



THE HOME BUSINESS MODEL

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Introduction

Times have become economically difficult and it is not surprising that a lot of people are preferring to stay at home and make the most of their talents and business acumen. In fact, it is the home businesses that are thriving in today's global scenario.

Probably you are contemplating on having a home business model of your own as well. But do you have what it takes to get there?

We take a look here at what it takes to create a successful home business model and then carry through with it.

Chapter 1:

The Pros and Cons of Home Business Models

Summary

It is best to begin by knowing what the positives and negatives of having home businesses are.

The Pros and Cons of Home Business Models

Like every business model, there are plus points and minus points with home businesses as well. It might seem very simple to you when you hear about the Jones staying at home all day and still spending lavishly on everything. They are into a home business, but is it all so smooth-sailing? Here we take a look at both sides of the coin.

The Pros of Home Business Models

1. You are your own boss. Though it is wrong to say that you aren't answerable anybody – you are, to your clients – you still have a lot of freedom that a desk job won't give you.
2. You can take risks and develop things that might be termed unconventional. If you are a creative thinker, being in a home business is just right for you.
3. There is very less investment needed. You could have a whole setup for almost nothing but a computer and some working space.
4. There is no hassle of physically interacting with employees. When you hire people, most of them will be online people and you will be communicating with them largely through email and chat.
5. You have the liberty to take your home business as far as you want to. If you think you want to stop it at a particular point, you can do that. You cannot do that, however, with a company you are working in if it wants to expand beyond what it is now.

6. You can take your breaks as and when you want. No one asks you how many hours you work per day or how many days you work (unless you have that kind of arrangement with a client).
7. Instead of staying away from your family and friends as conventional desk jobs have you do, with a home business model, you stay close to them and can actually even involve them in your work. Even people who are considered unemployable can get some employment through your venture, making it a somewhat philanthropic task.

The Cons of Home Business Models

1. You are the fall guy for everything. In a company job, there's a lot of passing the buck that happens when things go wrong. But if things go wrong with a home business, there is no one whom the fingers will point at but you.
2. You have to know about everything that it takes to run a business. Right from setting up to accounting, you need to have the knowledge. Of course, you can outsource all this work, but still you have to know about it.
3. You have to handle things you normally wouldn't have had to, such as shipping your product to your clients' addresses, protecting their securities when you take online payments, providing them support and such.
4. You have to be a marketing genius, or learn to be one. Home business models today are operated through the Internet, so you need to be savvy there so that you can make the most of it.
5. Some people lack the dedication to work from home. They lose their work ethic. When people are working in an office, the

restrictions imposed on them actually favor them because they keep working and hence, earning. But at home, there are several distractions that might happen. Since the accountability is much lesser when you are working from home, you tend to be laxer than you normally are. You might lose your dedication and discipline for work forever when you start working from home.

Chapter 2:

Choosing a Home Business

Summary

Let us take a look at the considerations you must make when you are choosing a home business.

Choosing a Home Business

People use the term 'home business' too loosely. The fact is that there are several kinds of things you can do from home. Even if we only consider the way people are conducting their home businesses today – through the Internet – there are dozens of options. So, what kind of home biz must you adopt? It is important to know this, because without that knowledge, you won't be able to develop the right kind of mindset for your work.

Here are a few considerations that you need to make:

1. Are you interested in the business? Now, there are various factors that might interest you. If it is a creative job such as writing or web designing, that could be a motivating factor for you to join the business. Or you might be happy about the way the business operates. You could be enchanted by the easy money that can be made in the business (according to you) or something similar. What is important is that there has to be something in the business that excites you, or you won't develop a liking for it.
2. Even within the broad area that you choose, there will be various niches that you can work on. Take the simplest example – writing. You might love writing and might want to take it up as a profession. Even here, you can specialize, like; you can become a writer exclusively for health-related articles which could be your favorite topic. When you are working on what you really like, you will stick with it better. After all, this is one of the perks of being in a home business – don't ignore it.

3. Will you be able to mobilize the resources for running your home business? Frankly speaking, you won't need a lot of things. But you will need a computer. You will need a good Internet connection. You will need space where you can work with peace. You will also probably need support from your family members. Maybe you will want to involve your family into the biz too. If they are appreciative, it will really work.
4. Are you a driven individual? Do you have the diehard spirit? Since the home biz will depend on you and only you initially, you have to make sure you are really supercharged for it. If you fizzle out, everything collapses.

Chapter 3:

3 Home Business Models to Choose from

Summary

Here are 3 popular home business models. Do they excite you?

