

## **7 Key Questions To Ask Before You Join A Home-Based Business**

40 million people will be looking for a home-based business in the next 3 to 5 years according to Forbes magazine.

Online businesses are no different to normal brick and mortar businesses. If you do your due diligence and follow a simple game plan, you'll find a business that is the right fit for you.

Here are the questions you need answers to:

### **1. Does the business have unique products which are in high demand in the marketplace? .**

Almost every day new companies spring out of nowhere which are simply copying other companies. Example: How many juices and vitamins have you seen on the market? How many times have you heard that something is "the greatest nutritional supplement"?

Of course, healthy living is important and most of the supplements out there are great, but does the world really need another vitamin? Are people crying out for another juice from a berry found deep in the Amazon? The reality is "no", because the marketplace is flooded with this type of product.

And if you're going to be representing a new-ish company selling nutritional products, you'll be competing against companies which have been on the market for 50 or 60 years.

Everyone has heard of Amway. Amway has the biggest selling nutritional line in the world. If you're going to be selling a new nutritional product, what are your chances of taking on and winning against Amway? They are already firmly established in the marketplace and the first one in always gets the lion's share.

So you need to find a product that is unique and hard to copy. Because if it isn't hard to copy, someone else will come along and try to replicate it very quickly.

The other question to ask yourself is: Is there a market demand for the product? Remove the business opportunity and step back and examine the product on its own merits and ask yourself:

"Would I want this product, would this product benefit me if it didn't have a business opportunity attached?"

If you can't honestly say that the product would be of value to you for its own sake then you are, in effect, selling buckets of air. And this means that the product is going to have a very short lifespan, because no one really wants it.

## 2. Does the business have a lucrative compensation plan?

Of course, "lucrative" means different things to different people but the bottom line is that if you are going to be marketing a product for commission, you want to be earning a high commission bonus upfront as well as a residual income on the backend.

Most compensation plans either have high upfront income and low residuals, or the other way round, with low upfront income and high residuals. You need to find a company with an equal balance of the two.

Why is this so important when searching for a home-based business?

When you start out in a new business, unless you have a great deal of capital behind you to "tide you over", you will need to make high upfront commissions because otherwise you will find it impossible to build momentum.

Most people starting a home-based business do so with the intention of supplementing their existing income initially, with the goal of building up to a full-time income, enabling them to leave their current employment or business.

But if all you're making is tiny \$100 commission checks along the way, it's very difficult to accomplish this. You will run out of steam, and capital, before you reach your goals.

So you should look for a company with products selling for \$1,000 upwards. This will enable you to earn commissions of \$500 and over per sale. Always look for a compensation plan which pays you at least 50% of the retail price upfront and one which also pays you a residual income.

The high upfront commissions will help you get off to a faster start and stay in the game whilst the residual commissions will help you retire.

If the company you choose ONLY pays high upfront commissions but no residuals, you will earn a decent-sized income quickly but you will eventually burn out because you will never be able to relax your pace, as the onus will be on you to produce month after month after month.

High residual commissions which you earn on the sales of your team are vital because then, as you build your team, you will be able to scale down your own activities as your residual income grows.

## 3. Does the business have a proper marketing system?

This is one of the **crucial aspects** of any business and is one where many companies fall down. You can have the best product in the world and the best compensation plan, but if you don't know how to promote your business then you're not going to make any sales and you're going to go broke - quickly.

So make sure that any company you join has a **proven, duplicatable marketing system**. And make sure that the marketing system fits your needs: if you don't like conducting live hotel meetings then make sure that that isn't the primary form of marketing that your company employs. And if you don't like pitching your friends and family, make sure that you won't be expected to by your new company.

There are currently 1.4 billion people with access to the internet. If the company you're representing doesn't have a strong internet division then they are probably behind the times and you will find it very difficult to compete in today's internet age.

#### **4. What is the background of the company management?**

There is nothing worse than spending two years building your brand new business, experiencing some success, seeing your residual income start to grow and then losing it all overnight because the company owners disappeared with the profits. Sadly, these things DO happen.

**Research the credentials of the company management.** If this is a US company, check them out with the Better Business Bureau. Has the company management been successful in their previous businesses? How long is their track record? How long have they been in this industry? Do they have an extensive business education? What are their long-term goals?

If your impression is that they seem to be more hype than substance then be very wary. Look on the company management as personal partners of yours and if your instincts tell you that they are good people, then you're probably right.

Gut feelings should always be backed up by research, but in the main they can be relied upon.

