

HOME BUSINESS

CHOOSING,
FINANCING,
AND MARKETING
YOUR IDEA OR
PRODUCT

*How
To Launch
Your Home Business
and Make It a
Success*

BIG BUSINESS

Mel Cook

"HOW DO YOU SET UP A SUCCESSFUL BUSINESS AT HOME WITHOUT GOING BROKE?"

Home Business > Big Business answers this question and those that naturally follow it. Mel Cook explains how to get started on a shoestring budget and provides dozens of real-life success stories about men and women who took their chances and are now making millions of dollars. It's all here in *Home Business > Big Business*, the only reference guide you'll need to become a successful home entrepreneur. Inside you'll find such highlights as:

- Profiles of 38 innovative entrepreneurs who began in spare rooms and basement apartments and became wealthy, featuring inside information on how they went from their kitchen table to the executive suite.
- Descriptions of 120 home business opportunities with proven track records.
- How to select a product or service that gives you a competitive edge and quick profits.
- How to market a product with little capital—using low-cost promotional techniques, free advertising, and national distribution through mail order catalog houses.
- Listings of:
 - 82 firms that sell products/services through home-based entrepreneurs
 - 55 franchise and non-franchise business opportunities that can be run from the home
 - 29 types of companies that regularly use homeworkers
 - 13 popular freelance occupations for work-at-home professionals

MEL COOK is CEO of a New Jersey company and has extensive business experience with firms such as *The New York Times*, the Times Mirror Company, and ITT, as well as in management consulting. He received his MBA from Rutgers University and his PMD from the Harvard Business School.

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HOME BUSINESS AND
MAKE IT A SUCCESS**

MEL COOK

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Fran named the firm Stuffed Oids and the first creation was an oid—a strangely shaped animal that resembled a prehistoric monster. The production work was contracted out and Fran handled the selling, personally calling on toy and gift stores in the New York metropolitan area. Oid bombed.

Changing the name of the firm to Manhattan Toy, Fran replaced the oid with a dinosaur line, which sold well in better toy and department stores. Independent sales representatives were hired to market the toys nationally, and outside money was brought in, which reduced Fran's equity in the business to 50 percent. With a national marketing network in place and capital available, Manhattan Toy started to grow. In 1986 the firm relocated to a loft, full-time people were hired, and sales hit \$1 million. The company added its own sales staff and annual revenues grew to over \$5 million by 1989. In 1991 Fran sold the remaining 50 percent share of the business to an outside group and went into other entrepreneurial endeavors.

MY OWN MEALS, INC.

My Own Meals operated out of Mary Anne Jackson's Illinois home only for a few months—but that was enough time for her to conceive and market test an idea that would achieve millions in sales within a few years.

In 1986, Mary Anne, a Beatrice Foods executive, was among the victims of a company restructured after a leveraged buyout. She liked corporate life, but being unemployed pushed her into an entrepreneurial career that, she admits, would not likely have occurred otherwise. She knew the food industry, so her search for a business focused on products that could be sold in supermarkets. As a working mother she remembered all those weekend hours spent cooking meals her kids could eat during the week. The idea Mary Anne came up with was nutritious, no-additives meals, vacuum-sealed in plastic pouches for two- to ten-year-olds. All a work-weary mother would have to do was drop the pouch into boiling water or put it into the microwave.

Mary Anne thought the product would do well in the marketplace but she was trained in a big company where market research is a must. So she enlisted a diaper service to distribute 2,000

questionnaires, and the response was overwhelmingly positive. Working with a food development company, she prepared sample meals and tested them at nursery schools and day-care centers. What the kids liked was put in the product line.

The Deerfield, Illinois, company was financed by several private stock offerings. My Own Meals is now carried by 1,000 supermarkets and KinderCare Day Care Centers.

THE LEARNING ANNEX

The idea for an adult education school came from a friend of twenty-six-year-old Bill Zanker. The friend, a crafts teacher, complained about the difficulty of marketing her pottery courses to the public. Adding self-help seminars (such as getting through job interviews) to craft workshops, Bill started the school in the basement of a New York City brownstone. It was 1980 and his investment was \$4,000.

Business strategy of the Learning Annex was simple. Recruit professionals to conduct short-term, inexpensive classes in their own studios or rented classrooms and publish a compilation of the courses in a catalog, which would be distributed free in high-traffic locations. Instructors would share in the tuition revenues. All this added up to low administrative costs and a breakeven point that did not drain working capital. Initially Bill distributed the catalogs himself—sometimes dressed as a clown—and then ran back to the office to handle phone calls of the registrants.

It took only three years for the Learning Annex to reach \$1 million in sales and a \$76,000 profit. In 1984, the company went public and expanded to other cities. Annual revenues are now about \$9 million.

VOLUMETRIC FUND

Gabriel Gibbs, a chemist by training, enjoyed dabbling in the stock market. There's nothing unique about that—many people invest as a hobby. But Gabe turned his hobby into a full-time activity—running a mutual fund out of his Pearl River, New York, home.

Gabe developed his knowledge of the stock market from per-

ADVICE FROM THE MEGASUCCESSFUL

Profiled entrepreneurs were asked to provide advice to newcomers just starting out in the business world. Here are some of their comments:

- Respect the consumers. They can be fooled—once only (Paul Suzman, Broadmoor Baker).
- Do your homework. It's the only way to validate your hunches (Mary Anne Jackson, My Own Meals).
- To create, we must let our imaginations soar (Lane Nemeth, Discovery Toys).
- A lot of people think marketing is what you do after you develop your product. That's a mistake. It includes talking to customers first (Scott Cook, Intuit).
- You should not dwell on your mistakes or setbacks—but instead learn from them and then move on (Lillian Vernon, Lillian Vernon Company).
- Success is achieved by focusing on the objective, but being flexible on the method. The objective was for the company to grow in terms of sales, profit, and net worth. Flexibility may mean changing the product mix, enlarging the customer base, and seeking new markets (Judith Kaplan, Action Products International).
- A company cannot remain stagnant. It must always be growing and when necessary, changing (Jan Stanton, I Was Framed).
- There are those who dream that they could and some who do what they dream—that's what sets us apart (Leonard P. Cuozzo, Paul Sebastian, Inc.).

to success. But something more is needed—a motivated entrepreneur with special qualities who will drive the business to heights that most ordinary people would consider beyond their wildest dreams.

Entrepreneurs who move up to the ranks of the elite see challenges and opportunities from changing circumstances—sometimes creating their own—while others see nothing. They work tirelessly, assume risks others would shy away from, make personal sacrifices, and never get comfortable with the status quo. Doggedly determined to succeed, they develop a growth strategy and push the business ahead of them.

Here is an illustration of the stuff really successful entrepreneurs

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Thanks for your contribution to my book. It is now being printed and will be in the bookstores about mid-August. I've asked Macmillan to send you a copy. Since their first commitment is getting the book into the marketplace, the mailing will most likely be sometime in September.

If the book is successful and goes into a second edition, I'll contact you for updates on such things as company sales figures.

Thanks again.

Mel Cook