3 Home Business Models to Choose from

Freelance Writing and Related Jobs

These have become the most popular home businesses in the current decade. Basically, these are jobs where you write for online marketing, whether it is for a website or for promotional articles or blogs. There are also other writing requirements involved such as eBooks, sales pages, press releases and such. People who have such jobs post their job requirements on freelance websites and you bid on whatever you like to do. Some of the popular freelance websites where you can get such jobs are [GetAFreelancer](#), [ScriptLance](#), [eLance](#), [Guru](#), [EUFreelance](#) and [ODesk](#).

It is not necessary that you actually write here. Even if you take jobs and outsource them to others, you could make a full-fledged business out of it. A lot of people are earning thousands a month just through these commissions.

Pros

- Easy job for people with writing talents; you can unleash your creativity.
- You learn several new things as you write.
- You could see your name on the Internet as an author, though most of your work will be ghostwriting for other people.
- Money comes securely through escrow systems on all freelance websites mentioned above.
- You take only as much work as you want to.

Cons

- Time-consuming; you earn only as much as you write.
- Strict deadlines to meet most of the time.
- Might get taxing and boring after a while.
- Outsourcing seems simple at the outset, but you are responsible for the overall quality so the stakes are high.
- There is a review process – one bad review could jeopardize your standing.

Affiliate Marketing

There is a lot of money in this – a lot of easy money – if you do it correctly. You have a blog or a website where you give advertising space to other webmasters. You get paid according to the number of clicks that you get for your advertisers. Nowadays, with [Google AdWords](#), you don't even need to have a website or blog of your own. You could just funnel the advertisements through this affiliate program so that the advertiser gets a suitable host within the same niche.

Pros

- There is scope for a significant amount of residual income, i.e. money which keeps coming even though you aren't working.
- As your site becomes more popular, you get more income from the advertisers. You could also scout for better advertisers.
- There isn't much work involved.

Cons

- You won't call this as creative.

- You have to make an initial investment in most places. AdWords operates through campaigns; each campaign costs you.
- You have to have a knack for optimizing for search engines, especially searching the right keywords.

Website Design and SEO

You could get these jobs from the freelance websites mentioned above as well. These entail building websites (and managing them) for clients and sprucing them up so that they are better optimized for the search engines, which is known as SEO (Search Engine Optimization). It works in a similar fashion too, you bid on projects that you would like to do and you can take as much or as less work as you want.

Pros

- It is creative; for people who love creating websites, this is truly great.
- You can earn a lot of money; clients are known to pay thousands of dollars for single websites.

Cons

- In most cases, they are not 'onetime' jobs because even after the website is created, you will be responsible for maintaining it, providing the support, optimizing it for the search engines, etc. However, you could sign a contract that outlines what you will have to do.
- There is a lot of intricate work involved.

Apart from these three, there are several other that are popular which you might want to take a look at. Here are a few names:

- Multilevel marketing, also known as network marketing
- EBay store operations
- Ecommerce
- Taking online surveys
- Game testing

Chapter 4:

Building Your Mindset to Succeed

Summary

How to condition yourself to think that you will succeed in what you have determined to do?

Building Your Mindset to Succeed

Once you have decided what you will be doing, the next step for you is to start building the right approach to bring it to fruition. These are the things you should think about:

Confidence

You have to condition yourself to be confident in what you are taking up. Have a positive outlook. Believe in yourself. There will be people who will tell you that this won't happen. If you take that to heart, it really won't happen. But, think positively and be confident that you can succeed.

Be Realistic

It is very important to set yourself realistic goals. In fact, you have to be realistic every step of the way. You have to take up something that you can be good at, you have to see whether you have the requirements met and you have to see that you don't set yourself too high goals at the start. Also, be realistic about how your family will react to your new enterprise. Don't bank on them too much if you don't think they are going to be very supportive. Don't worry though, when you begin succeeding, the support will come as well.

Be Relentless

You have to be staunch in your opinions. You cannot think of doing something one day with the utmost zeal and then forget all about it

the next day. You have to pursue your goals to succeed. The success might be slow, it might come in dribbles and trickles at first, but don't let that deter you.

Count Your Achievements

Your achievements in this regard – however small they might be – are important. Learn to appreciate your rewards even if they are just \$10. It is only when you appreciate them that bigger glories will come your way. Celebrate even, it makes other people know that you are doing well and reinforces your motivation.

Read

Read about other people who have succeeded. Pay special attention to how they fought against odds in their early days. Everyone has done that. Read about how they overcame those problems. This can be great education for you but, most importantly, it could be great inspiration.

Chapter 5:

The Material and Abstract Things You Will Need

Summary

You will need a few things to start with your home business opportunity. Without these things, your venture could be a complete nonstarter. Let us check them out.

