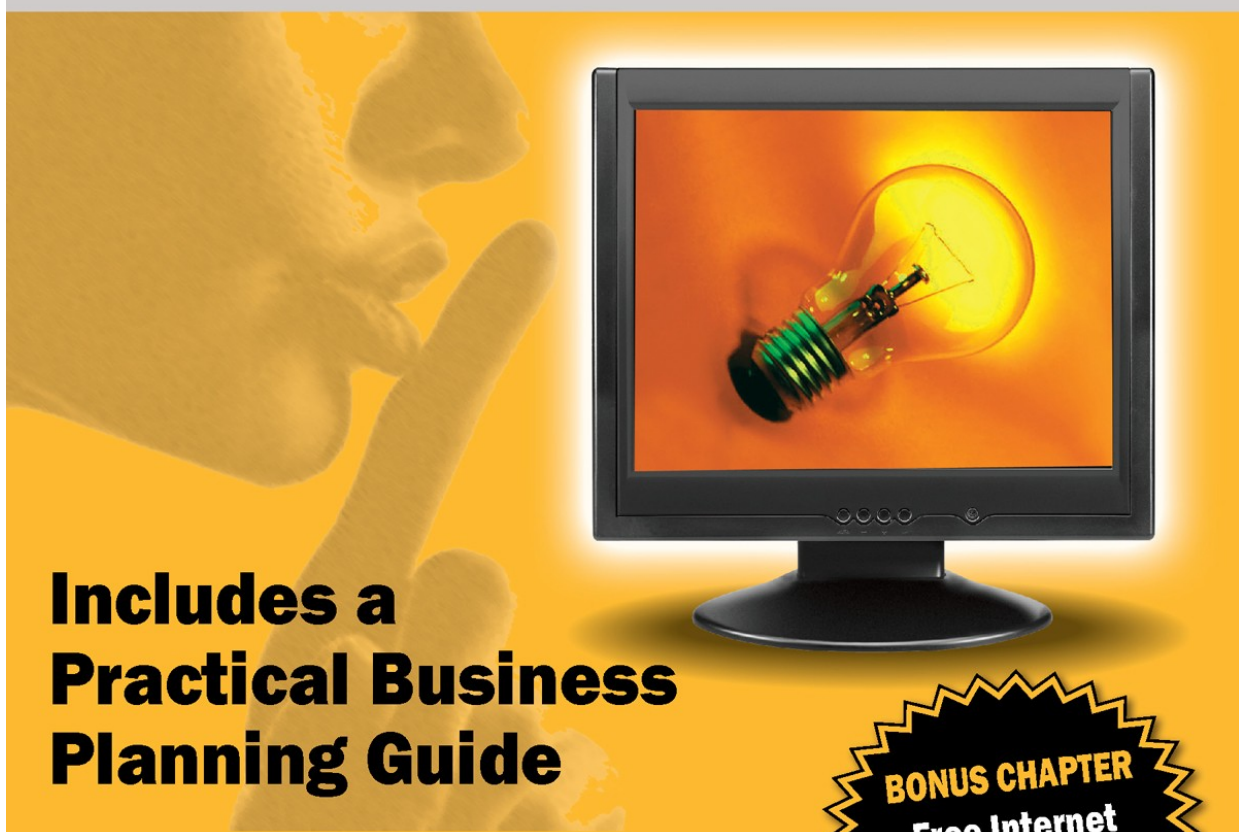


BEST KEPT SECRETS **of** **INTERNET BUSINESS**



**Includes a
Practical Business
Planning Guide**

BONUS CHAPTER
**Free Internet
Business Tools!**



**A micro Book
for micro Businesses**

Best Kept Secrets of Internet Business

Understanding the Business of Internet
Business

A Micro Biz Coach Publication



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Introduction - An Internet Business Book Without the Hype

This book is for those of you who have finally gotten the courage to pursue your dreams of business ownership. It's for those who have been laid off, down-sized or let go from their company of over 20 years. It's for those who have just graduated from high school or college and just want to punch their own clock not someone else's. It's for those with talents and skill to create a product or produce a service but are lacking the business skills to create a company. This book is for all of you who have an idea but have no clue of how to bring that idea into manifestation. This book is for those that understand business ownership to be the key to wealth in the United States and you finally are ready to participate in the wealth generating cycle. It is for those of you who understand the power of the internet to create revenue for small businesses. It is for those who want to start an online business with knowledge not hype. It is simply for those who want to understand the basics of the business of internet business.

Micro Biz Coach encourages prospective business owners to balance their personal financial budgets and get those finances on course before starting your own business and having to manage personal and business finances. It is good to go into your new business venture with at least a few hundred dollars saved up to be spent for start-up costs if possible. To assist you in saving or obtaining the appropriate amount of start-up money, we have estimated your costs to be from FREE to about \$5000 for a typical micro business.

We realize when most people start a business, their personal finances are in shambles and they don't have a lot of cash flow. So, we will give you tips on how to start your business on a budget!

You will find the style of this business book very different from many others. We will present factual information in a very succinct method in order to preserve time. Micro Biz Coach was created to help ordinary people start and develop ordinary or extraordinary businesses. No matter how ordinary these businesses, many people get started in their businesses in several days, but they never become official, they never think through how they will keep the bills paid and they never consider how they will keep customers flowing and they usually are out of business in no time at all. Well, this is your quick and dirty guide to starting your business in 1 week and keeping it profitable for years. Allow me to facilitate your success.

The Bonuses!

In our quest to help create thousands of successful internet businesses, we have included a bonus section on How to Create a Business Plan. This section presents the business plan process in an easy to complete question and answer format. We provide the questions, you provide the answers. Unlike most other business plan templates, we not only provide the questions, but we also provide a resource list that tells you how to find your answers to the questions! It will be your road map to business success.

Just so you know we are not selling a start a business quick package without giving you proper support, anyone who is serious about getting their micro business up and running now, can email us at timeline@microbizcoach.com and ask to be added to our reminder list. Our reminder system documents where you are in your business start-up process and will remind you periodically of what you should be doing in the days and weeks ahead.

We have also made available downloadable online coaching courses for you that correspond to each chapter of this book. We will provide periodic weekly discussion forums for you, as a course participant, to assist you on your way to a successful online business. We are "The Small and Micro Business Advocates."

(Note: All monetary values mentioned are in US Dollars.)

Micro Biz Coach™

One - The Time is Now!



With all the talk about the importance of technology and the Internet, you would be wise to begin educating yourself on the importance of this increasingly economical money horse! Some of the nations leading economist predicts the next round of millionaires to be born from Internet businesses. Why?

Internet technology is now cheaper than it's ever been and with the innovation and division of labor to the more efficiently produced labor it is bound to become even cheaper.

According to Pew Internet, 65% of Internet users make purchases online. Even

more use the Internet to research purchases they may be making in a physical store location.

When you establish a retail presence online, your customer is not confined by geography – your customer becomes “world wide!” How’s that for sales potential?

Even learning the technology has become inexpensive and accessible. Just go to Google® and type “learn the Internet.” Watch the millions of references that show up before you. And they’re all just one click away. How about that?

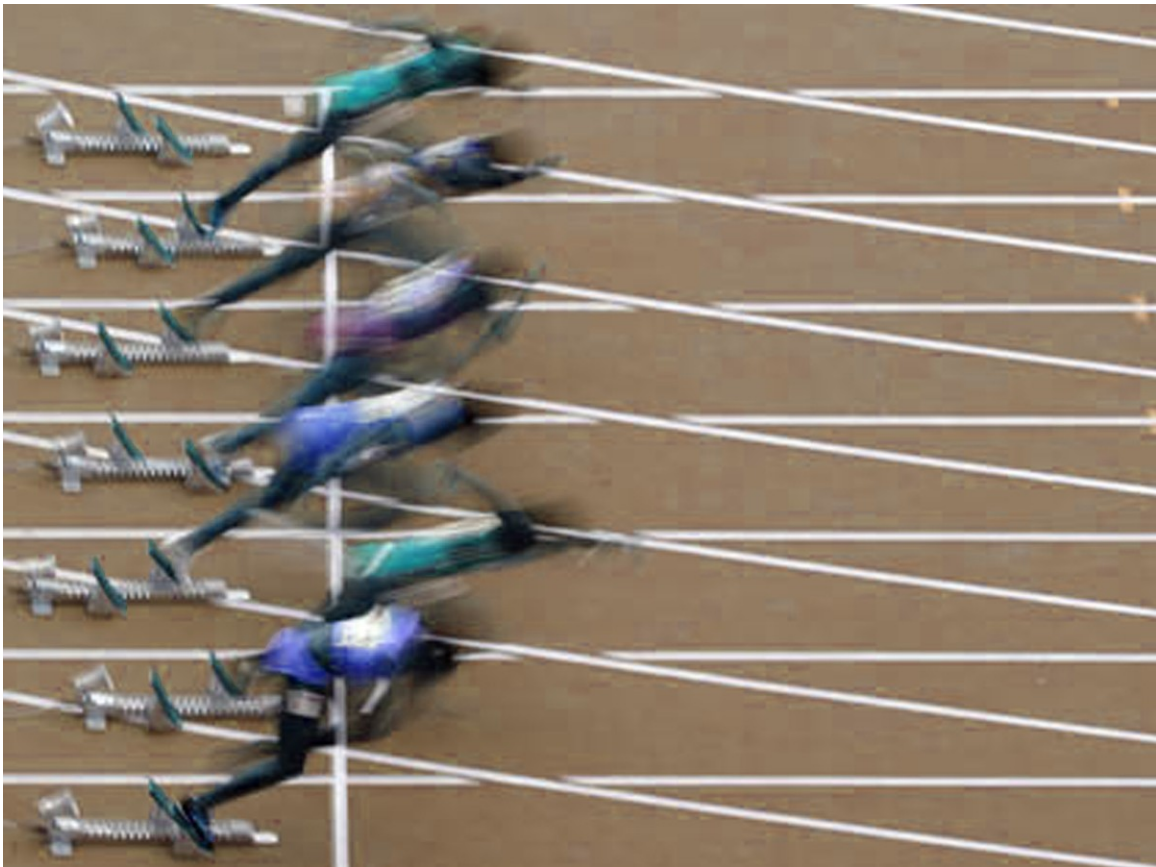
But there’s just one minor issue with everyone being able to run out and become the next Internet millionaire! Many people know how to use the Internet to do research. Many others know how to use the Internet to shop. And even more know how to use the Internet to play games. But who really knows how to do business online? Well, some people obviously do, after all money from those online purchases are going somewhere. But the information has not yet gotten to the masses.

