



Entrepreneurship

Criteria for selecting the most
lucrative venture for
Financial Freedom
and a lifestyle of choice.

by Virend Singh

You are encouraged to read and forward this book to anyone you feel might be able to use the information contained herein to help them toward their own financial independence, provided it is forwarded intact, without modification, and with all pages included. Apart from this, no part of this publication may be reproduced, transcribed or translated into any language without the written permission of the copyright owner. All rights reserved.

1.0 Introduction

Every year, in their quest for greater wealth and a lifestyle of choice, millions of people across the globe attend wealth creation seminars, personal development workshops and life-coaching sessions, and countless others read books and listen to audio programs on wealth creation. Many become very inspired, believing that they have learned what it takes to succeed grandly in life, and they declare to themselves and others that they will get into business for themselves, and within 3 to 5 years they will be financially free, living life on their terms.

Sadly, when we observe these people over a 5, 10 or 20 year period, we find that only a handful of them ever achieve notable success. The great majority of them remain stuck in jobs or traditional businesses, working from dawn till dusk, trading hours for dollars, with little or no hope of ever achieving the lifestyle they desire.

Why is this so?

There are many reasons why these highly motivated, and often very competent people, never achieve the results they desire. Most of them simply don't take the initiative to go into business for themselves yet they know that it is very difficult to achieve financial freedom through a traditional job working for somebody else.

When asked why they haven't gone into business for themselves as they had pledged many years earlier, they offer the following reasons:

1. No time: They were not in the position to give up their jobs to get into business or to commit 80-100 hours a week just to get a business going.
2. No money: They did not have the large amount of start-up capital that was required to invest in a proven business model.
3. Too risky: There is a high failure rate of start-up businesses, and as they would more than likely have to quit their full time jobs, there was no 'safety net' in place to cushion a failure.
4. Didn't know how: They did not have the specialised knowledge and skills needed for entrepreneurship.

So, they gave up on their dreams for a better life and remained in economic bondage, literally helping others achieve their dreams.

Of course there are others who do take the risk of entrepreneurship and, if they don't fail eventually, most remain bound to their businesses for the rest of their working lives because they simply 'bought' themselves a job, trading hours for dollars - when they stop working, their income stops.

Except for a small minority, regardless of which path these motivated people take, *the key problem is the lack of a suitable business model*

It is never too late to be what you might have become.

- George Elliot

that would allow them to generate the lucrative residual income stream they need to create wealth and live life on their own terms.

So, the million-dollar question is:

How does the average person go about finding a business model that maximises his or her chances of success while making a gradual transition from a full time job or traditional business to building a true wealth building enterprise?

The purpose of this document is to help the aspiring entrepreneur do just that. However, in doing so it assumes that he or she is looking for *an existing business model* as opposed to establishing one from scratch.

2.0 Selecting a Lucrative Business Model

Clearly, the surest road to financial freedom is to build a business of your own i.e. to become an entrepreneur. However, given the multitude of programs promoted in the marketplace, selecting the business model that is right for you can be quite a challenge. It is therefore important that you have a comprehensive list of criteria which you can use to facilitate your selection process. Following are some that are worthy of consideration:

2.1 Economic Shifts

The economy is shifting all the time. In less than 50 years we have moved from the Industrial age to the Information age. In one generation we have moved from the age of the *job* to the age of the *entrepreneur*, the contract worker, and the free agent. If you observe the shifts that are taking place in the economy, you will notice that:

- Today's millionaires are people with ideas that help others live more effectively, not yesterday's gold miners, oil tycoons, or factory owners.
- Today's new wealth comes from sharing information in the Information Age, which is the era in which we now live.

A whole 'new' industry has crept upon us without us knowing it. Fortune Magazine (August, 2004) have referred to it as "*the best kept secret of the business world.*" It is an industry that is being referred to as *Intellectual Distribution* (or, better still, *Intellect Marketing*). Intellect Marketing is simply the sharing of specific knowledge about new, high-quality products or services that result in sales for which the "educator" is generously compensated.

In his book, *The Next Millionaires*, world-renowned economist and trend forecaster, Paul Zane Pilzer, says that there will be more than 10 million new millionaires in the United States alone in the next decade i.e. a (more than) doubling of the number of millionaires. He says that much of this increase in the number of millionaires will be attributed to Intellect Marketing, which is a phenomenon that is

Your vision will become clear only when you look into your heart. Who looks outside, dreams. Who looks inside, awakens.

-Carl Jung

gaining momentum in many of the developed nations of the world.

This means that if you position your economy (what you do for a living) to evolve congruently with the bigger economy, you can significantly enhance your chances of financial success. Effectively, you will be going with the tide of change, not against it.

