

Small-business Savvy: Building on Trends

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Finding a business idea is easy. Finding an idea that will make money and is sustainable is hard.

Ideas for businesses are found in many different ways. The idea may be an old family recipe or a new recipe you create. Ideas also come from imagination and observation, and may pop up as you solve a problem. Or maybe your idea develops as you see something and feel you can do it better.

Building on trends is another often-used method for idea generation.

The idea of developing a business or a product or service around a trend has merit. Often the media helps with the marketing because they keep the idea in front of people with a continuous stream of stories.

Building on a trend also helps bring the first customers, those who want to be on the “cutting edge,” in the door.

Yet when building on a trend, you need to ensure that it is indeed a trend and not a fad.

Fads are short-lived. Successful penetration with a fad usually requires the ability to gear up quickly, substantial marketing and the ability to foresee when to jump to the next trend. Most small businesses can't respond quickly enough and often are caught with a large amount of inventory still on the shelf.

Trends build more slowly and have a much longer life. The opportunity for profit is usually greater and building a business that will sustain you as you find other revenue opportunities is easier.

Also, you want to catch the trend on the rise. Going into a trend when it already has peaked and is on the downslope will be disastrous. While you still can make money, the competition already is established and has substantial inventory it wants to sell.

What is important to remember is that trends will bring competition. If you see the idea, the chances are that others also are ready to jump. Businesses involved in building around trends tend to find themselves with more competition than others.

Trends can be great opportunities for a business or a product or service. Look around and see what's trending. Then consider how you can capitalize on it.

More information is available at your local Extension office, as well as at www.ag.ndsu.edu/smallbusiness. Additional Extension resources include <http://powerofbusiness.net> and www.eXtension.org/entrepreneurship.

The Small Business Administration and its related organizations, such as the Small Business Development Centers and Service Corps of Retired Executives, along with many other state agencies, also can be valuable resources.

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