For example, let’s consider brick and mortar businesses (otherwise known as the physical location of stores). Most people know they have to find a location, have the money to rent a location, have a product to sell in the location, and they have to have people come in and buy their product. And most people can probably figure you’d follow the same process in the world of cyber business. But whereas most people would know to hire a realtor to help them find a location, secure several hundred dollars monthly to rent the location, pass out flyers to notify people to get people to come in and buy their product they don’t know how to navigate these business parameters in cyberspace.

Since now is the time for creating an Internet business and joining the ranks of those who have found wealth while working from home or from their latest vacation spot, now is also the time for someone to begin sharing the strategies for building a successful Internet business with all those who will listen. Micro Biz Coach has since it’s inception been the small and micro business advocate. Now we have come to the aide of aspiring Internet small and micro businesses everywhere by releasing these strategies that we so appropriately call “secrets!”

Like a secret, the keys to building a successful business on line, have not yet been successfully compiled in an affordable package and intentionally marketed to those who are waiting anxiously to understand and participate in the wealth building capacity of this technology. Now is the time for that to change.

Two - How to Start an Internet Business



While there are many ways and theories of how to start an Internet business, we recommend a complete approach very similar to starting any business. Part of the business building strategy we will share with you, includes a simple, easy to complete business plan. The plan is broken up into the 5 basic business plan sections and contains a list of practical questions you need to answer to ensure a rock solid business start-up.

This approach will give you insight into issues that may spring up in your various stages of business development. Though there may be a few things you do not

think of even after you've completed your business plan, you will not be stumped by the many issues that often catch others off guard.

Below are the components of an Internet business you should consider as you begin or grow your Internet business. The number to the right of each component is the amount you can expect to pay if you follow the Micro Biz Coach recipe for Internet business success!

Business Plan (\$0 - \$1500)

Creating a successful business plan is merely an exercise of asking and answering all or most of the right questions for your particular business venture. There are more than enough people and tools available to help you with this task. However, most of them are too expensive for the general population. After all, you don't want to spend more for your business plan than for the business itself! In this day of Internet business, we've already learned how inexpensive it is to start an Internet business.

The business plan helps you think through these questions. This is why the plan should be done before you register your name. Sometimes thinking through your idea first will reveal that there actually is no one willing to pay for what you like to do. Or maybe it will cost you too much to notify your targeted customers of what you like to do. In this case, you may have to delay starting the business until you save or otherwise generate enough money to finance your own business idea.

Micro Biz Coach offers a Practical Business Planning Guide (included at the end of this book) that takes you through the process of answering these important business questions and more. These are important decision to be made now, however many of them can be changed at a later date. So while you want to be fairly accurate in making these decision, it is not a life-threatening situation if you decide to change for example the way your business is structured. A business plan should be a working document that changes with the changes in your business.

FREE!

You can visit your nearest library and ask the reference librarian for help finding a book on "simple business plans." Micro Biz Coach also has a podcast that teaches you how to create a business plan in 5 simple lessons. You can access this podcast at www.microbizcoach.com/secrets.

Biz Tip!

Even though the business plan can be done at no cost, if you opt to purchase a business plan or pay for any type of business plan assistance, you will need to keep your receipt! Begin keeping and filing every receipt you will use for anything related to your business from this point forward. The receipts will be needed when calculating your business deductions at tax time for those of you who will do business in the US.

Business Name (\$0 - \$1500)

If you are a small business, you may want to use your name as another way to advertise. In other words, let your name say what you are. For example, Micro Biz Coach offers coaching advice to small and micro businesses. However, be aware in some cases a name chosen on this basis could unintentionally streamline your services in the minds of your customers. For example, Micro Biz Coach also offers economical business products for small and micro businesses such as web design and logo design, but that is not necessarily indicated by the name.

If you want to be reasonable certain of the uniqueness of your business name, you should check with your Secretary of State's or Clerk of Court's office to see if the name you've chosen is already being used. If there is a name fairly close to the name you've chosen make sure it's for a company in a different industry. For example, if you are opening a coffee shop with the Name "Coffee All the Time" you may want to change to something else if there is already a café with the name "Always Time for Coffee." These two names can be easily confused and your marketing efforts may give your competitor customers. You can never be too comfortable that your name will never show up somewhere else, since as we'll discuss later, there is no mandatory law across the globe requiring you to file your business name. But you can protect yourself legally to give you a method of recourse if someone tries to capitalize off of your legally filed and/or trademarked company name!

If you think your business may one day become national or international, you will want to check for your company name in your country's trademark database if one exists. The one for the United States is www.uspto.gov. It will generally cost you somewhere between \$10 & \$55 to file your name with your state office (normally the Secretary of State's office) and \$275 - \$1500 to file your name with your country's trademark database. When you file yourself, the cost of filing is much less. However, depending on your business needs and your comfort level, you may choose to have an attorney file for you. Attorney fees will raise your cost toward the \$1500 range. Most people do not opt to spend several hundred dollars to

protect their business name, but you need to seriously consider doing so particularly if you have an idea to create a patented product or even a proprietary process as a part of your business.

You may also want to check online to see if the domain name has been taken. This is not the most important thing especially if the name is a perfect fit. You can always change the domain name slightly if necessary. Besides, if your business name is too long it will probably not be a good domain name anyway. Good domain names are short, descriptive and memorable.

Incorporate If Necessary (\$0 - \$3300)

Depending on the business structure you've chosen, you may need to file paperwork with the local courthouse to officially be in business. For example, if you are an LLC, you will need to get an Employer Identification Number (EIN) and file your articles of incorporation. You can file this paperwork yourself or pay an attorney to file it for you. Filing this paperwork yourself could cost you as little as \$50 if you become a Sole Proprietor in Ohio or as much as \$2100 if you become an LLC in certain counties of the state of New York. Having an attorney to assist you would increase your fees by several hundred dollars in either case.

Online Incorporation Resources

You can become incorporated very simply using an online service and we have listed some of these at www.microbizcoach.com/secrets. However, be advised that the forms offered by most of these companies are more generic and may miss some key issues that are state specific.

If you do not have a lot of cash flowing in at this time, you may opt to begin your business as a Sole Proprietor and use your social security number (SSN). This method is used by thousands of businesses yearly and requires no payment of fees since most states don't even require you to register a business name for a sole proprietorship unless you are "doing business as" a name other than your own. For example, some people form a sole proprietorship, but also create a separate business name that allows them to receive payment in the name of their business. If they receive a check for example in their business name, the bank account they use to deposit the funds has to have an official form from the state in order to recognize the business name. In this case, the business owner has to register their business name with the state as "doing business as My Business Name."

Get Funding!

Some start-ups will not need to apply for money at this point, but for those who do

we offer the following tips.

Apply for a traditional bank business loan if your credit and collateral is good enough. If you do not have good credit and are considered a high risk borrower by your bank, visit the online company, Prosper, to apply for a loan from any number of individuals who lend money to high risk borrowers. Prosper will allow you to borrow small or large amounts of money.

Also, getting loans from family and friends is still a commonly used way to finance a business venture. With these types of loans great rewards and even greater risks. It is wonderful feeling for a family member or friend to see your business thriving as a result of their direct investment in you and your talents. However, it may be a relationship rocker if the business goes South and they are left with no return on their investment. So, choose these business loan deals carefully. Circle Lending is an online company that helps solidify financial arrangements between friends and family.

Many countries also offer government loans if the business fits the criteria of the lending government agency. For the United States alone, these loan entities are too numerous to mention so we will keep a running list of these contacts on our Internet resource site: www.microbizcoach.com/secrets.

Get a Bank Account!

You've probably been spending money before this point; however, it is not until you've established your name that you can get an account in your business name. If you are a sole proprietor, you can open your account once you have confirmed that business structure.

You will place any grant money or savings inside this account. Make sure the account comes with online banking, so it is easy for you to gain access at any time to make payments or write checks for example. You will also need online banking to download your account activity into your favorite spreadsheet application or into accounting software such as QuickBooks®. However, if you will be downloading your transaction information, make sure the bank you choose allows the information to be downloaded in the format needed for your QuickBooks® or other accounting software.

Get a Logo!

Now that you're officially in business, you will need a logo to represent your company on any communications you may make to the customer. This will be the start of what is commonly called 'branding.' Your logo will be used on your business cards, website, business stationery, palm cards, brochures and invoices.

You can get logos relatively inexpensively, but what you see is not always what you get. For example, a \$29 logo will most likely be something generic that you will probably see again on somebody else's business cards, brochures or website! It is most efficient to opt for a low cost custom designed (original) logo that can be used on business stationery, documents and your website especially if you will someday trademark your logo or business name.

Be sure to ask how the logo can be used or what type of file you will receive for your logo. Let's take a brief look at logo file types. Each file type will support different uses of your logo as defined in the Table 1 below:

File Type	Logo Uses
.pdf	Used to create stationery with logo already embedded. It is hard to extract images from this type of file, so if you want to use the logo separately on your website, this is not the file type you'll purchase.
.jpg	Logo is in it's own file and can be placed in word processing documents or in websites*, presentations, etc. This file should not be enlarged too much since it may cause distortion.
.gif	Logo is in it's own file and can be placed in word processing documents or in websites*, presentations, etc. This file should not be enlarged too much since it may cause distortion.
.eps	Logo is in it's own file and can be placed in word processing documents or in websites*, presentations, etc. This file can be enlarged quite a bit to be used for banners and other larger scaled projects without causing distortion.

Table 1. Logo File Types

Go ahead and begin the process of developing your website while your logo is being developed. You can refer to the chapter, How to Build a Website, for professional and economical website design tips!

Three - Location, Location, Location!



Just like any good realtor giving real estate purchase advice for a physical business location, any one assisting you with your online business should also remind you to choose your Internet location wisely. So, let's talk about what encompasses your Internet location.

To initially establish an Internet online location for your business, you must first choose a domain name. This domain name gives you access to your online real estate. So the domain name is not the real estate itself, but is more like the title for the property. The property would be the space you purchase on a server to hold your web pages. You will purchase this space from an Internet or web hosting provider.