2.2 The Trend Is Your Friend

Money comes in response to definite demands in the marketplace. In other words, if you want to make money, know where money is being spent. Find out what is important to the masses in the present and the future. Whenever there are needs unmet or problems unsolved, there are opportunities to create wealth.

The trend is demographic – that is, the birth rate of yesteryear affects the spending power of today. The so-called “baby boomer” generation is now in their 40s to 60s, and they make up about one-third of the population and account for about two-thirds of spending in the developed world. Traditionally, those industries (e.g. baby foods, clothing, sport goods, real estate, etc.) that catered for the needs of these baby boomers, have thrived and flourished.

In choosing a business model for success, determine which industries are expanding and growing; what products or services are most popular in those industries; and which companies are meeting the market needs best. Renowned economist, Paul-Zane Pilzer, says that “*The fortunes to be made in the years ahead will be predominately in educating consumers about products and services that will improve their lives, but that they don’t yet know exist.*”

Understand that entrepreneurship is the art of finding profitable solutions to problems. So, keep a watchful eye on the trends!

2.3 Earn Passive / Residual Income

Residual income is income that flows even *when one is not working* – similar to the royalty income earned by best-selling authors or song-writers. Your goal should be to spend your time working on things that will eventually create *residual* income for you.

The truth is if you are not earning passive/residual income, it is very difficult to become *truly* rich i.e. becoming a top 1% income earner. In fact, if you don’t position yourself to earn residual income, you will forever be a slave helping someone else achieve their dreams.

So, choose a business venture that has a continuity program in place e.g. consumable products that ensure *repeat sales* on a regular basis.

Venture nothing, and life is less than it should be.

- Malcolm Forbes

2.4 Apply Leverage

Leverage is the key to multiplying your potential for success and financial achievement. It involves using methods that allow you to accomplish (a lot) more things in association with others than you could accomplish on your own. Every successful person takes advantage of leverage.

You can achieve 100 times more through a team or organisation of people than you can ever do by yourself. There are only 24 hours in a day, and no matter how talented you are or how much you get paid per hour, you're limited by the number of hours in a day, and doing it all by yourself means that you are simply trading hours for dollars.

So, alone you have *no* leverage. However, by learning to leverage, you can also benefit from a percentage of other people's efforts and thereby dramatically increase your income. It is prudent to draw on the knowledge, experience, skills, contacts and credibility of others, especially if you lack in any of these areas.

2.5 Incorporate Compounding

Albert Einstein, one of the greatest minds that ever lived, referred to compounding as "*the eighth wonder of the Universe*". Ponder that!

Consider this: If I offered you a lump sum of \$20,000 today, or an initial amount of one cent (today) and doubled the amount I gave you each day for the next 30 days, which would you take?" Most of you will choose the lump sum of \$20,000 today, yet the second option will generate more than \$21 million! (\$21,474,836.47 to be exact - see Appendix A). This figure is inconceivable for many because most people tend to think short term.

So, as far as possible, select a venture that has the concept of compounding incorporated into the business model. However, be careful of models that look good in theory, but are impractical for the average person to develop into a sustainable entity.

2.6 Minimise Cost

Most businesses require a substantial initial investment, followed by significant overheads to keep them operational. Often the owners spend many years repaying loans and meeting interest payments on their borrowings. After meeting their overheads, many business owners find that their take home pay falls far short of the amount needed to live a comfortable lifestyle. In fact, many businesses run a loss in the first few years. This means the owners are forced to fund themselves through savings or borrowings!

So, it is prudent to look for a business that has a low cost of entry and low running costs.

Continuing to cling to the patterns you know, inhibits your ability to discover what you don't know.

- Eric Alenbaugh

2.7 Minimise Risk

There are many reasons why people start their own business, but there are probably more reasons why others don't! Many individuals cite the high level of risk involved in starting a business as the key reason for not pursuing their dreams. Statistics show that 80% of small businesses fail within the first five years. Furthermore, many of these people realise that they will just be buying themselves an expensive job as they will continue to trade hours for dollars.

Highly successful people are not gamblers but they are always willing to take calculated risks in the direction of their goals to achieve greater rewards. Trying is risky, but not trying is more risky. So, dare to go forward, but risk reasonably and responsibly. The smart thing to do is find a business model with a low risk of failure and minimal financial loss.

2.8 Timing Is Critical

Choosing the right opportunity at the right time is rare and only a limited few recognise a good opportunity at the critical time. It is said that the future belongs to those who see possibilities before they become obvious. So, timing is critical to success.

Whenever there is a major shift in the economy, only a few people recognise it at first and *then do something about it*. These are the early adopters. Change brings opportunities for those savvy enough to act quickly. Every time there is a major change, someone gets rich.

