Dave Hammis: dhammis@griffinhammis.com. For more information on networking, please see: Griffin, Hammis & Geary (2007). The Job Developer’s Handbook: Practical Tactics for Customized Employment. Baltimore: Paul Brookes Publishers.
THE ELEVATOR SPEECH:
THE PERSONAL BUSINESS INTRODUCTION

When you meet people, it is a good idea to be able to clearly and concisely communicate to them who you are and what you do. This first impression is often as critical for wage employees as it is for business owners and can set the tone for on-going personal and professional relationships (i.e. business!). Below, develop two different professional introductions, each lasting 10 to 20 seconds.

My #1 Professional Introduction:

My #2 Professional Introduction:
**The 5 Ps:**
**Product, Price, Placement, Promotion, Purple Cow**

**Instructions:** Marketing strategy is founded on understanding the Five Ps: Product, Price, Placement, Promotion, and Purple Cow (that thing that makes your business stand out as unique or better!). Below, list the critical issues and tactics your company considers as you develop your marketing strategy.

1. Our primary product/service is:

2. Other complimentary products/services are:
   A.
   B.
   C.
   D.
   E.

3. This is how each complimentary product/service adds value:
   A.
   B.
   C.
   D.
   E.

4. What is the anticipated market position for the primary product/service (i.e. is it high quality/high price; low price/moderate quality, etc.)? Are you seeking an upscale, average, or discount-seeking buyer? Explain:

5. Who is the likely buyer (e.g. young, old, male, female, rich, poor)? Where would they look for this product or service? Explain:
6. Will the buyer need to purchase this product/service more than once? How often? How does this effect the marketing approach, packaging, volume discounts (e.g. If this is a lawn mowing service, can customers who sign up for 6 mowings get a 10% discount)? Explain your strategy:

7. How will you know if your product/service is over or under-priced? (What do other similar products/services sell for?):

8. Where will you sell this product or service (i.e. other people’s store shelves, your own store front, door-to-door sales, in magazines, over the Internet?). List specific outlets:
   A.
   B.
   C.
   D.

9. How will the product be packaged? What will it look like? Explain:
10. Will there be multiple products in each package? Will the product be bundled with other complimentary products from your company? Will you bundle complimentary products from other companies? Explain:

11. What is the image you seek for this service (i.e. Is it convenient for customers; is it cheaper than other similar services; does it add-value or compliment another product or service the customer is likely to use; are you pledging high quality customer service; does it have “snob appeal”; is it for the do-it-yourselfer)? Explain:

12. Does this service compliment another company’s service? What makes your service better? Does the opportunity exist to bundle this service with the product or service of another company? Explain:
13. What is the overall promotional strategy for your product/service? What “look” or image do you want?

14. How will you use advertising (i.e. is this a major strategy; what outlets will you use; how often will you use this means)?

A. Print Advertising (Newspapers, Yellow Page; Thrifty Nickel):
B. Direct Mail:
C. TV:
D. Radio:
E. Word of Mouth:
F. Business Cards & Brochures:
G. Novelties:
H. Signage:
I. Classified Advertising:
J. Telemarketing:
K. Press Releases & PSAs:
L. Sales Staff:
M. Other:

15. How will you measure the effectiveness of your promotions?
16. How much do you propose to spend on marketing and advertising every month? How will you know if it’s enough or too much?

17. Other issues of Product, Price, Placement, & Promotion:
FIELD EXERCISE: COMMUNITY CONVERSATIONS

Teams of 2 to 3 training participants identify a few businesses similar to those being considered for start-up. For retail enterprises, or businesses easily accessed by the public, the team visits and starts a casual conversation with personnel they meet on-site. For a manufacturing business, or an entity not easily accessed by the public, an appointment for an informational interview should be made ahead of time.

Below are a series of questions that should be worked into the conversation. This visit should not be an interrogation. If needed, the team can explain that they are participants in small business class and are seeking information from experienced business owners, managers, and employees.