Choosing a Domain Name

Naturally, you will do well to consider the name of your business as you determine your domain name. Some other things to consider are:

- Length of domain name
- Complexity of spelling
- Prior Use

If you have an exceptionally long business name you may have to shorten it or use the initials. Your potential customers will have to enter the domain name usually by memory and unless the business name has an easy-to-remember ring to it, you will want it to be short, sweet and easy to remember. This is the same rule of thumb that you'll want to use when considering the spelling used for your domain name. Even if your business name has a unique spelling like "supercalifragilisticexpialidocious5x," you may want to shorten it to www.super.com. You can always choose 2 domain names and forward one to the other's location.

For example, you can purchase www.supercalifragilisticexpialidocious5x.com and forward it to www.super.com. Then every time someone typed in www.supercalifragilisticexpialidocious.com (this would definitely not happen very often), www.super.com would be opened.

Now the other last issue we'll discuss here is prior use. This becomes an issue when the domain name you desire to use has already been purchased by someone else. Now you have the opportunity to let your creative juices flow. How can you shorten your name or choose a similar name without losing the essence of your business name.

Choosing a Hosting Provider

Now, there are as many Internet hosting providers as there are choices of cola. So how do you tell them apart? Well hosting providers are for the most part created equal with the exception of a few key components:

- Amount of Space
- Language Support
- Databases
- Bandwidth
- Payment Terms & Price

While different hosting providers offer different packages, most of the basic packages are sufficient for the needs of most online businesses. However, we'll

take a look at the key components here just to make sure the 'secret' of understanding hosting packages is no longer hidden.

The amount of space is usually measured in bytes. A typical website should require no more than 10MB of space. We should probably define "typical." A typical website contains maybe 2-3 graphics per page, 500 words or less and is less than 50 pages. So the huge allotment of space in the basic package of most hosting providers is more than adequate for most websites.

Language Support is important because it determines how the different functions required by your website need to be written. For example, if you want to require a sign in functionality to access certain parts of your site, this has to be communicated using a language different from HTML, the language used to create the other simple web pages. You can communicate this functionality through the language PHP, but only if your hosting server recognizes or knows how to interpret this language. In general, you'll want to make sure your package has Server Side Includes and PHP4 or PHP5 if you are using a Linux server and FrontPage Server Extensions and ASP.NET versions 1 or 2 if you are using a Windows server. Your web developer (we'll talk about that in the next chapter) should be able to take care of this for you, but if you're going to purchase the hosting package yourself when in doubt, choose Linux.

Typical Website Hosting Needs

- Space: 10 MB - 250 GB
- Language Support: Server Side Includes & PHP4 or PHP5
- Databases: MySQL
- Bandwidth: 200 GB
- Payment Terms: Month to Month (may require at most 2 month minimum); \$4 or less/month

Databases are used to categorize and store information. For example if you want to keep track of everyone who signed up for your newsletter, you can store that information in a database. The database is basically a table with rows and columns that are populated with the information you are storing. This information can be retrieved whenever you need to see it. MySQL is a common database technology you should be sure to include. It works on both Linux and Windows servers although some developers may prefer MSSQL or MS Access. Again, when in doubt, choose MySQL.

The bandwidth of your hosting account changes with the number and types of media it uses or transmits. For example, if you only have text on your website with no email connected to it, your bandwidth will be particularly low probably less than 1 GB. However, for a business website with video, audio or image downloads the

bandwidth requirement could increase to almost 200 GB. For purposes of your first Internet business, be sure to have a monthly data transfer of at least 200 GB and you should be covered.

Now for the big one – how much should you pay for your real estate? If you'll remember, in chapter one, we talked about some of the reasons why now is the time to create an Internet business. One of those reasons was the affordability of the technology needed for this type of venture. Don't be duped! You can purchase a hosting package for about \$4/month! But you not only have to be careful about the price you pay, you also need to beware of the terms the hosting plan requires. For example, some plans require you to purchase 12 months of services up front. If you can make this type of purchase without a penalty of canceling if necessary, then it is not a bad move. However, if the web hosting provider will penalize you if you decide for any reason to cancel, prepayment is not a good move.

A Word About Email Accounts

Email accounts for your business domain name can be included in your hosting packages or purchased separately at a very reasonable rate. Either option you choose will be more professional than using a free email account for your business electronic communications. The email account you purchase separately should ultimately be linked to your business domain name. Email accounts that are linked to domain names are called “vanity” email accounts.

Every business should at the very least have one vanity email account that acts as a ‘catchall’ account. Catchall means it will catch all the email with the yourbusinessname.com domain name. This will be very helpful if someone is trying to contact you but misspells or doesn't know the local-part (first part before the “@”) of the email address.

Another element to investigate when considering the terms of your hosting plan is the amount of time required to cancel the services. In this constant evolution of Internet technology, it is likely you may want to switch services or upgrade if you outgrow the plan you have. So cancellations are sometimes necessary. Oftentimes, you will need to cancel at least 14 days in advance or you will be charged for the next cycle of services. Now this charge isn't particularly bad if you are only billed monthly, however if you are billed yearly and you missed the 14 day cutoff, your credit card will be billed a couple hundred dollars for the next year of service – ugh!

Four - How to Build a Website



Now, while we may not give exact sources for some information, you better believe we will let you know the products and services we can provide for you. Micro Biz Coach offers professional website design at an economical price. We offer this service because it takes more than free to make a good product for your business and you should consider this concept whenever you think of implementing a free product or service for your business. Additionally, you can find several sources for creating free websites on our website at www.microbizcoach.com/secrets

Why do you think free services often come with an upgrade? For starters, many people don't know how to make a do-it-yourself website look professional so they

end up getting someone else to do it anyway! There are just a few simple things you need to know to make a free service look professional. Let's review a list of what these things might be for a free website design.

Tips for Do-it-Yourself Professional Web Design

Font:	Verdana, Arial, Tahoma
Font Size:	12 pt for body; 13 or 14 pt bold for headings
# of pages:	5 – Home, About Us, Link to Shopping (if applicable), FAQ, Contact Us
Colors:	Templates on free sites usually have set color schemes. Most of these are okay as long as you don't try to change them.
Logo:	It's always a good idea to include your business logo if you have one. If not, just make sure the business name is prominently displayed (Bold and 14 pt or 16 pt (slightly larger than headings)) *Re-read the Logo section in this book.
Domain Name:	You need a "vanity" domain name in order to appear professional online. Most free sites do not come with vanity domain names (see Biz Tip! below)
Ecommerce:	Use a free service that can be integrated into your website. There are some rather popular free services and some not so popular ones. The important thing to remember is you don't want to ask for financial information online without a secure connection. Secure connections (SSL Certificates) are not free – at least not beyond the trial period!

Biz Tip!

A vanity domain name is one that has your company name without the hosting provider's name preceding or following. For example, we could offer free websites at microbizcoach.com, with the domain name for each site listed as yourcompany.microbizcoach.com.

FREE!

Free services and products on the Internet can often be for a trial period only. Be careful when ordering products for a trial period when it comes to your company that we hope stays around for a longer period!

For a list of free website packages, visit www.microbizcoach/secrets. Many of the free packages are limited in functionality or contain banner ads. Alternatively, there are a host of companies offering an easy to use website builder. We list these at our online reference page as well. You may also visit www.microbizcoach/secrets for that information.

Focus on Usability, not Flash

You need functionality more than fancy as a new business owner unless you are in the website development business. And if you are still in the early stages of developing your business, the same concept holds true. The fancy dynamic flash intros are beautiful to look at, but won't do much for your search engine rankings and may in some cases, slow down your potential customer's connection to your website. Even with the marvelous advances in computer and Internet technology, everyone still does not have the latest and greatest computer systems. Some computers process flash technology very slowly and can even crash as it tries to retrieve flash encoded information.

Five - You've Built It! Will They Come?



Once you have created your professional looking free (or low-cost) website, you'll want to have as many people view it as possible. A website is of no use if it has no traffic. It maybe wise to allocate the bulk of your website budget to getting traffic on your site as opposed to building the website that gets an A+ in aesthetics.

Again, there are just a few simple things you need to bring traffic to your site. Let's review a list of some common strategies you can use.

Include Significant Keywords or Keyword phrases

The keyword phrases you choose will be matched with your potential customers' keyword phrase that is used to perform a search. Also, place these keywords in the description of each page of your website, so once the site is retrieved by the search engines, the description read by the potential customer compels them to click your site's link for more information.

Begin a Blog

Blogs are usually ranked high in the search engines because they are frequently updated. They also offer a place for others with similar sites to link. Relevant links is another factor in increasing your search engine rankings.

Submit to Online Magazines

You can write articles for any number of the online magazine portals. In you article, be sure to place a link to your website in your brief bio after the article so the reader can click your link for more information. Be sure the article is relevant to the products, services or information offered on your website.

Comment in Communities

Because many website ranking algorithms feel it is important to have as many relevant links to your website as possible, you will want to be diligent in obtaining these links. If you will search online for communities of people or "groups" related to your business. Join these communities and genuinely contribute any expertise you may have then provide your website link in your signature.

To find a community or group:

- Go to your favorite search engine's home page
- Click on the word "group"
- Enter a word that describes your customer or any aspect of your business you would be able to comment on.

For example, if you have a cake business, you would perform a group search on the keywords "birthday parties," or "bride to be" because anyone having a birthday party or getting ready to get married would most likely be looking for a cake!

Once you begin generating traffic for your website, you'll want to have something available to turn the 'traffic' into customers. So make sure your keywords, blog contributions, and articles attract the potential customers to your site who are

looking for what you actually have to offer. For example, you wouldn't want to put all of your efforts in to creating and submitting articles to an Internet finance site if you are selling motorcycle gear. Even if you got hundreds of people feel in love with your article and visited your website, they would probably all be looking for more financial information not bandanas!

Read "[How to Get and Keep Online Customers](#)," for a more extensive discussion on turning online visitors into online customers.

Six - How to Find a Product to Sell Online



Before you even think about building a website low cost or not, you should focus on what you will sell on the Internet. It is so easy to setup a website once you have determined how the website will be used. As a matter of fact, it is easier to setup your website once you know the product(s) you'll sell. For example, you will eventually need to know what type of shopping system to provide for your online product sells. All products don't require you paying for an additional shopping cart. But you don't have the luxury of knowing this until you understand the type of product you are selling. So let's get right to the heart of this matter.