The Material and Abstract Things You Will Need

The Things You Can See

When you are working from home, you will ideally need to build a home office. If you can get an entire room for your activities, it is the best thing. Or else, you will at least need a desk with a computer that has a good reliable Internet connection. You should have nothing less than broadband. Depending on your needs, you might need a printer, a copier and a fax machine as well. Make sure that the place you are choosing to be your home office is free from distractions. Don't encourage other people of the family to come there, especially children who won't understand what you are doing.

Keep your computer special, which means don't use it for your personal needs such as playing games (unless you are working as a game tester). Keep it updated as far as possible and have the latest securities installed on it. It would be a big problem if you work on a project and lose everything because of a crash.

Remember that your email inbox is the best way to store your work. After doing a little work, mail it to yourself. That way you can keep it with you securely.

Also remember that everything you spend on setting up your home office is tax-deductible. But conditions apply, as usual.

The Things You Cannot See

It is these things that are most important. The first thing you will need in this context is the right environment. If there are problems and tensions in your house that lead to constant arguments, for instance, then you won't find this a great environment to work in. Children could also be a potential distraction.

Actually, the best environment is when your family supports your decision to start your home business and ideally participates in it too. One way to ensure that is to have a few talks with them before setting up your home biz. Make them feel involved. In fact, discuss with them what they can do. When they feel involved, they will be with you. You cannot win your family members just by telling them that there will be a lot of money later on. Instead, giving them whatever portfolios you can or at least asking their opinion on everything is the best way to keep them hooked.

Chapter 6:

What Motivates a Home Business Operator?

Summary

Things that will keep you going are your motivators. See what will keep your clock ticking when you are taking up the responsibility of being in a home biz.

What Motivates a Home Business Operator?

One of the most important ingredients that you will need when you are planning to enter into a home business is to have the right kind of motivation. It is only when you are motivated that you would be able to follow it through till the end.

So what helps in building the motivation?

If you have had a bad experience with your previous desk job, it could be great motivation for you to do well as an independent home business operator. You will have the urge in you to do something so that you could give a better lease to your life. In fact, failures can be great motivators to succeed in future, but you have to take them that way.

When you are starting out, there are many things that motivate you – you want to prove a point, you want to earn well so that you can show your detractors, you have the initial zeal that goes with everything that we do, you are genuinely happy because you are able to do something on your own steam, etc. This keeps you going. But the problems begin to occur afterward. When you see that things are going smoothly, you might become lax. When you see that there is so much liberty that you can take, you actually start becoming complacent. This is when the business starts to dwindle.

You need to stay motivated to keep going. And this you can do by slowing expanding and changing your practices. If you keep with the same things you did before, you are going to get bored. But if you

begin expanding, there will be new challenges to meet and this is what will keep you driven.

Never shy away from accepting new challenges or from trying new things. When you know that things are going in a streamlined manner that should actually ring some alarm bells for you. You must start looking for new things to do within your realm of business.

Join a social networking website like [Facebook](#) or [Twitter](#) and participate in the group discussions. Speak about your work. The feedback you will get from other people will encourage you. You will know what people like and whether they are generally appreciative about your idea. This could be a brilliant motivation thing.

Even associating with new people works. Stagnancy begins to creep in soon in-home business models, even if they are paying well. Hence, look for diversity and keep surging ahead.

Chapter 7:

Your Early Achievements

Summary

Your business depends largely on those first few weeks.

Your Early Achievements

We may be very rational in almost everything that we do, but there is one place where instinct rules over rationality. This is in the obtaining of results. We are too result-oriented. We don't do things if we aren't sure of results or if we don't see results coming in the near future. Patience is a very rare virtue.

That is the reason succeeding early on in your home biz is so very important. It is so good to see that you have earned \$100 in your first week (which is very much possible) even if that is nothing in comparison with your previous endeavor. The \$100 ensures that money will come. It tells you, very poignantly, that if you have earned \$100 this week, you can earn \$200 in the next week and more in the future. You get motivated by this early success.

It may not be always about money. If you see that your efforts are passing muster, such as people are commenting on your blog posts or articles, people are visiting your website, people are checking out your profile, etc., then it means that you are making some sort of headway into this. It is these small things that tell you that you are being well-received. In your early days, such response can actually work much better than the money you earn.

Make it a point to speak with your near and dear ones about your early achievements. Don't keep them all under wraps. When they will hear about them, they will get encouraged too and they will speak with you and discuss with you. Slowly, they will get *involved* if they weren't already. This can take you further.

Your early achievements might be small, but you will remember them for life, even if you will have hundred times this success in the future. You will always remember that first blog comment you got, the first feedback you got on your article, the first review you got from your client on your job profile, the first payment you got, etc. Such things help you a lot in the long run.

