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About the Author

Wendy Allthorp started writing stories as a hobby because it was a contrast to her daily work in an office.

Wendy found the writing had a special appeal for her because of the mental stimulation it required.

After a while, she started to sell stories and articles. Like many other people, she wondered if she could turn her passion for writing into a part or even full-time income.

“I found that there was very strong competition for a shrinking number of opportunities to sell my fiction. There were more openings for articles though many offered pay which was also pretty low for the amount of work and time involved.”

“But, I enjoy writing and persisted until I was selling enough to give me a handy income. The writing gave me the freedom to travel for business and pleasure, which I didn’t have when my office job was my only source of income.”

“When my job was cut, I was ready and able to do more writing. That gave me a cushion to help me get through the period until I could find another job or get my writing income up to where it was enough to support me.”

Wendy wrote her book to help anyone that is looking for a source of extra income to help with everyday expenses or to perhaps build to a replacement for a job which is insecure or stressful.

Wendy said, “The job situation is not likely to improve greatly in the future, with increased competition from younger, better-trained people coming into the work-force and competition from around the world through the Internet.”

“Almost anyone might learn from my book how they also might use their hobby as the basis for a new income stream. My book will make their road easier and chances of success more likely because the ideas I share are based on real life and will save them time and stress.”

Introduction

A hobby is the work you pay to do.

This book will help you to find ways to make it pay you instead.

Many people can successfully make their hobby the basis of a profitable business, while almost everyone can find ways to get enough income from their hobby to cover all or part of their present costs and often with some extra to assist with household expenses or whatever.

I have tried to give you enough information to be able to proceed from planning your venture right through to where you are getting some money. But, there is no guarantee that you will make any money at all. The results you get will depend on your own efforts and many external factors which cannot be reliably predicted.

If



you choose a hobby just for its money-making potential, it isn't a hobby but another type of job. There's nothing wrong with doing that.

But, choosing something which you really enjoy doing can help you to cope better and less stressfully with the problems which will inevitably rise up in your path as you go forward.

Some people let their mind focus only on what they have already been doing with their hobby. That limits their options too much. You should do some research and look at ALL the possible ways to use your knowledge or skill. Some, of course, may be beyond your current level of skill at this point but you might do focus your efforts on options which will lead to that desired option later on when you have developed your skills further.

When should you start? I believe your best option is to start developing your extra income stream today. It’s much easier to do it when you are not under pressure from a crisis.

Your preparation and your results are both likely to be much better because you have more control when your options are not restricted.

Your Goal

You probably feel that you have your goal, your reason for undertaking this extra effort, clear in your mind. But, it is my experience that many new entrepreneurs don't have a vision which is strong enough to sustain them when they fully launch their venture on “until they achieve any level of success.”



You need to have your goals (more than one!) so clear in your mind that you see every detail. A desire to “*be more successful*”, “*make more money*” or “*become famous*” is too vague to be any help at all.

Instead of “*make more money*”, you need a figure and a completion date as well as a plan which crystallizes every detail of how you will achieve

that goal.

For any major goal, such as “*paying off your home*” or “*buying a new car*”, you should draw up a timeline on paper or as a computer file, and insert into that timeline some mini-goals at specified points.

These smaller targets will help you to keep applying yourself and tell you whether or not you are on track, or if you may need to review and improve the actions you have been taking.

Where are You Now?

Your journey to earning some or all of your income from your hobby will be much easier if you start by reviewing your present position and use that information as the basis for planning the next step.

Then, do the same procedure again before making any significant investment or decision.



This does not have to be a formal process with specially printed forms unless that is the way that you are most comfortable with. Remember that making a decision and moving forward are the goal.

You might use loose sheets of paper which you put into a clearly labeled folder, a large notebook or put everything into a computer file – whatever works for you.

The first time that you do the exercise will obviously take longer and be more fragmented as it is all new to you. But, make sure that later sessions don't have you stuck in a very long evaluation because you may become demotivated or find that the opportunity you were evaluating may be no longer available or as valuable to you.

Your evaluation of the current situation should include as much information as you can gather that you feel is important.

Give due weight to each factor which affects your decision. If you favor one particular outcome, the time and effort involved will be wasted.

Although you want to make your hobby pay, also make sure that you give due consideration to the possible benefits of continuing to do what you are currently doing.

What will the Change Cost You?

Part of your consideration should involve the inevitable impact on your current employment, your family and current social activities.

