

PRODUCT AND SERVICE DEVELOPMENT: STAND OUT FROM THE REST

Product and service development is the creation of product(s) or service(s) with distinct or different characteristics which offer new or additional benefits to the customer or the modification of an existing product(s) or service(s) to satisfy the newly defined customer's want or market niche.

Simple ways to develop your product(s) are:

- Find new uses for your product
- Design or re-design your product to make it more user friendly
- Be innovative and differentiate your product so that it stands out from your competitors
- Improve your packaging and labeling to ensure that the product has an appealing look and is highly visible to customers

Service:

- Design your service to effectively meet the needs of your customers and alleviate their frustrations.
- Seek to continually reduce service delivery time
- Offer customer support
- Offer complementary services
- Always go the extra mile

PROMOTION: UTILIZE VARIOUS COST EFFECTIVE ADVERTISING STRATEGIES

Effective promotion of your business increases customer awareness and knowledge of your product(s) or service(s). Some cost effective means of promoting are:

- Word of mouth - use every opportunity to talk about your business and encourage your customers to do the same
- Provide free samples
- Internet
 - Free websites e.g. www.ecomgrenada.com
 - Social network sites e.g. *Facebook, You Tube*
 - Business network sites e.g. *LinkedIn*
 - Blogs

- Offer discounts and specials
- Print Advertisements - newspaper classifieds, fliers
- TV Advertisements - free programs such as; Chit Chat; Spice Mornings etc

CUSTOMER SERVICE: PROVIDE EXCELLENT SERVICE

Quality customer service is the key to achieving a competitive edge in the market and increases the likelihood of retaining current customers and gaining new ones. Become customer-oriented by:

- Always wearing a smile
- Ensuring timely delivery of product(s) or service(s)
- Building friendly relationships with customers
- Never being aggressive
- Meeting and exceeding the needs of your customers
- Treating customers how you yourself would like to be treated
- Apologizing, empathizing and offering solutions to customer's problems

ATTRACTING CUSTOMERS & INCREASING SALES



GRENADA INVESTMENT DEVELOPMENT CORPORATION

PURE BUSINESS

Frequente Industrial Park
Frequente, St. George's, Grenada
Phone: 473-444-1033-40 Fax: 473-444-4828
E-mail: gbdc@grenadaidc.com/invest@grenadaidc.com
www.grenadaidc.com
www.grenadabdc.com

Designed by:  **AllyDay** CREATIVE PROJECTS

A great percentage of businesses (small and large), fail simply due to their inability to determine their target customers and attract them effectively. Whether you are a new or existing entrepreneur, your ultimate goal is to grow your business and generate profits. This requires you to learn and implement strategies aimed at achieving that goal.

Four (4) such strategies which can be considered are:

MARKETING: DEFINE YOUR TARGET MARKET

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MARKETING: DEFINE YOUR TARGET MARKET

Target marketing allows you to focus limited resources on a specific market (customer base), that is most likely to purchase your product or use your service than those provided by competitors. It is an affordable and efficient way to reach potential customers and generate business while competing effectively against your competitors. To define your target market consider the following:

1 LOOK AT YOUR CURRENT CUSTOMER BASE

- Who are your current customers?
- Why do they buy from you?
- What are their common characteristics and interests?
- Which ones bring in the most business?
- What is the possibility that other persons like them could also benefit from your product(s) or service(s)?

2 CHECK OUT YOUR COMPETITION

- Who are your competitors?
- Who are their customers?
- What is their competitive edge?
- What are they doing that I can modify or improve?

3 ANALYZE YOUR PRODUCT/ SERVICE

- Do you know the feature/s of your product or service? Determine the feature/s of your product(s) or service(s) and create a list of each feature of your product or service
- How does your product(s) or service(s) differ from that of your competitor?
- What are the benefits of your product(s) or service(s)? After you have determined the benefits of your product or service create a list

4 CHOOSE SPECIFIC DEMOGRAPHICS TO TARGET

- Age
- Location
- Gender
- Income level
- Education level
- Marital or family status
- Occupation
- Ethnic background

5 CONSIDER THE PSYCHOGRAPHICS OF YOUR TARGET

i.e. the personal characteristics of a person:

- Personality
- Attitudes
- Values
- Interests/hobbies
- Lifestyles
- Behaviour

6 EVALUATE YOUR DECISION

Once you've decided on a target market, be sure to consider these questions:

- Will my target benefit from my product(s) or service(s) ?
- Will they see a need for it?
- Do I understand what drives my target to make decisions?
- Can they afford my product(s) or service(s) ?
- Can I reach them with my message?
- Are they willing to purchase my product(s) or service(s) ?
- Are they easily accessible?

CANNOT GET CREATIVE WITH A NAME?

Seek the advice and assistance of the Business Development Centre in finding the right name for your business as well as registering that name with the Supreme Court Registry.



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WHAT IS IN A NAME? Choosing the Right Business Name

Please Refer To The Following Brochures For Further Information

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- Think You have a Business Idea? What's Next?
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- Presenting a Winning Business Plan
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- Record Keeping Basics



