

STARTING YOUR FIRST BUSINESS

Your Guide To

Buying Wholesale & Using Dropship Programs

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Prairie Soy Candles

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Introduction

Thank you for downloading our ebook! You have taken the first step in starting your own home business. Please keep in mind this ebook should be used as just a guide to starting your own business. There is much more information out there, and much more you will need to learn. Business is hard work, and should be taken seriously!

Before reading on through these chapters, there is one important step which can not be skipped. Each state and county has different laws when it comes to business. Before you even start your research or think of what type of business you will be starting, you need to check with your local state and city laws. Most information can be picked up at your local city hall. This would include licences, tax information, and other regulations you may need to pay attention to.

Remember - ignorance of the law is no excuse! Start your business the legal way!

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Chapter 1

Basics & Benefits of Wholesale

Basics of Wholesale

If you are wanting to get started with your own business, buying wholesale could be perfect for you. Most companies require little minimums, and supply you with detailed information on the products.

To buy wholesale is simple. You purchase the products at a set wholesale price (sometimes in bulk quantities), and then resell the items at about double the cost. Many companies have a "suggested retail price", which may help you decide what to charge for the item you plan to resell.

Benefits of Wholesale

- More Control

You decide what to sell and how much. You do not have to purchase all items the company offers, but only what matches your business. In addition, you control when and how many discounts you offer.

- Sell from Multiple Companies

When you purchase wholesale, you are able to buy from multiple companies and sell items together on the same website or store. You can also sell like-items together in gift baskets or packages no matter what company they come from.

- Higher Profits

Buying wholesale is one of the highest profits you can make, aside from making your own items. You aren't limited by a percentage of the sale like you would in a direct sales company. After your first cost of purchasing the products, the profit is all yours!

- No Products to Manufacture

By purchasing your products already made wholesale, you eliminate the step of creating and manufacturing your own product. Creating a product can be an overwhelming job for some, and take more time than it's worth. Your profits are slightly reduced when you buy wholesale, but not by much. Your only job is to sell what you buy.

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Chapter 2

Dropshipping Basics & Benefits

Basics of Dropshipping

If the thought of purchasing large quantities of products scares you, another option is dropshipping. Instead of buying in bulk, some companies allow you to sell their items at your own set price, paying a set dropshipping price only when the item is sold.

There are a few different ways you can do this, including by catalog or online. You take the order, then pay the company an agreed price when the item sells. The company in turn ships the product for you.

Benefits of Dropshipping:

- No Products To Stock

Unlike wholesale, you do not have to stock products in order to still make a profit from the sale. Dropshipping prices usually aren't as discounted as wholesale, but you do not have to store large quantities.

- Similar Control as Wholesale

With dropshipping, you have much of the control as you do with wholesale. You are still able to decide which products you sell, as well as have full control over your promotional materials.

- No Products to Manufacture or Ship

As with wholesale, with dropshipping you don't have the added stress of creating and manufacturing your own product. You also do not have to ship the products either.

Warnings of Dropshipping:

Even though dropshipping can be very beneficial to you and your new company, there are some warnings you must be aware of:

- Know the Company & Products

There's nothing more damaging to your credibility than having a customer say they did not get a product, or it was poor quality. Do a test order to yourself to check shipping times and quality before selling to others.

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- Know Limits & Guidelines

Many companies will allow you to use their pictures, suggested retail price, and descriptions. This isn't always the case though, so be sure you know what you can and can't use before printing promotional materials or creating a website.

- Know All Costs

Surprise costs or minimums are never fun, so before promoting the company you choose to sell for, be sure you know what their minimums and shipping costs are. Most companies will give you set shipping costs by price, so be sure you have this before promotion.

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Chapter 3

Deciding What To Sell

What to sell ... ah, now THIS is the big question. Finding products to sell either wholesale or dropshipped is no problem (although we cover this in the next chapter). The real problem is deciding what type of products you want to sell.

- Finding Your Passion

The first thing you'll want to do is make a list. Write down all the types of products you like. For example, candles, food mixes, teas, bath & body products, crafts, scrapbooking, etc. This list should be very detailed and very long. Do not leave ANYTHING out!

Look around your house for clues. What do YOU buy? What would you enjoy selling? The real key to any business is being able to sell the product based on your personal preferences. If you don't care for the product, you are going to have a hard time convincing others to buy it!

- Finding Popularity

The next step is figuring out how well your chosen products will sell. Do not skip this step or guess - there IS a way to find out EXACTLY how well a product will sell.

You will be using a keyword tool, which tells you exactly how many searches per day a certain word or words receives in a day. The more searches there are, the more people there are looking for that product. To see this tool, visit:

<http://www.digitalpoint.com/tools/suggestion/>

Enter the first product on your list and hit "suggest". You'll then see how many searches a day that particular product gets, as well as other terms that are used to find that product or a specific type of that product. For example, you may enter "candles" and find thousands of searches a day, but also see that "soy candles" gets a fair amount of searches as well.

