

## Seven secrets of effective business research

First, and very important for next week's show, **I finally restored my website** — with a twist.

Part of the delay was the need to serve three weeks of back yard enslavement. Many husbands can identify with my fate. Like the labors of Hercules, my drudgery included raised garden beds, mini-greenhouses and deer fences.

Monday, I was able to return to my website to find that the domain registrar still couldn't connect to my content. If at first you don't succeed, try, try again. If you still don't succeed, you should probably **ask that often overlooked question, "What problem am I solving?"** How many meetings could have been prevented by asking that question?

All too often my clients, and in this case I, get stuck because we forget to ask what problem we are trying to solve. **I was busy solving a domain registration problem when I should have focused on making my content available online. FAIL**

Armed with that realization, I logged on to my content host dashboard and clicked "buy domain for your content" (yeah, yeah, I know, three weeks late!). **Nine dollars and three minutes later, the website was working again.** That nine dollars included a registered security certificate for cross device compatibility. None dollars, three minutes, better functionality. See what happens when you solve the right problem?

I share this because **'problem myopia' can happen to anyone.** It can happen to anyone, but the result is always the same: **you get stuck.**

Oh! What domain did I buy? How can the listener reach my website to check out previous shows, read show notes or view the free research links I'll be sharing next week? Well, just hop on the information superhighway that Al Gore invented, and surf to **kevinyourbusinesscoach.com**

Before we talk further about research and before we look at data sources, *let's start with the biggest threat to effective research*

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### Secret 1 — We don't know what we don't know

As former United States Secretary of Defense Donald Rumsfeld once infamously said, "There are known knowns, known unknowns and unknown unknowns... it is the latter category that tends to be difficult."

It's a cliché, but like many clichés it tells a truth. Many *startup wipeouts* result from not knowing what is not known. Good people make bad decisions based on poor (or no) research.

Your first task is to spend some time finding out what you don't know. Use search engines to find general information about the business question you want to ask.

For example, for an overview of the news and bolts of being in business, check out

- SBA Business Guide
- Washington State's office for regulatory innovation & assistance (rolls right off the tongue, doesn't it?)
- Houston Chronicle small business website

I'll share the links to these and many other resources next week.

We remember that one of the seven secrets of small business success is working outside of your comfort zone. In research, this means being willing to take the time and to put in the effort to learn what you need to know, to make appropriate business decisions.

### Secret 2 — You won't likely find the answer you are looking for

Why do we do business research? **We do business research to understand risk.**

The absence of a clear and convincing "yes!" often disappoints those new to business research.

You won't find "yes," so learn to understand the importance of the absence of "No." The best you can really hope for is "nothing says you're wrong."

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Finding a red flag, or a “No,” will be disappointing. “No” is nearly always clear and convincing, unfortunately.

One way to describe successful business research would be the clear absence of red flags and “No.” The answer to your question will probably look something like, “after a diligent search, I’ve found that there is no reason not to…”

This focus on finding red flags will also help you avoid ‘paralysis by analysis.’ Your research will be complete when you are confident that you have made a diligent search for red flags.

### **Secret 3 — Be clear about what you want to know.**

I’d like to honor my web experience by repeating that seldom asked question. What problem are we solving? What do you want to know?

Write it down and share with others to get feedback. Make your question specific and meaningful, because this question will be your anchor as you weather the storm of confusing data you get from drinking from the research fire hose.

Refer to your original question early and often. Resist the urge to change your question unless you uncover convincing information to do so.

A clear research question is another way to guard against ‘paralysis by analysis.’ If you find distracting or confounding information, revisiting your initial question can put you back on the right rack.

### **Secret 4 — Use multiple reputable sources and compare results.**

We remember this from our first elementary school term paper. First, we were taught the importance of reputable sources of useful information for our research.

Next, we learned to use several sources to support our ideas. In high school, we learned the word synthesis; drawing and defending conclusions from a collection of information, not a single source or a limited number of sources.

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### Secret 5 — Good research is repeatable.

Keep records. It is very satisfying to find important information, but the information and even the path you took in your research is valuable too. While we're not talking about publishing in a peer-reviewed journal, finding your way back to good information is valuable in its own right.

Good research is iterative. Initial research often adds to understanding in ways that suggest additional and more specific research, within the scope of your original question. Keeping focused on your question prevents deadly scope creep.

Good conclusions can withstand scrutiny. Be wary of common forms of research bias and logical fallacies.

- Availability bias - relying on information that is readily available, rather than most relevant to your research question
- Confirmation bias - searching only for information that supports your ideas, beliefs, or hopes. This is very dangerous in business research, because you are supposed to be searching for information that says you're wrong, you are looking for "No!"
- Recall bias - error due to differences in accuracy or completeness of recall to memory of past events or experiences
- Hasty Generalization: This is a conclusion based on insufficient or biased evidence. You are rushing to a conclusion before you have all the relevant facts.
- Correlation is not causation: This is a conclusion that assumes that if 'A' occurred after 'B' then 'B' must have caused 'A.'