Your employment: Some people who start their new venture while continuing their regular job (That’s what I did and believe is the best option for most of us), don’t check what the attitude of their employer might be to their action.

Many employers have rules about their employees doing other paid work. They may take action if they feel your other activities are affecting you to the point that you are not producing the amount and quality of work which they pay you for, or if you use the time you are in their employ to do or promote your extra activities.

Although you may not be happy about all aspects of your current employment, you must abide by their rules.

Giving full value to them can have advantages down the track. I know some people that have received a glowing reference from their employer which has been a great help in developing their own non-competitive business. Some people find that their ex-employer can be a valuable source of referrals as well.

Your Family: How will your new work impact your family and the time you have with them?

You may feel that you are considering this new venture, in part, to be able to provide more benefits for them in the future.



But, the extra effort and the cost in time and money will probably require some adjustments to your current arrangements, at least while you are starting the business and also when you have busy periods and deadlines.

I urge you to make every effort you can to minimize the impact on your family time. If you have to get up an hour earlier and work one or two extra hours to ensure that you have time to be with your child or partner at some event, that can be worthwhile for the good effect on your bond with them and the unique memories which you can share in later years.

Your Social Arrangements: Whether you start monetizing your hobby part-time or plunge into full business mode right away, you will have to reduce, re-arrange or even eliminate some of your current social arrangements, at least for a while, so that you can get your business operating well.

Some of your relationships, both business and personal, may be put under pressure by the decisions and actions you take to accommodate your new work, but the people who are real friends will understand and even support you, recognizing your aim is to improve your situation.

Why?

This is possibly the most important thing you need to define.

Your “Why” is the core reason for doing this venture.

It has to be strong enough to keep you going through all the obstacles, both physical and emotional, which try to block your progress.

It is NOT just money or becoming famous.

It is personal, unique to you and may require serious thought. You might have tried before and failed.

But, decide that you will do whatever it takes this time to succeed because:

- You don’t want to continue living where or how you do.
- You want to provide more for your children so they will have a better start than you could currently give them.
- You want to prove your worth to your partner and give them more than you can right now.

Each of those “why’s” have moved mountains and helped ordinary people to become millionaires.

Take the time to find it and you will be able to make progress and withstand almost anything that gets in your way.

Fallback Position

When you plan a new venture, it is always a good idea to give some thought to what you will do if that project does not give you the results which you expect or even fails.

Don't approach this in a pessimistic mood.

You just set down the possible negative effects of having to stop the project for whatever reason. The cause may be your fault or external conditions, even a natural disaster.

For me, it seems wise to have some ideas for minimizing the negative effects and knowing what options you might be able to use to redirect your abilities and resources to start you progressing towards success with some other venture while minimizing loss of time and other disruptions.

It is important to review the project which did not meet your expectations to learn what you can do to ensure that your future projects have a greater chance of success.

You may find it hard but it's worth trying to examine the whole thing as if you were an outside observer. This mental switch can help you to avoid having your own feelings influence the conclusions in any way that might make them less valuable to you in the future.

You need to put aside any negative feelings about your own abilities caused by the episode. Someone said to my first boss, “No-one will have any desire to buy my services after they know how badly this turned out.”

His reply stuck in my memory and has helped me through a few disappointments in the following years. It was, “People don't form opinions just on our failures. We all have them. They are more likely to remember how we dealt with it and move on.”

There are usually at least a few things we did well in any project or venture. Make sure that you give those at least equal weight as you give to the things which you will avoid doing in the future.

Self Examination

This chapter covers some of the questions you need to answer before you start spending much effort or any money on your new venture.

Qualities

You may have developed certain skills and attitudes because of your particular choice of hobby.

This section is focused on those qualities which are considered essential for success in any type of business. If you are lacking in any of these areas, you may need to spend some time improving your level of competence before actually starting your business.

Focused

You need to be able to focus quickly and strongly on the most important tasks and targets.

If you cannot already do this, it is worth while to start improving your focus now so that you will be better able to cope with the demands of life as a self-employed entrepreneur.

Obviously, it will also help you achieve greater success in other areas of your life as well.

If you don't find it easy, that's understandable because there are so many distractions and demands for our attention thrown at us every hour.

We need to review what sources we are going to concentrate on and what sources we are going to reduce or eliminate from our daily life.

Many people are convinced that they can multi-task well enough to be able to get more done in less time that way.

Although this was endorsed by some researchers for a while, most these days are saying that multitasking is not effective for most people.