Suggested conversation questions include (these are not all the questions, they merely represent a sampling - the team should add its own unique questions):

When was this business started?
Is there a business plan?
What was the initial investment?
Why was this particular business selected?
Why was this location selected?
What is the hardest thing about running this business?
How many customers do you have a day (a week; a month)?
How much ($) is the average sale?
How do you see the business expanding in the future?
What will make expansion possible?
What competition do you face?
Is there a particular threat or opportunity facing the company?
How is the business marketed?
What types of advertising do you use?
How important is your personal “network” to the survival of this company?
**Features - Benefits Worksheet**

**Instructions:** A Features-Benefits analysis allows business owners to refine their thinking about their products and services. Further, it streamlines the sales “pitch” by clarifying the exact reasons why a customer should make a purchase. List all the specific features of your product or service (a car wash for instance has high pressure sprayers for cleaning road salts from the car and it is inexpensive compared to having the car hand-washed); then list the specific benefits to the customer for each feature (in the case of the car wash, the spray removes salt that might corrode the metal and paint, and the do-it-yourself car wash saves customers money).

<table>
<thead>
<tr>
<th>Features</th>
<th>Benefit to the Customer</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1</td>
<td></td>
</tr>
<tr>
<td>#2</td>
<td></td>
</tr>
<tr>
<td>#3</td>
<td></td>
</tr>
<tr>
<td>#4</td>
<td></td>
</tr>
<tr>
<td>#5</td>
<td></td>
</tr>
<tr>
<td>#6</td>
<td></td>
</tr>
<tr>
<td>#7</td>
<td></td>
</tr>
<tr>
<td>FEATURES THAT MIGHT BE ADDED LATER TO IMPROVE BUSINESS</td>
<td>POTENTIAL BENEFIT TO THE CUSTOMER</td>
</tr>
<tr>
<td>--------------------------------------------------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>#1</td>
<td></td>
</tr>
<tr>
<td>#2</td>
<td></td>
</tr>
<tr>
<td>#3</td>
<td></td>
</tr>
<tr>
<td>#4</td>
<td></td>
</tr>
</tbody>
</table>
**TARGET MARKET & POSITIONING WORKSHEET**

**Instructions:** This worksheet is designed to identify and isolate both primary and secondary customer niches. A primary customer is one that is most likely to buy from you and who will use the product or service as you expected. A secondary customer is one that will buy less often than the primary customer, and will use the product/service for a different reason than the primary customer. For instance, a coin-operated car wash has typical car owners as its primary customer. A secondary customer may be the used car lot down the street that brings in their cars before putting them up for sale. Field work, research, and studying will result in the demographic information important to the business owner in designing the product/service; establishing a pricing structure; and in determining distribution and promotional approaches. The last portion of the form is used to develop an initial market research plan and report your findings.

<table>
<thead>
<tr>
<th>CUSTOMER DEMOGRAPHICS</th>
<th>PRIMARY CUSTOMER</th>
<th>SECONDARY CUSTOMER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(city/county/particular part of town/cyberspace)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age Range</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male and/or Female</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education Level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Career Type (Professional, Blue Collar)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marital Status</td>
<td></td>
<td></td>
</tr>
<tr>
<td>------------------------</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>With/Without Children</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pet Owner</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Particular Hobbies/Interests</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Religious/Political Affiliations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>They know they need your product or service?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>They need your product or service but don’t know it yet?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Business to Business (B2B)

<table>
<thead>
<tr>
<th>Customer Demographics</th>
<th>Primary Customer</th>
<th>Secondary Customer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of business you supply</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Specific businesses you will supply</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Size of business (Revenue)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Size of business (employees)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Location(s) of this business</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other descriptors</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Research
(Consider these sources and list who, what, when, and where of what you find)

- Visit businesses similar to mine
  1.  
  2.  
  3.  

- Check related Internet sites
  1.  
  2.  
  3.  

- Yellow Pages/Business Directories
  1.  
  2.  
  3.  

- Newspaper Business Section, Want Ads, Services, Display Ads
  1.  
  2.  
  3.  

- Chamber of Commerce; Local Economic Development office
  1.  
  2.  
  3.  

