

START & RUN A REAL HOME-BASED BUSINESS

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Part 1

MIND





Chapter 1

A LITTLE CREDIBILITY: HOME-BASED BUSINESSES I HAVE RUN

Since I'm going to give you a lot of advice regarding business, it's only fair that you know my credentials, so I'll lay them out for you right here in the beginning.

I currently work for myself, from my home, doing real work. My home-based business is a professional writing and small-business consulting service. Companies from all over the world hire me to do all kinds of writing and marketing projects for them: brochures, sales proposals, websites, press releases, etc. I developed this business from the ground up. Last year, from my basement office, I earned in the low six figures.

I'd like to stress that I have no special training or college degree — I'm simply someone who writes well. The difference between me and many other people who write well is that I know how to turn my skill into a business.

Before my writing business, I ran another successful computer-based business from my home — freelance programming. I also successfully sold a product from my home, and in the 1990s, I ran two advertising/direct mail businesses where I serviced the local area. These two

advertising businesses I eventually failed in, which is important in the big scheme of things.

So I've had experience in almost all aspects of a home-based business — I've run a business where I was based at home, but serviced the local area; I've made a product in my home and sold it; and I currently work from home on my computer, servicing the entire world via the Internet. I started with nothing, and have experienced both failure and success.

Here are more detailed descriptions of my entrepreneurial experiences (for those who are interested).

1992–1994: Intriguing Ideas

My first home-based business was an advertising/marketing business that I started when I was in my early 20s. It was named Intriguing Ideas. I quit a good job and dove in full time. Mainly I created and sold my own direct mail coupons door-to-door to local businesses (essentially, I competed with Money Mailer™ and Valpak™). I also did some advertising/marketing consulting work for local businesses (many that were home

based). I was pretty good at this part — I made a lot of other businesses money. I've always been good at that. Too bad I made some big mistakes in my *own* business. I eventually went broke and had to get a job again (and again, and again — I tend to get fired a lot). Throughout this book, I talk about this first business often, and tell you about the mistakes I made so you don't repeat them. If I knew then what I know now, that business would have made it.

1995–1996: Night Owl Marketing

A bit later, I sold ads and built websites for local businesses for a very young World Wide Web, and I also did computer repair work. I made a few more mistakes, and the Internet was still too young to make a real living selling ads on it. While I was a little more successful here than my first time around, I still could not quite make a living, and had to go back to a job (and we know how that ended).

2001–2004: Night Owl e-Ventures

After being fired again (gee, there's a surprise), I used my computer skills and started a home-computer programming business utilizing a specific type of software I was proficient in. Finally, I had learned the right things to do, and this home-based business turned out to be a success. For a few years, I made a nice living working out of my house (about \$40k to \$60k per year). However, there was a small flaw — the specific software that I was proficient in was being phased out by the company that made it — which would make me obsolete. I knew I had to do something else.

2004: Favorite Clubs (Under Night Owl e-Ventures)

Branching out from computer-related work, I then decided to try my hand at selling a product. I made golf clubs in my garage and sold them

online. I did well, but my garage was really too small for this type of operation — inventory became a real problem. I pulled the plug rather than address that issue, but I have no doubt I could have made a decent living doing this, as I had become very proficient at marketing a business both online and off.

2004–Present: Night Owl e-Ventures Inc. ("Inc." Added in 2004)

So in the wake of not wanting to make golf clubs in my small garage, I finally followed my heart and decided to start a writing business. I love to write and had been told I was a good writer all my life. In addition, in every job I ever had, this skill was recognized and I was asked to write. I'd write marketing literature, newsletters, sales pieces, press releases — you name it. So I figured since I'd been unofficially doing business writing for years, I might as well try to get paid for it. Writing turned out to be right for me, and so business has succeeded. Now I write full time, and I couldn't be happier.

In addition to these businesses, I have provided consulting services to small and home-based businesses for years. I've also sold advertising to small and home-based businesses, helped them grow by devising marketing strategies, and generally been involved in making all kinds of businesses succeed for the past 20 years.

I never set out to be Donald Trump (I have better hair). Nor do I want to make tens of millions of dollars or run a huge company. All I want is to make a nice, quiet, anonymous living from the comfort of my home. I want to do work that pleases me, and I want to be paid well for it. I also want the time and freedom to enjoy my life.

I'm doing what millions of people dream of doing — working for myself at home and making a nice full-time living.

I'm doing that right now, and I can help you do it too.



Chapter 2

THE NEW BUSINESS BLINDERS

To me, being an entrepreneur and owning a home-based business are more about mindset than anything else. In our “go to school then get a good job” culture, it takes a very special person to even *think* about going it alone. So you are to be commended for even reading this book. You are way ahead of most people in terms of motivation and ambition.