With rare exceptions, people's minds cannot absorb input from different sources equally well at the same time. We focus on one thing at a time and then switch at a rate too quick to comprehend to another source. We think

that we are getting the information from both sources at the same time, but our mind is focused on one and then another.

Unfortunately, our thought processes need time to adjust each time they go to a different source. Although it happens very quickly, it is just like the delay in getting up to speed when we go back to our desk after a coffee break or whatever.

Our level of understanding when we are reading and also listening to another source is always lower, except with some rare individuals.

The rest of us will do better to focus on one thing for, say, up to thirty minutes and then take a short break, before starting to give our full attention to something else.

This reduces the amount of information we can scan in a set period, but doing it this way will give better results which you will probably notice in a period of about two weeks.

Action

Acting without preparing a plan and getting your resources together first is likely to cause disaster, but you won't get any benefits from your planning until you take sustained action.

I know a few people who have lots of potential and some of them even have carefully prepared plans for projects which could get them recognition and a solid income. But, they are stuck in the planning stage (by choice) and they will continue to dream and scheme but never improve their situation because they are not ready or willing to take action.

An idea which has not been evaluated and acted on is worth about five cents per bucket-full. But, any of the ideas in that bucket, when acted on could make someone very wealthy.

Flexible

When you start a your quest to turn your hobby into a sustainable income source, you become the boss of your business, but you are also responsible

for ensuring that every task required to keep your business operating is done in a timely and efficient manner.

This can be a shock for new entrepreneurs who are used to working in a large organization where they were only responsible for a small area of activity and only for about five days a week in many instances.

Your new job description might be C.E.O./Cleaner because you have all their responsibilities and duties, as well as everything else!

Thorough

This is most important. Because you have little or no back-up you need to ensure that everything is done on time and to the highest possible standard.

The Profit Margin is Not the Whole Story

If you have been able to check out a wholesale catalog, you may be amazed at the high margins which are added by retailers where you buy your small quantities of supplies.

You may think that you will be able to easily compete with other operators since you will have an advantage of low overheads if you start your venture from your own home.



But, there’s a lot of other costs which you need to also think about.

As a sole trader, you may find that you cannot get your supplies at a price which enables you to compete with established operators.

Sometimes, you may have trouble getting credit for your business purchases. In some industries, it’s common for suppliers to insist on cash payments until the new business has been

operating for anything up to two years!

It’s because they know that many new businesses close their doors, sometimes without paying their suppliers, in that initial establishment period.

You may not be able to get wholesale discounts unless you buy large quantities for each order. That might mean that you need other financial resources to pay your regular bills until you sell a substantial amount of product and get paid for it.

That last point is something you must always keep in mind. It doesn’t matter how good a sale you made – you haven’t made any profit at all until you get your customers’ money into your bank and have paid your own outstanding accounts!

A new operator may have some advantages but they also face these and other hurdles which you may not have even considered.

If you sell products, you will probably have to promote, display, pack and deliver them.

All of these activities involve expense and risk.

But, they also offer the possibility of equal or much greater rewards.

Are Your Products or Services Competitive?



When you go from being a hobbyist to selling your products or services, you need to be sure that what you offer is competitive in quality and price with comparable commercial products.

You have to take that into account when you are deciding where you will offer your product and how much you can realistically expect to get for it.

Some new business people offer substantial discounts or even free products or services in the hope that these tactics will demonstrate the quality of their offerings and also establish a sense of obligation in the people that take up the offers.

This sometimes works but only where the regular price is competitive with what's offered elsewhere.

You should never promote your product just on the basis of low price.

Someone, somewhere can always offer a lower price. Some established businesses compete with and ruin new operators by offering very low prices for a period during which the new operator has to match or beat those artificially depressed prices just to get a foothold. This is called “predatory pricing” and is illegal in some countries. The problem is that you may be out of business before the Law catches up with your larger competitor.

Because the new person has higher overheads and less resources, the result is usually disastrous for them.

Even if the new operator survives the initial period, they will probably find that their customers will return to buy from their previous suppliers when the new operator has to raise prices, unless they have found the service better or other factors persuade them to stick with the new operator.

Starting with unprofitably low prices is also likely to create an expectation with some who took the offer that you will continue to beat other operators' prices or give them other benefits to keep their custom.

Checking Your Progress

I mentioned that every business person should have a timeline with milestones where they expect to reach specified small goals and their current major goal some time in the future.

As well as being a simple and quick way to measure your progress, it will also help you to keep a sense of proportion about minor bumps in your road to success.

