

# Why do Some Online Business Fail? 5 Reasons... *by Craig Friesen*

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New online business operations are started every day world wide as more people seek the benefits of working from home. Whether the reason for starting a new Internet business stems from curiosity, need for extra money, or loss of employment outside the home the advantages of an online business can be extremely attractive. Unfortunately the statistics show that there are more casualties than successes in the home business industry. Before you call it quits, however, there is a popular adage that says knowing what the pitfalls are is half the battle. My intent with this article is to highlight five of the top reasons for online business failure so that you can avoid being another home business industry negative statistic.

Reason #1: The online business was not a good choice.

Few Internet entrepreneurs start their first online business with a firm idea of what they are going to make money from. The majority of home business owners will search for an opportunity because of a real or perceived need; since there are many thousands of Internet opportunities to choose from often what happens is the first one to attract a person's attention is the one they begin their online business journey with. Whether it is an enticing sales page promising the level of income that would address or exceed needs or the type of business matches a personal interest the process of choosing the online business may determine success or failure from the outset.

Some opportunities turn out to be deliberate scams or simply "too good to be true". Other online businesses just turn out to be the wrong fit because some details were unclear until after starting or the entrepreneur misjudged their own knowledge of the business product or service.

Reason #2: There was no business plan in place.

It can be relatively easy to simply jump into a business opportunity with no business plan in place. It does not take more than a few minutes to sign up and pay for an online business opportunity without planning or research. Of course it stands to reason that if you are responding to an advertisement promoting quick riches with little or no effort it stands to reason that a business plan would not be in sight because it shouldn't be needed. A business plan maps out the strategy for financing the online business as well as marketing and other important details typically put in place to turn vision into reality. If there is no business plan then either there is no direction or it rests in the hands of others.

Reason #3: The business plan was not followed.

With a business plan in place there should be guidelines and limits. Exceed your monthly advertising budget and fail to follow through on planned marketing should prompt the realization that either the online business is off track or the business plan requires revision. But unless the Internet entrepreneur is disciplined to follow the business plan they created it can quickly become a useless piece of virtual paper that has no real bearing on direction or success.

Reason #4: There was no support or coaching.

Everyone needs some form of support for their online business. A significant contributor to online business success or failure is the support received through means such as coaching, a friend who listens and provides feedback, or a business forum. Support in the home business industry can take many different forms so the lack of it entirely would be a clear danger sign to those looking to join an online opportunity. If an Internet business owner decides not to avail themselves of available support options then they have mostly themselves to blame if things do not proceed as desired.

Reason #5: The intangible costs were higher than anticipated.

Assuming even just a little conscientious spending, when tangible (i.e. monetary) costs are higher than budgeted there should be no surprises. That is what a business plan and budget is designed for after all - to make the decision to overspend a deliberate one. But in addition to the financial costs of owning and operating an online business there are less tangible ones that can just as easily spell defeat. An example of an intangible cost is the impact on family life caused by working from home instead of outside of it. The reality is that for some people or situations working at home creates interpersonal stress that was likely not fully anticipated and was not part of the picture when they were leaving the house for work.

In conclusion, there are many reasons why an online business can fail but knowing about them means they can be avoided. Aiming for success a new or experienced Internet entrepreneur can research business opportunities before joining, develop a workable business plan and follow it, take advantage of the support available and monitor the impact of working from home.

## **About the Author**

Craig Friesen is an experienced freelance writer and also owns an online business. He promotes top affiliate programs as a legitimate means to make money. He has published articles since 2004 for the home business industry. You can read reviews and check out resources at <http://www.TopAffiliateProgramsMakeMoney.com>