

Top 10 Tips on Starting a Successful Home Business

By Angela Wu

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Home based businesses are rapidly gaining in popularity. Not only do they offer you the opportunity for freedom and the flexibility to set your own work terms, but you also have control over your financial independence. What do successful home businesses have in common? Here are a few tips...

=== 1. Research Your Market.

Don't try to force a new product or service on an unwilling market. Research your intended market first, then create a product or service to fit that market.

Put another way, you can't force people to want what you have to offer... but you can offer them what they want.

Your research should also include an in-depth look at your competition. Is there too much competition for the area that you plan to service? Can you offer something that your competition cannot, while still making a profit? By analyzing your competitors, you'll be able to learn from both their successes and failures.

=== 2. Don't Try to Be Everything to Everyone.

You will never make everyone happy, no matter how hard you try. So don't; instead, focus your efforts on one particular segment of the population.

For example... let's say you run some sort of business related to gardening. Gardeners range in skill from the rank amateur, who can barely manage to keep even the most robust houseplant alive; to the serious professional who is able to nurture and coax exotic and fragile flowers to bloom.

Instead of attempting to offer every type of plant or information to all types of gardeners, you could instead narrow your focus to one specific group: for example, amateurs who are interested in colorful, low-maintenance and easy-to-grow plants.

Focusing on a niche market allows you to more easily build a unique and solid reputation for your business.

=== 3. Keep Your Spending Under Control.

Keep overhead costs low, and don't spend frivolously. There will always be necessary expenses - for example, if you're running a business online, you'll need a good computer and a reliable Internet connection. But would you also need new, top-of-the-line home office furniture?

On the other hand, don't balk at spending money when you need to. Figure out which expenses are true necessities, and which are luxuries. As cash flow improves you can look into purchasing other items you may need.

=== 4. Keep Growing.

A business can't be successful unless people know about it. That's where marketing comes in. All businesses require hard work - and even after you've established your business, you will need to continue to work hard in order to make it grow. At times, the hard work may be necessary just to sustain your current level of profitability.

=== 5. Have a Contingency Plan.

Businesses go through rough times. Sometimes it will appear to happen "all of a sudden", but there are always warning signs. Learn to recognize the signs of trouble. By pinpointing potential problems before they occur, you can try to prevent them from occurring at all.

Develop a well-thought-out contingency plan to keep your business running with a minimum of lost time, effort, or profits.

=== 6. Learn From Your Mistakes, and Build On Your Successes.

Just as you will experience success in some of the things you do, you will also make some mistakes. In both cases you'll have an opportunity to improve your business. Ask yourself what you did right (or wrong), why it worked (or didn't work), and what you could do differently.

Ask yourself questions. What kind of startup capital do you need? What are your estimated monthly expenses? Is your business making the profits you expected? If so, what are you doing right and how can you improve upon it? If not, what can you do differently? What are your competitors doing and how can you convince customers to switch (or stay) with you?

These types of questions will help you to make smart, educated business decisions -- decisions that will help your business to grow and flourish.

=== 7. Be Customer-Focused.

It's much easier to sell to a happy customer, than to try convince a new prospect to buy from you. Be professional, courteous, and always deliver a quality product or service. Your customers will be thrilled and much more inclined to come back.

=== 8. Target Your Marketing.

This goes back to the research you did before you started your business. Know who to target in your marketing efforts. You want to attract people who are interested in what you have to offer -- not just curious 'passers-by'.

You can see great examples of targeted marketing by looking in your mailbox. If you've ever ordered from a mail-order gardening club, you've probably received additional catalogs from them *and* from other gardening clubs who purchase the customer lists. They know that you have an

interest in their products, so the chances of you ordering something are much higher than if they were to send a mailing out to a random bunch of addresses.

=== 9. Take Your Business Seriously.

There are lots of images floating around that show relaxed 'home business owners' reading a book, playing with their kids, lounging in a comfortable chair, etc. There's a tendency to think of a 'home business' as 'not real work', or not as serious as a 'real' (corporate) job.

To start and build a successful business, it needs to be treated like a business - not a hobby. Take it seriously and work hard to achieve your goals.

=== 10. Do Something You Love!

This is what it all boils down to. Find something that you're passionate about, and will enjoy doing. Business doesn't have to be a daily grind; it can be a true pleasure!

Angela is the editor of Online Business Basics, an exclusive newsletter for eBusiness beginners. She offers a 'no hype, no bull' approach to building a profitable Internet business. Every issue is packed with helpful tips and useful tools, specially selected to fit a beginner's shoestring budget. Visit her online today at <http://onlinebusinessbasics.com/article.html> OR <mailto:businessbasics@workyourleads.com> for a series of 10 free reports on building a business on the web.

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