

Information Reconnaissance and Research

Why do you need information?

- To succeed
- To convince other to invest money, energy, time, resources
- To convince yourself

What information do you need?

- Potential customers – where are they, who are they, how many of them are there, what are they looking for, what price are they willing to pay? - Market, market, market
- Competitors – who are they and where are they, what are their characteristics
- What is the industry profile relative to profitability and other financial measures?

Market Research

- **Bottom Up Research/Primary Sources – Direct Contact with Potential Customers, Distributors, Competitors; surveys, focus groups, observations, test drives, test-runs.**
- **Top Down Research - Secondary Sources– Databases, other “official” data and other published information, e.g., web-sites, census, DBEDT, trade organizations**

Top Down Resources

- <http://www.hisbdc.com/BusinessResearchLibrary.aspx>
- <http://hawaii.gov/dbedt> - State of Hawaii Division of Business, Economic Development and Tourism
- <http://www.trade.gov/cs/states/hi.asp> - US Foreign Commercial Service
- <http://www.ctahr.hawaii.edu/site/> - UH - College of Tropical Agriculture and Human Resources
- Internet search – “trade association” – product, service, commodity

Exercise

- Break into Groups of 5 or so.
- Take one person's business idea and have them identify:
- The products and services that the business sells
- The likely or intended market; who will buy these products or services.
- (If you don't want to focus on a particular person's business, think of another product, e.g., sprouts, bagels, kombucha.)
- What would you want to know before you invest in this company?
- What questions do you need to research?