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Business Development Centre

Frequente Industrial Park

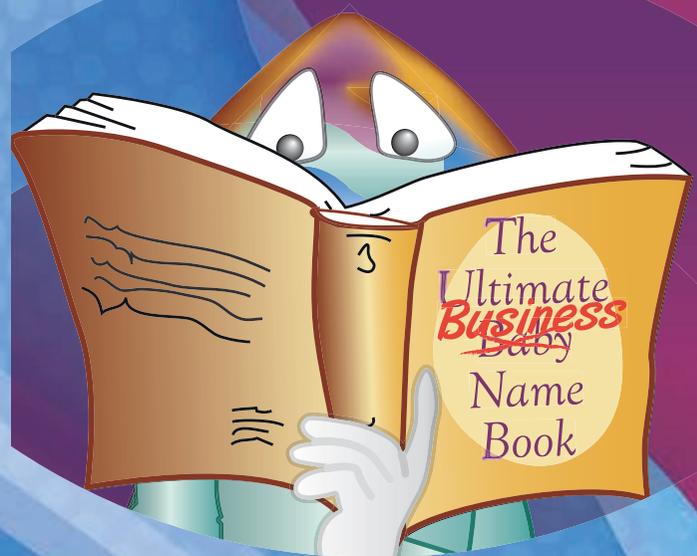
Frequente, St. George's, Grenada

Phone: 473-444-1033-40 Fax: 473-444-4828

E-mail: gfdc@grenadaidc.com/invest@grenadaidc.com

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Your business name is the first opportunity to tell customers how you differ from the competition. Your name embodies your brand; it is who and what you are in the eyes of your customers, suppliers, financiers and competitors.

Selecting the right name is crucial for a number of reasons:

- ◆ It is your customer's first contact with your business; its products and/or services.
- ◆ It is what consumers use to market your product or service to other potential customers.
- ◆ The right name sparks interest in consumers and other businesses, who will want to use your product or be associated with your business.

Consider the following when choosing a business name:

APPEALING AND EASY TO USE

Your business name should be easy to understand, spell and pronounce. It should be easily repeated and most of memorable. It should also be distinguishable from your competitors, and have the potential of becoming well known in the line of business you are in.

GET AHEAD OF THE COMPETITION

If most of your potential customers will use the telephone directory to search for business in your field, consider your position in the listing when you think of a name. Adding words like "The" or "A" before your name can change your position in the directory. Be cautious in using acronyms or abbreviations, as these can confuse your potential customers.

MAKE ROOM FOR EXPANSION

Even if you intend to offer a highly 'niced' product, select a name that would represent a broader category of your product line. A name which states a particular product can limit you if you decide to expand your line. For example the name "**Z's Guava Jelly**" may hinder you in selling condiments made from other fruits.

EMPHASIZE YOUR BUSINESS IMAGE

The use of adjectives to describe your product or service can be effectively incorporated into a business name. For example, a cleaning company named "**Merry Maids**" may project an image of cleaning workers who are happy to do their jobs.

USE A DISTINCT NAME

Resist the temptation of using a name similar or identical to that of another business to avoid confusing customers who are trying to find your business. Once you have chosen a name, it will be with you for as long as you are in business. This may remain true even if others may have taken over and you have gone on to pursuing other lines.

AVOID CHOOSING A NAME THAT IS THE SAME OR SIMILAR TO A FAMOUS TRADEMARK

Companies such as Coca Cola have patented their names as trademarks, use of their name, regardless of the industry or country, is deemed illegal.

OBSERVE CONSUMER BEHAVIOUR

What do people/organizations buy?
 What do they want and cannot buy?
 What do they buy and do not like?
 Where do they buy, when and how?
 Why do they buy?
 What are they buying more of?
 What else might they need but cannot get?

BROWSE THROUGH NEWSPAPERS, MAGAZINES AND OTHER PUBLICATIONS

Great business ideas can be found by just browsing through newspapers, magazines and publications on a regular basis.

Above all, remember to be inventive, imaginative and original in your thinking but stay market and consumer-focussed rather than being solely product-obsessed.

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LOOKING FOR AN IDEA? Here's How to Find One



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Business ideas are all around you. They can be found in your kitchen, your yard or at your neighbours house. You will find them in magazine ads, in your community, even at work or on the drive to work.

They are right there... even at the back of your mind.

You just have to know where to look for them.

START WITH FAMILY

Tapping family for great business ideas may not seem like an obvious first step, you may be surprised at the ideas that your father, cousin or other relatives can contribute this early in the process. Many successful and well known entrepreneurs got their business idea from knowledgeable and experienced relatives.

SEEK HELP FROM YOUR FRIENDS

Do not limit yourself by relying solely on your own ideas especially when your

“creativity seems lacking?”

Seek the advice of close friends who may be able to direct you to ideas you may have overlooked

LOOK AT EXISTING PRODUCTS OR SERVICES WITH A VIEW TO MAKING CHANGES/ IMPROVEMENTS

Possible improvements of these products or services can be fertile ground for great business ideas. If a product doesn't meet your own high standards, create a better one.

Look at existing products or services with a view to:

- ◆ Changing the size, weight, colour, material or shape.
- ◆ Improving quality or quantity.
- ◆ Increasing mobility, access, portability, disposability.
- ◆ Simplifying, repair, maintenance, replacement, cleaning.
- ◆ Introducing automation, convenience.
- ◆ Adding new features, accessories, extensions.
- ◆ Changing the delivery method, packaging, unit size/shape.
- ◆ Improving usability, performance or safety.
- ◆ Improving the quality or service.

PURSUE YOUR INTERESTS

Determine whether or not your hobbies or interest can make money. Many successful persons have taken up hobbies and turned them into a successful business. When you're doing something you love, it's never considered work.

PAY CLOSE ATTENTION WHEN TRAVELLING

Traveling opens your eyes to an abundance of potential business ideas. Whenever you travel pay close attention to activities that are taking place around you. You may discover creative and feasible ideas that you yourself can develop.

KEEP YOUR EYES OPEN

Whenever you see something that sparks your interest, ask yourself,

“What is it about this situation that's special?”

The process of focusing on the idea often creates important niche markets. It is important to keep your antenna up at all times so you can retrieve good ideas when you stumble across them.

TAKE IT TO THE STREETS

There is no better place to look for business ideas than just strolling through local communities.