- Small Business Development Center, Local Incubator, SBA, Tribal Business Information Center
  1.  
  2.  
  3.  

- Business & Trade Schools
  1.  
  2.  
  3.
Bankers, Investors, Financial Advisors
1.
2.
3.

Secretary of State Office;
1.
IRS; Dept. of Revenue
2.
3.

Vocational Rehabilitation,
1.
One-Stop, Employment Security,
2.
Community Rehabilitation Programs
3.

Census Data, Dept. of Labor,
1.
Dept. of Commerce Reports
2.
3.

Industry Associations
1.
2.
3.

Other sources of information:
1.
2.
3.
JUSTIFYING YOUR BUSINESS IDEA: THE FEASIBILITY STUDY

BY CARY GRIFFIN & DAVE HAMMIS
GRIFFIN-HAMMIS ASSOCIATES, LLC

FOR THE NATIONAL AGRABILITY PROJECT AT EASTER SEALS
(USED WITH PERMISSION)

For several years now we have been asking typical small business owners across the United States how they knew their enterprises would succeed. Dozens of microenterprises including espresso stands, restaurants, custom cabinet makers, mobile computer repair people, Ebay sellers, fishing guides, gift store owners, etc., are represented in this informal research. The owners report to us with straightforward candor that “they just knew it would succeed,” that “my family has always had similar businesses,” or that “I’ve always had this skill and just felt I could make a go of it.” These are the most common responses. No expensive research projects; no outlandish scientific samples using state-of-the-art demographic data probes. Quite simply, folks went on a hunch, and they also had work experience in similar businesses, thereby using the skills and interests they had acquired over the years. This past experience in similar businesses is a key indicator, though not the only one, that a small business is headed toward success. However, when seeking to start a new business using OPM (other people’s money), the investor (in our case this usually means Vocational Rehabilitation, the Workforce Investment Act programs, Developmental Disability and Mental Health Agencies, and the Social Security Administration through Plans for Achieving Self Support) does indeed require some justification for the particular business idea and some assurance that it will succeed. Hence the need for a Feasibility Study.

Most disability systems are quite reluctant to invest funds in a business start-up, and many have policies that discourage self employment. For the farmer with an acquired disability seeking to start an agriculturally-related business, past experience in farm operations is a big plus in convincing government systems of the personal qualifications of the owner. Still the question remains: “will the business be successful?”

While this is a critical question, the literature on business feasibility testing reveals a paucity of resources in the area. Fortune 500 companies generally use their large Research and Development budgets to test new ideas, but such wealth is not available to most small farm owners. The need to test the idea is driven both by practicality (knowing the probability of success is important), and the fact that most rehabilitation and social services staff have little or no training or experience with small business, which makes them suspect of this avenue of employment.

Many times, the individual with a disability becomes the focus of the various systems’ evaluation approach. This is why a potential business owner is asked such personality-laden questions as:

Are you self-motivated?
Do you enjoy and get along with people?

Are you optimistic about the future?

Are you a good decision maker?

Are you highly competitive?

Are you careful with money?

Do you anticipate the consequences of your actions?

Are you punctual?

Do you plan your work and complete assignments on time?

Are you strong and energetic?

Can you work many hours every week?

These questions may have some legitimacy when starting and operating a business. But they are more likely to be used to screen out people with significant disabilities. The problems rest with the folklore of the entrepreneur. This alleged individual single-handedly and simultaneously serves customers, designs spreadsheets on the computer, and runs a table saw. He makes quick decisions, is in control, and never sleeps. Most people who own businesses are self-employed, but they are not entrepreneurs according to the characteristics above. Self-employed people do work hard, take risks, and make decisions. And, people with significant disabilities are just as well equipped to run a small business as the next person, as long as support is available and affordable. The business design, including all forms of support, must be taken into consideration in any feasibility study. As the business idea evolves, paid supports, such as accounting, sales people, and marketing, must be figured into the pricing of the company’s goods and services. Instead of relying on personality testing, vocational evaluations, interest inventories and other questionable gauges of a person’s abilities and business ideas, the logical approach is to determine how to support someone inventively in achieving business success. The issue, again, is one of support, and not of personality or readiness. If a farmer with a disability can no longer milk cows, but can market specialty milk at a higher wholesale price than typical, perhaps the business support solution is as simple as hiring someone who can milk cows, or buying up milk from other producers and performing the value-added processing that generates the higher consumer price at market. Business feasibility takes into account both the owner/operator and the marketplace.