#### **5. Does the company have plans to expand globally?**

Make sure that whichever company you partner with has room to expand. If it is already close to reaching full market penetration then eventually your competition will become too fierce. **There will be too many fish in a small pond.**

Also, if you are marketing online, can your product be shipped worldwide? Many nutritional products suffer from a maze of complicated legalities in different regions which may prevent you building a global business. Information products are not normally subject to the same restrictions and are thus much more suitable for global online marketing.

So look at the products you are planning to market, ask yourself if they can be marketed globally and find out if the company has plans to expand globally in the future.

## 6. Does the company give back?

Are they involved in any charities or programs to help others? Is the company doing something to benefit others in the future? Do they understand the universal principal of "what goes around comes around" or are they just in it for a quick buck?

If the company "feels" good then you probably have a winner. Again it's that gut feeling which shouldn't be underestimated.

## 7. Does the company have a support and training network?

This is an extremely important aspect and one in which many companies are lacking. Along with the lack of a duplicatable marketing system, this is the main reason new home-business starters struggle and fail.

Does your company have a staff in place or do they rely solely on the sponsor to help new members? Is there someone other than your sponsor who you can turn to with questions and for marketing help?

Are there people who will walk you through the product line? Is there a place you can go, such as a forum, where you can learn about the obstacles that others have faced in building their business and how they have overcome them? Is there a community spirit in the company, with members helping other members as a group?

When you are starting out in your new business you will encounter hurdles. You shouldn't allow these to scare or deter you because they are all part of the learning process. During this learning curve it is invaluable to have a group of people you can turn to and who will support you.

These are the seven key questions to ask before you join any business opportunity. If you are satisfied with the answers to these questions then you have found the right company for you and will have saved yourself much of the emotional and financial heartache that so many people suffer when setting out in a home-based business.

The average person in the home business industry will typically try out 7 different business opportunities before finding the right one. This not only wastes time, effort and money but creates huge frustration both to the individual and everyone close to them.

If you choose your new business using the 7 key questions in this report as a template, you'll be better able to make the right decision first time round and create the ideal foundation for your future success.

# 7 Key Questions to Ask Before You Join A Home Based Business

## Check List

Company Name: \_\_\_\_\_

Contact Info: \_\_\_\_\_

### Question #1 - Does the business have unique products which are in high demand in the marketplace?

What is the product? \_\_\_\_\_

Who are the competitors? \_\_\_\_\_

Why would I buy this product? \_\_\_\_\_

Hint: Use Google to search for similar products. How do there prices and marketing compare? How easy are your companies products to find on Google?

### Question #2 - Does the business have a lucrative compensation plan?

Upfront Commission \_\_\_\_\_

Residual Commission \_\_\_\_\_

### Question #3 - Does the business have a proper marketing system?

Marketing Methods: Meetings  Brochures  CD/ DVD  Face to Face  Print Ads  Personal Website   
Corporate Web Page  TV ads  Home Parties  Other \_\_\_\_\_

Ask Yourself: Are you comfortable learning and using these sales techniques? What new skills will you need to learn?

**Question #4 - What is the background of the company management?**

Principle #1 Name:	_____	History:	_____
Principle #2 Name:	_____	History:	_____
Principle #3 Name:	_____	History:	_____
Principle #4 Name:	_____	History:	_____

**Hint:** Use the Better Business Bureau to determine if there are any complaints against these people or the company. Google these people and see what others have written about them. Are the names of the management public knowledge?

**Question #5 - Does the company have plans to expand globally?**

What countries can I sell in?      Global

Are there any restrictions to selling:      Licences       Permits       Territories  \_\_\_\_\_

Is the product regulated in each country: \_\_\_\_\_

Is there a physical product to purchase and ship: \_\_\_\_\_

**Question #6 - Does the company give back to the community?**

What Charities does the Company Support?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Question #7 - Does the company have a support and training network?**

- Who provides the company training? Corporate Trainers  Upline/ Sponsor   
Where is the training held? Off Site  Teleseminar  Webinar  Self Study   
What is the cost of training? \_\_\_\_\_  
Are there web based User Group Forum available to participate in? Yes  No   
Is there a 1-800 Customer support phone number for sales associates? Yes  No

**Hint:** Before you become too involved with this business, call the customer support help line and ask a question, even if you have to make one up. Judge the service provided by the responsiveness of the operator, the value of the answers given and even the time spent on hold. This is what your customer will see. Does the company represent you well?

**My Observations and Conclusion**

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