SLEEP ON IT

Pay close attention to those inner messages you get in your dreams, no matter how strange or unintelligible they are. This may be the nucleus of a great idea. The tough part may be crawling out of bed to jot down those great ideas before they are forgotten.

SURF THE NET

Web surfing is a fun way to log on to potential business ideas. Every search engine has a

“What's new” or
“What's hot”

section, where new trends, news tidbits and hot new web sites are listed. Make it a point to check out various sites daily. It may trigger an idea or concept you never thought of.

SWOT Analysis of your business	<ul style="list-style-type: none"> ◆ What are the strengths and weakness of the business, the opportunities that exist for its growth, and possible threats that may arise to affects its growth/goals.
Financial Plans	<ul style="list-style-type: none"> ◆ How much money do you expect to make from this product or service? ◆ Realistic projections of the cost of operating the business <ul style="list-style-type: none"> ◇ Materials ◇ Labor ◇ Equipment ◇ Marketing ◇ Overheads ◇ Other. ◆ Prepare a break-even analysis.
Appendices	<ul style="list-style-type: none"> ◆ Financial forecast (balance sheets, income statements, and cash flows) and other supporting documents.

OVERALL TIPS FOR COMPLETING THE BUSINESS PLAN

The executive summary should be placed at the front, however it should be written last, to ensure complete understanding and gathering of all ideas and thoughts.

Bind the pages of the plan together to create a professional look.

Avoid jargon and the use of big words that you may forget the meaning of.

Keep paragraphs and sentences short

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FROM IDEA TO PLANNING Developing Your Business Plan



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For a business to be successful and profitable, the owner(s) must have a clear understanding of its customers, competitors, strengths and weakness, and also have the foresight to plan for future expansion.

WHY WRITE A BUSINESS PLAN?

- ◆ The process forces the person preparing the plan to look at the business in an objective and critical manner.
- ◆ Helps to focus ideas and serves as a feasibility study of the business's potential for growth and success.
- ◆ The plan serves as an operational tool to define the business's present status and future possibilities.
- ◆ Helps with the management of the business and serves as a strong communication tool for your business.
- ◆ Helps in accessing loans.

WHO SHOULD WRITE THE PLAN?

A business plan first and foremost should be written by **YOU!** It is a road map that outlines the management and operation of your business. It is not recommended that you contract the **entire** job out to a consultant, but work along with the consultant to ensure that all of your ideas and vision are captured in the plan.

KEY CONSIDERATIONS

Before Putting Pen to Paper, Research Resources and Tools That Can Help. Assistance can be received from the Business Development Centre where the officers with experience in what the financial institutions are looking for are available.

Back up Your Concepts with Numbers. A business plan is both qualitative and quantitative and involves more than writing about your vision; it is interpreting, in financial terms, your measurable goals. You will need precise and accurate numbers.

Be Realistic When Making Projections. One of the most frequent errors made when writing a business plan is over-estimating revenue and under-estimating expenses. Improvement in revenue estimates can be realized by narrowing your target market down to a realistic niche, then interpret revenue and expenses in terms of that market. Start by identifying potential customers, then removing those who are not ready to buy, cannot be marketed to effectively, cannot afford your product/service or do not consider it a need.

At a Minimum, Include Financial Projections for the First Year. Cash flow analysis for the first year is critical. Additionally, the preparation of a profit and loss and balance sheet projection for up to three (3) years is needed. Also calculate the break-even point at which sales will cover costs.

Pay Special Attention to Marketing. Develop goals then conduct a market analysis to include; identifying target markets, researching competition and assessing market trends. Then prepare a marketing strategy.

KEY COMPONENTS OF A BUSINESS PLAN

Component	What to Include
Title Page	<ul style="list-style-type: none"> ◆ Name of the business, address, contact number. ◆ Telephone, fax, e-mail. ◆ Date of preparation.
Table of Content	<ul style="list-style-type: none"> ◆ Clear numbering of the context of your plan.
Statement of Purpose	<ul style="list-style-type: none"> ◆ Purpose in preparing the plan, amount requested, repayment schedule. ◆ Time table of implementation.

Executive Summary

- ◆ Purpose of the plan, brief highlights of the plan.
- ◆ Description of your business (product/services).
- ◆ Summary of marketing strategy.
- ◆ A summary of funding requirements, amount of funding required, how funds will be used.
- ◆ How funds will be repaid.
- ◆ Key projected operational results, income sales.
- ◆ Key parts of your management team.

Your Business

- ◆ What is the nature of your business? (general description)
- ◆ Advantages over similar business (competitors).
- ◆ Where will your business be located and why?
- ◆ The performance and strategies of your business & reasons.

Management

- ◆ Key persons involved, their roles responsibilities, background, and skills.
- ◆ Formal qualification required and shown.
- ◆ Include resume and application cover letter.

Marketing Plan

- ◆ Who is your target? What will your marketing strategy be? What marketing image are you seeking for your business?
- ◆ How will products/services be distributed?
- ◆ How are you going to price your products and services?

- ◆ A corporation can deduct cost of benefits provided to employers or owners*.

Things to Consider

- ◆ Complex to set up and maintain.
- ◆ Difficult to dissolve.
- ◆ Span of control is greatly reduced or limited. Shareholders have little say in the running of the business.
- ◆ Stricter rules for operations than partnerships.
- ◆ The tax reporting requirements for corporations are far greater than for sole traders and partnerships.

The Corporation must submit an annual tax return to report its income and deductions, and the income tax it is liable to pay. Taxes are payable on net profit at a rate of 30%.

LIMITED LIABILITY COMPANY

A form of business where the business entity is considered separate from its owners, who are usually referred to as members/partners.

Advantages

- ◆ The owners can only lose the amount invested in the company.
- ◆ The formal structure may attract investors.
- ◆ Partners can divide profits not proportional to their investment in the company.