When planning a business, the questions we seek answers for generally include:
Does this business (product or service) address a recognized need in the marketplace?

How do we know this market exists: how can we find out?

Can this product or service be produced at a profit?
Can this business compete with other similar businesses?

Does this business match your dreams and goals?

Are you truly interested in owning this business?

How much time do you have available to operate this business?

How much money can you invest in this business?

Do you have, or can you afford, the necessary business and personal supports required to run this enterprise?

Do you have, or can you acquire, the skills necessary to perform the parts of the business you wish to perform?

How will this business affect your family?

These questions chart out a journey of discovery: matching the person to their dream and skills; matching a product/service to a market; matching a product/service price to customers. The information gathered is then reported in the draft business plan as a justification for the funding being sought.

A very effective, low-tech/high touch/low-cost technique for testing business ideas comes from Rosalie Sheehy-Cates, Executive Director of the Montana Community Development Corporation. Rosalie recommends simply: “Sell a few. What did buyers think of the product; did they want more; would they pay more for it; should it be a different color or size; can you deliver it; is wholesale pricing available; is it as good as other similar products or services?” Selling a few items or services and having a short discussion with the customer provides crucial information. If no one buys, it might suggest there is no market for the product/service, it is overpriced, it is considered of low quality, or it simply does not address a need. Some serious thought goes into the analysis, but the concept of selling an item before staring a company is logical and ecologically valid. For producers of agricultural goods, the local farmer’s market, local grocery stores, and produce wholesalers are great places to test customer response.

For instance, let’s say that a farmer decides that a better match to her personal situation following the acquisition of a disability is honey production for the specialty market. Before investing in thousands of bees and numerous hives, she buys 50 quarts of honey from the local apiary. While negotiating the purchase, she asks questions of the apiary
owner that are critical to her feasibility study and business rationale. These queries might include:

Are there any other specialty honey producers in the area?

Can you put me in touch with them?

Is this a good area for bee keeping?

What do you charge to process honey; would you recommend I do my own?

What do customers ask for in specialty honey flavors?

Do you have enough suppliers; would you be interested in buying my honey production?

Where do you suppose is a good venue for selling my honey?

Is there a honey distributor you might recommend to me?

Surely, one question and answer will lead to more questions that the prospective business owner needs to pursue. Also, understand that a local producer might find this new business idea threatening thereby coloring the responses. The point is to be open to opportunities. If the apiary in this case is looking for suppliers, then perhaps selling off some of the honey wholesale is a quick cash flow solution and evidence that the business is on solid footing. Calls to the local County Extension Office are also in order, along with a talk with the National Honey Board. Since almost all products have a trade organization, a web search can prove vital in gathering relevant statistics. For instance, a short visit to the National Honey Board web site (www.nhb.org) reveals:

That sales of honey were up nationally for the 2002 production year;

That the Honey Board has Marketing and Sales tips available for free;

That overseas sales are strong;

That the USDA has technical assistance available for honey producers;

That beekeepers can expect to sell their raw unprocessed honey for between $1.25 to $1.50 p/lb;

That for 2003, Canada is the largest import competitor to domestic honey producers;

That U.S. honey exports are strong;

That specialty (value-added) honey products represent a growing market for producers;
That the FDA requires specific honey labeling and that the Honey Board has those requirements on-line.