### Secret 6 — Don't pay until it matters

You will encounter promotions for data and reports offered for sale during your research. Make sure you have exhausted free resources before you click 'buy now'

In addition to the free resources available online, you can find free and accessible resources available at no cost from your local library. The resources

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are there, and you will also find helpful, actual humans who will help you find what you need. Humans were what we used before ChatGPT!

After you've worked through the free and assisted resources, you might actually finally know what you don't know. Your efforts have transformed 'unknown unknowns' into 'known unknowns.' Now is a great time to pay a modest sum for business research, a market report or a current financial ratio report. You can ask a good question and put the answer to profitable use.

### **Secret 7 — There will be a final exam**

Your final exam will be proctored by the market, and it's pass/fail with no grade appeals. Good business research leads to good business results. Shortcuts and unsupported assumptions lead to disaster.

The motivation to keep looking for "No" should come from your clear understanding that an undiscovered red flag will put you right out of business.

Remember, it takes a lot to run a successful business, but running an unsuccessful business will take everything you've got.

Next week, we'll discuss free resources in detail, including a big list of links that will be available at... [kevinourbusinesscoach.com](http://kevinourbusinesscoach.com)!

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We remember from last week that **we do business research to understand risk**. In assessing risk, we change sides and attack our ideas. We are trying to find flaws, red flags and results that tell us “No, do not move forward.”

Looking for “yes” can be dangerous, as looking for affirmation puts you at risk of confirmation bias. Confirmation bias leads you to only look for information that supports your ideas.

The internet can be a great resource, or it can be a confusing mess. Search engine results are filled with paid placements and deceptive offers. To help you sort out potential opportunities for useful information, Kevin offers some of his favorite links.

*NOTE: These were good resources as of Spring, 2023, but anything can happen between when this list was created and when you visit these links. In the interest of full transparency, the naked URLs are listed. Always use caution when visiting links provided by others, use several sources, compare results and **avoid entering any personal information**.*

### **Your Local Library**

Your number one free research resource is your local public library. Libraries offer three things that make the library your best choice.

1. Access to licensed databases and limited circulation publications
2. Curated collections of information assembled by credentialed professionals
3. Personal, one-on-one assistance to define and answer your research questions

*It's a priceless resource you are already paying for, get some soon!*

### **The language of business**

When researching and analyzing business opportunities, unfamiliar terms and phrases are sure to present themselves. The following sites can help build business vocabulary and clear up confusion.

<https://www.fundera.com/blog/business-finance-terms-and-definitions>

<https://www.sba.gov/document/support--glossary-business-financial-terms>

<https://www.investopedia.com/financial-term-dictionary-4769738>

<https://www.scu.edu/mobi/resources--tools/business-terms-glossary>

<https://www.practicalbusinessskills.com/resources/glossary-of-terms>

<https://online.hbs.edu/blog/post/finance-for-non-finance-professionals-finance-terms-to-know>

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### General information about small business

**SBA Business Guide.** Information about starting and growing your business.

<https://www.sba.gov/business-guide>

**Houston Chronicle small business information.** Wide ranging short reads.

<https://smallbusiness.chron.com>

### Commercial sites offering general business information

Many commercial sites offer general business information to attract visitors and to demonstrate expertise. As always, review content with that in mind and avoid those 'Buy Now' buttons until you are crystal-clear on the problem you are solving!

**Nerd Wallet.** Sells financial tools and products. Look for specialized online calculators, financial and general business readings.

<https://www.nerdwallet.com/h/category/small-business>

**HubSpot.** Sells marketing automation software. Look for marketing and promotions guidance, along with general business readings.

<https://blog.hubspot.com/sales/how-to-run-a-business>

**Intuit.** Sells the 800 pound gorilla of bookkeeping automation, Quickbooks. Also sells TurboTax and recently bought the MailChimp email marketing application.

Start at the small business blog and go from there.

<https://www.intuit.com/blog/category/innovative-thinking/small-business>

### Regulatory information

Understanding your business risks includes reviewing potential regulatory requirements. Due to increases in regulatory and tax burdens, some startups are finding that their planned business model might no longer be viable. Learn before you get burned!

**Washington State.** Office for regulatory innovation & assistance. Links to the Washington Small Business Guide, online calculators, FAQs and the The Small Business Liaison Team (SBLT), representatives from 27 agencies.

