

Business Model is Key

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A well thought out plan will always trump a sweat and tears approach. So, how are we to make money in our business career in a methodical manner?

I would say, it is impossible for the average white collar worker to make a real fortune, solely focusing on climbing the corporate ladder. Granted, a small population will reach the upper echelon and generate millions in salaries and bonuses every year. However, for the general populous, I would say reaching such levels of wealth is near impossible based on the salary levels of middle management. If the only source for the cash inflow is salary and bonus, unfortunately, the individual will live in the same lifestyle. Salary is meant to only cover the cost of living, which means there are outflows every month. There is no way to **build** wealth by only earning a salary because the costs will most likely consume all the salary.

So it is common now a days, and strongly advised to generate additional inflow through the development of a side business. Every business major probably took up business with hopes to one day own a business. I looked around my immediate vicinity (friends, circumstances, assets on hand) and realized I didn't have much to launch anything that cost more than \$10,000.

After months of thinking, I chose English tutoring in 2011. The venture generates a steady stream of inflow, and can be easily scaled out to generate larger revenue streams. However, this too has its limits by my physical limitations. I can't be at multiple locations at one time and I will be drained to continue with this endeavour. I think of this as my fixed income investment, which has a consistent inflow and adds to my annual cashflow, but I don't anticipate this to grow any time soon. This is one of the drawbacks of a service business. It is simply physically draining.

Which brings me to my main point. In order to truly create wealth, one has to create a product, be it a –virtual or physical product. By virtual, I mean website, app, program or something IT in nature. Physical product is self-explanatory. So, in 2014, I have been putting my time, focus, research, money, you name it, to develop a business which generates a tangible product. There is no physical limitation, or in other words, not operating under the confines of my bodily limitation. Machines can produce the goods, the products sell themselves, and I am doing more management than using my body as a machine to generate a service.

So I encourage everyone to generate both a service and goods business, in addition to their day job. This road will lead to true wealth building and will make your business career a much more valuable experience.