As the research continues, a trip to the Farmer’s Market might be smart. The farmer can either rent a space or pay someone else with an established booth to try selling her new honey. In this example she makes up five pints and five quarts of plain natural honey (so she can see which size sells best and which produces the most profit), a batch of cinnamon honey in pints and quarts, and a batch of lemon honey labeled for tea drinkers. As she sells the honey she asks the customers how they will use the product, what other flavors they might enjoy, if gift sets would be to their liking, et al. These data then help her determine, at least in part, her pricing, the potential market and new product ideas, and the possible best outlets and seasons for honey sales.

Additional research can be done by speaking to people at other outlets and of course by searching the Internet. This is the easiest place for comparing business ideas, seeing what others with similar ideas and businesses are doing, and linking up with business owners across the globe. Not only are other existing businesses easy to find through a search engine (e.g. www.google.com), but their pricing, product line, terms of purchase and shipping, seasons of operation, advertising strategies, and other key business components are offered for the Internet researcher to see. Another on-line resource is www.zoomerang.com. This on-line survey service is free when used with small samples and has helped many individuals poll their local communities to establish market demand. And, local, state, and federal economic development assistance is available over the Internet. Local Small Business Development Centers (SBDC) are always listed, as are state Small Business Administration resources (both can be found at www.sba.gov). A great site for finding government assistance for small business ideas and financing is www.firstgov.com and is often the beginning point for determining available resources, regulations, and expertise.

Some important web sites for testing business ideas and getting a sense of feasibility by examining similar business plans, reading reports, checking regulations, finding financing, or other related topics include:

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>STARTUP/USA</td>
<td><a href="http://www.start-up-usa.biz">www.start-up-usa.biz</a></td>
</tr>
<tr>
<td>Griffin-Hammis Associates, LLC</td>
<td><a href="http://www.griffinhammis.com">www.griffinhammis.com</a></td>
</tr>
<tr>
<td>Zoomerang (survey tool)</td>
<td><a href="http://www.zoomerang.com">www.zoomerang.com</a></td>
</tr>
<tr>
<td>Zapdata (a Dun &amp; Bradstreet business statistics service)</td>
<td><a href="http://www.zapdata.com">www.zapdata.com</a></td>
</tr>
<tr>
<td>BizStats (a financial benchmarking/industry comparison tool)</td>
<td><a href="http://www.bizstats.com">www.bizstats.com</a></td>
</tr>
<tr>
<td>FirstGov</td>
<td><a href="http://www.firstgov.com">www.firstgov.com</a></td>
</tr>
</tbody>
</table>
Another way of testing ideas is asking potential customers what they think. Telemarketers call nightly to ask questions about buying products and services. While this can annoy some people, a short survey that asks a person’s opinion, with no sales pitch, is an effective, legal, and inexpensive way to get advice and public opinion on a business idea. While large corporations spend millions of dollars on statistically correct surveys, most businesses ask small samples of customers very simple questions.

If the business idea is for the specialty honey venture, it makes sense to call people in the early evening, asking first if they use honey. Of course, honey sales may be largely a wholesale operation with grocery stores or processors doing the actual retailing, but some evidence that consumers want gourmet honey may help to convince a local store to carry the product.

A phone survey approach to for the specialty honey might go as follows. First, determine the demographic profile of a likely consumer:

