

# Startup Success

MODULE 0 // CHOOSING THE RIGHT BUSINESS

## Product-Based Online Businesses

Inventory Source			
SOURCE	PROS	CONS	STARTUP COSTS
Handcrafted	<ul style="list-style-type: none"><li>- complete control</li><li>- high quality</li><li>- small batches</li><li>- smaller initial investment</li><li>- reduces labor costs</li></ul>	<ul style="list-style-type: none"><li>- small batches</li><li>- time intensive</li><li>- difficult to scale</li><li>- increases material costs</li></ul>	\$100 +
Custom Manufactured	<ul style="list-style-type: none"><li>- flexibility</li><li>- unlimited options for customization</li></ul>	<ul style="list-style-type: none"><li>- high startup costs</li><li>- potential quality challenges</li></ul>	\$3000+
White Label	<ul style="list-style-type: none"><li>- simplicity and ease</li><li>- relatively low startup costs</li></ul>	<ul style="list-style-type: none"><li>- fewer options for customization</li><li>- quality challenges</li><li>- market saturation</li></ul>	\$1000+
Drop Shipped	<ul style="list-style-type: none"><li>- low startup costs</li><li>- relatively simple</li><li>- no inventory storage</li></ul>	<ul style="list-style-type: none"><li>- quality challenges</li><li>- lower margins</li><li>- more difficult to advertise effectively</li></ul>	\$100+

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Inventory Source (continued)			
SOURCE	PROS	CONS	STARTUP COSTS
Established Brand	<ul style="list-style-type: none"><li>- high quality</li><li>- no innovation necessary</li><li>- proven products</li></ul>	<ul style="list-style-type: none"><li>- high startup costs</li><li>- challenging to break into</li></ul>	\$5000+
Affiliate	<ul style="list-style-type: none"><li>- extremely easy to get started with</li><li>- extremely easy to do</li><li>- no expenses or startup costs</li></ul>	<ul style="list-style-type: none"><li>- most products have low margins</li><li>- more challenging to sell 3rd party products</li><li>- requires more trust from audience</li></ul>	\$0

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Distribution Model			
MODEL	PROS	CONS	COST
Your own website	<ul style="list-style-type: none"><li>- complete control</li><li>- low costs</li><li>- no direct competition</li></ul>	<ul style="list-style-type: none"><li>- challenging to attract new customers</li><li>- tech issues</li><li>- all distribution is your responsibility</li></ul>	\$100+
Etsy	<ul style="list-style-type: none"><li>- many potential customers</li><li>- easy to set up</li><li>- low cost</li><li>- no tech issues</li></ul>	<ul style="list-style-type: none"><li>- LOTS of competition</li><li>- all distribution is your responsibility</li><li>- not much flexibility</li></ul>	\$100+
Amazon FBA	<ul style="list-style-type: none"><li>- takes care of customer support</li><li>- takes care of distribution</li><li>- complete package</li><li>- no tech issues</li></ul>	<ul style="list-style-type: none"><li>- higher costs (~30% gross sales)</li><li>- reduced flexibility</li></ul>	\$1500+

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### Distribution Model (continued)

<b>MODEL</b>	<b>PROS</b>	<b>CONS</b>	<b>COST</b>
Shopify	<ul style="list-style-type: none"><li>- easy to set up</li><li>- few tech issues</li><li>- easy solution for online shop</li></ul>	<ul style="list-style-type: none"><li>- monthly cost</li><li>- challenging to attract new customers</li><li>- profit may be consumed by expenses</li></ul>	\$200+
Ebay	<ul style="list-style-type: none"><li>- easy to set up</li><li>- no tech issues</li></ul>	<ul style="list-style-type: none"><li>- LOTS of competition</li><li>- all distribution is your responsibility</li><li>- not much flexibility</li></ul>	\$100+