

# Evaluating a Business Opportunity

1. **Knowledge**  
Do you have the necessary knowledge, skills and/or experience that is needed to pursue this opportunity? If not, can you acquire it or hire it?
2. **Market saturation point**  
What is the market saturation point of this opportunity?
3. **Resources needed**  
What resources are needed: time, money, equipment, technology to be licensed, specialized skills, employees, facility?
4. **Unusual risk factors** (associated with a particular business)  
Changes in technology, difficulty in obtaining a constant supply of a products, specific government regulations, hazards, labor shortages, reliance on too few suppliers or customers, specific liability, etc.
5. **Financial requirements**  
What are the financial requirements?
  - One time startup costs
  - Operating expenses
  - Expected level of sales
  - Projected cash flow
  - Estimated profits
  - Anticipated return on your investment (ROI)
  - Salary expectations of the owner
  - Is outside financing required?
6. **Personal investment**  
What is the maximum amount of money you are willing to invest in the business?
7. **Minimum profit**  
What is the minimum profit you will accept from this business as a return on your investment of money and time?
8. **Savings**  
Can you meet your personal living expenses without drawing a salary from the business for one to two years?
9. **Time commitment**  
How much time are you willing to commit to getting the business started and managing it?
10. **Length of business ownership**  
How long do you plan to own the business? How will you sell the business?
11. **Risk of business failure**  
Are you willing to accept the risk of possible business failure and loss of your investment?