There are usually several major growth stages for an opportunity as it matures into a stable, long-term business enterprise. The first 2-4 years is usually when a new venture is most vulnerable and therefore at risk of collapse. So, be wary of this period. Perhaps the best time to engage in a new venture is at the beginning of a significant trend that has many years to run. However, be careful of technology-based ventures because they can be superseded by newer innovations very quickly.

2.9 Unique Selling Proposition (USP)

To survive and thrive in the marketplace, the business venture must have a competitive advantage. The product or service offering must be superior to competing products or services. This is especially true if the provider operates in a competitive marketplace. Better still if the products or services are unique in some respect.

Understand that if you market common products, you will be competing on price, and when you compete on price alone, someone will eventually undercut you!

So, have a USP.

It is not because things are difficult that we do not dare; it is because we do not dare that they are difficult.

- Seneca

2.10 Supporting Company

Generally the company you represent will be responsible for providing the products or services you will promote, or at the very least, it will help you establish your business infrastructure (as is the case with a franchise model). However, to ensure that your business survives and thrives in the long term, the company you choose to represent, and its leadership, must be beyond reproach.

Seek a company with visionary leadership and a proven track record of success. As more than 80% of businesses fail within the first five years of operation, it would be prudent to pick a company that has passed this crucial period of survival. Also, it makes more sense to pick a financially sound company, preferable a publicly-traded company as its true performance is easily tracked.

2.11 Business Building Tools

When you buy into an existing business model, the company you represent will create brand awareness and, more than likely, provide you with administrative tools, promotional literature and sales aids to build a profitable business.

The company literature should be easily understood and provide a professional image to support your business activities. Make sure the company has promotional literature that properly supports its product or service offering. Just as importantly, ensure that the company provides extensive business training and education to help you build a successful business. Compare and contrast the business building resources with that of other companies in the industry.

2.12 Add Value

Your product or service offering must add immense value to peoples' lives. Remember, money is simply a symbol of value that is exchanged between people for services rendered. Money comes from creating value for others. Effectively, what this means is that the amount you earn today is in direct proportion to the value of your services to others.

So, if you want more money, it is important that you find a venture that allows you to create lots of value, for lots of people, in lots of places, and in lots of ways. Keep away from companies with gimmicky products or services. At the end of the day, only a quality product or service that confers significant benefits to the consumer, will stand the test of time and provide you with the financial rewards that you seek.

*Money will
come to
you when
you are
doing the
right thing.*

- Michael
Phillips

2.13 Recession Proof

Your product or service offering must be based on a genuine human need, not a want or a fad, otherwise it will be affected by the next economic downturn. A good business model will provide the ability to take advantage of both upward and downward economic swings. In fact, some business models do particularly well during recessions because when public confidence declines, their target market actually grows!

The smartest thing to do is to select a business model that thrives regardless of economic swings.

2.14 Financial Rewards

The financial reward must be lucrative and sustainable, especially if you buy into an established business model. The business plan must *allow everyone to succeed*, rewarding people equally according to performance (and not just the top few at the expense of the rest) with literally no limit on what you can earn.

There are many business models that look good in theory, but are not sustainable in the long term because of the win-lose nature of the compensation plan. Find a venture with a true win-win compensation plan.

2.15 Association

You grow in prosperity according to your associations. Psychologists tell us that as much as 90% of one's success is determined by their reference group. People with high aspirations need to belong to an association of prosperity conscious people. So, get around people with high aspirations; people with goals and plans; people who are going somewhere with their lives.

If you want to play the game of wealth and success, you better play with those who are doing it, not those who are waiting for something to drop in their laps. As Zig Ziglar says, "You can't scratch with the turkeys if you want to fly with the eagles."

Every successful business incorporates a tremendous amount of knowledge and skills, including computer literacy, administration, accounting, payroll, taxation, negotiating, marketing and sales, to name a few. If you or your team lack sufficient relevant knowledge and skills, your chance of succeeding is reduced dramatically. So, pick your business associates carefully - pick people you can consult and brainstorm with; people with vested interest in your success; people who have lived through the challenges that you will face as you build your business and who will serve as your business advisors /counsellors.

The trouble with not having a goal is that you can spend your life running up and down the field and never score.

- Bill Copeland

2.16 System

You need a success system to achieve anything worthwhile. You cannot do it in a random, haphazard way. There is no duplication or expansion without an effective system.

One of the main reasons people fail to achieve their goals/outcomes in life is because, more often than not, they are operating off the seat of their pants, making it up as they go along. They attempt to 'wing it' and end up in the doldrums at age 65 asking themselves "What happened?"

