



INCREASE YOUR STARTUP'S CHANCE OF SUCCESS

A guide to help entrepreneurs
start a successful business



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01 Introduction

Britain is one of the best places in the world to start a business, and there has never been a better time to start than now. Consider these facts. They will make your mind boggle.

There were 5.94mill SME's in 2019, accounting for 99% of total UK businesses with 5.6mill being micro businesses (those employing fewer than 9 employees).

77 startups are founded every hour – that is more than one a minute.
Whilst starting a business is relatively easy, being successful is far more challenging.
It requires hard work, dedication, money and a degree of luck.

Most people rush the preparation stage & do not spend the necessary time in thinking, researching, planning and developing a suitable business model.

Spend time at this stage and you will reduce your chance of failure and increase your chance of success.

This guide is intended to provide a framework to help you develop your idea into a suitable business model

To further help you, Acumenology has produced a series of Business Guides on a range of relevant topics. You can find these at: www.acumenology.co.uk/business-guides

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A reality check

Whilst businesses in the UK are starting at an unprecedented rate, the failure rate is also extremely high.

Consider the following facts.

- Over 20% of businesses fail in the first year
- 60% will fail within 3 years.

The main reasons for failure being:

- No real market need
- Lack of adequate funding
- Lack of relevant skills and knowledge
- Inadequate business model
- Competition



03

Improve your chance of success

Entrepreneurs often make the mistake of starting their business without proper and detailed thought and planning.

Now you know some of the reasons businesses fail, spend time on researching, developing and addressing these issues.

Spending time in this stage will lay the foundations for a sustainable business and in doing so you will greatly reduce your chance of failure and improve your chance of success.

This Business Guide was first published in December 2020 and may not necessarily match current events or current opinions and views of Acumenology Ltd. The information contained in this article is intended as a guide.

Whilst there are many issues to address a good place to start is to address the issues set out.

Remember to focus on thinking and developing reasons as to 'why a potential customer would buy from you'.

04

Problem

Your startup is all about solving a problem. Ask yourself whether the problem you have identified is a real and significant issue.

It can often be the case that a 'perceived' problem by the entrepreneur is either not a 'real' problem or a 'significant' enough of a problem to generate significant demand.

Make sure there is clarity between a 'real problem' and your 'perceived problem'.

Clarity on identifying a 'real problem' and why a solution is needed is the starting point.

It is often said that defining the problem is the most important factor in finding a good solution.

If you get the problem right, everything else will fall in line.

You may find this article useful '[How to successfully identify problems worth solving](#)'.



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Target segment

Who are you looking to solve the problem for?

Remember, sometimes identifying a small market sector or niche may make it significantly easier for you when it comes to marketing.

06

Solution

Your solution is a simple explanation of what your offering is and how it is going to solve the problem.

Here are seven-steps for an effective problem-solving process.

1. Identify the issues.
2. Understand everyone's interests.
3. List the possible solutions (options)
4. Evaluate the options.
5. Select the best solution

You may find this article helpful 'Nine steps to effective business problem solving'



07

Value proposition

How is your offering different and what makes it unique?

You must be able to clearly articulate what your product or service consists of and why it is unique.

There are several ways your offering may stand out.

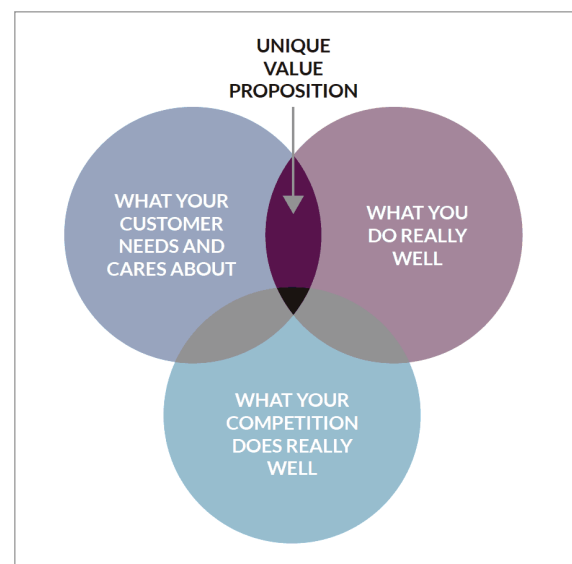
- **Product differentiation**
You have something significantly different. If it is hard to replicate so much the better.

