

Shop Around

Eight steps to choosing the perfect business opportunity

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For an entrepreneur, reading about business opportunity programs or attending business opportunity trade shows is like being a kid in a candy store. Each concept and product is more stimulating, dazzling and exciting than the last. It starts as an exercise in pure imagination, as every opportunity is mentally tested against your secret ambition to be in business for yourself.

If you find this mental exercise stimulating, however, you're more vulnerable when it comes to investing in a business opportunity--because you may be manipulated by salespeople who recognize your passion for business involvement. So before you reach for that credit card and buy a business opportunity, stop for a moment to consider the following. These eight steps will not only protect you, but help you select the perfect business opportunity:

Step 1: Focus, focus, focus. Write down your core interests. What have you enjoyed most about current and past jobs? Contact with people, working with computers, making sales? Home in on the activities that stimulate and inspire you, and let them guide your search. Once you edit and think about your ideas, discuss them with those closest to you.

Also, consider your goals for the business. Do you want to run it part time or full time? What can you afford to spend (and lose)? How will you pay for the business opportunity? What are your income aspirations? How does business ownership fit into your lifelong goals?

Keep these guidelines in mind when you either attend a business opportunity trade show or begin contacting business opportunity sellers. You'll be surprised how easy it is to get distracted by interesting leads that stray from your goals. Above all, stay focused.

Step 2: Get organized. Before you start investigating business opportunities in earnest, take some time to prepare for the piles of paperwork the process will generate. Set up labeled files to store information about the programs you like and don't like, general information, notes on your personal interests and so forth.

When you receive a mailing or return home from a business opportunity trade show, sift through your plastic bag of handouts. Throw away the junk, and file the materials that interest you the most.

Step 3: Shop 'til you drop. Your challenge is to overcome every obstacle when gathering information. This entails attending trade shows, calling sellers whose advertisements intrigue you, visiting sales representatives and talking to other entrepreneurs who've purchased business opportunities in the past. Stay in information-gathering mode for a while, and don't rush into buying anything.

Step 4: Develop healthy skepticism. Whenever you listen to a sales presentation, stay on guard. Expect to hear that the program can yield thousands of dollars in your spare time with only a few hours of effort each week. But be realistic! Sorry to break the news, but no matter

what business opportunity sellers tell you, there's no such thing as easy money. It's actually hard work to be successful, and if you think otherwise, you are hereby instructed to leave your credit cards and blank checks at home.

Step 5: Information, please! As you find programs that fit your criteria, ask questions of the sellers . . . and keep asking. No detail is too small to investigate further. Take a notepad with you to all sales presentations or trade shows; taking notes will help you remember the questions you need to ask. Some to start with include: Exactly what kind of work will I do in this business? What if no one responds to my marketing efforts? If it doesn't work for me, will you [the seller] help? Is there a limit to the help you'll provide? Have you ever been sued by one of your buyers or investigated by a state agency? How long is the training? Are there any circumstances under which my money would be refunded?"

Many business opportunity sellers register their offerings with state authorities or are required by the Federal Trade Commission (FTC) to provide a disclosure statement to all buyers. But the laws in this area are complicated, and not all business opportunity sellers are required to register. Find out if your seller has a disclosure document to give you. Such a document could save you time and put valuable information in your hands.

Step 6: Check out the company. This is not an easy step. There are a number of places to go to inquire about the legitimacy of a business opportunity seller; unfortunately, they may not have any specific information for you. Start at the FTC's Web site (<http://www.ftc.gov>), where you can download information about franchise and business opportunity investing. Or call the FTC's Consumer Response Center in Washington, DC, at (202) 326-3128 to talk to a consumer counselor or order pamphlets. While the FTC can't tell you about particular companies, it's a great resource for general investor information.

Also, check with the attorney general's office and the consumer protection office in both your state and the home state of the seller. Ask if there are any investigations underway or investor complaints you should know about. Your local Better Business Bureau may also have consumer complaints on file.

The best sources of information about a business opportunity are the people who have actually purchased the program. Ask the seller for a list of buyers in your area. Don't accept just one or two referrals--they may not give you an unbiased story. Get a full list instead, and call the contacts. Ask them: Did the program work? Have you made money? Are there any weaknesses in the program? How much time do you spend every week working on the program?

Step 7: Test the market for the product or service. Many first-time business opportunity buyers are disappointed when the product or service doesn't sell. They purchase the advertising and mail the promotions, but nothing happens.

Always try to test the potential of a product or service before you plunk down your credit card. Ask friends and family: Would you buy it? How much would you pay? Run your own focus group, interview people at the local shopping mall--do anything you can to get feedback on the marketability of the product or service.

Step 8: Negotiate the purchase. Here's a secret: Business opportunity sellers charge prices that vary widely and depend largely on what they think you're willing to spend. So be a tough

sell. Make an offer on *your* terms, structured to suit *your* interests. Spread payments over time, defer payments until after delivery of the goods or simply make a low-ball offer. You'll be surprised when the seller doesn't close the door on you but keeps right on talking.

These eight steps will help you avoid the most common traps of buying a business opportunity program, but there's one last pitfall to be wary of: your attitude. Don't expect to ever see the value of your investment if it just sits on your shelf gathering dust. Always maintain your enthusiasm, and follow through. It could make all the difference to your future success.

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