Things to Consider

- ◆ Similar to a partnership, a member/partner has the authority to bind the partnership to a contract.

Reporting and Paying Income Tax

The Company must submit an annual tax return to report its income and deductions, and the income tax it is liable to pay. Taxes are payable on net profit at a rate of 30%.

If wages or director's fees are received from the company, you are required to:

- ◆ Include this income in your individual tax return.
- ◆ Pay taxes at the individual tax rate i.e. 30% on the income in excess of \$60,000 per annum.

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SHOULD I DO THIS ON MY
OWN?

Choosing the Right Business Structure

Sole Proprietorship

Partnership

Corporation

Limited Liability Company



There are real advantages in choosing a structure best suited to the way you want to operate your business, and it is important for you to understand these advantages and responsibilities as they may affect: the way tax applies to your business, protection of your assets, your operating costs and how other businesses establish relationships with you.

SOLE PROPRIETORSHIP

This form of business is owned and operated by **YOU**. You will be solely responsible for the management of employees, operations and all aspects of the business.

Advantages

- ◆ Very few legal and tax formalities for setting up.
- ◆ Structure is inexpensive to set up.
- ◆ You maintain full control of the business.
- ◆ You receive the full benefits of profits made by the business.
- ◆ Requires little working capital.

Things to Consider

- ◆ Access to finances is usually limited to your own resources; difficulties in raising capital may be experienced.
- ◆ All responsibilities and decisions fall on the shoulders of the sole proprietor.
- ◆ You are required to do all the work, if no employees are hired.
- ◆ You are legally responsible for the debts and obligations of the business. These cannot be shared.

- ◆ Increased likelihood of loss of private assets such as your home, contents and vehicles if the business goes into debt.

Reporting and Paying Income Tax

As a sole proprietor, you pay personal income tax on earnings. You are entitled to the tax-free threshold (the first \$60,000 earned in an income year) after which 30% becomes payable on the excess.

PARTNERSHIP

A partnership is usually formed with two or more people sharing the ownership and income of a single business.

Advantages

- ◆ Inexpensive set-up cost.
- ◆ Greater access to finances from the resources of all partners.
- ◆ The ability to raise funds may increase.
- ◆ There are more persons to share the workload.
- ◆ The business may benefit from the complementary skills of partners.
- ◆ Losses and legal responsibilities are shared.
- ◆ This structure can be legally dissolved by mutual consent of the partners, or in accordance with an established contract.

Things to Consider

- ◆ Profits must be shared among all partners.
- ◆ Since decisions are shared, disagreements can occur.
- ◆ Each partner is equally responsible for the debts of the partnership.

- ◆ Difficulties may be experienced in finding a suitable partner(s).
- ◆ The partnership may have a limited life i.e may dissolve on the withdrawal or death of a partner.
- ◆ Loss of private assets such as your home, contents and vehicles to settle debts of the partnership can occur.

Reporting and Paying Income Tax

As a partner, you are required to pay tax on your share of the partnership income (less expenses) earned. You are entitled to the tax-free threshold (the first \$60,000 earned in an income year), after which 30% becomes payable on the excess. Under a partnership, each partner is personally liable for the tax debts of the partnership.

CORPORATION

A corporation is defined as a legal entity or structure consisting of a group of persons who become shareholders.

Advantages

- ◆ Owner's liability is limited to the investment made.
- ◆ Easier access to capital.
- ◆ Increased ability to attract investors.
- ◆ Corporate Tax is paid only on profits.
- ◆ Shareholders are not liable for the debts of the business.
- ◆ Increased asset protection.

Score 0-79: You **lack** most of the common characteristics and strengths of a successful entrepreneur. Starting a new business would likely be a costly mistake. You need improvement in most, if not all, of the following areas: relationship skills, supervision, sales ability, decision making under uncertainty and stress, developing and listening to a strong support network, attention to administrative details, thinking innovatively, perseverance, or tolerating the risk inherent in a new venture.

Score 80-110: You have **many** of the characteristics and strengths of a successful entrepreneur. You will need improvement in more than one of the following areas: relationship skills, supervision, sales ability, decision making under uncertainty and stress, developing and listening to a strong support network, attention to administrative details, thinking innovatively, perseverance, or tolerating the risk inherent in a new venture.

Use the Answer Key inside to identify the areas you need to enhance.

Score 111-170: You have **most** of the characteristics and strengths of a successful entrepreneur. You may need to improve in one or more of the following areas: relationship skills, supervision, sales ability, decision making under uncertainty and stress, developing and listening to a strong support network, attention to administrative details, thinking innovatively, perseverance, or tolerating the risk inherent in a new venture.

Use the Answer Key inside to identify the area or areas you need to enhance.

Score 171-180: You have **all** the characteristics and strengths of a successful entrepreneur! You excel at relationships, supervision, selling yourself and products or services, decision making under uncertainty and stress, developing and listening to a strong support network, administrative duties, innovation, perseverance, and tolerating the risk inherent in a new venture.

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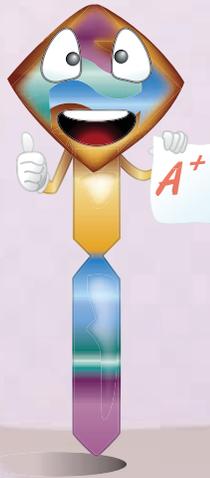


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ENTREPRENEUR'S QUIZ

Take the following quiz to see if you have the qualities exemplified by effective entrepreneurs. Keep in mind that this quiz only provides general guidelines and all kinds of individuals succeed in starting profitable businesses, even against apparently insurmountable odds.