Types of Products

The world of Internet marketing would be a lot easier if there was just one type of product to sell, but fortunately for you, there are several different types of product that lend themselves rather nicely to Internet marketing. Now, some people approach Internet business with a product to sell and now Products for all different personality types. And interestingly enough, most of these products are rather easy to get or create. Let's discuss the following types of products for the sake of simplicity: your own products, other people's products and store products.

Your Own Products

Creating your own products seems like a simple category until you discover how many different types of products you can create. Not to mention where do you get started in the product creation process. What types of products can you create?

You can create your own electronic products (often dubbed virtual or e-products) or physical products. Physical products would of course be anything you would create and sell in a physical retail store, such as blankets, or even cookies. If you choose to sell a physical product online as part of your Internet business, but aren't set on exactly what you will sell, consider the following.

Do you have a famous chocolate chip cookie recipe that is the talk of the town? Then selling sets of a dozen cookies packed nicely in cello might be your Internet business product of choice. Got a line of collectible items you've been saving since childhood? You'd be surprised at how many people are just waiting for you to place it on sale! Just do an online search for you particular item and see how many websites are selling those items. The number of websites selling a particular item usually shows the public interest in the item. The only thing you'd have to focus on if you decide to sell an item that's already popular is how to get people to bypass the other sites for your! That is a secret we'll cover later when we talk about how to get customers.

Most people are well aware of the potential to sell anything hanging around the attic or basement from the widespread popularity of eBay®. Even if you don't want to go through the eBay® experience, but still want to sell your own products online, you can clean out your attic or basement (even your closet) and sell your old wares on your own website using PayPal or another merchant account which we'll discuss when we reveal the secret of how to make and receive payment online.

Enough about the physical products you can sell . . . let's talk about the abundance of e-products at your disposal. Have you noticed the popularity of eBooks? You may actually be reading the eBook version of The Best Kept Secrets of Internet Business. Well, eBooks are just one of the many electronic products you can sell in your Internet business. Do you know how to do something you think others would like to learn? Then create a fact sheet that explains this task and sell it as part of

your Internet business! You'd be surprised to know the people who have made thousands from one little fact sheet. As you'll see a little later, finding the perfect product is not the main ingredient to Internet business success. Finding huge numbers of the perfect customer for the product you choose is!

Are you skilled at using certain online applications? If so, you may be the right person to sell your skills online. For example, there are many people looking for others to help them create electronic presentations and perform other administrative tasks. You can create your website around an administrative business theme if that is your forte. Your product in this case would be the service you provide.

Finally, there are quick ways to create products even if you really don't have any. Yes, I know that sounds contradictory. But that's just the power of the Internet – other people's products can become your products!

Other People's Products

Even if you're not up to the challenge of creating your own products to sell, there are tons of products other people have created waiting for the next eager Internet business person to take up the mantle and run or better yet – sell!

This part of Internet marketing is generally referred to as affiliate marketing. It is very easy to find an affiliate's product(s) to market. You can often become an affiliate by signing up at the vendor's website using the "Affiliate" link. However, the most effective way of finding someone else's product to market is to join an affiliate network. An affiliate network contains a list of people and companies with products for you to market and sell. So in these cases you are basically the middle man who leads the buyer to the seller. There are many creative ways to do this and we'll discuss some of them when we discuss How to Find Your Customers Online.

How Affiliate Marketing Works



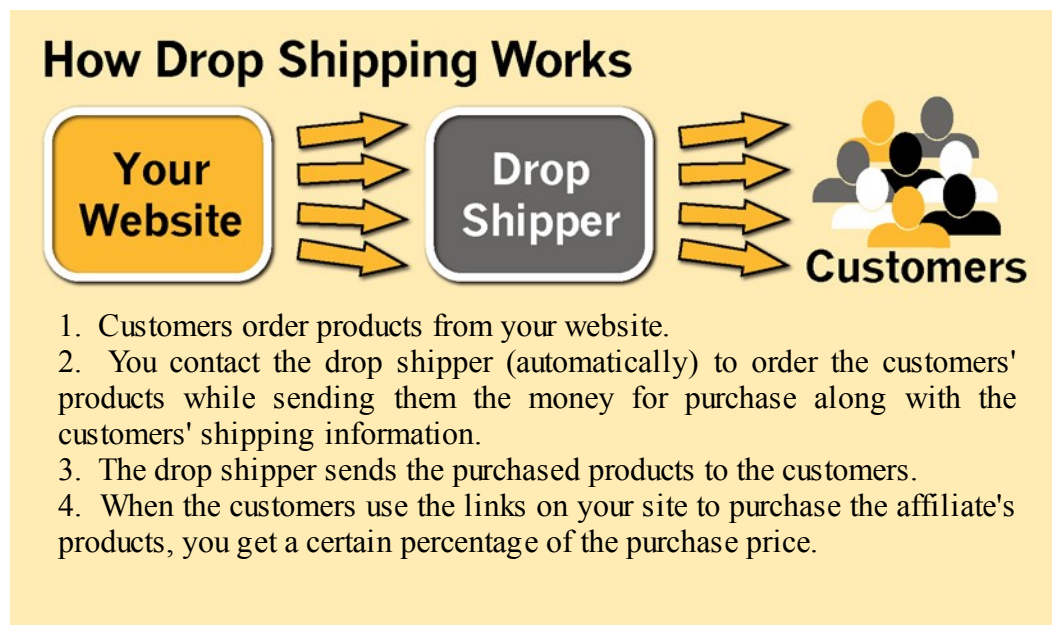
1. You are able to select the products you want to market from a wide variety of companies or what some networks call "producers."
2. You will then use your website to advertise the services and/or products offered by those companies.
3. You send customers to your website to view the products you have to offer.
4. When the customers use the links on your site to purchase the affiliate's products, you get a certain percentage of the purchase price.

Figure 1. Affiliate Marketing Flow

There are many affiliate networks available to you online. The hard part is finding the one you can trust. Micro Biz Coach only recommends Commission Junction, www.cj.com, and Click Bank, www.clickbank.com, at this time, but you are welcome to research others on your own and give us feedback from your experience.

Store Products

While some store products can be found in affiliate networks, others can be found through the process of “drop shipment.” Drop shipment releases you, the seller, from the responsibility of carrying inventory. So just as in the affiliate network concept, you are basically directing people to your website to make their purchases. Once they pay for the purchase using, you place the order with the ‘drop shipper’ make payment send them the customer’s address, and the drop shipper sends the customer the product.



In the drop shipment process, you are allowed to set your own price. However, when you are an affiliate, the product price is usually set by the merchant who is actually selling the product. Remember, when you are an affiliate, you are directing traffic to the merchant’s website; you are not the actual merchant. When you use a drop shipper to sell products, you become the merchant, the customer makes payment through your website and you pay the drop shipper for the merchandise or products.

Becoming your own merchant means you will be responsible for handling customer complaints, facilitating merchandise returns and all the other issues that result from selling products minus the responsibility of storing inventory. Again, the difficult part of working with a drop shipper is determining who is credible. At World Wide Brands, www.worldwidebrands.com, you can find a list of pre-qualified drop shippers. This is an excellent place to begin your search. (Please, remember to check our updated list of resources at www.microbizcoach.com/secrets .)

A Word about Google AdSense

Have you seen the phrase Google AdSense time and time again, but just didn't know what it was? Well AdSense is used to describe a technique that allows you to show other people's ads on your website. What is your product in this type of internet business? Your products in this case are the ads – other people's ads! You are just a conduit by which their perspective customers find them. Google displays their most profitable AdWords (see "How to Get and Keep Online Customers") ads on your related AdSense websites.

I'm sure we can all agree on how very smart the Google technology is. Well it is smart enough to sift through your website, determine the type of content you have online and find suitable ads for you to display. These 'suitable' ads are not only related to the content you have on your website, but they are also the ads that are likely to receive the most clicks. And you get paid each time someone is compelled to click on the ad! Can you say win-win?

Now that you know a little bit about Google AdSense, read about Google AdWords in "[How to Get and Keep Online Customers](#)." Then think about how to use the two of these strategies to build a powerful online presence. Send us an email at, secrets@microbizcoach.com, if you need a little help.

Seven - How to Receive Payment Online



If you are going to be a successful Internet business, you want to make sure you have a sure fire way of collecting payment online. While there are several options available, not all of them are good for every type of Internet business. It's important to know which online payment option is right for your specific Internet business.

First let's review some basics. In order to receive payment through your website, at the very least you are going to need a merchant account and a payment gateway. The merchant account is like your online bank account and is what allows you to accept credit card payments online. The payment gateway is the online version of the credit card machine you use to swipe your card at a physical retail

store. Then there's the PayPal factor which is not considered a merchant account but provides merchant services. And no one should have an online payment processor without addressing the issue of security!

Merchant Account and Payment Gateway

Some things to consider when shopping for a merchant account are the fees required and its compatibility with the payment gateway. This issue of compatibility will be explained shortly. While a monthly fee and a percentage of the product cost is generally required you can often get away with not having to pay a yearly fee and sometimes the setup fee is waived as well.

Some of the fees you should ask about that aren't often shared are the Non-Qualified Rate, the Chargeback Fee and the Early Termination Fee. Each time a credit card is processed, a certain percentage (usually between 2% and 2.5%) of the purchase price is charged to you by your merchant account in order to process the payment. This is usually the amount that can be charged for processing a standard credit card and is referred to as the Qualified Rate. However, all credit cards are not standard these days. For example, any debit card or rewards card can easily be categorized by the merchant as a non-standard card that receives a Mid-Qualified or a Non-Qualified Rate. You have to consult your merchant account of choice for their specific rules on this matter.

The Chargeback Fee occurs when for example, a customer denies making the online purchase. Oftentimes there is a certain amount of research that goes into trying to substantiate the charge was made intentionally by the customer. This fee can be \$25 or more per occurrence.

Early Termination Fee can be charged if you change merchant accounts before the contract has terminated. It's important to try to avoid any company requiring you to remain with them for more than 90 days. Why? Because, once you have used the service for at least 90 days, you have had enough time to see any misrepresentations that may occur in the cost you are incurring by using that particular merchant account provider. It is fairly easy to change merchant account providers unless you are under contract. Early Termination fees can run from hundreds to even one thousand dollars. For example, many merchant accounts require you to use their services for at least 90 days to avoid early termination fees.

