

How to choose a business idea

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Not every business starts with a flash of inspiration about a brand-new product or a gap in the market.

Some businesses are born because the owner wants to be their own boss... even though they might not have a specific idea about what they want to do.

If you know you want to start a business but haven't had that lightbulb moment of inspiration, don't worry.

We'll help you work out what's going to suit you and signpost you to the best small business ideas.



STEP 1 : What sort of business suits you?

Before you start Googling things like 'the best small business ideas' and 'business ideas that can make you rich', you need to think about what sort of business you want to run. There's no point choosing a business idea but not enjoying it. Here are some questions to get you thinking about the best business ideas for wonderful, one-of-a-kind you.

What are you interested in?

Do you have a passion for crafting, animals, cooking, helping people? Think about the things you love. Maybe you should explore business ideas with pets, or home business ideas for crafters. **Doing something you love** is a rewarding way to run a business.

Lone wolf or pack leader?

Do you want to work for yourself / by yourself? Or do you dream of building an empire and employing staff? This will determine whether you are looking for a home business idea, an online business idea, or a business idea that has room to grow into something bigger.

What skills do you have?

Think about the skills and experience you have from past jobs. Do you have specialist skills like hairdressing or accountancy? Do you have transferable skills like administration and customer service? Choosing a business idea that matches your skills and experience can make the process of starting a small business easier.



Listen to compliments

What have people complimented you on in the past? Something that seems obvious and easy to you, could be a skill that others are willing to pay for. Copywriting, cake-baking, IT support...just because you can do it, doesn't mean everyone can!

Where do you see yourself?

When you picture your dream life as a business owner, where are you? Are you working away at your kitchen table? If so, there are plenty of home business ideas you could explore.

Or are you serving customers behind a deli counter or from a street food truck? There are lots of business ideas with a van! Or you could **set up a café**. Maybe you're behind a desk? Or working abroad? Your mental image can reveal insights about what you'd like to do.

Product or service?

Do you want to make or sell products? Or do you see yourself delivering services? Would this be in person or online? There are lots of online business ideas if you want to run a virtual business.

Do you like working with specific things – like technology or cars – or do you love working with people or animals? This can guide your choice of small business ideas.

What resources do you have available?

Thinking big is brilliant, but you need to be realistic too. Think about the resources you have to make your business idea come to life. If you are short on cash, look for a **business idea you can start with no**

[money](#).

Or think about getting an [affordable Start Up Loan](#). Start Up Loans begin from just £500 and are a great way to kick start your dream business.

What kind of person are you?

When it comes to business, there are all kinds of motivations: money, family time, being the boss, changing the world. Think about why you want to go into business and make sure your plans match your personality and preferences.

For example, if you want to start a business to have more family time, a simple freelance business might be better than building a business empire. [There's no shame in a lifestyle business](#). But if you want to make millions and employ an army, you probably won't be satisfied with a solo business.

Discover if you've got the [qualities of an entrepreneur](#) with our personality quiz.



STEP 2 : Brainstorm business ideas

Once you've narrowed down the sort of business you'd like to run, it's time to brainstorm some ideas. But how do you [think up business ideas](#)? Here are some ways to get your creative juices flowing.

Look around you

The world is full of businesses. Many of them run by people just like you.

- Seen a business you'd like to run? Ask the owner what it's like and whether it is profitable and enjoyable
- Come across a business and thought 'I could do better than that'? Maybe you should!

Look online

Whether you use the internet to research business ideas or want to run an online business, fire up Google and get looking! There are lots of opportunities to run a business online.

- Make products and sell them through an online marketplace like eBay, Amazon or Etsy – check out our [guide to online marketplaces](#)
- Offer services that are accessed online, such as online courses or web design
- Use the internet to research business ideas
- Sound out your idea on social media - there are lots of Facebook groups where people discuss small

business ideas. Or [run an online survey to gauge opinion](#)

- Check out our full list of start up guides.

Ask a friend

Two heads are better than one. Sit down with friends and family and brainstorm ideas. Start with a list of areas you might like to work in and see what flows.

Think about a problem

Solving problems is a great way to build a business.

- Have you been frustrated by a product that doesn't deliver? Perhaps you could develop a product that does things better?
- Is there a service you wish someone offered? Perhaps one that a friend has access to but isn't available in your area? You could start it
- Do you wish you had someone to tackle a certain job you don't like doing? Such as oven cleaning or gardening or admin? That could be the basis of a business!
- Discover what are people complaining about. If your business idea is based on a product, look at existing product reviews on sites like Amazon for ideas about improvements and features people want to see

Explore franchises

There are lots of franchises available in the UK. They aren't all big brands like Costa and McDonalds. There are smaller business franchises too, such as baby classes, escape rooms, shops, soft furnishings, dog grooming, gyms...you name it, you can probably buy a franchise. Read our [guide to buying a franchise](#).



STEP 3 : Work out what business ideas are profitable

Unless you're independently wealthy, your business idea needs to make money.

You don't want to spend a long time working out detailed financial projections for every business idea on your list. But you should ask yourself some key financial questions to ditch ideas haven't got potential to be profitable. Our article on [how much it costs to start a business](#) might help.

Profitability isn't the only important way to judge your business idea. Things like growth potential,

market and demand are important too. Check out our articles on [what makes a good business idea](#) and [things to research before starting a business](#).

Startup costs

If you don't have much money to get started, rule out any business idea that requires a large upfront investment (unless you have a plan for funding your new business - check out our [Guide to Funding a New Business](#) for ideas)

High profit margins

Think about products or services that cost the least to offer but make a good profit, like turning potatoes into chips. Consider whether you can charge more by offering a 'premium' product or service.

Pricey products

If a product or service is going to cost more than someone is likely to want to pay for it, rule that business idea out too. For example, you might be able to crochet beautiful baby blankets. But if that takes 20 hours at £15 per hour, people are more likely to buy one from Primark. You'd have a much smaller market. Find out more about [pricing strategy](#).

STEP 4 : Put it all together

By now, you should have a good idea of:

- What you'd LIKE to do
- What you COULD do
- What could actually work

This should be your shortlist of business ideas. From here, you need to select an idea and begin researching in more detail. Check out our articles on [market research](#) to learn more.

If you've got a great idea for a business and want to check out your finance options, take a look at our [affordable Start Up Loan calculator](#).

You can use our help guide on [How To Start Your Own Business](#) to get started.

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