Complete this quiz by ticking the check box next to each statement that most closely matches how you (honestly) feel:



ANALYSE YOUR ANSWERS

Ticking “Neutral,” “Disagree,” or “Strongly Disagree” on questions in the quiz earns you 4, 2, and 0 points, respectively. Ticking “Agree” and “Strongly Agree” scores 6 or 10 points, respectively. Low points indicate potential weaknesses and High points indicate strengths. To identify the specific area or areas that may need enhancement, match your quiz answers with the following question categories (e.g., if you answered “Neutral,” “Disagree” or “Strongly Disagree” to Questions 2 through 4, you likely need to improve your supervisory skills.

ANSWER KEYS

Question 1 measures relationship skills

Questions 2 through 4 assess supervisory skills

Questions 5 and 6 measure sales ability

Questions 7 through 9 assess decision making under uncertainty and stress

Questions 10 and 11 measure the development of and ability to listen to a strong support network

Question	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1 I enjoy working with other people	<input type="radio"/>				
2 I can easily delegate work to people	<input type="radio"/>				
3 I enjoy supervising people and monitoring their progress	<input type="radio"/>				
4 I have successfully managed group efforts	<input type="radio"/>				
5 I am persuasive when pitching new ideas to a group	<input type="radio"/>				
6 I am persuasive when selling a product or service	<input type="radio"/>				
7 I foresee opportunities and threats in uncertain situations	<input type="radio"/>				
8 I enjoy the challenges involved in solving a tough problem	<input type="radio"/>				
9 I enjoy dealing with new ideas and situations	<input type="radio"/>				
10 I have a supportive network of friends, family and advisers	<input type="radio"/>				
11 I am flexible and able to take advice	<input type="radio"/>				
12 I keep detailed and accurate records	<input type="radio"/>				
13 I am good at organizing things and seeing tasks to completion	<input type="radio"/>				
14 I see an almost limitless number of ways of making money	<input type="radio"/>				
15 When I set goals, I stay with them, regardless of obstacles	<input type="radio"/>				
16 It is important to me to make a mark in this life	<input type="radio"/>				
17 I am prepared to take risks where other people hesitate	<input type="radio"/>				
18 I have confidence in my own abilities	<input type="radio"/>				

Note: Source of information: www.donbarker.com/quiz/

Questions 12 and 13 assess attention to administrative details

Question 14 measures the ability to think innovatively

Questions 15 and 16 assess perseverance

Questions 17 and 18 measure tolerance to the risk inherent in a new venture

To assess your score, please see the reverse of the brochure.

Retail:

Retail space comes in a variety of sizes and may be located in enclosed malls, shopping centres, downtown shopping areas or mixed-use facilities. You can also find retail space at the airport and other transportation facilities such as, the bus terminal, hotel lobbies and at temporary or special event venues.

Mobile:

Whether you're selling to the general public or other businesses, if you have a product or service that you can take to your customers, your ideal location may be a car, van or truck. This allows you to travel to where the demand for your product is.

Commercial:

Commercial space offers more options than retail. Commercial office buildings offer traditional office space geared to businesses that do not require a significant amount of pedestrian or automobile traffic for sales.

Industrial:

If your business involves manufacturing or heavy distribution, you'll need a plant or warehouse facility. Light Industrial Parks such as the ones located at Frequete and Seamoon, attract and cater for smaller manufacturers, as well as companies that need showrooms or storage, in addition to manufacturing facilities.

Please refer to the following brochures for further information

Am I an Entrepreneur?
Looking for an Idea? Here's How to Find One
Think You have a Business Idea? What's Next?
From Idea to Planning. Developing Your Business Plan
Presenting a Winning Business Plan
Should I Do This on My Own? Choosing the Right Business Structure
What is in a Name? Choosing the Right Business Name
Jane, Jim or Jack? Who is the Right Employee for You?
Record Keeping Basics



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PURE BUSINESS

LOCATION, LOCATION,
LOCATION
**It's All About
the Location**



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KNOW YOUR MARKET

Think about the environment your new business will require.

Do you need to be located close to customers, or are you able to service your clients remotely via the telephone or over the internet?

Service type or small scale manufacturing businesses can be started at home, but consider; could potential customers be put off by the thought of doing business at your house?

Or will customers overlook where you're located because selling will be done largely via phone, fax and the web?

THINK LIKE THE COMPETITION

It may seem highly risky to set up operations adjacent to the competition, but clustering can increase overall business and lead to cost savings in hiring and shipping, amongst other things. Becoming part of a cluster attracts a much larger market, and can still make you better off than if you try to establish your own market in a new area.

DETERMINE THE FEATURES YOUR PREMISES MUST HAVE AND SCOUT FOR ALL POSSIBLE LOCATIONS

Give consideration to the size, street frontage, parking, loading areas, special facilities which you will require, then visit as many possible locations as you can. Listen to your gut reaction; is this an area in which you would like to 'shop?' Does it meet all the features required? This can greatly impact the amount of customers coming through your door.

THINK LIKE THE COMPETITION

Visit small stores in various locations to see how busy they are. Ask existing business owners whether leasing at that location was worth it, and how much turnover they are receiving by operating in the area.

Other factors to consider are:

- ◆ Do you need to be located close to suppliers? i.e. consider the delivery costs for raw materials and supplies.
- ◆ Do you intend to lease or purchase your premises?
- ◆ Can the business be operated from home?

TYPES OF LOCATIONS

Home based:

Many entrepreneurs start at home and then move into commercial space as the business grows. This type of location eliminates the need to negotiate leases, finding substantial deposits, or travelling to work. The disadvantages may include; limited space for physical growth and difficulties in accommodating employees or meetings with clients.

Choosing the right location for your business can be a major factor in its success or failure. A good location may allow a struggling business to survive, but a weak location could mean trouble for even a very well-run business.



