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## Canadian Business Research Intro

# Talk to People

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Often when we are first thinking of setting up a business we are nervous about asking for advice. New entrepreneurs generally fall into two categories:

1. The Insecure
2. The Paranoid

## The Insecure

The first group is fearful of criticism. They are worried that if they reveal their business idea to someone, it will be "shot down in flames." If you are not confident enough in your product/service to speak to someone about it before you are in business, how can you possibly hope to sell them a product in the future?

***It is important to separate your business from yourself.***

Sometimes this is difficult. All your thoughts and energies are directed towards this one goal, so it is only natural that you begin to see it as an extension of yourself, but you must consciously break this perception. Remember, any criticism your business idea

## Research Tip

### Don't give up!

Not everyone you ask will want to speak with you. Do not take it personally.

Move on and find someone else to speak with.

receives is not directed at you personally. Criticism is only the identification of a perceived weakness in your venture; it is merely a question about your business that has not been answered.

## The Paranoid

The second group of entrepreneurs is terrified of competition. They have "innovation paranoia." They believe that if they reveal anything about their business before they are actually in operation, someone will steal their idea and their market share.

***Keep in mind that a good business idea does not necessarily translate into a successful business.***

Success is based on more than market demand and innovation. Company organization, financing, marketing, operations, location, competitive distinction and credibility are also key factors. A business idea is the seed of profit but on its own, without water, soil, and careful tending, it is worthless. What separates an entrepreneur from the rest of the world is that they not only think up an idea, they put it into action.

Do not be so arrogant as to think no one else has thought or could possibly think of your idea. Talk to people about the product/service you are developing. Obviously you will not want to give away the key proprietary information (i.e. the actual mechanics of your self-cleaning rug) but by simply telling someone your idea you will not compromise your business.

Think of it this way, even if your idea is so unique that when you launch your business you will capture instant market share that never existed before (by the way no such product/service exists or ever will) it will not be long before another company copies your idea. The sole key to your so-called success - innovation - will be eliminated in a matter of months. But if your success is built around a unique idea and based on an integrated business strategy, you will be able to not only innovate but also compete and succeed.

***When talking to people keep in mind that their time is valuable***

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***so do not waste it. Develop a conversion strategy.***

Create a list of topics you want to cover before meeting with someone. Examples of topics include pricing, key players, industry trends, customer needs, issues of credibility etc. Each contact will have their own area of specialty. For example a customer can tell you about their needs, opinions on price and key players they are aware of, while suppliers and industry partners can alert you to industry issues and competitive factors.

When you have a conversation you need to explore the topics you want to focus on rather than simply gather facts. Don't just ask if someone would buy your product/service but who they would buy it from and why. What companies come to their mind when you describe your service? If they needed such a service where would they look to find it?

Remember, to have a successful conversation, there must be a two-way dialogue. What information can you provide in return. Industry contacts are often interested in published data they may not be aware of. Get someone to comment on information you have already uncovered elsewhere. How does the data fit into current trends? People are much more receptive if they see an advantage to themselves in assisting you. With customers you can provide added insight into your service or product or provide suggests on how they can get added benefit from their purchase.

Talking to people is an essential business skill that will take time to develop. Start by talking to less important contacts. Friends and relatives can be a good training ground. As with any skill the more practice you have the better you will get at it.

***Sometimes it is not always easy to find people to talk to.  
Nevertheless every successful entrepreneur can find these  
"primary sources".***

If you are starting a business in an industry where you were once an employee, talk to people you used to deal with in the workplace. If you are setting up a business in a new industry, go to an industry convention and establish contacts. Talk to owners of other businesses in your industry and related sectors. Retailers should talk to wholesalers and manufacturers and vice-versa. Business and personal services should contact related services or suppliers that are active in their market.

Also talk to your competitors. In some industries information is offered freely, in others you will find your competitors are less eager to talk. Do not answer for your competitors ("Oh they won't talk to me.") Actually contact them directly and let them decide. You will often be pleasantly surprised.

Contact businesses outside of your market as well. This can often defuse the suspicion of competition. If you operate an independent toy store in Halifax, you will not be of any competitive threat to a similar store in Calgary. Use business directories or out of town Yellow Pages to locate companies. Most major libraries will have both. The Yellow Pages are also available on-line: <http://www.yellowpages.ca>

Do not forget to communicate with other people in your business environment. If you are opening a restaurant and you know your business location, talk to the manager of the shoe store next door. Find out what time of day she is the busiest. Find out what sort of customers she has. If her store attracts a lot of young families with children, take advantage of the opportunity in your business environment. Why would you advertise seniors' lunch specials, if children were walking right by your store at noon?

Similarly, if you are thinking about setting up an Internet based business, talk to other Net-preneurs. If you are setting up a home-based business, talk to others operating from home. It does not matter that they are not selling the same product as you. The information they will provide to you will give you insights into your business environment and the market already active there. Successful businesses do not operate in isolation. They are aware of their surroundings and all the opportunities that exist.

Regardless of whether someone is helpful or not always ask if they might recommend someone else with whom you could speak. You need to talk to as many people as possible to get a clear idea of your business market and environment. The more points of views you are given, the more complete the overall picture you will have.

Next: [be careful with surveys](#)

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