Just be sure to add a note where you have some success.

It is very easy, when we are under pressure to treat a delay or detour as if it was the end of the road.

But, looking at the timeline and seeing how far you have come and that you have already marked up some achievements, will help you to deal with a bump without adding to your stress level.

Another thing that the timeline will reinforce is that you are getting closer to your goal. You may find that your progress is slower sometimes than you expected but it's not something which is unique to you and your business.

Some research has indicated that people who spend a few minutes about four times a week recording and reviewing the positive happenings in their lives seem to be healthier than most people around them.

My belief is that it can't possibly hurt and it makes a nice change from continuing to absorb the buckets of negativity offered by much of the media and many other people.

Successful people don't bother being negative unless that's what they are paid to do!

Is it a Hobby or a Business?

There are many people that use their hobby to earn a little money. What they produce or do may be very clever or amusing but they may not have the basis of a business there.

The first consideration for me when you are deciding whether your hobby could become a business is, “Can you find enough people willing to pay you enough for your work?”

That’s the short version.



You need to find enough buyers to ensure that you can continue to make a profit that will be enough for you to build your business into the future.

There are advantages to running your own business but there are

also cost and other legal requirements which have to be complied with.

If you aren’t going to make a consistent profit, you won’t want to be taking on the extra work and other commitments.

The hobby can be more enjoyable than whatever other type of work you have been doing but it will only be part of the business.

You will have to maintain records, deal with suppliers and potential customers and accept final responsibility for everything connected with the business.

One vital requirement is to maintain good financial records with the level of detail that your accountant recommends. You must be able to satisfy the Tax Department of your country that your records are complete and true.

Although you can possibly reduce the amount of tax you pay because your particular country and state allow you to deduct some of the costs you pay to operate your business, they have guidelines which indicate whether your operation will be viewed as a business or a hobby.

If you have a sustainable and enthusiastic market, you probably have the basis of a business.

The next step is to decide if your product or service is better than any competing offers which are available? If your offer is “just as good” but not better, you need to find some reasons why people can be persuaded to buy from you instead of the known, established businesses which they already deal with.

I don’t want to discourage you.

I just want to give you the best chance of success by ensuring that you take a calculated look at your potential to create a successful business and are not just driven by a dream that has no reasonable basis.

Planning

Planning is something which many people find boring. But, anyone that expects to reach any level of success in business needs to do adequate planning before taking any significant decision or action.

Then, you have to be willing to review your progress and, if necessary, adapt a plan to take account of changes which occur as you proceed with your business.

The quality of your plan will often determine the level of success which you might reach as much as any of the other factor.

Remember that banks and other financial services will want to see a clear and detailed business plan before they will consider discussing any credit or other service they might be able to offer your business.

A good plan tells them something about your qualities and abilities and how they affect the prospects of the venture you have started.

Some banks and other finance providers offer free Business Plan templates where you might be able to just fill in the blanks. Even if the plan is not a good fit for your proposed venture, it could provide you with information about the facts they consider important when considering advancing money to a business.

Whatever the size of your venture, doing a plan will clarify your current position and resources and help you lay out a path which you can follow in the future.

Start with a simple but complete report on yourself and what you have in resources, qualifications, experience, contacts, assets and anything which you believe will make your venture succeed.

You also need to show there is a market for what you will offer and what you have that will enable you to achieve success from a cold start despite the presence of long-established and larger competitors.

Your plan should also take account of current and predicted market conditions and any looming changes to technology or government regulations which might affect a business like yours.

A bank or other lender would also want to know about your competitors in detail.

You need to do a budget and financial forecast which is conservative and well-documented. These documents should outline your projected expenses and income from the business over the next five years, with details supplied for each year. If your business fluctuates widely according to the time of year, you might want to provide the information for each six month period.

Do Your Research

Research can be the difference between success, just surviving or disaster. Army commanders and C.E.O.'s of successful businesses have proven that victory is much more likely if you do your research first and then act on what you learn from it.

I will give you some tips about doing research in this section and I have included some great links to web sites for general business research in the resources section.

Is There a Market?

This is the most important question you need to answer before committing yourself in any way to a particular path.



You are very enthusiastic about your hobby and the products or services which you will offer.

The question is not “***are there are a lot of people that want that type of product or service?***”, but “***are***

there a lot of people that want that type of product or service and are able and willing to pay you for it?”