Do not worry so much about how many searches your terms get, but rather that they DO appear. We'll worry about the number of searches in a minute. If you get too specific, you might run into terms which do not get any searches in a day. Cross those off your list for the time being, or expand making it less specific.

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- Finding Your Niche

Using the same tool as mentioned above, it's time to dig deep into your product list to see what you can find. You'll want to keep track of your findings by making notes on your product list.

A niche is defined by a specific form of a main product. "Bakery Scented Candles" is an example of a niche. "Disposable Baby Bibs" is a niche, with "Baby Bibs" being the main topic.

Don't worry about trying to make an entire business out of a niche, but rather make sure you can make niches within the site while still keeping a main theme. You will want to be specific with your business, but not too specific. While "candles" is too wide and even "soy candles" is too wide, "scented soy wax candles" is not.

Making an entire business from "bakery candles" is too specific. However, should you have an "everything bakery" business, you could not only add bakery scented candles, but food mixes and other bakery scented items too. Another option could be focusing on another scent, such as oatmeal. Your business could feature everything oatmeal - oatmeal candles, oatmeal soaps, oatmeal foods, etc. Cookies is another option. Cookie scented candles and soaps, cookie mixes, and anything else "cookie". Go back to your hobby and favorite product list and see if you could possibly group products together like this.

- What to Avoid

I can't stress this enough - you MUST find a niche or at least a specific type of business. Avoid "mega malls" or "craft stores". You will spread yourself too thin, and will be trying to market too many people at one time. Everyone is NOT your customer, so do not try to sell "something for everyone". You'll end up "selling to no one" because you won't be targeting any one audience. Let's look at it this way ... Let's say for example you're looking for gift bath soaps. Are you going to type in "gift shop" or are you going to type "bath soaps"? Common sense should answer that question.

Make sure your entire business is focused on one area, and all products have a main specific theme in common. It doesn't matter what the theme, just as long as it's specific. Just to be certain, here are a few examples of specific themes for businesses:

Crafts - not specific

Crafts for Kids - specific

Scrabooking - not specific

Scrabooking for Kids - specific

Flowers - not specific

Organic Flowers - specific

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The bottom line is, make sure your target market is a specific type or group of people, not just anyone. Again, EVERYONE is NOT your customer. Take it from experience, you cannot please everyone and trying to do so is going to spread yourself too thin and your business will suffer.

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Chapter 4

Where to Find Products

Before Searching

By now you should have some major choices out of the way. Let's run over them again real quick before moving on to this section.

1. Wholesale or Dropshipping

Before looking for products, you'll need to decide which you will be doing. Now it is possible to do both, but this can get a little sticky. It's best to choose just one form for now.

If you are just testing the waters, you may want to find a company which offers both. Start with their dropshipping program and move to wholesale if all goes well.

2. Business Theme

From the previous chapter you learned how to narrow in on a specific type of business. If you haven't decided yet, go back and do this first. You'll want to know exactly what to sell before you start looking

Finding Products

There's two main ways to find products for resell - Directories and Search. Both can be great options in finding just the right products.

Wholesale directories aren't too hard to find. Search for "Wholesale Directory" on any search engines and you'll find hundreds. Sifting through them all can be quite a job though. You may also want to see our family friendly wholesale directory here: <http://www.momsmarketonline.com/wholesale.html>

Searching may be a better choice if you need very specific products. Simply use your product (such as "bakery candles") and add "wholesale" or "dropship" to the search. So for example, if you wanted to find baby bibs wholesale, you would go to your favorite search engine and type in "baby bibs wholesale". From there you can see your options of companies, minimums, and other products they may offer. (Search tip: For better results, add "quotations" around the phrase you're using.)

Remember, you do not have to settle on just one company. Even if you have decided on dropshipping, it's still possible to offer multiple products from multiple companies. You may have to set up your site a little differently, but it CAN be done.

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Make sure you keep a list of what you find, including:

- Name of company
- Link to website
- Wholesale minimums (if you've decided on Wholesale)
- Products you found interesting or fitting to your site

In your search you may find other products the company offers which are unique. If you feel you want to sell these items even though they weren't on your list, that's fine! Just be sure it still fits with the theme of your site.

Once you have all your companies lined up, it's time to start really planning! More on planning and promotion in the next chapters.

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Chapter 5

Online Business Basics

You know what products you plan to offer. You have your companies lined up. You even know how you are going to buy those products. It's now time to turn your idea into a real business.

This section is specifically about online businesses. Offline will be covered in the next chapter. Since you are reading this chapter, it will be assumed you plan to build a website. Even if you plan to do much of your work offline, websites are ALWAYS a must.

