

# How Do I Start a Home Business?

By Elena Fawkner

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From time to time (at least once a day actually) I'll get an impossible-to-respond-to email that says something like, "How can I work from home?", or "I want to start my own home business. Please send info." or even, "Please send free info.". Naturally such vague, generalized requests are not, for reasons of time (among others), going to elicit a particularly helpful response but it does exemplify the mindset of a proportion of my site visitors - they think they want to start a home business but where on earth do they start?

## HOW DO I START A HOME BUSINESS?

The best advice I can give to someone who asks a question as vague as this is that they're asking the wrong question. The first question they should be asking themselves is: "SHOULD I start a home business?", not HOW do they do so.

The person who asks how to start a home business has not given much, if any, thought to what they might do as such a business (otherwise, their question would be "How do I start an errand service home business?" or "How do I start a gourmet gift basket home business?").

So, first things first. Why do you want to start a home business? What are the advantages as you see them? What are the disadvantages? What entrepreneurial qualities do you bring to the table that make you think you could make a success of your own business? What is your plan? What product or service will you market? Who are your customers? When will you give up your day job? Are you thinking about this because you just LOST your day job

(if so, warning bells should be ringing very loudly!)? A home business is most definitely NOT for everyone and it's certainly not a solution to unemployment per se.

There are financial considerations too, obviously. How will you support yourself until you generate a profit? Where will you obtain financing?

For more thought starters, read "Look Before You Leap ... Is a Home-Based Business REALLY For You?" in the AHBBO Articles Library at <http://www.ahbbo.com/lookb4uleap.html> .

Assuming you work your way through the above considerations and conclude that you do, indeed, want to start your own home business, then, and only then, should you ask "HOW do I start a home business?"

There are as many answers to this question as there are individuals who ask it. There is no one answer that fits all sizes. Generally speaking, however, the process of starting one's own home business can be broken down into seven broad steps.

#### = IDENTIFY YOUR PASSIONS

If you're truly starting at ground zero and you don't already do something on the side that you'd kind of like to see if you could make fly, your first step is to decide what it is you'd like to do as your business.

I'm a firm believer in following your passion, whether that be for gardening (start a herb and spice business or cultivate cuttings for distribution via mail order), lead-lighting (design and create stained glass lampshades), accounting (run a home-based small business accountancy service) or website design. It doesn't matter whether other people are equally as passionate about what you're passionate about. It's YOUR passion that counts and it's YOUR passion that will propel you towards success. Do something you love to do in other words. Make your work your joy and you won't be able to help but succeed.

#### = IDENTIFY A NICHE MARKET FOR YOUR PASSION

Now, it's one thing to know what you're passionate about, it's quite another to identify an unmet need in that field. But that's what you must do if you want to turn your passion into a truly profitable business venture. Identifying your niche is a pretty straightforward process:

1. Identify your general category and sub-category

Let's say your general passion is gardening. Gardening is your general category. Let's also say that you're particularly interested in growing herbs and how they can be used for cooking and medicinal purposes. Herb growing is your sub-category.

## 2. Hang out with people interested in your sub-category

In order to identify unmet needs in your sub-category (step 3.), you must find out from people interested in your sub-category what they're looking for that they can't find. A good way to find out is to hang out where they hang out - offline and on. Offline, you may belong to a local gardening club or cooking class at which you hear that so-and-so has been looking high and low for a certain type of specialty herb that isn't commonly grown in your country. Online, you may sign up for mailing lists and hang out in newsgroups to listen to what people are asking time and again.

## 3. Identify unmet or under-met needs in your sub-category

If you follow step 2, chances are, if you hear the same things repeatedly, you've found potential unmet needs or needs that aren't being adequately serviced by your competition. After all, if the need is being met, it won't be the subject of repeated questions.

## 4. Inventory your experience, interests and competencies

In order to decide what to focus on in particular out of a group of potential unmet or under-met needs, take account of your experience, interests and competencies. People are generally good at what they enjoy and are interested in, after all.

## 5. Fill the unmet or under-met need

Once you've identified the unmet need(s) in your sub-category, you can start thinking about how your business can fill that unmet need.

## = SURVEY THE MARKET AND YOUR COMPETITION

At this stage, you need to take your business idea and survey your niche market and your competition.

If you have competition, can you be better? If your market is dominated by a few large, well-established players and you really don't bring anything new or different to the table, then the competition is probably going to be too stiff. On the other hand, if that

competition is focused on the high end of the market leaving the lower end largely uncatered for, then this could well be an excellent niche for you.

The bottom line is to identify your best competition in your niche and decide whether you can be better.

Only if you believe you can be the best in your niche should you proceed. If not, keep looking until you find a niche perfectly suited to your particular blend of experience, interests and competencies in which you can be the absolute best.

#### = BUSINESS PLAN

Once you've identified your niche and surveyed your market and competition and are reasonably confident you can be at least as good as your best competitor, it's time to get down to brass tacks.

This is where you take your business idea and shape it into a battle plan. Formulating a business plan is goal-setting for your business. For a more detailed treatment of writing a business plan, read "Putting the Plan Back Into Your Business Plan" at <http://www.ahbbo.com/busplan.html> .

Once you've thought through and recorded your business plan you should have an extremely thorough understanding of your industry and the challenges you must overcome to make a success of your business. Take your business plan and establish objectives, goals (which support attainment of the objectives) and tasks (which support attainment of the goals).

Put your tasks and goals into action to achieve your objectives. Decide where you want your business to be in five years time and work backwards until you have 5, 4, 3, 2 and 1 year objectives and goals to support them and tasks to support the goals. The end result should be a daily to-do list of things that will directly lead you closer to the achievement of your goals and objectives.

#### = ACTION

Once you have your daily to-do list, DO IT! The best laid plans of mice and men are useless if not translated into action. It's action that will propel you and your business towards success. Mere thoughts and plans are necessary but insufficient. They must be translated into activity.

## = TRANSITION

If possible, transition from whatever you're doing now into your business. Test the waters, in other words. If you're currently in a paid job, stay there and run your business part-time, taking the risk on someone else's nickel until you can be confident this thing's going to float. Know when you're better off devoting your full time and attention to your business (i.e., know when an hour of your time is worth more when spent invested in your business than your job) for that is the time to shift into full-time entrepreneurship.

## = MAKING THE LEAP

Finally, make the leap with faith and courage. Sure, you'll have moments of self-doubt, thoughts of "can I do this?" when you're wondering where the next order's going to come from and you think back to the nice, safe, secure paycheck you used to be able to count on in your job. But recognize these insecurities for what they are. They are your mind playing tricks on you. You can do anything you set your mind to. You just have to want it badly enough. So, when the time comes to make the leap, do it and hold nothing back. Your success or failure is up to you alone. There are no excuses.

So, in answer to the question "how do I start my own home business?", it's quite simple really. You do what it takes.

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