

Running Your Own Business - The Options

Few if any people get rich by working for someone else. If you want to start your own business the first decision to make is which type of business would suit you best. There are three options.

Very few people ever got rich by working for someone else. Leaving aside pop musicians, sportsmen and similarly gifted people, the only way to acquire wealth by work is to build a business of your own. The type of business you decide upon will depend on: a) how much money you have available as start-up capital and working capital; b) your business idea; and c) your confidence level.

There are three types of business:

- 1) the traditional one in which you are reliant solely on your own efforts;
- 2) a franchise where you follow a proven idea and receive considerable training and back-up from the franchise company; and
- 3) network marketing.

Each business type has its pros and cons.

The traditional business requires considerable financial input, either from your own resources or part-funded by your bank. You may need to rent premises; buy equipment; hire staff; pay for advertising, brochures, stationery, and stock. A frighteningly high percentage of this type of business fails in the first year. To succeed you need: a good idea, considerable financial backing, good health, an understanding spouse, and stamina. If you do succeed you will own the business outright and benefit from all the profits.

Franchises have a high success rate. Banks like them because each franchise operation has a proven track record and thus the banks can accurately judge the risk, consequently they will lend money for this sort of start-up. However, all the support and training comes at a price: the initial entrance fee is likely to be very high, and a percentage of the business's turnover must be paid to the franchise company.

Network marketing, also known as multi-level marketing, has many advantages and few disadvantages. The entrance fee is low and the ongoing expenses are even lower. A network marketing business can be started in your spare time in fact that is the best way to approach it. Start small, and keep at it. The secret is perseverance, get past the first year and you should find the business has a sound foundation from which you can build a serious income. It is said that 95% of those who survive ten years in network marketing become wealthy beyond their wildest expectations.

So which type of business is for you? If you wish to provide a service or product where you have previous experience from, say, a former employment, the traditional business will be probably being the best choice. However, if you are just tired of working for someone else and making them rich and wish to strike out on your own, then a franchise or network marketing must be the preferred option.

The choice then is determined chiefly by the funds you have access to, and the time and effort you wish to put into your enterprise. A franchise will require substantial funds and 100% commitment. You are jumping in at the deep end, although the franchise company will provide training and support to help you to swim.

On the other hand you can ease yourself gently into network marketing by starting part-time while you continue with your current employment, building your business by ploughing back profits if necessary. Persevere and there will come a time when the income from your own business will be sufficient to support you financially. You will then be able to leave your employment and concentrate on your business, spending more time on it or enjoying considerable free time with your family.