SHARE YOUR FRUITFUL FAILURES

If you have invested in a business in the past which has failed, do not be afraid to share these unsuccessful ventures. Financiers/investors want to see that despite failure that you have learnt from your mistakes.

KNOW YOUR LIMITATIONS

Avoid saying that you can do it all. Be willing to admit your limitations while at the same time highlighting, how these limitations will be overcome. For example if you have little knowledge of accounting, indicate that you are going to either hire an accountant or seek training in an accounting software.

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Business Development Centre

Frequente Industrial Park

Frequente, St. George's, Grenada

Phone: 473-444-1033-40 Fax: 473-444-4828

E-mail: gbdc@grenadaidc.com/invest@grenadaidc.com

www.grenadaidc.com

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PRESENTING A WINNING Business Plan



The idea of presenting your prospective business venture to financiers or potential investors may seem nerve-racking. However, this may be the only opportunity to make a lasting impression and obtain buy-in. By following some basic rules you will get through the presentation successfully.

HAVE A WELL WRITTEN EXECUTIVE SUMMARY

For many Financiers and Investors, the executive summary of the business plan is what opens the door for a presentation, the full business plan may only be read after a successful presentation has been delivered.

HAVE A POSITIVE ATTITUDE

Having a positive attitude will help in portraying a high level of confidence.

REMAIN PROFESSIONAL AT ALL TIMES

Dress appropriately and conduct yourself in a businesslike manner at all times during the interview.

FAMILIARIZE YOURSELF WITH COMMONLY USED BUSINESS TERMS AND SPEAK WELL

Research the meaning of frequently used business terms and use them appropriately during the interview. This will allow you to sound very knowledgeable about the field of business. Also speak clearly and articulately to ensure that all of your important points are communicated.

HAVE A THOROUGH UNDERSTANDING OF YOUR BUSINESS

Your intention should be to convince the financier or investor to buy into your business. In depth questions about the business will be asked and expressions of uncertainty about the business will deter investing/lending.

BE SPECIFIC ON HOW FUNDS WILL BE SPENT

Institutions and investors main concern is the proper use of invested funds. Be prepared to clearly outline exactly what the funds will be used for, in the business and over what period.

EMPHASIZE REVENUE PROJECTIONS. BE ACCURATE AND DETAILED

Financiers and investors tend to be very focused on numbers, so all facts and figures must be realistic and accurate. Emphasize amount of projected revenue to assure the other party of the business's ability to meet its obligations in the future. Be prepared to answer in-depth questions relating to the financials.

SHARE YOUR WEAKNESSES AND HOW YOU PLAN TO ADDRESS THEM

Everyone has weaknesses and it is highly unlikely that as an entrepreneur you possess all the requisite skills and knowledge to operate and/or manage the business. Don't be afraid to indicate what your weaknesses are; however ensure that you have plans in place to address these weaknesses.



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Record Keeping Basics



DOCUMENTS NEEDED FOR RECORD KEEPING

Certain documents need to be filed properly if you wish to maintain a proper record of your finances.

- Save all purchase, sales, payroll and all other receipts in a separate folder.
- Proof of income-bank, cash register bills and credit card receipts.
- Documentation of suppliers' receipts of all your buying and selling transactions. These receipts should also be filed separately.
- Keep documents related to business expenses. Small cash payments should also be recorded, and you should have a cash disbursement slip ready.
- Documents related to assets, fixed and variable should be saved so that it makes auditing and accounting easy.
- If persons are employed, keep employee payment records.

Record keeping is very crucial and helps you to maintain a clear idea of your financial standing at any given time. If help is needed with record keeping, please seek the advice of the Business Development Centre for assistance or training in keeping manual records or in the use of accounting software.

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There are three (3) main financial records that should be kept:

THE CASH FLOW/CASH BOOK

The cash book is the final record of all the money that comes into and goes out of your business - often referred to as cash flow.

To complete your cash book, you'll need to collect and hold on to:

- ◆ Cheque book stubs, cancelled cheques.
- ◆ Bank statements.
- ◆ Copies of your own invoices.
- ◆ Receipts and delivery notes.
- ◆ Your suppliers' invoices.
- ◆ Receipts for all cash purchases, petty cash/float withdrawals etc.
- ◆ Copies of payments made or received using online banking systems.

THE BALANCE SHEET

A balance sheet is a financial statement which indicates the financial position of the business at a given point in time. It provides a snapshot summary of what a business owns or is owed - assets - and what it owes - liabilities - at a particular date.

A balance sheet shows:

- ◆ How much money the business has.
- ◆ How liquid its assets are - how much is in the form of cash or can be easily converted into cash.

- ◆ How the business is financed.
- ◆ How much capital is being used

THE PROFIT AND LOSS/INCOME STATEMENT

A profit and loss statement, often referred to as the income statement, is a summary of business transactions for a given period - normally 12 months. By deducting total expenditure from total income, it shows whether your business made a profit or loss at the end of that period.

TIPS FOR RECORD KEEPING

Update all records daily to prevent being buried under a ton of paperwork at the end of the month or at the end of the financial year.

- ◆ File receipts under the proper headings.
- ◆ Keep track of who gave you which receipt, when, and why.
- ◆ Keep a record of ALL expenses i.e. where and when you spend monies.
- ◆ If you own more than one business, keep separate records for each.

It is quite common for micro, small and medium sized businesses to ignore financial matters until the information becomes vital. Businesses fail by not maintaining their financial records and losing sight of where they are and where they are heading, leading to cash flow problems and equity issues.

In order to succeed in business, you need to keep track of all sales, proceeds, and turnover of your business.



KNOW WHAT TO LOOK FOR

In order to weed out potential employees who may not be right for your business, look for the following warning signs:

- ◆ Was the applicant laid off before, but has not given a reason for being fired?
- ◆ Are they able to substantiate training with proof i.e. a certificate, letter of reference etc?
- ◆ Are there long delays in answering questions?
- ◆ Is the applicant maintaining eye contact continuously?

