

The 7 Biggest Mistakes When Starting a Home-Based Business

If you're the type of person who wants to be in control of your own destiny – set your own hours, be your own boss, and determine your own income potential, then going into business for yourself may be the answer. But beware: there are some common pitfalls you need to avoid in order to achieve success. Cruise Holidays outlines seven of the biggest mistakes:

Mistake # 1: Ignoring that you need money to make money

According to the International Franchise Association (IFA), the single most common reason new businesses fail is they did not have enough money to begin with. It's crucial to estimate all of your start-up costs, working capital (the money you need until the business becomes profitable) and brainstorm where you might be able to come up with more money if needed.

Mistake #2: Thinking business will just fall in your lap

You need to allocate resources to marketing. This includes time and money, and they are both equally important. While many people assume the key to good marketing is to slap down a few grand to take out some ad space, there is much more to quality marketing. You need to get out and practice good old fashioned "handshake" marketing in order to get noticed. Spend time cultivating relationships with your local media to help round out your third party credibility.

Mistake #3: Not presenting yourself well 100% of the time

You never know where your next business lead will come from. Know your 30-second elevator speech backwards and forwards. If someone asks you what you do, you'd better be able to tell them, and make it sound interesting! Even when running your daily errands, make sure you are on your toes and look presentable in case you happen to strike up a business-related conversation. Leave the sweatpants where they belong – at the gym!

Mistake #4: Not planning out work time and play time

One of the most attractive aspects of owning your own business is setting your hours. But that doesn't mean a two hour lunch plus a break for Oprah or Sports Center each afternoon. Time management will be more important than ever, because your income depends on it. Set specific dates and hours to work. You may also need to be willing to work extra hours to complete projects or meet with clients. Often times, evenings and weekends are most convenient for them.



Mistake #5: Not having a clean and efficient place in which to work

Hand in hand with time management comes workplace organization. You likely won't have a janitorial service sweeping up or emptying your trash each night. So keep your workspace clean. Also, just like your old office had stacks of file cabinets to make record keeping easy, you'll want to do the same with your computer files, having an accurate and easy-to-reference folder system. When you're not in the office, keep the door closed so children or pets aren't tempted to make a mess.

Mistake #6: Not learning certain skills that may not already be in your repertoire

You will need to take some time to invest in your own skills. If you are already a computer whiz, but have never engaged in public speaking, consider joining Toastmasters, and rehearse your presentations before pitching to prospects. If you are relying on your networking and social skills to get by, that's great – to a point – but maybe it's time to enroll in some adult education courses on simple accounting topics. Or, have a younger family member or friend teach you the ins and outs of Microsoft Office applications you're not familiar with.

Mistake # 7: Assuming someone else will do the work for you

Franchising is a wonderful way to exercise your entrepreneurial muscle. As the adage goes, franchising is a way to go into business for yourself, not by yourself. A franchise is an agreement between two parties which gives the franchisee the right to market a product or service using the trademark or trade name of another business (franchisor). Along the way, the franchisee is allowed to use the franchisor's operating methods. The franchisee pays the franchisor for these rights, and usually gets some level of support from the franchisor. Because an established system is already in place, franchising is often less risky than going into business strictly on your own. However, it's ultimately up to the franchisee to make their business successful.

Home-based businesses have just as many risks involved as other types of businesses, but they aren't always as readily apparent. If you can avoid the aforementioned pitfalls, you are at least going to be on the right track. You are the only one in charge of your career and financial future!

Call Cruise Holidays for a free consultation today!

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