You can find potential customers through your own contacts within the clubs and individuals that you already know about that are involved with the hobby.

You probably have been collecting magazines or connecting to websites related to it as well. Check through them for contact information in advertisements and other material which will lead you to wholesale suppliers and customers.

Forums

You can use the major search engines to look for forums and message boards related to the hobby. These sites are a meeting place for people that have a common interest where they share information, ask questions and sometimes give feedback about services and products they have bought which are related to the hobby.

You can find potential customers there, but you should first establish yourself as a genuine hobbyist by joining in the discussions and providing free, unbiased advice when you see questions which you can help with.

All good Forums have strict rules of behavior for people that use their site, and promoting any commercial product or service may cause your access to be removed unless you have confirmed that the particular site allows it.

Use a search like Forums: watercolor painting or Forums: tropical fish.

When you have gathered a list of forums, look at several and then select a few that seem to be active, and where the questions being posted are on-topic and the atmosphere is friendly.

Another little-publicized benefit which you can get from Forums about your hobby topic is to watch the questions which are asked and look for those which affect a number of people. If those people indicate the effects of the problem are serious for them, you may want to think about producing a product or finding one which you can resell to your customers which addresses that particular problem.

Forums are also a good way to connect with people that have a high level of expertise. You will find most are approachable and helpful.

The biggest potential problem with a good forum is that it is tempting to spend too much time there.

How to Make it Pay

Part of your planning for your new business should be about exactly what products or services you will be offering to your customers.

You need to decide what you can produce that will be most sought after so that you will be able to start getting customers without too much delay.



Will you provide a service or create products? Or, you might want to concentrate on preparing and selling supplies to your fellow hobbyists?

The next question is to decide what will make your offers attractive enough to make people want to buy from you at least once so that you can start to establish a customer list.

There has to be something which will have strong appeal because most people are a little bit lazy and won't make a change in their current buying patterns except if they are dissatisfied with their current supplier or there is a strong attraction in your offer.

Please don't focus just on offering a lower price. This is only likely to work for a short time before your well-established competitors decide to match or even beat your offer. There is always someone that can afford to sell at a lower price than you and customers that focus only on price will leave you as quickly as they came when someone offers them a lower price.

They will not be part of the stable repeat customer base which you need if your business is going to endure. They will expect you to meet or beat any offer they find and the low returns which you get from these sales will not help you to build up your finances to buy more stock, promote your business and put food in front of your family.

Selling what You Produce

The first option which most hobbyists focus on is selling what they produce with their crafting skills.

It's common practice for crafts people to do this on a casual basis so that they get some money back to reduce the costs of their hobby on the family budget.

This may be the factor which got you thinking about the potential for turning your hobby into a business.

If you know that your ability and the quality of what you produce is equal to those items or services which are being sold, why not?

It is important to realize that selling an occasional item to friends or colleagues is very different to building a business where your income depends on a consistent stream of sales, probably at higher prices than you charged when you were just trying to recover some of your costs.

You will find people less willing to pay the new prices unless your products or service is still a great deal to them.

You will have to cover the usual expenses associated with any business and keep very good records.

If you have little or no selling experience, you may think about selling some of your product at a market for a few weeks to get some experience dealing with strangers.

If you will sell your products to customers outside your local area, you will have less personal contact but will still have to treat them well, follow up every inquiry, and make sure that you set up a reliable delivery system with the dispatch of every item carefully tracked.

You need to have or develop good people skills even when your business does not involve much face-to-face interaction with your customers. You will be talking with them on the phone or through a web-based phone system like Skype and also dealing with suppliers, the people who provide services you use for your business.

Selling Supplies

You might want to sell supplies used in your hobby as the main income stream or as a sideline to selling your own products.

This is worth considering because there is always likely to be people wanting to buy supplies for their own use with their hobby. The potential for selling a particular craft product may rise and fall with changes in the popularity of that type of item.

Remember that many of the people that supplied shovels, pans and other equipment to the miners made substantial profits, which often was more than even some of their most hard-working miner customers ever saw in their whole life-time.

You may be able to produce the components which you pack and sell yourself, or you may buy them in bulk from larger companies and repack in smaller quantities to offer other hobbyists.

Importers and producers of craft supplies are not your only or always your best options for your supplies. Some items used in certain crafts are produced from remnants which are produced during the production of other products.

If you live near an industrial area, you may be able to find factories which produce materials which can be used as-is or adapted for use in your hobby.

