Below is a **simple, practical set of market validation criteria** that someone can use before investing significant time or money into starting a business. The focus is on determining whether the idea has **real demand**, fits the founder's **strengths**, and can realistically produce **financial results**.

Simple Market Validation Criteria for a Startup Idea

1. Customer Demand & Willingness to Pay

These questions confirm whether a real market exists.

- Will customers actually pay for this product or service?
- Does this solve a meaningful problem for customers?
- How painful or urgent is the problem?
- Are customers already spending money to solve this problem?
- Can I clearly describe who the customer is?
- Do customers understand the value quickly?
- Have I spoken directly with potential customers about this idea?
- Have I received positive feedback or interest?
- Would someone commit to buy today (even at a small scale)?

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2. Founder Fit & Capability

These questions evaluate whether the founder is positioned to execute successfully.

- Am I knowledgeable or skilled in this area?
- Do I have experience solving this type of problem?
- Do I have credibility with this target customer?
- Am I genuinely interested in this topic long term?
- Do I understand the industry or market?
- Do I have access to people who can help fill knowledge gaps?
- Do I have the time and commitment required?

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3. Competitive & Market Reality

These questions confirm the idea can compete in the real world.

- Who else already offers something similar?
- Why would customers choose my offering instead?
- Is the market growing, stable, or shrinking?
- Is there room for another provider?
- Can I clearly explain how I am different or better?
- Is pricing in this market high enough to support a business?
- Are there barriers to entry that help or hurt me?

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4. Financial Viability

These questions assess whether the idea can produce acceptable financial results.

- Can this generate enough revenue to meet my financial goals?
- What price would customers reasonably pay?
- How many customers would I need to break even?
- Can I estimate startup costs?
- Can this become profitable within a reasonable timeframe?
- Are margins likely to be attractive?
- Can the business scale over time?

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5. Practical Execution

These questions help determine whether the idea can realistically be implemented.

- Can I create a simple version of the product or service quickly?
- Do I know how to reach potential customers?
- Are there legal or regulatory issues?
- Do I need special licenses or certifications?
- Can I test this idea at low cost?
- Can I start part-time before fully committing?
- Do I know the first 3 steps to launch?

Simple Pass / Fail Rule of Thumb

A startup idea is often worth further development if:

- Customers show real willingness to pay
- The founder has relevant skills or strong motivation
- The market is large enough to support growth

- Startup costs and risk are manageable
- A simple test or pilot can be launched quickly

Below is a **simple scoring worksheet** that helps evaluate whether a startup idea has enough market validation to justify moving forward. The worksheet uses a **1–5 rating scale** and produces an overall score.

Market Validation Scoring Worksheet

Rating Scale

Score	Meaning
1	Very weak / highly uncertain
2	Some concerns
3	Moderate / unclear
4	Strong
5	Very strong / clear evidence

Section 1 – Customer Demand (Weight: 30%)

Criteria	Score (1–5)
Customers clearly understand the value proposition	
The problem is meaningful or urgent	
Customers are actively looking for solutions	
Customers currently spend money on similar solutions	
Target customer is clearly defined	
Positive feedback from potential customers	
Evidence customers would pay	

Section Score (Average): ______

Section 2 – Founder Fit (Weight: 20%)

Criteria	Score (1–5)
Relevant skills or expertise	
Industry knowledge	
Credibility with target customers	
Strong personal interest in the topic	
Access to advisors or partners if needed	
Ability to commit time and effort	

Section Score (Average): ______

Section 3 – Competitive Position (Weight: 20%)

Criteria	Score (1–5)
Clear differentiation from competitors	
Customers have reason to choose this offering	
Market appears large enough	
Competition indicates validated demand	
Barriers to entry are manageable	
Pricing appears competitive and realistic	

Section Score (Average): ______

Section 4 – Financial Potential (Weight: 20%)

Criteria	Score (1–5)
Revenue potential appears meaningful	
Pricing seems achievable in market	
Estimated startup costs are manageable	
Profit margins appear reasonable	
Path to break-even is realistic	
Business can scale over time	

Section Score (Average): ______

Section 5 – Ease of Execution (Weight: 10%)

Criteria	Score (1–5)
Simple version can be launched quickly	
Ability to test idea at low cost	
Clear path to reach customers	
Legal or regulatory requirements manageable	
First steps to launch are understood	

Section Score (Average): ______

Overall Market Validation Score

Section	Weight	Score	Weighted Score
Customer Demand	30%		
Founder Fit	20%		
Competitive Position	20%		
Financial Potential	20%		
Ease of Execution	10%		

Total Score (0–5): ______

Interpretation Guide

Score Range	Interpretation
4.0 – 5.0	Strong validation – good candidate to pursue
3.0 – 3.9	Promising but needs refinement or testing
2.0 – 2.9	Significant risk – more validation needed
Below 2.0	Weak concept – reconsider or pivot
