

20 Tips to Help You Choose a Business Idea

Business Information Factsheet
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Introduction

When thinking about an idea for a new business, it is important to consider your own experience, skills and interests and to be honest about your personal strengths and weaknesses. It may be useful to ask close friends or trusted former business colleagues for their views of your skills and strengths, as they may see potential that you hadn't considered.

In addition to being clear about the product or service you will be providing, it is also important to be sure there is a market that is willing to pay for it. This will generally require more research.

This factsheet provides a range of tips to help you to consider a business idea or opportunity that might be suitable for you. It may also be beneficial to speak to a professional business adviser.

1. What skills do you already have that could be the basis for a business?

Many people, such as tradespeople, consultants and freelancers, sell their time and skills in a service-based business. Plumbers, beauty therapists, accountants and writers are well-known examples. It is possible to apply skills you have acquired in education or another job role to a new business idea. For example, ex-servicemen or police officers could offer intelligence or security-related services, or a personal assistant in a large firm could go freelance and work as a virtual assistant for a number of small business clients.

2. Could you turn a hobby into a successful business?

Skills do not have to be work-related - they can come from a hobby or personal interest. If you are a keen gardener, could you set up a local gardening service? If you like cooking, could you set up a personal catering service for people having dinner parties or children's parties at home? Do not dismiss your hobby as the basis for a business idea just because you do it for fun. But be careful - it is very different spending time running a business that needs to make money, rather than simply enjoying your hobby.

3. Could you run a home-based business?

Many people start up in business from home in order to save money on premises, or to give them flexibility with childcare. Home-based business opportunities are becoming increasingly varied. Many people set up 'kitchen table' enterprises, such as producing homemade cakes or printing t-shirts on-demand and selling them via their own e-commerce websites or online marketplaces such as eBay. The rapid growth of cloud collaboration tools makes it increasingly easy for freelancers and consultants to provide services such as writing, editing, accountancy, marketing and design from home.

See BIF017 Legal Guide to Running a Business from Home for more information about the practicalities of running a business from home.

4. Could you provide a mobile business service?

There are many business ideas that do not involve fixed business premises and the associated costs. Beauty therapists, hairdressers, tattoo artists, personal trainers, dog groomers, car valeters and computer repairers are just some examples of people who offer their services on a mobile basis.

You will need a vehicle to carry your business equipment. Some mobile businesses (such as car valet or tattoo artist) may require a specially adapted van.

5. Do you have a clean driving licence?

There are business ideas that are wholly reliant on the ability to drive, such as a chauffeur, courier service or taxi service. Gig economy platforms such as Uber make it relatively easy to start working as a self-employed taxi driver. Couriers such as Hermes, Yodel and Amazon operate networks of self-employed delivery drivers.

The popularity of fast-food takeaway ordering apps, such as Deliveroo, Just Eat and Uber Eats, has led to a growing number of opportunities to work as a self-employed food delivery driver.

6. Are you creative and can you make things to sell?

If you are creative there are numerous opportunities for you to use this skill and make items to sell, for example jewellery, wedding stationery or handmade toys. There are also opportunities for more traditional creative craftspeople such as stained glass artists or blacksmiths.

Online marketplaces are an increasingly popular sales channel for designer-makers and creative businesses. They include Amazon, eBay, Etsy, Folksy and Notonthehighstreet.com.

See BIF508 Trading via Amazon for more information.

7. Do you have a talent for entertaining people?

A variety of customers will pay for entertainers with talents such as dancing, music or acting. Entertainers such as balloon artists and magicians are also in demand for all sorts of events, from children's parties and cruise line entertainment to visitor attractions and corporate hospitality events, product launches and conferences.

8. Can you offer tuition or coaching?

If you have teaching skills, or a natural talent and enthusiasm for passing on any specialist knowledge you have, you may be able to provide tuition in, for example, a foreign language, music, arts and crafts, IT or cookery.

Alternatively, senior-level experience in business management, professional qualifications and coaching expertise may provide you with an opportunity to work as an executive coach.

9. Could you sell something at a pop-up stall or street market?

Pop-up shops are increasingly popular across the UK. Correctly located and stocked, they can offer a good income stream that may also serve to promote a main business, for example a clothing shop or takeaway outlet. The advantage of a business being mobile is that it can be moved from outside a train station, to a festival, to a Christmas market, etc., therefore appealing to a new catchment of potential customers. When considering this type of business, it is essential to contact your local authority to enquire about any street trading licences or permits that may be required.

10. Could you sell or refurbish second-hand items?

Do you have the ability to collect, repair and sell second-hand items, such as furniture, jewellery, toys or books? You could trade from a local market stall or trade online via your own website or online marketplaces such as eBay, Gumtree and Preloved.

'Upcycled' furniture has been in increasing demand and is a way for those with creative or artistic skills to refurbish - or sometimes repurpose - items of furniture to create a unique, statement piece that can be sold at a premium.