This can mean you buy the scraps at very low prices with good prospects of making a handsome profit when you clean and repackage the material to offer to your customers.

You might be able to get some materials free, but always try to give some value to the company so that you will be welcome to return when you need more supplies.

You may be able to produce kits of various components with instructions you produce on your own computer and sell them directly or more widely.

Make sure that any instructions, pictures or designs which you provide are your own original work or you could face serious legal problems.

Other Income Possibilities

Many new entrepreneurs are not aware of the range of possibilities available for them to create income streams from their hobby.

As well as selling products or supplies, there are other possibilities which could be either the basis of your new business or used as extra profit streams which can help increase your net income and provide more money when your regular income from your business dips because of seasonal or other factors.

Using some of the suggestions in this section in association with your main income producing activity can boost your bottom line and also help to promote your main products or services and attract more potential customers.

Teach It



One of the most common additional sources of income people can get from their hobby is to offer instruction to small groups and individuals.

You might do this from your home, your business premises or a room or hall at a community venue which you rent.

Another option is to offer a course through a community organization which is set up to provide courses for adults in your area.

These courses may be a profit source in their own right, but most people I know that do them are happy to cover the expenses involved. The benefit which they look for is

to reach new customers and people who may spread the word about their skills which could, over time, draw other people to their business.

Other advantages which can come from this activity include:

- Exposure to potential new customers.
- Test new ideas on a willing group before developing new products or services.
- Encouragement to keep improving your own knowledge and skills.
- Market research – you find what problems your students are having most trouble with and what information or supplies are most difficult for them to get.

If you host the group at your home or business premises, you will need more than one bathroom, insurance to cover any damage or injury, and possibly a license from local authorities. Safety equipment such as fire extinguishers and a comprehensive First Aid kit would be advisable.

A better option is to rent a venue which already has the appropriate equipment, licenses and insurance (check whether you also need to have your own cover as well).

I would always have another responsible person helping me if the group was fairly large. This person should be paid an agreed amount so that they have a genuine incentive to turn up and stay to help you pack up afterwards.

You have to set up your teaching in a systematic way that will repay you for the money and also the time you invest in doing it well.

It is likely to impact your time with your family and friends because you need to prepare the material for each lesson, help class members with their questions, travel to and from the venue, and often set up and pack up the furniture and equipment for each session.

You may be able to charge for a pack of materials if any student does not have the necessary equipment or supplies but keep the price low or they will buy them elsewhere.

Going from Hobby to Business

As you start to turn your hobby activity into a commercial venture, you will have to be ready to start following established procedures, rules and regulations.

This is time-consuming and can be stressful.

But, by starting the right way you will avoid problems which have brought down many entrepreneurs and caused them substantial problems from fines to prison time in some of the most serious cases.

You might want to try to handle as much as possible yourself or by getting free advice from the Internet and other sources, but that can be a false economy with some risk of further problems after following sincere but incorrect advice.

You are responsible for what you do and for any failure to do what you should have done.

I strongly urge that you pay for professional advice. The cost is less than penalties you might have to pay if you do something wrong and it's usually a tax deduction as well.

Your Team



Every business person should accept the expense of a lawyer and an accountant as essential expenses. The time you would need to invest to do your own accounts well and try to keep up with constantly changing State and Federal

legislation which affects your business activities would be more profitably used in doing work you would be paid for.

You would also probably have less stress that would help you to perform your business activities better and enjoy your private activities much more.

Accountant

You can do your own accounts but you will not have the benefit of an accountant’s experience and knowledge of the current and pending regulations.

Try to get an accountant with experience of the particular needs of a start-up business.

Your accountant can also be a good source of informal advice about other businesses and the people that operate them in your area. They are usually members of all the local business-related organizations and some national ones as well, so they might be able to advise you about which ones it would be worth your time to join and even sometimes help you to be accepted into them.

Lawyer

A lawyer with experience in small business matters can be extremely helpful when you are setting up your business and for advice when you need it.

They are also, like accountants, a good source of business advice.

If you do have any legal problems, an established connection with a local lawyer can improve your chances of getting a timely appointment.

Their knowledge of local pressure groups and connections can be very useful even if you don't have any problems requiring their professional services.

Agent



It is not just people in the entertainment industry who use agents.

People selling properties are another obvious example but

many others also use people that sell for them, usually on a commission-only basis where the deal will be rewarding enough to the agent.

This can be worth investigating if you are not good at selling or promoting your offers.