There are several other fees that can be charged to you by your merchant account provider. So the best way to not be caught off guard by an unsuspecting charge is to have them email or fax you a list of all the fees for your review before you make a decision. For example, accepting certain credit cards can cost most than accepting others. Don't be afraid to cost compare these merchant accounts with

each other to negotiate the best deal.

The gateway is usually a different company than the merchant account provider, but you can usually apply for them at the same time when applying for the merchant account. There are separate monthly fees associated with the gateway as you may have guesses, but they should

PayPal™

PayPal™ is another popular way to process payments online. It requires no setup fee, but usually charges a higher percentage of the purchase price than you would pay in a merchant account. PayPal™ also does not have a monthly statement fee. It is very versatile in the ways it allows you to move money around online and contrary to what many people believe, you CAN accept credit cards if you decide to use PayPal™ to process your online payments.

A Word about Shopping Carts

For the sake of clarity and discussion, we will refer to your shopping cart as the part of the website that connects your customers to your products and allows them to select and purchase the products they desire. So the shopping cart doesn't have to be a separately purchased product unless you want added features.

With a little bit of patience, you can create a basic shopping cart for no initial payment. How about that? A shopping cart for no money down. However, once the transactions start to run (once you begin selling products), you'll likely have to give up a little bit of the profit. Whenever credit cards are processed, someone has to pay the credit card companies and even if credit cards are not accepted and PayPal™ or another payment processor is used, they will also charge for their services. However, the basic features of these services only require payment if you receive payment which makes it a kind of pay as you play process.

Steps to Creating Your Shopping Cart for Free!

1. Decide what product(s) you will sell online.
2. Determine your product(s) price, shipping & tax.
3. Place an image representing your product or a text link to your product on the webpage reserved for your online store.
4. Open a PayPal™ business account.
5. Go to PayPal™ Merchant Services
6. If you have one item to sell click the “Buy Now” link. If you have multiple items to sell, click the “Add to Cart” link.
7. Fill out the requested information for your product including shipping and tax details.
8. Click “Create Button Now.”
9. Copy the automatically generated HTML code. It is a good idea to keep this code in a Word document so you have a convenient place to look up the button codes for each of your products if necessary.
10. Go to the text or image you created in Step 3. Highlight that text and create a hyperlink using the HTML code you copied in Step 9.
11. Check your new link by using your HTML Editors preview feature or by visiting your site online.
12. Repeat the steps above for each product you want to add to your shopping cart.

Security

In order to make your potential customers feel safe enough to pay for items on your website, you need to provide them with the assurance that their personal credit card information will be processed in a secure manner. Some shopping cart packages will come with a secure processing feature called a Secure Socket Layer (SSL) Certificate. The SSL Certificate basically encodes the customer's credit card information so it is not recognizable as it travels through cyberspace. But others will not. So, it is always good to ask your shopping cart provider if you'll have to purchase your SSL Certificate separately in order to provide secure payment. PayPal™ has its own built-in SSL. So, you do not have to purchase a separate SSL if you are using PayPal™. Check www.microbizcoach/secrets for other shopping cart options that include SSL.

Now, shopping carts can do many more amazing things than just provide a way for your customers to purchase your product(s). You can send newsletters, autoresponders and even create affiliates with the powerful shopping carts available to you today. Have you noticed the store ad emails that periodically appear in your email inbox? Well those can be generated by an email communications package or by one of the several shopping cart packages that have the newsletter or autoresponder functionality. These tools are a great way to automatically stay in touch with your customers or potential customers.

Eight - How to Get and Keep Online Customers



An important component to having a successful online business is obtaining and keeping online customers. Sometimes this is the most challenging part of an Internet business as it can also be for a physical business. Customers, as you know, are the lifeline of your business. You have to have someone to purchase your products or services in order to have the finances to maintain a business. Now, with the power and utility of the Internet, almost any type of business can tap into the massive amount of customers available on the World Wide Web! If you can ship it there you can sell it there and if it's an electronic product, it can be downloaded there! So anyone in business should find great interest in any tips available on getting and keeping online customers.

There are several effective ways to get customers for your online business. All of them involve creating or tapping into a network of people who want to purchase your product(s) and/or service(s). Google™ AdWords and AdSense enable you to find customers in Google's network who may be interested in your product(s). Building partnerships with other online businesses allow you to take advantage of another business' or organization's network. Affiliate marketing also harnesses the buying power of your network and other people's network.

Google's Advertising Tools

Google has not become a mega stock for just being a minor player in the internet space. At the time of this book publication, Google is used more than any other search engine to perform online searches. With over 60% of the online searches done on Google, the type of traffic you can direct to your website when partnering with such a powerhouse is nothing short of phenomenal. That is, if you know the keys to grabbing this traffic without going broke!

If you are a big powerhouse yourself, you have tons of advertising dollars to spend on Google's advertising tools to reach plenty of potential customers. But if you are a small or micro business, you've got to be strategic in planning the best way to attract these customers to your site with your small advertising budget (or like many small businesses, with no real advertising budget at all!).

Google AdWords in essence allows you to purchase certain keywords or keyword phrases that someone doing a search on Google might enter to find goods and services related to your internet business. For example, if you are a graphic design company and you want to advertise online, you may purchase the keyword phrase "logo design." Then every time someone performs a search on Google using the keyword phrase "logo design," your site would appear on the right side of the web page under the "Sponsored Links" heading.

Now, just like websites vie for the top spots on the 'free' Google search results, they also vie for the top spots in the Google AdWords results. (For our sake of discussion, we are considering the 'free' Google search results those that appear on the main part of the page whenever a Google search occurs.) The big difference between these two types of results is we don't know the formula for one of them (the free one of course), however, the formula to rise to the top of the Google AdWords search results is merely to outbid your competitors for the keyword!

Each keyword or keyword phrase carries a certain predefined dollar value. You have to pay that amount of money each time a potential customer clicks on your ad that appears when the keyword is searched. So, you can see how quick a \$500 tab can rack up with a keyword that costs \$5 per click! That's only 100 clicks! With

millions of Google searches per day, a popular keyword could be searched 100 times in 1 hour!

So what's the key to a small business making Google AdWords work - be specific, very specific. For example, let's assume you are an online retail establishment that sells dropshipped electronics and you are trying to advertise Apple's MacBook computer. One of the first things you need to do is create a compelling ad. Remember, potential customers will perform a search and be shown different ads with their search results. However, in order to assure clicks on your ad, it will need to attract the attention of the person doing the search. That brings us to the most important part of using AdWords marketing - choosing the right keywords.

For the small and micro business it's especially important for you to get this part right. If you choose to purchase the keywords "Apple MacBook" how many more hits do you think you'll receive on your ad than if you choose to purchase the keywords "Apple MacBook Intel?" The second choice will more likely connect you with a more informed customer and as many of us know more informed customers are more likely to buy. Now, if you purchased the keywords "MacBook 2.2GHz Intel Core 2 Duo Black" you are likely to have an even more informed potential customer clicking on your ad.

Now, which keywords do you feel will be in the greatest demand, "Apple MacBook" or keywords "MacBook 2.2GHz Intel Core 2 Duo Black?" It's a very interesting search result. You should try doing the two searches on the Google search engine yourself one day. The more general term "Apple MacBook" is more popular and therefore likely to be more expensive to purchase.

One other trick to the AdWords trade is to slightly misspell a keyword. Have you ever thought of the fact that you haven't taken a spelling class since you've been of age and racked up hundreds of new technology driven vocabulary words? I mean who knows how to spell those things anyhow, not to mention the "typo-factor" that in the heat of a quick online search is likely to interfere with the spelling of words we thought we knew! Well lucky for you, the Internet business owner, misspelled AdWords often cost less of your hard earned money.

The key to taking advantage of web search traffic from misspelled words is to figure out the common misspellings. Now how do you figure out common misspellings you might say. Fortunately, there are all sorts of websites that provide this type of information - some for free some for pay. Visit our secrets page at www.microbizcoach.com/secrets for online links to web sources once only known by the experts!

With the previous tips given for AdSense is more intuitive. In this case you merely allow Google to display ads on your site. Using Google AdSense is a great way to make money online as we explain in "How to Find a Product to Sell Online."

However, in your quest to attract online customers, what we really want to do is get our ads displayed on the pages that use Google AdSense. Since the highest performing AdWords are chosen as AdSense candidates, your goal should be to create a high performing AdWord. In general, Google recommends the following when it comes to increasing your AdWords account performance:

- Choose keywords relevant to your site
- Use specific keywords
- Use keyword phrases versus single keywords
- Test and modify your AdWords campaign
- Make sure your website is setup to convert potential customers into paying customers!



Building Partnerships with Other Online Businesses

Building partnerships seems like a concept easy enough to grasp, but how do you go about identifying other online businesses or organizations to partner with? Then how do you convince them to partner with you – lil' ol' you? Finding a suitable online business to partner with can be as simple as figuring out what other business (or organization) has your customers. For example, if you have finally decided to sell you famous chocolate chip cookie online, you can just as easily approach companies who have other baked goods for sale and compel them to sell your famous cookies as well. This would go over a little better with a taste test of course! Similarly, if you are in the multi level marketing business (MLM) and have written a book or voiced a CD audio on how to succeed in MLM, assuming the material is generic and not specific to any one product, you can approach any MLM group leader about offering your product to their downline.

Another way to look at partnering with businesses or organizations is to think about how you might compliment another entities services or products. For example, instead of marketing your cookies to another baker, maybe market them in a beautifully presented package to an online gift shop! Instead of marketing your MLM book to another MLM company, market it to an online business bookstore! Even the mega online store giant Amazon.com used this strategy when opening up its online marketing system to small companies who didn't have the infrastructure or the large customer base for that matter. Just take a look at the product offering on Amazon.com and see all the different suppliers available. Notice they don't just do books anymore! As a matter of fact, you too can partner with Amazon.com. Take a look at our online resources for this chapter at www.microbizcoach.com/secrets to figure out how.