<table>
<thead>
<tr>
<th>U.S. Small Business Administration</th>
<th><a href="http://www.sba.gov">www.sba.gov</a></th>
</tr>
</thead>
<tbody>
<tr>
<td>Association of Small Business Development Centers</td>
<td><a href="http://www.asbdc.net">www.asbdc.net</a></td>
</tr>
<tr>
<td>Forum for Women Entrepreneurs</td>
<td><a href="http://www.fwe.org">www.fwe.org</a></td>
</tr>
<tr>
<td>On-line Women’s Business Center</td>
<td><a href="http://www.onlinewbc.org">www.onlinewbc.org</a></td>
</tr>
<tr>
<td>National Association of Women Business Owners</td>
<td><a href="http://www.nawbo.org">www.nawbo.org</a></td>
</tr>
<tr>
<td>Office of Women’s Business Ownership</td>
<td><a href="http://www.sba.gov/womensbusinesscenter.org">www.sba.gov/womensbusinesscenter.org</a></td>
</tr>
<tr>
<td>Entrepreneur.com</td>
<td><a href="http://www.entrepreneur.com">www.entrepreneur.com</a></td>
</tr>
<tr>
<td>Inc Magazine</td>
<td><a href="http://www.inc.com">www.inc.com</a></td>
</tr>
<tr>
<td>U.S. Dept. of Agriculture</td>
<td><a href="http://www.usda.gov">www.usda.gov</a></td>
</tr>
<tr>
<td>Senior Corps of Retired Executives (SCORE)</td>
<td><a href="http://www.score.org">www.score.org</a></td>
</tr>
<tr>
<td>The USDA Agricultural Research Service</td>
<td><a href="http://www.ars.usda.gov">www.ars.usda.gov</a></td>
</tr>
<tr>
<td>Rural Institute Pass Plans on-line</td>
<td><a href="http://www.passplan.org">www.passplan.org</a></td>
</tr>
<tr>
<td>U.S. Dept of Labor/ODEP</td>
<td><a href="http://www.dol.gov/ODEP">www.dol.gov/ODEP</a></td>
</tr>
<tr>
<td>Job Accommodation Network</td>
<td><a href="http://www.jan.wvu.edu">www.jan.wvu.edu</a></td>
</tr>
<tr>
<td>Virginia Commonwealth University Research &amp; Training Center</td>
<td><a href="http://www.worksupport.org">www.worksupport.org</a></td>
</tr>
<tr>
<td>The Abilities Fund</td>
<td><a href="http://www.abilitiesfund.org">www.abilitiesfund.org</a></td>
</tr>
</tbody>
</table>
They have disposable income to afford the product;

They do not have time to make their own flavored honey;

They may have children who would benefit from honey instead of refined sugar;

They may be health conscious and desire a healthy, natural sweetener.

If there is a particular part of town where folks fit this description reside, search the phone book for phone numbers of people on those streets. Make a list to record their answers so that data can be shared with other advisors. While the same questions should be asked of everyone called, being conversational is a much better approach than offering a rote monotone interrogation. Call enough people that a pattern of responses begins to form (five calls is too few, while 100 is probably way too many). Chances are you will hear new ideas and have discussions that challenge the business idea, improve it, or lead to a new product idea. Follow these leads if they are promising; rewrite or modify the questions to clarify the idea to those being called.

The phone script might sound something like this:

“Good evening. I am developing a new business in town and I am calling to get some advice. All I need is about 3 minutes of your time.”

Wait for acknowledgment. If the person is annoyed or busy, thank them and say goodbye. Otherwise, continue:

“I am making specialty honey. I am researching the demand and desire for my products. Right now I am planning on selling at the local Farmer’s Market, in local Health Food stores, and through my website. My honey comes in orange flavor, cinnamon, and lemon. It is especially good in hot tea and for use in cooking glazes, desserts, and in salad dressings. Do you have a need for specialty honey?”

Record response.

“How much honey do suppose you (or your friends) might use this year?”

Record response.

“Where would you be mostly likely to look for this product?”

Record responses. Again, pursue questions and comments in a friendly manner.

“Do you think you might buy my honey for Birthday or Holiday gifts?”
Record responses.

“A typical pint of honey sells locally for $4.50; would you pay $5.00 for a pint of organically flavored honey? Does that sound reasonable to you?”

Record Responses. They may or may not agree with you. Do not argue about pricing. Collect the information and make decisions later.

At this point more questions may be appropriate, but the 3 minutes is up. Move on and say goodnight, unless the person continues to be enthusiastic.

This is simply one hypothetical scenario. There is no one correct way to approach the survey. But do keep it simple, conversational, and friendly. If the phone is too impersonal, get permission from the local Mall owners and survey some shoppers, or stand on a street corner and ask passersby. The data collected is written into the justification section of the business plan, making the case for receiving financial assistance from a funding agency.

There are many ways to test a business idea, but there are no sure things in this world. In the end, the owner needs to enjoy the work, have adequate and creative supports, and a flexible business model to maintain and recruit customers.