**Kentucky Office of Vocational Rehabilitation**

Consumer Feasibility Checklist for Starting a Small Business

Starting a new business can be a rewarding but also a difficult and risky experience. The following feasibility checklist is designed to help evaluate your general business and personal profile and to indicate where needed skills and training should be sought before proceeding. It is designed to help you screen out any ideas that may cause business failure. There is no right or wrong choice so please be honest with your answers.

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| GENERAL CONSIDERATIONS | | YES | NO | Comments |
| **1.** | Have you worked in a business similar to the one you are planning to start? |  |  |  |
| **2.** | Do you have any immediate family members who own or have owned a business? |  |  |  |
| **3.** | Do you have any specialized skills/training or experience in the type of business being proposed? |  |  |  |
| **4.** | Have you taken any courses or seminars on starting and managing a small business? |  |  |  |
| **5.** | Have family and friends told you that self-employment would be a good fit for you? |  |  |  |
| **6.** | \*Are family and close friends ready to support your new business venture? |  |  |  |
| **7.** | \*Do you understand that owning a business may involve working 12-16 hours a day, possibly 6 days a week and holidays? |  |  |  |
| **8.** | Are you prepared to lower your standard of living for several months or even a few years? |  |  |  |
| **9.** | Do you realize your business may not show a profit for one to three years and you may not be able to take a salary for yourself during that time frame? |  |  |  |
| **10.** | \*Are you prepared to possibly lose your investment or your savings? |  |  |  |
| **11.** | \*Is there a market need for your type of business in your area? |  |  |  |
| **12** | Do you feel you have something new and different to offer your customers? |  |  |  |
| **13** | Do you know your target market or who will use your products/services? |  |  |  |
| **14.** | Do you understand marketing trends involving your business? |  |  |  |
| **15.** | Do you know where to find demographic data about your customers, i.e., average family size, age distribution and per capita income? |  |  |  |
| **GENERAL CONSIDERATIONS** (continued) | | **YES** | **NO** | **Comments** |
| **16.** | Are you aware of the already established competition for your product or service? |  |  |  |
| **17.** | \*Do you feel you have something that will differentiate yourself from your competitors? |  |  |  |
| **18.** | If so, are you familiar with factors concerning your competitors’ location, price structure, product lines, source of supply, promotional activities and image from a consumer’s viewpoint? |  |  |  |
| **19.** | Have any businesses of your type recently downsized or gone out of business? |  |  |  |
| **20.** | Do you know why they downsized or closed? |  |  |  |
| **PERSONAL ASSESSMENT** | | **YES** | **NO** | **Comments** |
| **21.** | \*Do you like to make your own decisions? |  |  |  |
| **22.** | Do others turn to you for help in making decisions? |  |  |  |
| **23.** | Do you enjoy competition? |  |  |  |
| **24.** | Do you plan ahead and get things done on time? |  |  |  |
| **25.** | Do you know which skills and areas of expertise are critical to the success of your project? |  |  |  |
| **26.** | Do you have these skill sets? |  |  |  |
| **27.** | Are you familiar using a computer or other technology for the business? |  |  |  |
| **28.** | \*Can you take advice from others? |  |  |  |
| **29.** | Are you adaptable to changing conditions? |  |  |  |
| **30.** | \*Do you have the physical ability and stamina to handle the business? |  |  |  |
| **31.** | \*Do you have any legal proceeding, financially or criminally that could adversely impact the success of the business? |  |  |  |
| **32** | Can you be bonded or insured? |  |  |  |
| **33** | \*Do you have the ability to obtain credit? |  |  |  |
| **34.** | Are you knowledgeable as to what is your credit rating? |  |  |  |

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| PERSONAL ASSESSMENT (cont.) | | YES | NO | Comments |
| **35.** | If not, do you know how to obtain your credit rating and FICO score? |  |  |  |
| **36.** | Could you start your business without an outside loan or grant? |  |  |  |
| **37.** | \*Do you have any cash reserves for business expenses should you need it once you are in operation? |  |  |  |
| **38.** | \*Are you prepared to possibly earn less than you are currently in the next 1-3 years? |  |  |  |
| **39.** | Have you previously owned your own product/service business? |  |  |  |
| **40.** | \*Did you close or sell your business voluntarily? |  |  |  |
| **PROJECT DESCRIPTION** | | **YES** | **NO** | **Comments** |
| **41.** | \*Do you know what a business plan is and the importance of having one? |  |  |  |
| **42.** | Do you have a business plan already written for your business? |  |  |  |
| **43.** | If not, do you know the components of a business plan or where you can secure them? |  |  |  |
| **44.** | Do you know where to get free training and counseling in writing or reviewing your business plan and other aspects of your business? |  |  |  |
| **45.** | Are you aware what legal form of ownership is best for your business, (sole proprietorship, partnership, or a corporation type)? |  |  |  |
| **46.** | Do you know if your business requires special licensing or permits and how to obtain them? |  |  |  |
| **47.** | Can you make an itemized inventory list of operating supplies needed? |  |  |  |
| **48.** | Have you identified suppliers and do you know delivery schedules, credit terms and sales of each supplier? |  |  |  |
| **49.** | Do you know how to compute the start-up costs of your venture? |  |  |  |
| **50.** | Do you know business accounting/bookkeeping and plan to do this task yourself or with the help of family members? |  |  |  |
| **51.** | Will you be able to put together and interpret a 1-3 years Income Statement, Cash Flow and Balance Sheet? |  |  |  |

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| PROJECT DESCRIPTION (cont.) | | YES | NO | Comments |
| **52.** | If you are unsure of financial matters, will you be hiring a CPA (Accountant) while in business? |  |  |  |
| **53.** | Do you know your necessary expenses for overhead, insurance, utilities, advertising, salaries, etc.? |  |  |  |
| **54.** | Do you know how much selling expenses will be? |  |  |  |
| **55.** | Are you aware of the major risks associated with your product/service? |  |  |  |
| **56.** | Are there major questions remaining about your proposed venture? |  |  |  |
| **57.** | Do these questions arise because of a lack of business data? |  |  |  |
| **58.** | Do these questions arise because of a lack of management skills? |  |  |  |
| **59.** | Are you planning to hire outside services for those areas you lack experience in? |  |  |  |
| **60.** | Are you aware there is less than a 50-50 chance that you will be in business 2 years from now? |  |  |  |