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Subject: Re: Entrepreneurship homework  
Posted by [Crimson](#) on Mon, 17 Mar 2008 20:43:59 GMT  
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This would be a gamble, to be sure. This would take a rather substantial up-front investment for inventory and decorating the store to be impressive and comfortable. The things you have to fear the most is mostly what's been said before in here. There's not much margin in computer parts as far as I'm aware which means you have to make it up in volume. You may also consider using your facility for other things to help pay the bills, such as paying to use your computers to play games online, hosting tournaments, or selling snacks and drinks to the people hanging out in your store. You would also need to pay a decent salary to attract and retain people with excellent knowledge and try to avoid the newbs who think they know computers but should be working at Best Buy.

The good things about your business idea is the two major rules I have for starting a business. First, stay away from a business that's a luxury. Computers use to be a luxury but they are more of a standard appliance these days. This is borderline though because in a bad economy (in general) people would be less likely to upgrade their computers. The second rule is to have repeat business which saves on marketing dollars. Computers do perpetually need upgrades so while it doesn't have the repeat potential of, say, a restaurant, gas station, or grocery store, it's not too bad. A good experience will get them to come back.

You will compete with online sales quite a bit so doing research on pricing would be essential. You would also want to be highly selective with your inventory so you don't get too much crap you can't unload.

Just for reference, I am a bit of an entrepreneur myself as I opened up a poker store a little over 3 months ago.

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