

# Choosing The Right Home Business For YOU

By Elena Fawkner

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Pay any attention at all to your email inbox and you'd be forgiven for thinking that the only way to run a business from home is on the Internet. Sure, many people are running spectacularly successful Internet-based home businesses. Many, many more are doing so even more spectacularly unsuccessfully.

But what if you're not interested in running an Internet business? What if you want to start and run a home business the old-fashioned way? Where do you start?

Actually starting any home business is the easy part. The hard part's deciding what that business should be.

So how do you even start the process of deciding on the right home business for you? The key is to be methodical, realistic, objective and patient.

Step 1 : Personal Inventory

The first place to start is to inventory your skills, experience, interests, and personality characteristics. These are what you have to work with - your raw ingredients, so to speak.

Make a list of personal qualities and factors that you can throw into the mix. Include things like:

- = your personal background;
- = training and education;
- = work and volunteer experience;
- = special interests and hobbies;

= leisure activities;  
= your personality and temperament.

All of these qualities and factors make up what you know and what you're good at.

### Step 2 : Identify What You Like

It's one thing to know a lot about something or be good at it. It's quite another to enjoy it enough to want to make it your life's work. So, remove from the list you created in Step 1 anything that you don't really, really like doing or which plain doesn't interest you. No matter how good you are at it. If you're lucky enough to like what you're good at, as a general rule, stick with what you know.

### Step 3 : Match Your Likes With Marketable Activities

If Steps 1 and 2 still haven't suggested feasible home business ideas, review the following activities that have proven marketable for others and weigh them against your "likes" from Step 2:

Crafts - pottery, ceramics, leadlighting  
Health and Fitness - aerobics instructor, network marketing for a health products company, home health care  
Household Services - cleaning, gardening, shopping  
Professional Services - attorney, architect, interior designer  
Personal Services - make-up artist, hairdresser  
Business Services - business plan writer, meeting planner  
Wholesale Sales - antique dealer, dropshipper  
Retail Sales - children's clothing, widgets  
Computers - web design, internet training.

You get the idea. This is not an exhaustive list, obviously. You can visit the AHBBO Ideas Page for a list of over 500 home business ideas at <http://www.ahbbo.com/ideas.html> .

### Step 4 : Make a List of Business Ideas That Fit With Your Likes From Step 2

By the time you're done, you'll have a hitlist of possible matches between your skills and interests on the one hand and home business ideas utilizing those skills and interests on the other.

### Step 5 : Research

Armed with your list from Step 4, identify those ideas that you think have marketable potential and then research whether that belief is accurate. In order to have marketable potential, the idea must satisfy the following

criteria:

= It must satisfy or create a need in the market. The golden rule for any business is to either find or create a need and then fill it.

= It must have longevity. If your idea is trendy or faddish, it doesn't have longevity. Go for substance over form in all things.

= It must be unique. This doesn't mean you have to invent something completely new but it does mean that there has to be some \*aspect\* of your product or service that sets it apart from the competition. This is easy if you go for the niche, rather than mass, market. Don't try to be all things to all people. You'll only end up being too little to too many.

= It must not be an oversaturated market. The more competition you have, the harder it will be to make your mark. It's unrealistic to expect no competition, of course. In fact, too little competition is a warning sign either that your business idea has no market or that the market is controlled by a few big players. What you want is healthy competition where it's possible to differentiate yourself from competing businesses.

This all gets back to uniqueness. If you can't compete on uniqueness, you must compete on price (or convenience). If you're forced to compete on price alone, that just drives down your profit margin. Not smart business.

= You must be able to price competitively yet profitably. The price you set for your product or service must allow you to compete effectively with other businesses in your market, it must be acceptable to consumers and it must return you a fair profit. If any one of these three is off, move on.

= Your business must fit with your lifestyle. If you're a parent of young children and you primarily want to start a business from home so you can stay home with them, a real estate brokerage business that requires you to be out and about meeting with prospective clients is obviously not going to work.

You'll instead need to choose a business that can be conducted entirely (or near enough entirely) from within the four walls of your home office. Similarly, if your business idea would involve having clients come to your home, you're not going to want an unruly 3 year old underfoot as you're trying to conduct business.

= Your financial resources must be sufficient to launch and

carry the business until it becomes profitable. No business is profitable from day one, of course. But some are quicker to break even than others. If your business requires a considerable initial capital outlay to start - computer, printer and software for a web design business, for example - it will take you longer to break even than if the only prerequisite was the knowledge inside your own head, such as working from home as an attorney.

If your financial situation is such that you can't afford to quit your day job until your business is paying its way, this, too, will mean it will take longer to break even than if you're able to devote every waking hour to your business. Just do what you have to do. That's all any of us can do.

## Step 6 : Business Plan

Once you've gone through the above process and identified what appears to be the right business for you, the final "gut check" is to write a business plan for your business, much as you would for a presentation to a bank for financing. Include sections for strengths, weaknesses, opportunities and threats, and set goals for what your business needs to achieve for you, by when, and how you are going to get there.

There are plenty of good resources online about how to prepare a thorough business plan. A great place to start is at About.com (<http://www.about.com>). Just type "business plans" into the search box.

Although it may seem like a waste of time and effort to complete a business plan if you don't intend to seek outside financing, taking the time and exercising the discipline needed to really focus your mind on the important issues facing your business, you will be forced to take a long hard look at your idea through very objective and realistic eyes.

If your idea passes the business plan test, then you can be reasonably confident that this is the right business for you. If you come away from this exercise feeling hesitant, uncertain and unsure, either do more research (if the reason for your hesitancy and uncertainty is lack of information) or discard the idea (if it's because you don't think your idea is going to fly). If this happens, just keep repeating Steps 5 and 6 until you end up with an idea and a business plan that you're confident is going to work!

Although it's frustrating to wait once you've made up your mind to start a business from home, this really is one situation where the tortoise wins the race. By taking a methodical, systematic and disciplined approach to identifying the right home business for you, you give your business the best possible chance for long-term survival, hopefully avoiding

some very expensive mistakes along the way.

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Elena Fawkner is editor of A Home-Based Business Online ... practical business ideas, opportunities and solutions for the work-from-home entrepreneur.

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