Affiliate Marketing

Affiliate marketing is one of the fastest ways small businesses are making a big impact on their bottom line. This type of advertising is based on marketing your product among those you are affiliated with. The reverse of this concept was covered in [How to Find Products to Sell Online](#). Just as they are affiliate networks created for you to choose among thousands of products to market and sell, there are affiliate networks available for you to choose among thousands of affiliates to sell your product(s).

Many of these affiliates make tens of thousands of dollars each month selling other people's products (and services) online. The amount of income created by these affiliate marketers speak to their ability to make a profit with your product so you don't have to! In other words, you leverage the buying power of the network they have created to your product and the other products they have chosen. This is a win-win relationship for small and micro Internet businesses – the affiliate marketers in many cases don't have a product but have customers (or ways of generating customers) and the company, you in this case, has sometimes plenty of products, but often not enough customers, from their own network, to meet their revenue goals. Several affiliate network resources can be found by viewing our online resources for this chapter at www.microbizcoach.com/secrets.

How to Keep Online Customers

Now that you've gone through all the trouble to find online customers, it's a good idea to focus on keeping them. Keeping an online customer is very much like keeping any other customer or like keeping a friend for that matter. You have to pay attention to them, not too much attention, but just the right amount of attention. Being online affords you some cost saving comforts that are not available outside of the Internet. For example, you can easily offer thousands of

customers a special deal on a new product at the click of a button. Along those same lines, but even easier, you can keep your customers up to date on news in your particular industry by creating an online blog or newsletter.

Offering a customer special deal is an age-old tactic that lets your customer know you value their patronage. The special deals can be offered via newsletter that is sent out periodically or by a simple email. I'm sure you're familiar with those emails that are sitting in your mailbox waiting on you each morning no sooner than your fingers hit the computer keyboard. Often these are product offerings from stores you've previously purchased from online.

Then there's what some might call the ol' "bait and reel" technique where you can offer your customers a free report on how to accomplish their most dreaded but ever needed task. The free report however, just contains the big steps to the puzzle while the details are in the book you can purchase for \$19.95! So you bait them with the free report and reel them in with their desire to know the details. After all, you do have to make money to keep your business afloat and be able to learn and categorize the information in a format others can use (That's actually a real skill!).

If you are giving the customer information they can use and appreciate, it is appropriate to make contact with them every other week. Some companies, as you well know from looking at your own email inbox, are gracious enough to contact you on a weekly basis concerning the products and services they are marketing. This is to be expected in the case of weekly airline deals for example that you've probably requested to be updated on. So if you can offer your customers a reason to hear from you weekly, and get them to look forward to your weekly communication you have actually moved two feet in the right direction. That is the ultimate goal. You want to make contact with your potential customers as often as they will delightfully allow because according to Advertising 101, you need to expose a customer to your brand at least 7 times before they'll consider you a 'legitimate' option for spending their money. So the sooner you can create that exposure for your potential customer, the sooner you may gain a paying customer.

Bonus - Free Internet Business Tools!

One of the best gifts you can receive as a small or micro business are free resources (including how to get free leads!). Because we want to do everything possible to ensure your success in the world of Internet business, we've searched long and hard to find the top 7 free resources as our gift to help you jumpstart or reignite your Internet business. Enjoy!

Get Free Software!

Our Choices for this Category: [Open Office](#)

Open source code will be your friend if you don't have, or don't want to spend, the cash it takes to get the popular computer software brands. For example, if you don't want to purchase Microsoft Office Suite you can search for OpenOffice.org and download your very own comparable – for all practical purposes – word processing, spreadsheet and presentation software. You can also get many other software products such as ecommerce development tools for website. Just use your favorite search engine and search the keywords "open source type of software you're looking for".

Get Free Business Cards!

Our Choices for this Category: [VistaPrint](#)

There are several companies offering free business cards. Most of the time these cards are given in exchange for you providing free advertising the company. The company printing the cards will include their name somewhere on your cards for free advertisement. This is not bad for the new business owner, but in order to look professional you may eventually want to pay for your business cards.

Get a Free Website!

Our Choice for this Category: [Freewebs](#)

If you opt for a free website for your business, don't forget to use the simple list of professional tips given in this book.

Get a Free Blog!

Our choices for this category: [WordPress](#) and [Blogstream](#)

There are several other free blog services available at the stroke of your key when you do a web search for "free blog." Since a blog is merely a website, the tips for creating a professional website can be used for blogs as well.

Get a Client Today!

Our Choices for this Category: [Craig's List](#) and [Elance](#)

If you're worried about how you'll get your first client, worry no longer. There are also other websites that list jobs people need done right away. You can search the keyword phrase "outsource projects" to find a variety of other companies

Find Money Online!

Our Choices for this Category: [Prosper](#) and [Virgin Money](#)

There are some reputable online sources that offer financing for businesses even if you don't have stellar credit. I would recommend viewing the Micro Biz Coach fact sheet, 3 Non-Traditional Ways to Finance Your Business for this information just to avoid many of the online money scams. Micro Biz Coach™ offers fact sheets with contact information for the free technology resources not specifically mentioned in this book.

Learn HTML Free!

Our Choice for this Category: [W3 Schools](#)

What can you do if you want to give your free website more functionality or if you want to start a web design business but do not have the skills? Search online for "free web tutorial." There are other reputable companies that will teach you the basics

Remember to view www.microbizcoach.com/secrets for the latest list of free Internet business resources.

Reference - A Practical Business Planning Guide

All types of businesses – especially Internet businesses - can benefit from a charted course of action. Most people call this a business plan. Call it what you will, it's a very efficient way to run a business. Instead of planning as you go, a good course of action means you have counted the cost, measured the benefits, considered different perspectives and created a strategy (even if a simple one) for developing your business. Now you can look at the plan and execute. When you run into a snag, you don't panic, but make the adjustments to the plan and continue to move forward. Sometimes a good plan can actually allow you to see the potholes in your business before you even begin. Your business in this case benefits from a preventative plan instead of a reactive plan. We all know how explosive reactive elements can be!

There are five components of a typical business plan. Below we will introduce you to each of these components, then give you some practical easy to understand questions that will help you complete a plan for your specific business. Oh! We have revealed yet another secret in this practical tool. While most business planning guides just give you the questions that need to be answered, Micro Biz Coach goes one step further and gives you the references you can use to answer the questions. We value tremendously the contribution of small and micro business to society and this is just another way we advocate for your success. Now go forth, plan your business, start your business, develop your business and for the sake of the meaning of business – Make Money!

Business Plan Components

The *Executive Summary* is the last of the 5 major components to be completed in your business plan. It is the first page of your business plan and is written to give a general concise idea of the plan itself. Since it is a summary of all the planning and thoughts you have about your business, we suggest you write it last once you've had a chance to think clearly through the other major components of your business.

The *Business Overview* should be the second section of your business plan. The first

section will be the *Executive Summary*, but you will actually write the *Executive Summary* last once you have thoroughly explored the other sections.

Your *Marketing Overview* section will come just after the *Business Overview* once you have a clear understanding of your business's industry, objectives, mission and available opportunities.

You should explain your *Organizational Overview* just after the *Marketing Overview* once you have a clear understanding of your business's market, its competitors, and how you plan to penetrate and sustain yourself in this market.

Documenting the *Financial Overview* should be the third section of your business plan. This section will come just after the *Organizational Overview* once you have a clearly identified your key personnel, compensation structure and organizational structure.

Business Overview

The *Business Overview* should be the second section of your business plan. The first section will be the *Executive Summary*, but you will actually write the *Executive Summary* last once you have thoroughly explored the other sections.

The components of the *Business Overview* are listed below with prompting questions for each component. The prompting questions are listed in a bullet point format to help you clearly develop the information needed for each area. (If you are working with a Micro Biz Coach™ consultant, the questions pertaining to your specific business may be in bold.)

Description

1. What type of business is this?
2. What industry does this business belong to?
3. How is the business organized (or how will it be organized)?
4. Is it an LLC, S Corporation, etc.?
5. Are there different divisions?
6. What are the products & services of this business?
7. Is there a niche market for the business's products & services?
8. Does the business own any patents, copyrights or trademarks for its products or services?
9. What is the location of the business? Is it in a physical location (e.g. store) or a virtual location (e.g. internet store)?
10. Does the business location offer any advantage over its competitors?

History (for established businesses only)

1. How long has the business been in operation?
2. Who is the owner? (Name, Relevant Experience, Relevant Education)
3. Are there characteristics of the owner's background that is an asset to this type of business?
4. How successful has the business been? Is the business profitable?

Objectives/Mission

1. What is the overall business goals and objectives? (Are you trying to teach someone something? Are you creating products for a particular cause? Will your products support a particular industry?)
2. What do you hope to accomplish with this business venture in the next year?
3. What do you hope to accomplish with this business venture in the next 5 years?
4. How will this business impact the consumer? Will this impact be local, regional and/or national?
5. How will this business impact its industry? Will this impact be local regional and/or national?

Strategic Overview

1. What opportunities are present right now that gives this business an advantage over its competitors? Is there a ready market? Are there key contacts ready to become involved?
2. Are there any external factors currently contributing to a 'boom' in this industry? (e.g. growth in the businesses that this business will support, growth in the population that this business will support)
3. Is there any particular experience or training that this business requires? If so, do you have this experience and/or training?
4. Is there any particular reason why this is a good business opportunity for YOU to start right now?

The references below can be used to help you more completely develop your answers to the questions above. Once you have completed the *Business Overview* section of your business plan, you will be ready to move on to the Organizational Overview section. Give yourself a timeline for completing each section.

Reference Material

- The Business Owner's Job Experience, Educational Background and Resume
- 1 – 3 Year Business Goals and Objectives
- US Industry & Trade Outlook

- Standard & Poor's Industry Surveys

Marketing Overview

The *Marketing Overview* should be the third section of your business plan. This section will come just after the *Business Overview* once you have a clear understanding of your business's industry, objectives, mission and available opportunities.

The components of the *Marketing Overview* are listed below with prompting questions for each component. The prompting questions are listed in a bullet point format to help you clearly develop the information needed for each area. (If you are working with a Micro Biz Coach™ consultant, the questions pertaining to your specific business may be in bold.)