You can work hard or you can work smart. If you want to work smart, you need a method – a system. If you can't buy into a success system, then you would need to develop one of your own. It is certainly easier to plug into a working system. So, when evaluating different business models, pay special attention to the success systems in place as an effective system is fundamental to your long term success.

2.17 Autonomy

Autonomy is about living life on your terms - having the ability to do what you want when you want, including:

- Working according to your schedule - no boss, no employees, no fixed hours and no fixed workplace.
- Living in the place of your liking.
- Spending more quality time with family and friends.
- Pursuing your hobbies and passions.
- Enjoying the luxuries that life has to offer—travel, designer clothes, a luxury car, etc.

There was a time when the smart thing to do was to get a good education and secure a well-paid job with a financially stable company. Today, the opposite is true; there is no real security in a conventional job; there is generally greater security in working for oneself. In fact, today it is important to regard yourself as self-employed regardless of who writes your cheque. It is said that one day almost all jobs will be 'businesses' – the majority of jobs will be temporary, contractual, commission-based or freelance, and individuals will be rewarded according to performance.

Ensure that the venture you choose does not consume so much of your life that you have no time for the things that are most important to you. The business model you choose must allow you to attain true autonomy.

2.18 Globalisation

The world is becoming more interconnected as a result of the falling costs of transportation and communication, as well as capital market

The fishermen know that the sea is dangerous and the storm terrible, but they have never found these dangers sufficient reason for remaining ashore.

- Vincent Van Gogh

and trade liberalisation. Generally, globalisation refers to the increase in economic transactions taking place across national boundaries. These transactions include flows of goods and services, capital, labour and technology.

As new technologies drive down the costs of transportation and communication, the location of work will become less and less relevant, providing individuals and organisations with the ability to build global businesses from their own locality.

Where possible, choose a venture that allows for global expansion so that you can build an international business to achieve even greater rewards.

2.19 Saleable

A successful business is an asset and can therefore be sold for multiples of the income that it generates. When buying into an established business model, ensure that you have the ability to sell your business should you so wish.

2.20 Willable

A successful business will have continuity. So, any business model you choose should be transferable or willed to your heirs after you have passed on. This factor should be a major factor in choosing a business model.

3.0 Final Thoughts

Recognise that if you don't take steps to plan your own course in life, you will have to fit into somebody else's plans for you - being constantly at their beck and call, helping them fulfill their dreams. I would suggest that if you are going to spend the rest of your life doing something, you might as well be doing something that helps fulfill *your* dreams.

Most people want it all, but are not willing to explore their options. They make the assumption that their personal knowledge is all the knowledge that exists on a particular subject and dismiss an idea without due consideration. Hence, they always miss out!

I invite you to take advantage of this era of opportunity and gain your share of the abundance that is now being created by becoming an entrepreneur. Contact the person who gave you this report and challenge them to show you a business model that exemplifies the criteria discussed here. Then do proper due diligence before making a decision on the proposed business model.

Remember: *Winning starts with beginning!*

The Creator has not given you a longing to do that which you have no ability to do.

-- Orison Swett Marden, author

Bibliography:

The Next Millionaires by Paul Zane Pilzer

The New Professionals by Charles King and James Robinson

About the Author

Virend Singh was born and educated in South Africa. In early 1989 Virend migrated to Australia to start a new life with his wife and two young children. Since then he has worked for three major corporations in various systems-related roles until eventually realising that his chances of becoming financially free in a job was virtually non-existent. In 1998 Virend started a part-time, home-based business which, less than four years later, generated a generous residual income treble that of his last job.

Virend now enjoys complete autonomy - the kind of lifestyle that most people, including some of the most successful CEOs and business owners, dream about. Virend attributes his success to helping others evolve and grow into the best they can be and achieve their goals in life.

A business professional with an MBA and a graduate of the 'school of hard knocks', Virend thinks of himself as an on-going learner, and a student of life. As a result of learning first-hand what it takes to succeed in life, Virend has, by default, become a skilled life-coach.

He is a warm hearted, compelling speaker and trainer, who is committed to helping people improve the quality of their personal and professional lives. He delivers non-profit, customised programs on Self-leadership, Self-mastery and Building A Home-based Business, to select candidates.

For other resources by Virend Singh go to www.VirendSingh.com

Disclaimer:

The information contained in this document does not constitute financial advice in any type or form. It is purely the opinion of the author who has applied these criteria to select a business model for financial freedom. Hence, it might not be suitable for everyone. The author obtained the information contained herein from sources he believes to be reliable and from his own personal experience, but does not guarantee accuracy. In particular, he disclaims any liability, loss or risk taken by individuals who directly or indirectly act on the information contained herein.

For more information on how you can take advantage of this era of opportunity and gain your share of the abundance that is now being created, contact:

Name: _____

Number: _____

eMail: _____