Chapter 8:

Taking Your Home Business to Higher Levels

Summary

How do you improve upon the home business you have established and take it to greater glories? Here are some ways.

Taking Your Home Business to Higher Levels

If your home business shows some signs of settling down, what do you do next? You have probably grown with the idea that you can make as much or as little of your home business as you want to. If you see that things are beginning to pay off to some extent, you might want to pull the stops. But, what you must realize is that you can take your home biz to much higher levels if you wanted to.

You will need to consider a few things.

Outsourcing

We have spoken about this before. If you haven't used it yet, you must know that you cannot avoid it when you are trying for expansion. You can give out some part of your work so that you can manage more clients, more work and hence more money. Try finding people over the Internet who can give you work through online means. If you are into something like network marketing, try building newer streams to improve your home business.

Automation

There is a lot that you can automate. You might not know about it at the start, or you may not have the funds to do that, but as your business grows, you will certainly be able to do so. For example, you could automate your emails by using an autoresponder system. You could automate your website testing by using split testing software.

These are just examples. There is automation possible almost everywhere. You have to find out about it and use it.

Diversification

While one arm of your business is doing well, it is time to think about another branch. You will have to nurture it just as you did the earlier one, but with one branch established, you have time to do this. You could select a related domain to reduce your work because then you can use most of your material from your initial venture into this. Diversification can multiply your income in direct proportion, but not the investment, because several things will be used in common with your previous ventures.

Chapter 9:

Guiding People Along – Building a Workforce

Summary

People are the biggest resource you would need when you are running a home business. But getting people in a home business is different from getting them for a usual corporation.

Guiding People Along – Building a Workforce

One of the main ingredients for a successful home business is a dedicated taskforce. When you are working from the comforts of your home, jabbering away on your computer, little do people know that you are actually working with an array of people in different parts of the world.

These people could be your clients from whom you take work, they could be your customers to whom you sell things, they could be providers whom you outsource work to, they could be people within your business network, etc. But without these people, your business is more sunk than a shipwreck.

But, there are some things that you must remember. There is a big difference in managing people online and managing them in the real world. When you are working with them online, you aren't actually seeing them. In most cases, there will not be any contracts either. So, how do you keep them working with you?

Giving Incentives

You will have to consistently keep giving your providers good incentives that can keep them working in good spirits for you. These incentives will mostly be monetary, but they could also be something like a good rating or a recommendation for more work. Sometimes, even a word of praise can keep them working well for you.

Giveaways

This is for the people who are already your customers or who are likely to become one. Giveaways are meaningful gifts that could help people know what your products are like. They might get a favorable impression from what you give them and really buy your other products. You have to ensure these gifts are good quality, though. The best things for you to give away are eBooks and newsletter subscriptions. These are informational items and don't cost you much.

Motivating People

More important than what you give them is how you can motivate them to remain a part of your workforce. You could give them tips on working more efficiently and on other practical things such as how to get transactions done, how to research, etc. These things reinforce your image in their mind and because they have learnt things from you, they will stay faithful to you. This becomes the greatest motivation for them to stay in your team and collectively sally forth.

Chapter 10:

When a Home Business Doesn't Stay a Home Business

Summary

There is absolutely no reason why a home business should stay at home.

When a Home Business Doesn't Stay a Home Business

Soon, a time will come when your home business won't stay a home business. Actually, our perspectives of home businesses are quite stilted. For most of us, a home business means a cottage enterprise that works with traditional methods and has a small scale production and a commensurately small income. However, we need to change this impression. Home businesses only start at home; there's no limit to how far they can go.

People who have started building websites from home with just a concept in mind have now made their websites global. Hotmail, now a part of MSN, is a very good example of that.

Actually, right from the moment you seek your first client or get your first customer for your home business, you should stop treating it as a home business because it has not stayed at home. You have taken it outside already. *Your* physical space is the home, but your business' space isn't. It has gone higher.

Hence, you must be ready for these things right from the start. You are going to have a global presence, however small it is. You are going to become famous on the Internet, your name might figure on Google, many things can happen. It is highly fallacious, then, to call your business as a home business.

But you have to learn to be ready for that leap. You are playing in a global arena. It's not about earning just a few dollars a day. Speak with your accountant about the tax matters. Consult with a lawyer who you could use if needed, especially to check contracts. Find a technician who would repair your computer at short notice. All these preparations have a much greater worth than you might think – they give you a strong indication that your business is going to be bigger than you have expected it to grow.

Conclusion

Home business as a concept has become more popular today than ever before. In these troubled times, a lot of people are thinking about starting their own home enterprise.

Now, you have the mindset to begin as well.

All the best to you!

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