However, motivation and ambition are not enough. Not by a long shot.

In fact, in many ways, motivation and ambition can *hurt* a home-based business owner. This is because of a phenomenon I like to call the New Business Blinders. I want to discuss this right here in the beginning, because you’ll see the term crop up again in the pages that follow.

The New Business Blinders are usually donned within a few weeks after making the decision to start a business. Once you reach the point of no return — the point where you decide that yes, you are going to start a home-based business — an order is put in for your blinders. You don’t need to do anything — the thoroughly evil Department of Business Failures handles

this for you (how nice of them!). All you have to do is wait for your pair of blinders to show up, which is usually a short time after you have the initial details of your home-based business worked out.

And trust me, they’ll be a perfect fit — unlike airline seats, one size truly does fit all.

And they are so comfortable, you won’t want to remove them. They start working right away, but the minute you envision yourself and your home-based business succeeding is when the blinders really kick in.

So, what do these blinders do (besides giving me a clever metaphor to write about)? Well, they do exactly what you think they do — they blind you to the obvious. Fueled by your motivation, hopes, dreams, and ambitions, your shiny New Business Blinders completely shut you off from logic and reason. And they do it without you noticing.

You may not be old enough to remember *I Love Lucy* — well, neither am I really, but during the ’70s, it was on every weekday afternoon,

which meant a child staying home from school could catch an episode. Since missing school was a popular pastime of mine, I am fairly familiar with the adventures of Lucy and Ethel. In one episode, Lucy and Ethel make and sell salad dressing. Hilarity ensues until Ricky does some basic math and finds out the girls are actually losing money on each jar. This is funny not only because of Lucy and Ethel's solution (pretend the dressing is poison so people cancel their orders), but because their experience is so common. Not the poison part (even pretending to poison your customers is really bad for public relations, and not recommended), but the losing money part.

It happens all the time — people start home-based businesses that actually *lose* money. They do this because they fail to take into account many of the expenses involved. The New Business Blinders are responsible for this.

For example, in my first business, I sold a direct-mail coupon package. My “blinder moment” was when I failed to get an exact price for postage based on a prototype. My printer used a fairly heavy paper stock for the coupons (I didn't even think of paper stock and weight, which was a huge error on my part). This doubled my postage cost over what I had anticipated. On 10,000 pieces, this cost turned out to be very, very high.

My New Business Blinders were working quite well.

I thought I was doing everything right — I was concerned about printing costs, first-class versus third-class postage, envelope stuffing costs, getting a shiny new computer (which was a big deal in 1992), making the coupons, selling them, etc. I even thought about the future, how my partner Jim and I would franchise our business model to other entrepreneurs and rule over a vast empire of direct-mail coupon businesses, which, now that I think about it, is almost absurd.

Essentially, my goal was to be “King of the Free Pizza Coupons,” which sounds like something you'd dream about after eating too much candy.

But in my zeal to storm the gates and crush the direct-mail competition, I neglected to make a *real* prototype out of *actual* materials and see what the costs would be. I just didn't see the point in doing so. Dumb. And all too common.

And, unlike Lucy, this wasn't a hijinks jam that could be worked out in a half an hour. This was real, and I was in trouble. I essentially had to raise my price substantially in midcampaign. This meant that some people got my product at one price; others paid more. This angered some people when they found out. Oops.

New Business Blinders do this. They cause you to ignore the obvious and see past the unpleasant.

The blinders are not just cost related, either. Suppose you want to build a product and sell it. It's not fun to think about “where will I get my materials, and what happens if that source dries up?” It's *much* more fun to fantasize about shaking hands on a million dollar deal and getting fitted for a beach chair in Aruba.

Or if you want to have a pet-sitting service, it's no fun to think about what you will do if you show up and the dog is ill (or is menacing toward you). Or if the puppy bursts out and runs away when you first open the door. These are things that could drastically affect your business, and you have to think about (and prepare for) them.

Sometimes, our overwhelming desire to succeed makes us ignore the pitfalls that could occur.

New Business Blinders come standard with *every single business*; however, their power fades over time. They are easily the strongest with your first business. In subsequent businesses (or with time spent in your first business), they are less and less powerful, eventually reaching the

level of effectiveness of Dollar Store sunglasses. But you always have to be aware of them. They feed on your ambition and your desire to succeed, and they will always be present.

Parts of this book (especially the “Mind” section) are spent pointing out the things that your

New Business Blinders will prevent you from seeing. So if something seems obvious to you, I mention it because of my experience with the New Business Blinders.