

## Title:

**Small Home-Based Businesses -- Five Simple Steps to Success**

## Word Count:

1039

## Summary:

In Australia, 60% of small businesses fail within the first twelve months. For anyone wanting to start a small business -- maybe even work from home -- that statistic seems daunting. Don't be discouraged! Read about five simple business principles that can help you to succeed.

## Keywords:

Small home-based business opportunity, work at home, serious home-based business opportunity, best home-based business opportunity.

## Article Body:

Did you know that, in Australia, 60% of small businesses fail in the first twelve months? For those of us who would like to start a small business -- maybe even work from home -- that's a very discouraging statistic.

Does that mean that your business idea is doomed to failure? Far from it! There are steps you can take that greatly increase your chances of success. With a little time and some serious research you can hit the ground running. Let's start from the beginning...

**The bright idea**

First, of course, you need to come up with an idea. Typically, business opportunities can be divided into four groups:

1. Offering an existing product/service in an existing market.
2. Introducing an existing product/service to a new market.
3. Offering a new product/service in an existing market
4. Introducing a new product/service to a new market.

At this stage of the game the only limit is your imagination. Inspiration can come from anywhere -- maybe you have a hobby that you'd like to turn into a full-time job; you may be on the receiving end of bad service one day and decide to try doing it better yourself; or you may have a talent that you'd like to capitalise on.

Once you've come across something that you'd like to do, it's time to take a look at the market and see what's on offer.

<b>Passing the test</b>

So you've had a great idea and you're keen to roll with it; now it's time to put it through its paces. For the purpose of the exercise, let's say that you have a passion for healthy living, and that you want to distribute a range of lifestyle accessories that promote healthy living with a do-it-yourself approach.

Ask around: Is there a market for products that promote healthy living? What sorts of products are available? Who would you be competing with and what do your competitors offer? Do you have the necessary skills to run such a business and -- more to the point -- what would those skills be? Where would your business be located?

Once you've answered those questions you should have a fairly clear picture of what your business will look like.

You source some products and decide to do some further research into the range of lifestyle products offered by a company called Vitality 4 Life. Your own life experience plus some work you've done as a dietician has given you the necessary skill sets, and you think that you'll be able to work from home, giving you more time for family. There is an existing market, but there's room for expansion. Now it's time to take a closer look.

<b>To be or not to be?</b>

It's time to get down to the nuts and bolts. You don't want to jump into something feet first and find out the hard way that the budget just doesn't work.

To get started, sit down and work out if you need to hire staff, which means paying wages.

If you lease a premises you'll need to be able to pay the rent, and your location will have to be suitable for your business and target market (which also means that you'll have to think carefully about just what that target market is). You'll also need to work out the likely demand for your product/service.

Ok... you've worked out that there is enough demand for good quality juicers,

sprouters, water filters and other high end accessories to take a shot at a distributorship as a home-based business opportunity. Now you need to make some marketing decisions.

**<b>Look at me! Look at me!</b>**

Advertising can be costly so you'll want to be sure that your advertising budget is spent wisely. That means more market research, this time one-on-one. Profile your customer groups so you can aim your marketing at the right group/s of people.

Draw up a questionnaire (a short questionnaire -- people run out patience if you ramble for too long) and hang around outside a few of the local gyms (for our particular example). Come up with a mixture of open questions (What do you think of.....?) and closed questions (Do you have a gym membership? Yes/No.); sliding scales can be useful too.

For our health accessories business, a good question might be 'How did you hear about this gym? Radio, tv, newspaper, word of mouth etc...' Such a question would then give you an indication of the types of media that your target group responds best to.

Choose a business name, print up some business cards, buy some stock and get ready to trade!

**<b>Measure it, manage it!</b>**

A teacher of mine made the point that, in business, if you can't measure it you can't manage it.

You need to be able to plan ahead, and to do that you need to know -- or to be able to accurately predict -- your total sales. The equation is simple: number of customers x average sale x frequency of visits per customer per year = total sales. Remember it, revise it often, measure your business and you'll be able to manage it!

Keep an eye on your bottom line and, most importantly, always be aware of your cash flow -- the cold, hard cash that you have in the bank. Allow for invoice periods (14 days, 30 days etc) when you're planning your budget.

The market place has a life of its own, and no one can prepare for every contingency. Put some thought into your idea; make sure that there's a market for what you're offering; research, research, research; promote your business

effectively; always know what's going on in your bank account and don't forget about cash flow!

It's not perfect but, if you follow these few simple steps, you'll be miles ahead of many new small business ventures. If you've heard of a great home-based business opportunity, or have a product or service of your own to market, you're off to a great start!