

Client: Hamilton Bradshaw
Source: Evening Standard (Main)
Date: 17 June 2013
Page: 44
Reach: 699338
Size: 125cm2
Value: 7836.25



HAMILTON BRADSHAW
Investing in people with passion

Research is key once you've had that good idea



James Caan

Dear James,

A friend and I devised a new online product. It is, as far as I know, not in production anywhere else.

We're at the stage where we would need to start investing large sums of money. What should we do?

Adam

I can tell you have a real passion for innovation, which is great. However, rather than focusing on whether it has been attempted before, look at whether there is a need for it. Entrepreneurs too often ignore the need for market research.

I would advise against paying to see if it has been attempted before. Concentrate on researching the market, and if you believe you have a product that can fulfil a need, take the next step. Having something commercially viable is the difference between a business and a hobby.

Approach potential buyers, and sound them out. Talk them through your product and pricing plans. Get live feedback on your idea, which will help you decide whether to proceed.

If your research tells you there is a gap in the market but you discover the idea has been attempted before, don't be disheartened. As long as you have a unique selling point and add value, you can differentiate yourself from competitors. For example, yours could be cheaper, or perhaps you are serving a different segment of the market.

Make sure you understand the

commitment it takes to make a business successful. This includes your time as well as your money. If you have a job, it is quite possible that you will have to leave it – I am yet to meet a part-time entrepreneur.

■ *For the full article and news of James Caan's free app, go to standard.co.uk/askjames. His book, *Start Your Business in 7 Days*, is out now.*