

From Passion to Profit



Hornby Island Community
Economic Enhancement Corporation

- A guide to reviewing and improving your home business.
 - Is your goal to create a sustainable livelihood from pursuing your passion?
 - Considering these questions can help you look at how to get there!

You and your business

- What is your personal vision for your business?
- What are your financial goals for your business?
 - to obtain part of your income? \$
 - to provide a modest livelihood? \$
 - to achieve a comfortable living? \$
 - to build up a business to sell?
- What are the key assets of your business?
 - ~ Quality products ~ Skilled staff (including you!) ~ Good facilities
 - ~ Efficient production ~ Access to strong markets ~ Other?

Your products

- What are the special characteristics of the products you are creating?

- making your products

- How available are the materials you need?
- How well do your facilities meet your present and future needs?
- What regulations do you have to consider?
- How well are your labour needs being met?
- Are you able to supply present and anticipated demand for your products?
- How well are you able to finance your production and overhead costs?

Your market

- your customers:

- Who are your typical customers?
(age, gender, where from, income level, buying habits, lifestyle)
- What distinguishes your repeat customers from one-time buyers?
(and what proportion are repeat customers)
- Why do people buy your products?
(what need are you meeting)
- Who do you visualize as the ideal customer for your products?
- What can you uniquely offer them?
- Are people asking for products you are not yet making?

- taking your products to market:

- How do you prepare your products for selling?
(labeling, presentation, etc)
- How do you promote your products?
(word-of-mouth, solo advertising, group advertising, etc)
- What are your local market channels? How is each working for you?
(studio, local retail, local markets, solo events, collective events, internet, etc)
- What are your off-island market channels? How is each working for you?
(retail, wholesale, agent, special events, collective marketing, internet, etc)

- your products in the market place:

- Who else is making similar products?
- How does quality compare with yours?
- How do prices compare with yours?
- How does presentation of products compare with yours?
- Is the number of producers increasing or decreasing?

Your money

- What is your total revenue from all sales? \$ _____(a)
 - What are your total costs of doing business?
 - Production costs:
(materials, hired labour, etc) \$ _____
 - Overhead costs:
(rent, equipment, etc) \$ _____
 - Promotion and distribution costs:
(advertising, packaging, shipping, etc) \$ _____
 - Operating costs:
(bookkeeping, taxes, insurance, etc) \$ _____
 - Finance costs:
(interest, bank charges, etc) \$ _____
 - Your salary:
(hours you work x fair hourly rate) \$ _____(b)
- Total: \$ _____ >
- \$ _____(c)

- What is your profit and income?

Profit: (a-c) \$ _____(d)

+Salary (b) \$ _____

= Income: \$ _____

*If (d) is a negative amount then you are subsidizing your business with your labour.
Is this in line with your goals?*

Your work satisfaction

- Which aspects of your business do you find most (and least) satisfying?
 - Entrepreneurship (Creating your unique product)
 - Production (Making your product)
 - Management (Planning, organizing, handling finances)
 - Communication (Connecting with customers and others)
 - Marketing (Promoting and selling)

Your challenges

- What have you learned from this review about your key challenges?

Enhancing your business

How can you enhance your business so that it will achieve your vision, meet your income needs and provide personal satisfaction? We will be glad to talk with you about the challenges you identified in your business review, such as.....

- adding value to your product:

Presentation, packaging, branding and telling a story about you and your product are all ways to add value that will support higher prices or provide entry to a new market.

- connecting with your customers:

Relationship-building is a key to making and retaining customers. Market research and market testing can help you to identify new groups of customers and to understand what customers value. We can help identify market opportunities and how to pursue them.

- improving production:

To achieve your income goals you may need to look at the costs, methods and scale of production. In particular, entering off-island markets may require the ability to supply a significant volume of products. You may also want to focus upon the most profitable, high quality items in your product line – or pursue a new niche.

- working with others:

Operating and improving your business can stretch your personal resources. Partnering with others can help you focus upon what you enjoy and do best. This can open the door to growth. If, say, marketing or bookkeeping is a real chore, farming out these tasks can increase the viability and vitality of your business. Involving others in production can free you up to focus on design.

- oh yes, and - making a business plan:

A business plan is important for ensuring that your business develops in the way you want it to. It is also essential for obtaining finance. Business planning can be unfamiliar territory for small operators, but it is not a difficult task. You have done half the work already.

We can help you select a business planning process.



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