

Financing Your Nikken® Autoship Nutritional Business

Most new Nikken Wellness Consultants have never before started their own business. The idea of investing in your new business is critical to the success of your venture, but it is still scary. And most people don't have several hundred dollars just sitting around waiting for a place to invest.

Seasoned Wellness Consultants know that starting a Nikken business without Nikken demonstration products is a sure recipe for failure. Our business is very product-centered. People need to see and experience our technologies to truly understand Nikken. It is really no different than any other business in this way. Imagine opening a shoe store with just two pairs of shoes and a catalogue. Only your mother would buy!

Plus, Nikken requires that any new Consultant who wishes to advance in rank must invest at least \$500 in one calendar month before advancing to the rank of Senior, the first rank providing override income in Nikken (see Nikken Rules & Regulations for specifics).

There is no magic formula for exactly how much to invest in your new business. To purchase every Nikken product would represent a \$6,000-\$8,000 expense at the start of 2008. We fully understand that most new Consultants cannot afford an investment this large at the start of their business. The Autoship Nutritional business plan assumes a \$575 start-up investment to allow virtually anyone to begin in Nikken (plus tax & shipping).

Investing hundreds or thousands of dollars in a new business is frightening at first to new Consultants. It doesn't need to be. Every businessperson knows that it takes money to make money. When you first become an entrepreneur, you must make the transition to think like an entrepreneur. To a businessperson, the real trick is figuring out where to find the money, and then managing it prudently when it has been found.

Almost every serious businessperson in America borrows money to start his or her business. Nikken is no different. It is also a fact that 85% of the businesses in this country are financed on a credit card. For small initial capitalizations, this is the easiest, quickest and least expensive way to get started.

We have all been warned not to over-leverage ourselves on a credit card – which is very sound advice for consumers. Consumer debt has gotten way out of hand, and there is no doubt that this debt should be avoided whenever possible. But business borrowing and consumer debt are completely different.

Business borrowing on a credit card is a valuable and responsible way for the new Consultant to quickly build a strong side income. For an entrepreneur, business debt is the life-blood of most start-up businesses and should always be kept completely separate from consumer debt. We strongly urge that the new businessperson initiate a totally separate business credit card account so that the two types of credit card debt can be kept completely isolated.

Once a decision has been made to finance a Nikken business through a credit card, the mechanics of the transaction are quite simple. The entrepreneur must first establish a credit card account with a reputable financial institution. Today, a person can usually find a credit card company offering rates of 5% or less for the first six months, rising to 15% or so after the initiation period. Therefore, for purposes of illustration, we will use an annual financing rate of 10% for the first year's investment borrowing. This will rise to the full value of 15% or more after the initial year of borrowing (see specifics of the credit card selected).

We recommend that a person finance an amount that makes them slightly nervous, but not overly anxious. Historically, the more Nikken products a person has to demonstrate and lend, the more quickly (in general) they will succeed in this business. For this discussion, we will use an initial borrowing amount of \$600 to cover the first month's expenses in the Autoship Nutritional business plan, but you may wish to extend this borrowing to a higher level to purchase additional Nikken products to begin your Wellness Home.

Using the annual financing rate of 10%, and the initial capitalization of \$600, the carrying cost of the loan will be \$60/year. The "carrying cost" is the amount the bank will charge for the use of their money assuming that the credit card user leaves the entire \$600 initial borrowing amount on the credit card for the entire year.

That means that the carrying cost to you will be about \$5/month (\$60 divided by 12 months), assuming that you leave the entire \$600 loan on the card and pay only the monthly bank interest cost. Are you willing to risk \$5/month to start a business that could generate thousands for you in the first year? That is the decision an entrepreneur faces each time they borrow money. Is the risk worth the reward? Only you can answer that. But the truth is that virtually any product in the Nikken line sold at retail will generate more than the \$5.00 carrying cost of the loan. So the real question is, will you tell others about Nikken so that items can sell. If the answer is yes, then you can start this business!

If you sell more than one product per month, a savvy Nikken Consultant will use a portion of their profit from the additional sales to begin to reduce the \$600 debt. In this manner, by the end of the year you can own a business that is entirely debt-free. If you decide later that Nikken is not for you, you can sell the undamaged demonstration products you have purchased, and use the proceeds to reduce or entirely eliminate your credit card debt.

People often miss a good opportunity because they feel they don't have the money. In my mind, this is totally unnecessary. If you want a business, you can have it. Do what countless other new entrepreneurs have done before you. Properly fund the life-blood of Nikken through responsible borrowing and sensible product selection. The means to properly fund this life-blood is within the grasp of anyone who is seriously interested in building a real business, and who is willing to risk on themselves.

You can do this! It is the road to a business of your dreams. Ask your sponsor to help you get started.