Defining Your Market¹

1. Who is your market (or your target customer)? In other words, who do you expect to purchase your products or services? Is your customer an individual, business or both?
2. What are your target customers' buying habits?
3. What are the current and future trends of your products or services? Is it a growing market? What area of the country shows the most potential for growth? Is there an international market for your product or service? If so, tell why you believe there is an international market and describe who this market would consist of.
4. Identify any factors in your business's industry that may negatively or positively affect your bottom line. If the effect is negative, explain how your company will be protected from the turmoil.

Research the Competition²

1. Who is your competition? Find your top three competitors and note the following information: a. What are their products or services? b. What do they have in common with your products and/or services? c. What is their company philosophy? d. How are the products and/or services distributed?
2. What makes your company different from these competitors?
3. What are the strengths and weaknesses of your competitors? (Consider their products and/or services, their philosophy, distribution and location.)
4. What are the strengths and weaknesses of your company? (Consider your products and/or services, their philosophy, distribution and location.) How will you control or monitor your weaknesses so they don't give your competitors an advantage that could put you out of business?

Market Penetration³

1. How will you penetrate or break into this market and claim your share of the

- target customers? Will your price be different? Will your promotional strategy be different? Will your product have an edge over your competitors?
2. What percentage of the target customer should you be able to reach with this strategy? (Be sure to give a detailed explanation of how you came up with the figures for this section.)
 3. What is your 3 – 5 year growth projection? Will you penetrate new markets each year or will you focus on market penetration early then focus on developing those markets in the following years? What is the total amount of new markets you will pursue during this 3 – 5 year period?

Marketing Strategy⁴

1. How will you promote your business? What is the best type of advertising for your industry? Does your target market need to see the product and/or service or will it have more credibility being heard by word of mouth? What about radio?
2. Will you use the preferred ad method right away or wait until your business revenues increase to a certain amount?
3. What frequency is needed for the type of advertising you will choose? For example, 4 TV ads in a 7 day period or 2 30 second radio ads appearing at the same time every day for 3 consecutive weeks.
4. When is the best time to employ each strategy? For example, will the TV ads work better in the summer or fall? Will your advertising strategy be affected by different holidays?

The references below can be used to help you more completely develop your answers to the questions above. Once you have completed the Marketing Overview section of your business plan, you will be ready to move on to the Organizational Overview section. Give yourself a timeline for completing each section.

Reference Material (The number relates the reference material to the appropriate section above.)

- 1, 4 Lifestyle Market Analysis
- 1, 3 Household Spending: Who Spends How Much on What
- 1, 2 Google (or other internet search engine) searches
- 3 Your Own 5 Year Business Goals
- 4 Guerilla Marketing, Jay Conrad Levinson

Organizational Overview

The *Organizational Overview* should be the third section of your business plan. This section will come just after the *Marketing Overview* once you have a clear understanding of your business's market, its competitors, and how you plan to

penetrate and sustain yourself in this market.

The components of the *Organizational Overview* are listed below with prompting questions for each component. The prompting questions are listed in a bullet point format to help you clearly develop the information needed for each area. (If you are working with a Micro Biz Coach™ consultant, the questions pertaining to your specific business may be in bold.)

Organizational Management

1. In any organization, it is important to have and identify key management. It is no less important in your business. You will need to list key management and give the uniqueness each person brings to the business. A quick list of their background experiences that are relevant to the business will be expected.
2. List their responsibilities within the business and prepare to list their compensation later in the Financial Overview section.
3. Okay, let's take this one step further and think about whether you may need to add key management personnel later. Are there any changes you can anticipate in the business that would merit additions or even deletions in management?

Organizational Operations

1. A major part of organizing your business is defining how it will operate. For example, how will you hire your team? Will they be full time employees, part time employees, contractors?
2. Will you have external suppliers or will you outsource?
3. If so, how will you work with these external organizations? Have you researched best practices for your industry in order to find out how or if similar successful companies outsource?
4. How can you use technology to make your business processes more efficient? Will you need to outsource some technology needs or do you have sufficient skills in house?
5. How will you deliver products and or administer your services?
6. How will you handle the ebb & flow of your market from an operations point of view?
7. For example, do you have the key management personnel in place to handle a 50% increase in business production? Will you need to hire more employees to manufacture your product if the demand increases one hundred fold? What if production decreased by 50% during the winter months? Do you have procedures in place to reduce or re-tool employees and even management during this downturn?
8. And finally, is there any component of your operations strategy that offer your customers an advantage over your competitors?

Organizational Quality

1. How are you ensuring quality?
2. Do you have the appropriate insurance for your business?
3. In some businesses, being bonded and insured is more attractive to potential customers. Appropriate insurances is also appealing to potential investors!
4. Do you have a board of directors or some form of advisors to serve as your checks and balance for making important business decisions and creating strategy? The board of directors or group of advisors should have appropriate credentials and their purpose and positions should be clearly stated.

Most of the information needed for this section does not require reference books or manuals to locate. The information needed will come from interviews with prospective managements team from allowing the questions in this episode to provoke you towards clearer thought concerning these areas of business development.

Your challenge may be finding the right people to serve on your team. Here are some places to look:

- Past or current colleagues
- Past or current managers/bosses
- Friends with appropriate skills or connections
- Graduate students at a local college or university
- Professors at a local college or university

Financial Overview

The basics of this section are to help you determine:

1. How much money you'll need?
2. How much money you're actually making?
3. How to best use your financial resources
4. How you will pay your debts and investors.

Because the small and micro business model is a little different from a mid-level or larger business, we will not focus on all the components of financial statements only those that enable us to address the concerns noted above. Once you are managing these basic essentials of your business finances, you are encouraged to study the other aspects of financial accounting in more detail.

This section will, for some, be the most challenging, but with the introduction of a few basic financial principals you will be well on your way to a great financial foundation for your business.

Let's talk through the basic components needed for the Financial Section of your business plan. Because people generally find this section to be challenging, we have divided this lesson into two parts. In Part One we'll talk about the general components needed for the Financial Section and in Part Two we'll get into some of the specifics like creating a financial statement.

The first thing we need to understand before we begin creating the different financial statements is what our actual income is. I know this seems like such an easy question. And for those of you who are beyond this step humor me as I walk through the basics.

Financial Overview - Part One

Business Income

1. What are you getting paid for your products?
2. Do you also offer any services that you get paid for? Well these first two are rather obvious.
3. Have you made any loans? Receiving the loan would be cash flowing in while repayment of the loan would be cash flowing out of your business.
4. What about grants?
5. Okay, now let's get into the income people often forget to add.
6. What about investments? The interest, dividends and capital gains from these would be considered income.
7. Has your company invested in other companies that might be creating periodic cash flow? As a matter of fact some even forget that investment income is possible for businesses. It may prove to be a very good source of cash flow.
8. What about the interest from your savings account?
9. What about the sale of equipment that the business owns? The business could sell a piece of equipment (for example, office equipment, office furniture, manufacturing equipment, etc.) that is no longer being used. The net gain (The sales price minus the cost of the item) would be your income.

Business Expenses

1. An expense is anything you have to purchase in order to provide your customers with products and services. For example, if you build websites, your business would probably have to purchase the following for your customers.
2. Website hosting services (i.e. the cost of hosting your website on the web)
3. Your Time (or your web developers time) to create the site. This would be salaries and wages.
4. Any images you had to purchase to use on the site
5. Any applications you are using to create the site
6. The cost of your internet connection

Office supplies

Anything you purchase to run your business or company is an expense. For example, fax machine, paper, cell phones, computers and software. Some of these items may be required to be depreciated. So you may want to consult your accountant or the IRS for details of how to document their expense. For accountant referrals check our resources site at www.microbizcoach.com/secrets.

Leases

1. Company car leases
2. Office rent
3. Office Supplies or Furniture

Educational & Organizational Expenses

1. Books
2. Trade organization expenses
3. Trade magazines
4. Network organization expenses
5. Certification Tests
6. Licenses

Now that you know your income & expenses, let's discuss the basics of the format we can use to present our company's financial information.

Financial Overview - Part Two

Cash Flow Statement

The Cash Flow Statement will tell us how our company's cash is being used. For example, we can pay expenses with our cash or receive cash as income. Since our income can evolve from several different places and we often have several different types of expenses to pay, we want to further divide each of these sections into 3 subsections: Operations, Financing & Investing. In other words, for both the income and expense categories we will have subsections based on operations, financing and investing.

Whenever we are explaining our company's finances to banks or potential investors we have to be very clear so there is no misunderstanding of where the money is coming from or where it is going. The 3 separate subsections help us to be very clear.

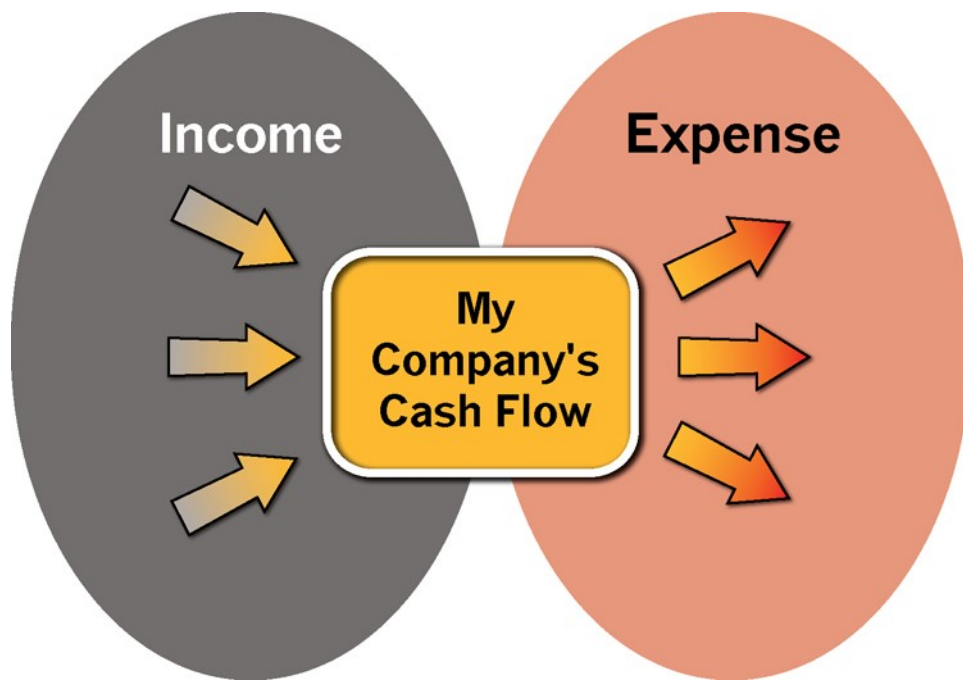


Figure 2. Illustration of How Money Flows in a Company

So how do we determine which numbers go into which category? We'll let's take them one at a time beginning with income. What are the different areas of our business that generate cash flow? Selling our products or services, loan or grant income, investment income, money from equipment sales, and money from selling stocks are all forms of cash flow. How can we classify each of these types of cash flow into our 3 categories?