- **Process differentiation**
You are offering a new more effective way doing things
- **Price point differentiation**
You have found a way to sell your offering for less or more (i.e., premium pricing)
- **Niche differentiation**
You have found a sector or niche that is a particularly good fit

Your offering should also be able to answer some of the following questions.

- What does your customer need and care about?
- What do your competitors do really well?
- What are the key differentiated features of your product or service?

To find out more on how to create your value proposition [Click Here](#)



08

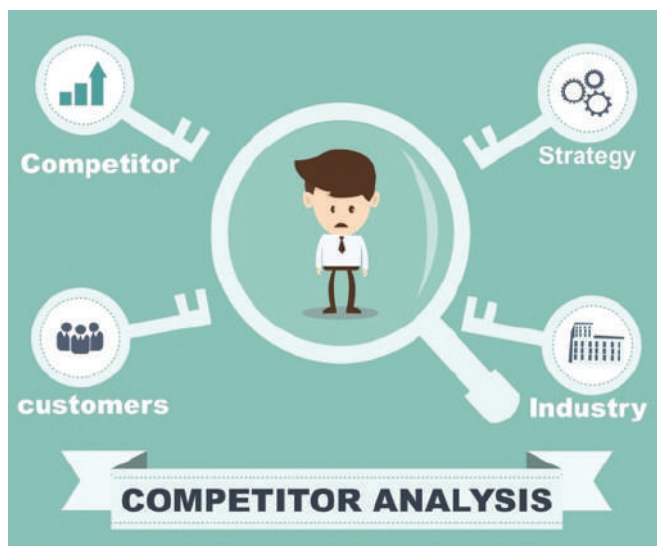
Competitors

A competitor analysis is the process of identifying businesses in your market that offer similar products or services to what you are planning.

Carrying out a detailed competitor analysis will help you:

- get a good understanding of the players in your sector and their strengths and weaknesses.
- identify gaps and opportunities you can use to develop your value proposition and market positioning.
- create strategies to outsmart the competition

To find out more about on how to carry out competitor analysis [Click Here](#)



09 Market Size

The "market size" is made up of the total number of potential buyers of a product or service within a given market, and the total revenue that these sales may generate

An important point to consider is how you can access these customers – there's no point considering them if you can't reach them cost-effectively

You can use market segmentation to divide your market into specific groups. This will give you a greater understanding of each group your offering will appeal to,

It is possible you may wish to target a specific group, and this will help you to tailor your offering to the specific needs of that group.

To find out more information on how to calculate your market size [Click Here](#)



10 Business Model

A business model is quite simply a description of how your company will generate revenue.

It is a complete overview of the operations of a business, the customers you'll be approaching, what and how you'll sell to them and how all these different parts interrelate and support each other.

You may find this article useful '[How to choose the right business model for your startup](#)'

NOTE: Please fill in all areas highlighted in blue

<i>NOTE: All information provided should precise, concise and in bullet point format</i>
The problem – <i>what problem have you identified that you are trying to solve</i>
Target Segment – <i>who are you looking to solve the problem for</i>
SOLUTION – <i>what is your solution to the problem you have identified</i>
VALUE PROPOSITION – <i>what is your value proposition to your target segment or why is what you do different or better</i>
COMPETITORS – <i>who are your main competitors and what are their strengths and weaknesses</i>
MARKET SIZE – <i>how big is the market you are targeting</i>
BUSINESS MODEL – <i>what is your business model and what revenue streams do you expect</i>
ANY OTHER INFORMATION – <i>any other information not covered above you may feel is useful</i>