But, you need to find someone that is trustworthy, so they don't overstate or lie about your offer and has good people skills so they don't make a bad impression when they are representing you.

Always remember that these arrangements can cost you a significant part of the selling price and will not help you to build your personal brand which is becoming more and more important in this technological era.

Quick Tips

Keeping Records

However small your business is when you start, it will pay you to set up and maintain all your business records to a professional standard.

The days when most accountants would accept a heap of unsorted receipts and invoices in the proverbial shoebox are almost over.

Those that will accept them will charge you full professional rates but get some trainee to do the actual work.

Anyway, you need your records to be in good shape or you will not be able to maintain a satisfactory watch on your current financial position and the prospects of your business while business conditions change rapidly.

Type of Business

You might want to run your new business as a sole trader because of the lower costs and less time to set up and get started.

That can be fine but operating as a sole trader can have some disadvantages which may outweigh its usefulness to you.

Sole traders often have more barriers to jump if they want to get any sort of finance or credit arrangement. They're often not as committed as someone that invests the time and money needed to have a formal business structure.

Also, a sole trader is fully responsible for the debts they incur with their business. People who set up formal business structures with the help of professional advisors may be able to limit the amount of their own assets which would be at risk if the business ran into difficulties.

A sole trader will probably have to work harder to promote their business and their own abilities. Many people will take them less seriously unless they have a track record or top quality references from previous customers.

Business Tips

Give Every Order and Every Customer Your Best!

An important point which I have not seen in many of the books I have seen about selling and dealing with people in business is to treat every order like gold because of your own ethical standards. Remember you don't know what a very small order may lead to in the future.



Repeat customers are worth much more than people that buy once and don't come back. It is the long-term value of a customer that can ensure the long-term success of your business.

The other side of that coin is that we should not judge people by what they wear or their mode of speech. My friend said that many of her most prosperous customers deliberately dress very casually so they don't attract attention from thieves and they also often get better prices that way!

Don't be an Explorer

When you are working out your plan before starting your business, you may find something or have an idea which you think could revolutionize the hobby or be an overnight sensation eagerly sought by everyone.

I hope that you do find something with that sort of potential. But, I suggest that you take the usual, boring small steps to set up your venture and keep your idea or product very close to your chest.

I accept that this cautious approach involves the risk that someone else might get their version of your idea out first or that evolving technology may make you currently valuable idea worthless at any moment.

I also accept that some first time developers have succeeded almost overnight (well, maybe in six months or so) to obtain all their dreams.

But, my caution is based on the experience of many other people who have rushed out their product and suffered from some of the following:

The product was too early and the producer ran out of funds or energy before it caught up.

Somebody made them a deal which they did not realize was loaded against them and they lost their product or the benefits from it.

The product had problems which they had not discovered and their profits were spent on legal costs or refunding all the sales and retrieving and disposing of the faulty goods.

It's important to realize that it is not always the first person or business with a product that makes the most money.

Thomas Edison and Alexander Graham Bell are two well-known and successful examples of inventors whose greatest successes were developed from ideas that had come from other people who probably never achieved the success and recognition which they did.

I am not belittling in any way the work and worth of Mr. Edison and Mr. Bell who had to invest money, thought and effort to produce their successful products. But, it was probably made easier by the earlier work of the other people.

Friends in Business

You may have friends that are also interested in making money from their activity in the same craft as the one which you intend to make the basis of your business.

It may or may not be a good idea to join forces and pool your resources as well as share any potential risk.

I believe that many such arrangements fail or cause problems which ruin the friendship and reduce the chance of the business reaching the level of success that it could have if there was just one person in charge.

I wish you every success if you take that path but please consider the following suggestions very seriously.

- Make sure that everything about your business is clearly documented, including:
 - What each person owns?
 - What each contributes to the business?
 - What each person controls and is responsible for?
 - Who has the final decision about each particular section of the business?
 - What will happen if one partner cannot or does not want to continue their participation in the business?

Some business experts say that many of the less formal arrangements fracture when one partner believes that they are doing more and/or getting less from the arrangement.

So, the most important way to help keep such an arrangement working well for all involved is to keep discussing anything which each of the partners believe important.

Building Your Business

In this section, I will share some ways to improve your business results and the potential for success in a shorter time.

Opportunities

Opportunities usually arrive when you are not expecting them. How you deal with them can have a significant effect on your business.

Not all opportunities are of equal value and some may be riskier than the person offering them to you will tell you.

Before you take time to check out an opportunity, review what you know about the person or organization which is offering it to you.

