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## *A Home Based Business Self Evaluation Survey*

By Deb Cohen

Over the past 8 years I've spoken with hundreds, maybe even thousands of people all over the world interested in launching a business from home. Many of them have formulated business plans, conducted market surveys and applied for financing and yet they have still overlooked a crucial step in the planning process--self evaluation.

Regardless of your reasons for wanting to run a business from home, it's just as important to analyze yourself as it is to analyze the market you plan to serve. Below is a list of the five most important questions to ask yourself (honestly) before launching a home-based business.

### 1. *What are my strengths?*

The answer to this question will provide the foundation on which you can build a successful business. Whether you're a people person, a computer geek, a number cruncher, or a craftsperson, your business should maximize your strengths.

For instance, if you know that you enjoy cooking, consider becoming a personal chef. If you enjoy computer work, don't consider a sales career. Your abilities should be the cornerstone of your business so that you enjoy the day-to-day tasks associated with it.

It's a simple concept yet most people never look inward when envisioning their ideal home based business. They read or hear about another entrepreneur reaping the rewards of working from home and want to emulate that person without considering the differences in their abilities. Make a list of your most marketable skills and ask yourself what you enjoy and why you enjoy doing it. Use that information to create your ideal "job" and then consider businesses that will maximize your talents.

### 2. *What are my weaknesses?*

If you're going to conduct an "honest" self evaluation, then it's important that you admit to your weaknesses. Perhaps you're not as disciplined as you'd like to be or maybe you're not the best bookkeeper. Running a business will require you to handle a wide array of responsibilities from sales and marketing to accounting and secretarial. If you overlook one aspect of your business or don't handle it efficiently, the business will suffer, or worse yet, fail.

It helps to equate a home business to an office where there is a staff of employees in various departments to handle specialized tasks. You, as the home based business owner, will be responsible for running every one of those departments. It's not necessary to be an expert in every field. Identify which aspects of the business you're best equipped to handle and which may require some assistance. Consider outsourcing those responsibilities to an experienced professional so that you can devote more time to the aspects of your business that you enjoy.

If you'd prefer to handle all of your business "in house" as opposed to hiring out, there are other options available. For instance, a Board of Advisors can offer you guidance in areas where you may not have experience. A business course at your local university can help improve upon many business related skills from business planning to public speaking. Computer programs are also available which can assist with everything from bookkeeping to graphic arts. And finally, you can consider launching your business with a partner who has strengths in areas of business management other than yours.

I've seen many very talented entrepreneurs fail in their endeavors simply because they didn't identify and compensate for their weaknesses. For instance, I knew an interior designer with tremendous flair and creativity who was terribly unorganized and a chronic procrastinator. She knew exactly how to put together a room, match colors and chose just the right fabrics but never seemed to get around to it. Eventually, many of her clients got tired of waiting and stopped using her services.

By recognizing your weaknesses and accounting for them in the beginning, you're ensuring that your business will function efficiently on every level and increasing your odds at success.

### *3. What am I willing to invest personally?*

While running a business from home looks appealing, it requires personal sacrifice and discipline. For those who work in an office, business hours are defined and you're surrounded by others involved in the same business. For a stay at home mom, your focus group may be other moms who get together for playdates and take their kids to the mall and the park in the afternoons. If you're considering a business from home, you will have to define your own work hours and commit to them regardless of outside pressures.

It's helpful to make a rough outline of your weekly schedule. Figure out when your most productive hours are and what activities you may be able to sacrifice for work. Are you willing to work after the children have gone to bed at 9pm? Maybe you'll have to cut out a weekly lunch date with a friend?

Beyond the time commitment, your home business will require you to invest your energy and your emotions. There will be highs and lows and the rewards may not be immediate. At times you'll need to take chances. It will require you to troubleshoot, multitask and adapt. There's also always the risk of failure. Consider all of these factors before you start your business and be sure that have what it takes to handle the ups and downs of being an entrepreneur.

#### *4. What am I willing to invest financially?*

While some may require a larger initial investment than others, launching a business requires capital. If you're discouraged by having to spend money in the beginning, then perhaps the business you're considering isn't the right business for you. If you feel passionate enough about what you plan to do, then the investment will seem like an end to a means not to mention an investment in yourself.

That's not to say that you need to spend foolishly. Minimize your expenditures by investing in the necessities first. You may want to make a list of what you anticipate your business expenses to be for the first three months of your start up and then another list of anticipated ongoing monthly expenses. Consider legal fees, marketing and advertising costs, merchandise (if you're planning on selling a product), supplies, insurance and office equipment. Decide what expenses will be necessary in the beginning and what purchases can wait.

Look at the final numbers and then ask yourself again if you're willing to commit to that type of financial investment and if you're confident that you can recoup your investment. If the answer is "yes", then you're ready to move on to question #5.

#### *5. What do I hope to gain?*

In your search for a business to run from home it's inevitable that you'll encounter "get rich quick" schemes and work from home scams. No matter what you may have read or heard, there is no formula for overnight success in business. Businesses grow slowly and require work and commitment. If you're launching your business with dreams of overnight riches, you'll inevitably be disappointed.

Ask yourself what you hope to gain from your home business. Is it a better lifestyle? More time with your family? Personal stimulation? Financial rewards? Independence? And then ask yourself if you think that your business can (realistically) be a means to that end. Your answer may not be a conscious one, it may be a gut feeling but in my estimation, that's the most ringing endorsement of all.

As you work at your business, keep your goals in mind. From time to time, as you ride the highs and lows of entrepreneurialism, remind yourself of why you decided to launch your business in the first place and strive to keep those priorities in focus. You'll find that the most successful businesses are driven by people who love what they do and focus on the day to day work of their business rather than the financial rewards.

After some careful self-evaluation, you may realize that you and your potential new business aren't a very good fit. Don't be discouraged. It's better to find out now than after you've made an investment of time and money. There are also numerous options available to those who want to work from home and you can continue to research them with your newfound self-awareness.

If however, after answering the above questions you're more confident than ever that you're ready to become a home based entrepreneur, then congratulations--you're about to embark on a challenging and rewarding adventure!

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