We should first define the subsections a little closer. Operations income would include any income related to operating our business. For example, part of operating our business is selling merchandise. So income from product sales would go in the Operations subsection. Income from the services you provide would also be in this subsection as well.

Finance income would encompass all income that is a result of any type of financing done by the company. For example, if you have received or will receive any loans to finance company start-up up or special projects. When you receive this loan it should be included as income under the Financing subsection. How would you categorize loan money received to pay for business operations? Any type of proceeds that is financed should be considered financing proceeds. Remember, this income is not received as a result of company operations but in order to support company operations. In general, if you have not financed any loans or have not received any grants, you will have no entries in this section.

Investment income is fairly easy to detect as well. It would be income resulting from any investments your company has made. Let's quickly categorize investments. For example, you may be opening your first barber shop. However, instead of renting a small space in a strip mall, you are able to purchase a strip mall and rent out spaces to other businesses. The income you receive from your tenants will be documented in your Cash Flow Statement under the Investment subsection. Now, if you are also receiving money from others in your part of the building (for example "booth" rent from a second barber in your shop), that money would be considered operations income since it is part of what is received from operating your barber business. The other tenants are not needed to operate your shop.

Also, a company is able to purchase stocks and bonds, which would be in this category as well. However, because of tax and legal ramifications, we would advise you to talk with your accountant and attorney before purchasing investments in your business name. In general, if you have not made any investments, you will have no income to document in this section.

Ask yourself the following questions to determine whether the income is from Operations, Financing or Investing.

- Did this money come as a result of company operations?
- Did this money come as a result of some type of financing?
- Did this money come as a result of some type of investment your company has made?

Now that we've discussed cash flowing into your business, let's talk about the cash flowing out of your business for these same categories.

Since we know Operations income comes from any money generated from running our business, Operations Expense can come from any money used to purchase items used to operate our business. For example, if you have a lawn service, your lawn mower and the gas to power it will be operating expenses. Additionally, if you have an online store front, your web hosting costs will be part of your operating expense.

Similarly, we understand our Finance Income as the money we receive from any grants, loans or if you're lucky, gifts, you have or will receive for the business. Then our Financial Expenses will among other things include the periodic loan repayment amount as well as the dividends or percentage returns agreed upon in return for the loan of investment funds. Financing expenses will be very interesting to your investors because it gives them a good idea of how they will be repaid.

Finally, if your Investment Income comes from investments, your Investment

Expenses will be the money you spend to make these investments. For example, if your company invests in stocks, which some companies do, your brokerage fees will be part of your Investment Expenses. Even more basic than that, if you've bought that strip mall to lease space, that purchase is part of your investment expenses.

Now, you should have a nice basic idea of how to create a Cash Flow Statement. For the purposes of a micro business or even a small start up, this financial sheet should be enough to start with; however, you do want to include some simple forecasts of your cash flow to minimize surprises of future spikes in your company's cash flow. It's very much like keeping a personal budget. If you don't have a budget, it's hard to discipline yourself to place some of your income in savings because you can't see that you won't have enough money to get your yearly maintenance done on the car because you only have \$5 left after paying all your bills. The reason you didn't know you'd only have \$5 left is because gas used to be \$2.50/gallon or \$5.50/liter not \$3.50/gallon or \$6.50 liter!

Factors Affecting Cash Flow	Example
Increase in cost of Raw Materials	For example, if you are a carpenter and the cost of wood goes up, you're expense increases.
Increase in Cost of Gas	If you transport passengers in your daycare business, when the cost of gas goes up your expenses increase.
Increase in Need for Nurses	If the need for nurses is expected to increase and the number of people to fill these positions will not meet the demand, you can increase your income.

Table 2. Examples of Factors Affecting Cash Flow

Important things to remember as you complete your Cash Flow Statement:

Keep a running forecast over a period of time. For example, in most cases it is appropriate to keep a monthly total of income and expenses forecast out 1 year. For complete business planning purposes, it is suggested that you keep quarterly totals projected out 3 to 5 years.

This projection should be adjusted with the ebb and flows of your industry, any seasonal changes and with other factors that may affect your business income and expenses in the years ahead. The more you track your current income and expenses the more accurate your projections will be.

Make simple projections. When making projections or forecasting ahead, it is important to keep in mind the anticipated growth of your business. For example, if right now you are planning to work part time in your business until you can generate enough cash flow to work full time, you have to allow for a couple of changes once your cash flow increases. The first change will be the change in expenses. If you will change to full time status you may be given a pay increase. You would also expect the increase in work time to bring in more revenue. So at that point you are affecting the Operations cash flow in the areas of income and expense. What other factors can cause an increase or decrease in your business income and expenses?

Cash Flow Projections

Now you have some examples of what might cause future changes in the Cash Flow Statement (see Table 2), but how can you 'predict' the increase in raw material or gas and who will tell you about the increasing need for nurses, as described in the Table 2 Example? At this point you will need some good internet search skills or a good business librarian. If you live close to or have access to a university business librarian, make that your first option of searching for this information. Tell the librarian you are looking for information that gives a prediction about any future changes in the childcare industry for example if you are opening a day care.

If you will pursue your search online, check your country's department of labor website. If you are a United States company or will be doing business with the United States, you will reference www.dol.gov. Some of the forecasting information can be found at www.bls.gov/oco/home.htm. If you want to be more sophisticated, you can visit some of the finance websites (e.g. yahoo finance) and look at the market trends for a company in the stock market that is similar to yours. And of course there are a host of services you can pay to handle this analysis for you, but those services are not generally recommended for the micro business owner operating on little cash flow.

Income	Start-Up	June	July	Aug	Sept	Total
<i>Operations Income</i>						
Start Up Grant	\$10000					\$10000
Investor Contribution	\$10000					\$10000
Internet Sales Income		\$1000	\$2000	\$3000	\$4000	\$10000
<i>Financing</i>						
(No Loans)						
<i>Investment</i>						
N/A						
Total Income	\$20000	\$1000	\$2000	\$3000	\$4000	\$30000
Expenses						
<i>Operations</i>						
Web Hosting Services		\$100	\$100	\$100	\$100	\$400
Initial Website Development & Design	\$10000					
Website Maintenance		\$500	\$500	\$500	\$500	\$2000
Salaries		\$1000	\$1000	\$1000	\$1000	\$4000
<i>Financing</i>						
Investor Repayment		\$200	\$400	\$600	\$800	\$2000
<i>Investment</i>						
<i>Computer</i>	\$1300					
Total Expenses	\$11300	\$1800	\$2000	\$2200	\$2300	\$7400
Cash Balance	\$9700	-\$800	\$0	\$800	\$1700	\$22600

Table 3. A Basic Cash Flow Statement

Putting It All Together

Refer to the cash flow statement in Table 3. As you can see we have two major categories: income and expenses. Each major category has three subsections: Operations, Financing and Investment. Right away you can see that not every category will apply to every business. This is important to know as you find other Cash Flow Statements on the internet and in other places. That's why you need to understand the different categories and what they mean. This understanding allows you to include the components relevant to your business.

Executive Summary

The Executive Summary is the last of the 5 major components of a business plan. It is the first page of your business plan and is written to give a general concise idea of the plan itself. Since it is a summary of all the planning and thoughts you have about your business, we suggest you write it last once you've had a chance to think clearly through the other major components of your business.

The components of the Executive Summary are listed below with prompting questions to help you create a concise yet compelling summary. This summary of your business plan should give a clear suggestion of your business goals, marketing strategy, management and financials. You should not go into the details of these areas in this section; however, the reader should have a good feeling about the stability and opportunity of your business. In other words, the Executive Summary should be presented in a way to make the reader want to turn the page and take a look at the details.

Length

This component of your business plan should be anywhere from 1 paragraph to 1 page. More than 1 page is not usually recommended for micro businesses although some small and larger businesses may have more.

Business Summary

In four sentences or less, give your business idea. Use the questions below to write these sentences.

1. What type of business are you starting? (Veteran businesses answer: What type of business do you have?)
2. What industry does this business belong to?
3. What are the specific products and services you will offer?

Marketing Strategy

In four sentences or less, give your marketing strategy. Use the questions below to write these sentences.

1. How does this business stand out from the competition?
2. Explain what you believe to be the most effective marketing strategy for your businesses and give what you believe the impact of this marketing will be on your business.
3. Give some research or actual data that supports the marketing strategy you mentioned above.

Organizational Overview

In four sentences or less, give a concise overview of your organizational structure. Use the questions below to write these sentences.

1. Who are your key management personnel or strategic partners?
2. Explain briefly how these people, companies or organizations will work with your business.
3. Explain how these people, companies or organizations will add value to your business.

Finance Summary

In four sentences or less, give a concise overview of your projected (and current if applicable) business finances. Use the questions below to write these sentences.

1. Are you requesting money for this business venture? If so, how much are you requesting? If not, how do you plan to fund the business?
2. What will you do with the money? Use the different categories of your Cash Flow Statement to tell how the money might be used.
3. How do you plan to make the money back?
4. How much do you project being able to make in the first 3 to 5 years?

That's it! No Summary needed for the Summary.

Reference Material

The completed previous four sections of your business plan is the only reference material required for this section.

Now What?

We have given you the tricks of the trade for how to develop an Internet business and even of how to use the Internet to develop a brick and mortar (non-Internet) business. Now we pass the baton to you. You are the special ingredient that propels the business to the heights and depths of your desire.

Don't forget to refer to the more detailed locations of the secrets mentioned within these pages. Additionally, send us an email at secrets@microbizcoach.com, if you have further questions or need a little help moving forward in your business.

Now go forth, plan your business, start your business, develop your business and for the sake of the meaning of business – **Make Money!**



Figure 3. Micro Biz Coach Internet Business Methodology