If you have any concerns about them, then you are likely to only become more uncomfortable as you get more committed. Remember that any deal which you are part of can affect your reputation for good or bad. Always consider whether what you are offered will affect you if it doesn't work out.

Will doing the extra work impact negatively on your current commitments in the short term or even later on?

Is the new opportunity related to what you do or have special knowledge or skills to do?

If not, why were you offered the opportunity?

What are the potential benefits?

What are the potential risks?

Are you sure that you have all the information you need to make an informed decision?

Always get a written and personally signed agreement. Always have your lawyer check it.

Always check with any more experienced people in the business that you know and trust.

If you are pressured to sign and commit, that's probably a good time to say, "No, thanks."

Tips for Specific Hobbies

Writing

If your particular hobby is somehow connected to writing, I obviously think that’s a great choice because that’s what I love to do and I know it has great potential if we apply ourselves.

If you write stories, there are less markets than there were a few years ago, but there are plenty of people that like reading well-crafted stories in particular genres like mystery, romance, fantasy and science fiction to name a few.

The Internet gives the new writer many opportunities for promoting themselves and their work. You can produce a book and sell it from your own web site at a minimal cost.

If you use a payment service like PayPal, you can get the payment from your customer in less than a minute and they can download your book or story in about the same amount of time.

I think anyone that has their own business should have their own web site.

It is now much easier to set one up than it used to be. If you need some guidance, ask the eBookwholesaler Member who supplied this book to you about the ebooks which they supply and recommend.

If you want to connect with your readers, there is no better or easier way than to set up a blog where you write about your work and how writing has affected your life in a positive way.

Invite visitors to your blog to comment on what you write their and any of your work which they have written.

You can develop a community of enthusiastic readers who may become regular readers and customers for your work.

You can, of course, do some low-key promotion of your books and maybe offer one as a prize for the best comment on your blog each month!

If you sell your book through a traditional publisher, they will promote you, but having your own blog may be worthwhile because they have many

authors to promote and usually only promote their less well-known writers when they release one of their new books.

You can promote “you” every week if you like on your own blog!

Crafts

This is a wide area. Some crafts have very large and enthusiastic followings while some others have much smaller, but sometimes equally enthusiastic groups involved with them.

Even some of the less popular or well-known crafts might be suitable as a basis of your new business if your research indicates that the products or services which you plan to offer are sought by enough people who are willing to pay you for your work.

Please read the earlier sections for some ideas about how to check if your particular niche might produce enough of a return for you to make the investment in time, money and other resources which would be needed.

If selling the products of your craft may be very hard because of low demand or people being unwilling to pay a price which would give you an adequate return, you could still check the viability of using the other suggestions I made in the Other Income Possibilities chapter.

If you do pursue those alternative income streams, you may find that more people in your area start to take up that activity and you should then re-assess the viability of selling your products.

Collections

If you are an experienced collector, you will probably have some items which you would like to sell. They may be items where you have more than one example or be of less interest to you than they may be to some other collectors.

Spring cleaning your collection may help to raise some money you can use to get your business running. But, unless you really need the extra funds as soon as possible, don't sell any items which might attract significantly better offers at another time of the year or if you offered them at a convention of

collectors which you will be attending at a later date. Getting a quick sale may mean missing out on getting the best price for what you want to sell. Before you sell anything from your collection, do sufficient research with recognized sources to ensure that you don't sell too cheaply or pay too much for any items which you buy.

One thing which catches many collectors is the flood of replicas and outright fakes. Even experts at established museums and auction houses are duped at times, so you have to be extremely careful.

For this reason you need to protect your personal and business reputation very carefully.

One collector I know started her business by only dealing with people she knew or who were recommended to her by people that she trusted.

She built her business over time by providing excellent deals and service.

As she learned more about the business and the people involved, she started to attend more conventions and auctions where the collectors and dealers gathered.

This was another way she added more suppliers and customers to her lists.

She could have moved more quickly by using traditional methods but it would have involved more risk than she was willing to take.

Her cautious, low-key approach appealed to many experienced collectors and they were impressed with how she treated even a small order, so they began to deal with her as well.

Wendy’s Final Words

Thank you for buying and reading my ebook.

I hope that the information and tips I have explained will help you to make the transition to having a successful hobby-based business with less stress and bumps in your path.

I cannot provide you with a business where you just push a button and become successful, but I know this book will help you get the best possible results from your efforts.

Wendy Allthorp

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