

Project Name :

Revision No. Date ,

For each item, circle the most appropriate answer and make a note of the [-1] , [0], [+1] score.

Part 1. Strength of the Business Idea

	Low Potential [-1]	Moderate Potential [0]	High Potential [+1]
1. Extent to which the idea: <ul style="list-style-type: none"> • Takes advantage of an environmental trend. • Solves a problem. • Addresses an unfilled gap in the market. 	Weak	Moderate	Strong
2. Timeliness of entry to market.	Not timely	Moderate timely	Very timely
3. Extent to which the idea "adds value" for its buyer or end user.	Low	Medium	High
4. Extent to which the customer is satisfied by competing products already available.	Very satisfied	Moderately satisfied	Not very satisfied or ambivalent
5. Degree to which the idea requires customers to change their basic practices or behaviors	Substantial changes required	Moderate changes required	Small to no changes required

Part 2. Industry related issues

	Low Potential [-1]	Moderate Potential [0]	High Potential [+1]
1. Number of competitors	Many	Few	None
2. Stage of industry lifecycle	Maturity or decline	Growth	Emergence
3. Growth and rate of industry	Little or no growth	Moderate growth	Strong growth
4. Importance of industry's products/services to customers	"Ambivalent"	"Would like to have"	"Must have"
5. Industry operating margins	Low	Moderate	High

Revision No. Date ,

Part 3. Target market and customer-related issues

	Low Potential [-1]	Moderate Potential [0]	High Potential [+1]
1. Identification of target market for the proposed new venture	Difficult to identify	May be able to identify	Identified
2. Ability to create "barriers to entry" for potential competitors	Unable to create	May or may not be able to create	Can create
3. Purchasing power of customers	Low	Moderate	High
4. Ease of making customers aware of the new product or service	Low	Moderate	High
5. Growth potential of target market	Low	Moderate	High

Part 4. Founder's (or Founders') related issues

	Low Potential [-1]	Moderate Potential [0]	High Potential [+1]
1. Founder's or Founders' experience in the industry	No experience	Moderate experience	Experienced
2. Founder's or Founders' skills as they relate to the proposed new venture's product or service	No skills	Moderate skills	Skilled
3. Extent to the founder's or founders' professional and social networks in the relevant industry	None	Moderate	Extensive
4. Extent to which the proposed new venture meets the founder's or founders' goals and aspirations	Weak	Moderate	Strong
3. Likelihood that a team can be put together to launch and grow the new venture	Unlikely	Moderate likely	Very likely

Revision No. Date ,

Part 5. Financial issues

	Low Potential [-1]	Moderate Potential [0]	High Potential [+1]
1. Initial capital investment	High	Moderate	Low
2. Number of revenue drivers (ways in which the company makes money)	One	Two to three	More than three
3. Time to break even	> 2 years	1 to 2 years	< 1 year
4. Financial performance of similar businesses	Weak	Modest	Strong
5. Ability to fund initial product (or service) development and/or initial start-up expenses from personal funds or via bootstrapping	Low	Moderate	High

Overall potential

Each part has five items. Scores will range from -5 to +5 for each part. The score is a guide - there is no established rule of thumb for the numerical score that equates to high potential, moderate potential, or low potential for each part. The ranking is a judgement call.

Score [-5 to +5]	Overall potential of the business idea based on each part	Suggestions for improving the potential
1. Strength of business idea	High potential Moderate potential Low potential	
2. Industry-related issues	High potential Moderate potential Low potential	
3. Target market and customer related issues	High potential Moderate potential Low potential	
4. Founder's or founders' related issues	High potential Moderate potential Low potential	
5. Financial issues	High potential Moderate potential Low potential	
Overall assessment	High potential Moderate potential Low potential	

Idea Validation. First Screen 4

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Summary

Briefly summarize your justification for your overall assessment