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Canadian Business Research Intro

Best Approach to Business Research

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Most entrepreneurs recognize the need for research but unfortunately do not approach it properly. They go to the library, they go on the Internet, they even talk to business advisors and other entrepreneurs and yet their business still runs into difficulty soon after start-up.

***Where most new entrepreneurs go wrong is in their approach.
Business research is not about “proving your hunch is right.”***

If you approach your business research with the intention of proving your business idea is a good one, 99.9% of the time you will convince yourself you are right!

We did some work for a client who wanted to open an independent optician shop. His market appeared solid. There was no doubt that with the graying of the local population there was a huge potential for eyeglass sales. Moreover, the industry performance of optician shops was solid. If our client was trying to prove a hunch, he would have had no need to research further. With a growing market and strong industry performance, how could such a business possibly fail?

Well, it could. Quite easily! When we examined the nature of optician stores in his market in detail, it was clear that industry growth was due solely to franchise and chain operations. In fact, independent optician shops were losing market share very rapidly. If our client had set up his shop when he felt his hunch had been “proven”, his business

Research Tip

Get more than one point of view.

Consult a variety of sources to ensure your research is complete.

Our [Source Lists](#) allow you to easily access available sources.

would have struggled at best and would have more than likely closed soon after opening.

Business research is about establishing a successful business. Information that may appear negative to your business idea is usually alerting you to another, better opportunity.

After examining the research, our client decided to take advantage of the opportunities of the same market and industry, but within a different type of business. He chose to become an optometrist. Here, he could maintain an independent status and the successful franchise optician stores would actually become his chief revenue source.

Do not approach your research with the underlying question "Will this idea work?" Have confidence in your idea and ask the more pertinent question "How can I make this work?"

By changing the reason behind your research you will find yourself open to more opinions and sources. You will also find yourself adjusting and transforming your original idea to best suit the opportunities that already exist in your market and industry.

The second most common error we see among new business researchers is that their sole reason for gathering information is so that they can convince a third party - whether that be a bank or a government program - to invest in their business. This is the exact same mistake as trying to prove your own hunch is right.

Certainly it will take a bit more effort to "fool" a bank into believing that your idea is a success but it is not impossible. You might get your loan, but your understanding of your market and industry will be distorted. You will have dismissed any information that appeared negative solely because you believed it would weaken your case with the bank. Your business will be in a position where its very existence is threatened before you even open your doors!

The benefit of business research is that it helps you to recognize

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how you can position your new business so it is successful.

To realize this benefit however, you must approach your research with an open mind.
Consider all the data you find and do not dismiss any information out of hand.
Remember: no single statistic can determine whether your business will succeed or fail.

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Next: ["How do you know when you have done enough research?"](#)

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