11. Could you run a direct selling business?

Are you good at organising parties and neighbourhood meetups? Do you have a large number of followers on your social media accounts? You could run a direct selling business, which involves retailing products through personal contact with potential customers. You purchase the products at a discount from a direct selling company, such as Avon, Ann Summers or Kleeneze. They provide you with sales training and support, and you earn an income by selling the products at their full price.

12. Could you offer care services or activities for children?

Child-related services have proved popular as business start ups in the past few years. Many childcare services, such as day nurseries, out-of-school clubs and childminding, require you to register with the appropriate national regulatory body (such as Ofsted, in England) and meet statutory conditions.

However, other services are easier to set up and do not require registration. These include providing soft play facilities or running baby-and-toddler classes. Popular classes include music and dance, sensory play, messy play, gymnastics and language learning.

13. Do you enjoy working with animals?

Pet ownership in the UK is increasing, and pet-related services are very popular. Services include pet sitting and boarding, pet grooming, dog walking and training, animal behaviour consultants and pet taxis.

A house-sitting service that incorporates looking after pets is another growth area, with many services extending their reach by advertising via online platforms and offering their services on a global basis, for example travelling from a home base in the UK to look after a family's house and pets in Europe or the US.

14. Could you provide house clearing and recycling services?

House clearing services remove unwanted items from people's homes and either take them to local authority waste disposal centres or resell them, often on eBay or other online marketplaces. Some house clearance services repair and restore damaged items before resale. The start-up costs are low, though a van and some storage space are essential. It will also be necessary to register as a waste carrier.

15. Can you 'piggyback' your idea onto an existing business offer?

There are many examples of opportunities to do this, provided that the existing business is willing to accommodate you, and your products/services complement their current provision.

For instance, a garden centre might be seeking to open an on-site café/bistro where customers can relax, but which also encourages them to spend longer (and spend more money) at the garden centre. The café provides extra appeal to their customers, and if there is no one among the centre staff with catering experience, they might well offer this opportunity to a tenant business. This sort of idea can work in a wide variety of business sectors.

16. Is someone retiring, and can you fill the gap that they will leave?

If a local trader or business owner is planning to retire and they do not have anyone they can pass the business on to, there could be an opportunity for you to create a new venture that fills the gap in the market and serves many of the same customers. Once you've secured the customers for your new venture, you can help to retain them with a loyalty card or rewards scheme.

17. Have business closures created new opportunities in your local area?

Many communities are suffering from the closure of local shops, cafes, post offices or other services, particularly as a result of the coronavirus lockdowns which forced many small traders out of business. Is there enough demand in your local area for you to consider opening a new business to replace what has been lost? Are there business premises standing empty that you could consider renting?

18. Do you enjoy working outdoors?

Business opportunities that involve working outside include providing gardening and landscaping services to householders and carrying out conservation work or woodland maintenance for local authorities and landowners. Or you could provide specialist services to farmers as an agricultural contractor, for example fencing and hedge cutting.

Outdoor opportunities also include small-scale enterprises such as free-range egg production or beekeeping. If you have a particular outdoor interest, such as walking or birdwatching, you could also consider offering guided outdoor activities.

19. Are there opportunities to commercialise research carried out by local universities?

University researchers can often identify unusual or innovative ways to solve a problem. Do you have any links with your local colleges or universities that you could explore to find out what innovative ideas are being developed by their students that would allow you to promote your commercial skills in taking research to the next stage?

20. Could you invest in a franchise?

Buying an existing business or investing in a franchise is a popular option because the purchase usually involves something that is based on a tried and tested business model and is already successful. However, the cost of buying a franchise varies considerably across industry sectors, so as a potential franchisee you will need to consider the merits of each franchise on an individual basis.

There are thousands of franchise opportunities available for you to choose from, including convenience stores, coffee shops, childcare services and travel agencies.

Further information

BIF012 An Overview of Intellectual Property Rights
BIF017 Legal Guide to Running a Business from Home
BIF047 Sources of Statistics and Market Information
BIF071 Buying a Business-Format Franchise
BIF098 Could You Run Your Own Business?
BIF120 Buying a Business
BIF185 Checklist for Start-up Market Research

Useful contacts

The National Enterprise Network represents organisations that provide enterprise support to new and emerging businesses in England. Its website has a directory of members.

Tel: 07702 807058

Website: www.nationalenterprisenetwork.org

Business Gateway provides start-up support across Scotland.

Tel: 0300 013 4753

Website: www.bgateway.com

Business Wales provides business support, advice and information to new and existing businesses in Wales.

Tel: 0300 060 3000

Website: <https://businesswales.gov.wales>

Enterprise Northern Ireland is a network of local enterprise agencies that deliver business support and information throughout Northern Ireland.

Tel: (028) 7776 3555

Website: www.enterpriseni.com

The Prince's Trust helps young people aged 18-30 who are unemployed or under-employed to start up in business.

Tel: 0800 842842

Website: www.princes-trust.org.uk/help-for-young-people/support-starting-business

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