

## HOW TO VALIDATE YOUR BUSINESS IDEA

Reviewing data from credible sources can help you understand the size of your market, growth potential, and how others in your field are performing. Both primary and secondary research have their place in the validation process. While primary research gives you first-hand insight into your specific idea, secondary research helps you understand the broader market conditions that could impact your business.

- **Primary research** involves gathering new data directly from potential customers. This can be done through methods like surveys, interviews, focus groups or product testing. For instance, if you're thinking of launching a new product, you might create a prototype or minimum viable product (MVP) and ask people in your target audience for feedback. What do they like? What could be improved? What would they be willing to pay? This hands-on data is invaluable because it gives you a direct line to your potential customers and allows you to test assumptions. Conducting primary research takes time, but it doesn't have to be expensive. You can start small by creating simple surveys with online tools and distributing them via social media or email. You could also attend local events where your target market is likely to be and talk to people in person. Even something as simple as observing customer behavior in stores or online can offer important insights.
- While getting this feedback is crucial, be wary of relying too heavily on feedback from friends and family. People close to you are often too nice—they might tell you what you want to hear rather than what you need to hear. Strangers, on the other hand, tend to be more honest because they don't have the same personal investment in your feelings. While family and friends can be supportive, you'll likely get more valuable insights from impartial sources, especially those who fall into the demographics and psychographics of your target market.
- **Secondary research**, on the other hand, involves analyzing existing data. This could mean studying industry reports, government data, academic papers or statistics from credible sources. Secondary research allows you to understand broader trends, market demand and the competitive landscape without needing to collect data yourself. The good news is that secondary research is often free or inexpensive. There are many resources available, such as reports from the U.S. Census Bureau, trade associations and industry publications. Small Business Administration (SBA) Resource Partners have access to and can gather information from licensed business resource platforms.

### **The role of feedback: Listen to experts without losing your vision.**

Another vital part of validating your idea is seeking feedback, particularly from experts. Whether through formal mentoring, networking or one-on-one conversations, hearing from

seasoned professionals who understand your industry can provide you with critical insights.

However, receiving feedback—especially critical feedback—can be tough. It’s natural to feel attached to your idea, and when someone points out potential flaws or areas for improvement, it’s easy to become defensive. But constructive criticism from someone with experience is invaluable. It’s important to approach feedback with an open mind. Instead of getting upset or discouraged, take feedback as an opportunity to strengthen your idea. Remember, even the best business ideas undergo revisions and improvements before they succeed.

Mentorship can be an invaluable asset for any entrepreneur, but it’s important to realize that no single mentor has all the answers. Just as athletes often have multiple coaches for different areas of their training, entrepreneurs can benefit from multiple mentors who offer different perspectives. One mentor might help you refine your business plan, while another could offer marketing expertise, and yet another might have deep industry knowledge. The key is to surround yourself with a diverse set of advisors who challenge you and bring different strengths to the table. This helps you avoid the temptation to only listen to those who agree with you.

If your idea involves intellectual property (IP), such as a patented product or proprietary process, be sure to take extra precautions before discussing it. You don’t want to expose your idea to potential competitors or individuals who might take advantage of it. Always have a non-disclosure agreement (NDA) in place before sharing sensitive details with anyone outside of a trusted circle, particularly if your idea has unique elements that give it a competitive edge.

As you are getting guidance from experts, don’t feel pressured to act on every piece of advice you receive. It’s your idea and your business, and while expert opinions are valuable, they aren’t absolute facts. Sometimes, experts may not fully understand your vision, or their advice may not align with your research. Balance feedback with your own findings and instincts, making decisions based on what’s best for your business, not just on what others say.

### **Start small, then grow.**

One of the best ways to validate your assumptions is by starting small. Many entrepreneurs fall into the trap of thinking they need to launch on a massive scale right away, but this approach can be both costly and risky. Instead, test your idea on a smaller scale first. This process, often referred to as a “pilot” or “soft launch,” allows you to test the waters, gather real-world feedback, and make improvements before committing significant resources.

Starting small doesn’t just apply to products — it can apply to services, marketing strategies or even geographic expansion. For instance, if you’re launching a new product, you might create a limited production run and offer it for sale to a small, targeted audience, whether through local markets, pop-up shops or a small online store. This helps you assess

demand, observe how customers interact with your product and determine whether your initial price point is viable. Similarly, if you're offering a service, consider launching it with a limited set of clients. You can refine your service delivery based on their feedback and gradually scale as you build confidence in your process.

Starting small also minimizes financial risk. Entrepreneurs often overestimate the initial demand for their product or service, only to find that sales are slower than expected. By limiting the scale of your initial launch, you reduce the potential for major losses if the market response isn't as strong as anticipated. Additionally, starting small allows for agility and adaptability. When you're not tied to a large-scale operation, you can pivot more easily based on feedback or responses from your target market. This flexibility is invaluable in the early stages of entrepreneurship, where the ability to quickly adapt can make or break your success.

Once you've fine-tuned your product or service and validated your key assumptions, then you can scale with confidence. At this point, you'll have a deeper understanding of your target market, a clearer idea of what works and what doesn't, and a stronger foundation from which to grow. The goal isn't to get everything perfect right away but rather to take small, calculated steps that lead to sustainable, long-term growth.

### **Taking the leap from idea to implementation.**

Ideation is an exciting part of entrepreneurship, but it's only the beginning. Validating your idea through research, expert feedback and small-scale testing is essential for building a successful business. By using both primary and secondary research, seeking feedback from multiple sources and starting small, you can ensure that your idea is more than just a great concept — it's a business with real potential for success.

Don't be afraid to revise, improve and adapt as you gather more data and insights. Business ownership is always about pivoting and improving your product and services.