[https://www.oria.wa.gov/site/alias\\_\\_oria/344/Business.aspx](https://www.oria.wa.gov/site/alias__oria/344/Business.aspx)

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**IRS Small Business and Self-Employed Tax Center.**

<https://www.irs.gov/businesses/small-businesses-self-employed>

**United States Patent and Trademark Office.** Intellectual property regulations and protections.

<https://www.uspto.gov>

### **Clear Thinking and Defensible Conclusions**

**List of common logic fallacies.** Check yourself before you wreck yourself.

<https://englishcomposition.org/advanced-writing/logical-fallacies-examples>

**Catalog of research bias.** Avoid traps that lead to unsupported decisions.

<https://catalogofbias.org>

### **Raw data sources**

Once you know what you want to know, data is where you need to go. While valuable, these sites are notoriously challenging to navigate. Use patience, take your time and remember, you can't break it. Keep trying and your efforts will be rewarded. Watch out for rabbit holes!

**The US Census Bureau.** Serves as the nation's leading provider of quality data about its people and economy.

<https://www.census.gov>

**The Bureau of Labor Statistics.** Price indices, business dynamics and consumer behavior. The principal fact-finding agency for the Federal Government in the broad field of labor economics and statistics.

<https://www.bls.gov>

**Congressional Research Service.** Provides public access to research products produced by the Congressional Research Service (CRS) for the United States Congress.

<https://crsreports.congress.gov>



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**Federal Reserve Economic Data.** An online database consisting of hundreds of thousands of economic data time series from scores of national, international, public, and private sources.

<https://fred.stlouisfed.org>

**GovInfo.** A service of the United States Government Publishing Office (GPO), which is a Federal agency in the legislative branch. Provides free public access to official publications from all three branches of the Federal Government.

<https://www.govinfo.gov>

**The Electronic Code of Federal Regulations (eCFR).** A web version of the Code of Federal Regulations (CFR), updated daily to better reflect its current status.

<https://www.ecfr.gov>

**The Right Site Census 2020 for the web.** Free registration required, a tolerable amount of offers will follow. Site offers more than 650 variables and dynamic reporting and analysis.

[https://www.easidemographics.com/cgi-bin/login\\_free.asp](https://www.easidemographics.com/cgi-bin/login_free.asp)

### **Business Analysis Tools**

Time was, you needed to be a spreadsheet wizard to perform business analysis. Now, there are quick and easy online solutions for most common inquiries. These links provide access to a wide range of free business analysis tools and calculators.

Some of these sites also offer a specific paid application in addition to the free options, others just get advertising revenue from your visits. You might need to scroll down the page to find the good stuff. Most offer similar tools, so use several and compare the results to assess accuracy.

**General business calculators and tools.** Projections for profit margins, break-even, lease payments, economic order quantity and many more.

<https://www.calculators.org/business>

<https://accuratecalculators.com/business-calculators>

<https://www.gigacalculator.com/calculators/business>

<https://www.fncalculator.com/financialcalculator>

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**Business valuation calculator.** Whether buying or selling, valuation tools help you set a baseline for further discussion. Use several, compare results, be conservative and consult a professional before moving forward. Always seek legal representation before signing on the dotted (or any other) line.

<https://www.bizex.net/business-valuation-tool>

<https://www.calcxml.com/do/business-valuation>

<https://www.equitynet.com/crowdfunding-tools/business-valuation-calculator.aspx>

<https://www.westernsouthern.com/life-insurance/business-valuation-calculator>

<https://www.nationwide.com/business/solutions-center/calculators/business-valuation-calculator>

**Market research resource lists.** Finding a market need and finding an attractive market are two mission-critical drivers of success. All of the previous cautions apply!

<https://www.sba.gov/business-guide/plan-your-business/market-research-competitive-analysis>

<https://blog.hubspot.com/marketing/market-research-tools-resources>

<https://www.qualtrics.com/blog/10-market-research-tools-you-should-be-using>

<https://www.indeed.com/career-advice/career-development/market-research-tools>

<https://www.practicalecommerce.com/tools-and-resources-for-market-research>

<https://www.questionpro.com/blog/market-research-tools>

<https://libguides.umn.edu/c.php?g=844948>

### **Business resource links from others**

Others also offer business research resource lists, so that's a good way to finish off this reference work. All of the previous cautions apply!

<https://guides.loc.gov/company-research>

<https://www.capitalone.com/learn-grow/business-resources>

<https://www.inc.com/business-resources>

<https://www.entrepreneur.com/topic/small-business-resources>

<https://www.readyentrepreneur.com/start-here-old/resources-to-start-a-business>

<https://smallbusiness.com/guides>

<https://www.lib.washington.edu/business/foster-business-library-collections-and-research-guides>

<https://www.dol.gov/agencies/oasam/centers-offices/business-operations-center/library/resources/labor>

### **Pro tips**

- Set up an alternate email account and protected contact information to use for registrations
- Use your favorite application to breadcrumb, you will need to list your sources if you use the information for persuasive purposes