



Start Up Sanity Check 12 Questions

The following are some of the questions I ask potential entrepreneurs in my one-hour Sanity Check advisory meeting. Regardless of the passion or idea, the business basics remain the same.

1. How is it (idea, product, technology) different? It can't be some vague "innovative" statement. Just about everyone (your competition) says things like "innovative" and "solutions." I'm yawning and so will your potential customers.
2. Is it different enough? Is there a compelling reason why people would choose you over others?
3. Why would anybody care about the difference? There has to be something in it for them.
4. Who would buy it (and why)? It may not be who you think. (And you may not be your ideal target market.)
5. What are your potential customers doing now? (to solve the problem, accomplish the task.)
6. How many would buy it? (potentially)
7. Would they buy more than one?
8. How are you going to sell it? If through third parties - what third parties? Why? Can you afford a multi-level pricing and margin structure?
9. How are you going to deliver it? I'm not talking just about shipping, although that can be a huge job. What about e-commerce? Direct sales? Channels?
10. How are you going to support it? Who will answer the phone? Handle social media customer engagement? Ship replacements? Work with distributors?
11. What's your exit strategy? Have you thought about that?
12. Do you want to build a sustainable, long-term business or a short-term opportunistic one? (niche markets, fads). Either is fine, but be honest with yourself (your family, your investors, and your employees.) Don't talk long-term when all your efforts are geared toward short-term growth (which may well not be competitive for very long, if ever. WeWork is a good example.)