In this chapter, we will cover the very basics of a website and marketing your site. Building a website is an entire ebook in itself. In fact, to build a website right the first way you may want to see the ebook "Step by Step Guide to Starting Your First Website". Information can be found at:

<http://www.momsmarketonline.com/starting-a-website.html>

Planning Your Website

You've got your keywords and you've got your products. By now you may have a general idea of how your site will be laid out. If not, you may want to take another look at your keyword list. Some products may be grouped together on the same page, while others may need a page of their own. It's going to depend on your topic, niche, and type of product.

If you've decided to work with several different dropshippers, there's several ways you can put a site together. Since you'll have to collect shipping for each company, it may be best to put each company in its own area. Specific product types can still be grouped together if they are from different businesses, but you'll have to make a note that product "x" is from company "x", and product "y" is from company "y". Then to order, you would link the company page you set up. It may seem like a lot of work, but it will be worth it!

Key Elements

Before you start building, plan to have the following key elements on your site:

- Newsletter

You may decide not to add the newsletter right away, but this could be the most beneficial being the first thing you add. Even if the site isn't finished yet, you can start

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gathering subscribers.

- Contact Information

Do not expect many customers if you don't tell them who you are, and how you can be reached. Remember you'll need your name, address, email, and phone.

- Shopping Cart

There's several options for shopping carts and payment processors. This is a key element, since most won't email you orders or mail checks. Online shoppers want to order products immediately, and if they can't they will go to someone they CAN order immediately from.

A payment processor can be as simple as PayPal. In fact, if you are just getting started this is probably your best bet. Sign up to an account at www.paypal.com.

Shopping carts don't have to be difficult either. PayPal has some cart options built right in, but you can also use another simple cart like Mals-e.com.

Promoting Your Website

After you have your website plans finished, you will need to start thinking about promotion. Why before the site is built? Well, should you decide to optimize your site for the search engines; it may be easier to build as you learn.

Search engine marketing is a very powerful tool, and the main method of reaching customers online. While it's not an exact science, there are certain things you can do on your website to increase your chances of being found by your target market. Remember the keyword list you made up when deciding on products? That's a small piece of search engine marketing, and you are already one step head.

There is much to learn in search engine optimization and search engine marketing, so I won't discuss much of it in this ebook. Instead, I highly recommend this free SEO class: <http://www.gnc-web-creations.com/seo-optimization.htm>

J. Bailey, aka "Cricket" teaches in a very organized manor what you need to know about search engine optimization, as well as successful website marketing. If you read nothing else online about building a business, these are the classes to take!

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Chapter 6

Offline Promotion

Buying wholesale or working with a dropshipping program leaves you with a lot of open options. You have the freedom to do just about anything you want as far as promoting offline. Opening a shop isn't always necessary.

Promotional Materials

Before you even think about doing anything offline, you are going to need promotional materials. This includes business cards, brochures, and catalogs. None of these need to be expensive.

On your computer you should have some type of word program which will help you make your own promotional materials. Brochures can be created splitting the page in three sections. Catalogs by splitting the page in two. Although you might want to make a test paper first to see your layout.

Business cards can also be printed, but it's recommended you use a more professional approach here. VistaPrint is a very inexpensive option, and they often have free offers on business cards and other promotions. Visit their site at:

<http://www.VistaPrint.com>

Craft Shows

Many local craft shows allow you to sell items which aren't your's. It's not often we come across a show which doesn't allow you sell something you've purchased wholesale.

Finding craft shows is not difficult. Check your local Chamber of Commerce for upcoming events, as well as places such as [CraftLister.com](http://www.CraftLister.com).

Be sure you have a good stock before thinking about a craft show. Even if you are mostly working with a dropshipping program, it's still possible to take orders at a craft show. It's not recommended, but can be done.

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Home Parties & Catalog Shows

No matter if you are offering wholesale or working with a dropshipping company, you can do home parties or catalog shows as long as you have a catalog finished. These are easy to do, but you'll want to make sure you can give your hostesses enough "prizes" and still make a profit.

Do research before offering a hostess program. Check direct sales companies to see what type of benefits they offer their hostesses, and do your math to see how much you can afford to give away while still making a profit.

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Conclusion

While this ebook is ment to help you get started in your own business, it's by no means complete. Each business, product, and person is unique. It's going to take a lot of trial and error before you find a set pattern of success for your business.

Once you have finished this ebook, it's just the beginning of your road to success!

Quick Links

The following resources were mentioned in this ebook, and listed here as a quick guide for you to easily find.

Keyword Suggestion Tool:

<http://www.digitalpoint.com/tools/suggestion/>

Independent Wholesale Directory:

<http://www.momsmarketonline.com/wholesale.html>

<http://www.homebased-work-solutions.com/products.html>

<http://www.mommyportal.com/dropshipping.htm>

Website Guides:

<http://www.momsmarketonline.com/starting-a-website.html>

<http://www.htmlgoodies.com>

Shopping Cart & Payment Processor:

<http://www.paypal.com>

<http://www.mals-e.com>

Promotional Materials:

<http://www.VistaPrint.com>

Craft Show Listings:

<http://www.craftlister.com>

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