SELECTING THE RIGHT PERSON FOR THE JOB

After the interview is completed, verify references and experience, complete a character check with persons in the community where the applicant resides, and then ask yourself the following questions about each applicant:

- ◆ Will this applicant be able to work within the culture of my business?
- ◆ Does the applicant have the people skills needed for the position?
- ◆ Does the applicant have all of the qualifications this position requires? If not, do they have the most important qualifications?
- ◆ How does this applicant compare to other applicants?

Score your answers to each of these questions and then compare applicant scores. This process should help you determine which applicant is the right candidate for both the position and for your business.

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JANE, JIM OR JACK? Who is the Right Employee for You?



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You may have been the jack-of-all-trades for your business but it's getting beyond your control to do it all and you need to hire your first employee. Before you jump into the process of hiring, take the time to develop a strategy which will help you select the right employee to avoid turnover, lost of productivity, lawsuits and low employee morale.

Before the Interview:

DO THE PAPERWORK

You are mandated to register with the National Insurance Scheme to obtain an employer identification number once you start hiring employees. Assistance can be received from the Business Development Centre to complete the application form.

KNOW THE JOB

Before you advertise the position, sit and write out an exact job description. Clearly state the essential responsibilities for the position. Determine the qualifications (education and/or training), years of experience, special skills or abilities the employee should bring to the job.

CONSIDER YOUR WORK ETHICS AND STYLE

If you have strong work ethics, you would not work well with someone lacking this quality. However, if you are lacking in that area it makes sense to hire someone who possesses this quality. This should apply to any areas of strengths or weaknesses that you may have.

DETERMINE METHOD OF RECRUITMENT

There are several avenues which can be used to recruit persons such as; an employment agency, placement of an advertisement in the local newspaper or radio stations, churches, youth programs, posting of flyers or advertisement on job websites.

Selecting Prospects to Interview:

SCREEN APPLICATIONS

Review each application received and sort into Yes, No, and Maybe Piles. Yes Pile - applicants that have all of the minimum qualifications required. No Pile - none of the qualifications required and the Maybe Pile - applicants with at least some of the qualifications.

SET UP INITIAL INTERVIEWS

It is best to start calling applicants in the Yes Pile and schedule interviews as soon as possible to ensure that qualified candidates are still available. Select one or two days for conducting interviews and allow applicants to select time slots within those days.

The Interview Process:

PREPARE A LIST OF QUESTIONS AHEAD OF TIME

This will help you to ask every applicant the same questions, get the same amount and kind of information from every applicant and have a place to organize your impressions and notes about each applicant's answers. Ask questions that give you an idea of their personality, work ethics and compatibility with you.

KNOW HOW TO INTERVIEW PEOPLE

It's easy for conversations to become personal, especially if the applicant is a friend of a friend. Avoid asking applicants intimate questions such as the status of their personal relationships or their marital status.

BUSINESS START-UP CHECKLIST

COMPONENT 1: COVERING THE BASICS

- What are your reasons for getting into business?
- Do you have the experience and talent required for this business?
- Do you have adequate management skills to oversee and develop your business?
- What are your personal strengths and weaknesses?
- What are your business and personal goals?
- Do you have enough money to start your business?
- Do you have enough financial resources to maintain your business?
- Can the business generate enough cash to cover its expenses and to make a profit? Do you know how long it will take you to achieve that?
- Do you own any assets?
- Are you willing to risk these assets to borrow money?
- Do you have a clear idea about your start-up costs?
- Where will your business be located?
- Do you know if there is a demand for your product or service?
- Have you researched market demand or have you just assumed that people need or want your product or service?
- Do you know who will be your customers?
- Do you know who your competitors are?

COMPONENT 2: 'YOU'RE ALMOST THERE'

- Prepare a business plan or financing request.
- Determine a name for your business or company.
- Register your business/company name.
- Select a Lawyer. (Only if you are registering a company).

- Choose a form of organization. (e.g. Sole Proprietorship, Partnership or Corporation).
- Select an Accountant / Bookkeeper.
- Determine the financial institution that you will do business with.
- Set up a business checking account.
- Apply for business loans (if applicable) and negotiate favorable terms.
- Select an Insurance Agent and obtain business insurance.
- Register employees with National Insurance Scheme.
- Register with the Inland Revenue Department.
- Obtain a business license or permit to operate business.

COMPONENT 3: SOME ADDITIONAL THOUGHTS...

- Develop promotional materials. (e.g. fliers, brochures, business cards).
- Identify your sources of supply for equipment, materials.
- Determine how to record business transactions/finances.
- Determine if you need to employ additional persons.
- Determine if you need to protect your business idea.



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GETTING OFF TO THE RIGHT START IN BUSINESS





Starting a business takes a great level of commitment and drive by an entrepreneur as it requires you to undertake a number of key steps to get the business started. If these are not followed, delays will most likely be experienced and in some cases the business will not get off the ground.

1. ASK YOURSELF; IS THIS REALLY FOR ME?

A true entrepreneur is someone who takes on the risk of starting a business in order to fulfill a passion, dream and vision. Entrepreneurship involves great risk and requires a high level of commitment and drive in order to attain success. Ask yourself; am I willing to make the sacrifice and do all what it takes to operate a business?

2. BE ON THE LOOKOUT FOR THAT “AHA” MOMENT

Most times the inspiration or idea for a business venture comes from looking at what is around you or what is not. Pay attention to what is happening around you on a daily basis with a view to spot any potential business ideas.

3. SCRUTINIZE THE IDEA INSIDE AND OUT

Before rushing to turn that idea into a business, take time to ensure that it makes sense and that it is viable. Assess the market by determining whether there is a demand for your product(s) or service(s), assess your competitors, identify startup strategies, determine costs and the potential revenues to be gained.

4. SEEK PROFESSIONAL HELP

Discuss your idea(s) with a Business Development Officer at the BDC and receive free advice and counseling. The Officer will work along with you throughout the various stages of implementation and operation. Other business support services and technical assistance are also available to you.

5. BUILD THE RIGHT BUSINESS STRUCTURE

The type of business started (Sole Proprietorship, Partnership, Company etc) should be one that is best suited to the activities and goals of the business. Consider the advantages, disadvantages and tax implications of each structure.

6. FIND THE RIGHT LOCATION

Location can equal money. Based on the type of business being undertaken, situating the business in a key location can be the difference between success and failure.

7. CHOOSE A NAME

A business name is an effective marketing tool and it is important for you to choose a name that is unique, memorable, sells the business to customers and sets you apart from competitors in the market.

8. LEGALIZE YOUR BUSINESS

Having completed steps 5, 6 and 7, register your business name or incorporate a company.

9. GET A TAX ID#

Consult with the Inland Revenue Department concerning registration for all tax types that pertain to your business and register as required.

10. SEEK PERMISSION

Depending on the type of business being started, necessary permits and licenses are required and must be received before the business can start operations. Seek assistance from your assigned Business Development Officer at BDC to determine which ones will be required, if any.

11. JOIN THE SCHEME

Register with the National Insurance Scheme (NIS) for social security purposes (employee, employer contributions).

12. PLAN AHEAD

Do you need a business plan? Yes! Studies indicate that persons who take the time to prepare a plan are most likely to actually start the business and succeed. A business plan is the compass which will set the course of your business into the future.

13. FINANCE YOUR BUSINESS

A business cannot start without any initial capital investment. Consider the various sources of financing as well as the types of financing that are available such as loans, joint venture capital, equity, grants etc.

14. SOURCE YOUR STUFF

Find reliable sources/suppliers for all the materials necessary to ensure proper operation of the business i.e. raw and packaging materials, products, equipment, furnishings etc.

15. SEE WHAT GOVERNMENT HAS TO OFFER

The Government of Grenada in its support for private sector investment, offers concessionary support (waiver of duties and taxes) to businesses that can contribute to the economic growth and development of the country. Consult with an Investment Promotion Officer at GIDC to determine if your project is eligible to receive concessions.

16. FIND YOUR FIRST CUSTOMERS AND START THE BUSINESS

Your first customers are critical not only because they are your first source of revenue but they also legitimize your idea and demonstrate that there is a market for your product(s) and service(s). Where do you find your first customers? That depends on your strategy, but one common strategy is to leverage your personal and professional contacts and by extension, their contacts.

Answers to these questions will enable you to determine whether your start up costs will be high or not. If your costs seem high, seek assistance in developing strategies to lower same.

PREPARE A SIMPLE ACTION PLAN

This plan should cover the first year of operations to highlight the critical tasks and likely funding needed before the business starts generating a positive cash flow.

A business's idea(s) may seem exciting and favourable in the beginning, however, critical examination of idea(s) from all angles is advised.

Ask yourself:

- ◆ Will I be able to raise enough money?
- ◆ Will I be able to find a suitable location?
- ◆ Will I be able to source skilled staff?
- ◆ Will the product be accepted?
- ◆ Will I be able to effectively promote and sell?

DO NOT rush into the first feasible idea without letting it incubate or develop in your mind for a reasonable period. Avoid the tendency to get all fired up and enthusiastic.

STAND BACK AND THINK!!

Do not be afraid to seek assistance and advice from the Business Development Centre.

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THINK YOU HAVE A
BUSINESS IDEA?
What's Next?





After much brainstorming and research you may have compiled a list of potential business ideas that you believe will bring you the freedom of being your own boss and plenty of profits. However, before you run out and cash in your life-savings or take a loan, devote time to assess these ideas to determine whether or not they are feasible.

DISCUSS YOUR PRODUCT OR SERVICE WITH PROSPECTIVE CUSTOMERS

Do not keep your idea a secret. Share it with a select group of potential customers. Find out what they really think by seeking the following information:

- ◆ Would they buy from you?
- ◆ At what price?
- ◆ How often?
- ◆ Why would they prefer your products to that of the competition?

Without real-world feedback your business idea may quickly fail.

CRITICALLY ASSESS THE MARKET USING DESK & FIELD RESEARCH

There may be great prospects or the lack thereof for your product or service in the market. However to optimize the opportunities that exists it is essential to determine:

- ◆ Whether the market is segmented by price, location, quality, channel.
- ◆ Which segments you will be targeting.
- ◆ The size of these segments (in volume terms) and how they are changing.
- ◆ Price mark-ups/structures.
- ◆ What market share will be available to you. Keeping in mind your likely prices, location, breath of distribution, levels of promotion etc.

ANALYZE YOUR COMPETITION

There will always be competition in the market, however if you dedicate time to analyzing your competitors, it places you in a better position to compete effectively.

Determine:

- ◆ Who are they and how do they operate?
- ◆ Are they successful? Why?
- ◆ How would they react to your arrival in the market?
- ◆ What makes you think that you could beat the competition?
- ◆ At whose expense sales will be gained?

CONSIDER POSSIBLE START-UP STRATEGIES

It is recommended that new businesses keep their start-up costs at a minimum. To achieve this, ask yourself the following questions:

- ◆ Will you be able to work from home or part-time?
- ◆ Will you start by buying finished products for resale before commencing manufacturing?
- ◆ Will you contract out manufacturing?
- ◆ Will you buy an existing business or form a joint venture?
- ◆ Could you lease or hire equipment, premises rather than buy?
- ◆ How will you stimulate sales?