

## 1

### Start An Online Business

7

Preparing Yourself	8
Is It right For You?	10
A Little Help From A Friend	12
Why Start A Business?	14
Carving Out A Niche	16
Defining Your USPs	17
Good Times, Bad Times	18
Knowing Your Skills	19
Understanding Business	20
External Help And Advice	24
Chapter Summary	26

## 2

### Business Planning & Finance

27

Business Planning	28
The Why? And The How?	30
Competitive Analysis	32
Exit Strategy	33
Financial Documents	34
Registering Your Business	36
Legal Structures	38
Choosing A Company Name	40
Social Enterprise	41
Financing Your Business	42
Friends & Family	44
Banks	46
Grants	48
Projecting Income	50
Business Angels & VCs	52
Projecting Expenditure	54
Presenting Numbers	56
Fundraising Is Tough...	58
Chapter Summary	60

# 3

## Setting Up Online

61

Getting Online	62
Choosing A Partner	64
Secure Sockets Layer (SSL)	68
Payment Solutions	70
Alternative Payment Types	72
Managing Content	73
Managing Images	74
The Order Pipeline	76
Brand Management	78
Online Business Essentials	80
Chapter Summary	82

# 4

## Monetizing Your Site

83

Selling Online	84
Pricing Strategy	85
Membership/Subscriptions	86
AdSense/Display Advertising	88
A Balancing Act	90
Affiliation (As A Publisher)	92
Affiliate Networks	94
Product Feeds	96
Become An Authority	98
Chapter Summary	100

# 5

## Supply Chain

101

Buying Local	102
Buying From Further Afield	103
Suppliers	104
Placing Your First Order	105
Supplier Relations	106
Useful Tools & Gadgets	108
Stock & Storage	110
Picking & Packing	112
Delivery	114
Returns	116
Chapter Summary	118

**6****Marketing Your Online Business****119**

Offline Versus Online	120
Search Engines	122
Keywords... And Phrases	124
Search Engine Marketing	126
Buying Traffic	128
Affiliation (As Advertiser)	130
Vouchers And Coupons	132
Making Coupons Work	134
Cashback	135
Co-Registration	136
Rich Media & RSS Feeds	138
Social Media	140
Blogging	142
Forums	144
Targeting Print Media	146
Freebies & Promotion	148
Press Releases	150
Marketplaces	152
Chapter Summary	154

**7****Customer Relationship Management****155**

Delivering Good CRM	156
Respectability	158
Legal Pages	160
Tone Of Voice	162
Customer Services	164
Newsletters	166
Email Marketing	168
Data Capture	170
Email Tone & Content	172
Mystery Shopper	174
Focus Groups	176
Chapter Summary	178

# 8

## Useful Resources

179

Business Planning & Web Design	180
PPC & Viral Marketing	181
Venture Capital & Keywords	182
Affiliate Networks	183
Email Marketing	184
Social Media	185
About The Author	186

## Index

187

# 1

# Start An Online Business

*So you want to run your own online business?*

*This chapter will explore whether you've got the determination to succeed, help you assess in which areas you may need assistance and empower you to ask the right questions.*

- 8** Preparing Yourself
- 10** Is It right For You?
- 12** A Little Help From A Friend
- 14** Why Start A Business?
- 16** Carving Out A Niche
- 17** Defining Your USPs
- 18** Good Times, Bad Times
- 19** Knowing Your Skills
- 20** Understanding Business
- 24** External Help And Advice
- 26** Chapter Summary

# Preparing Yourself

## It's So Easy...

The media loves to over-simplify online success stories and if you've watched the news or read a newspaper over the last fifteen years you'd be forgiven for thinking that all you need for a successful e-business is a garage, an internet connection, an idea and within a matter of months you'll be selling the business for millions or floating on the stock market...

It seldom works like this. Although you will need a place to work (a garage is fine, or a kitchen table will do) an internet connection and an idea, a whole lot more goes into getting an online business off the ground and into profitability. There are numerous pitfalls to avoid and a lot of knowledge that you must gather and apply to ensure that your online business not only starts, but succeeds.

## Prepare For Success

*Start an Online Business In Easy Steps* will show you how you can be one of the success stories rather than one of the statistics. How you can get your idea to market quickly, which features your website should include and how to market your website effectively. Whether you're intent on working full-time on your business from day one, or whether you're looking to improve your work/life balance and secure a second income, this book will walk you through the steps to creating and running a sustainable and profitable online business.



### Beware

Planning a business is hard work – be prepared for late nights and frustration.

The key to a successful online business is a clear, straightforward plan, a determined entrepreneur at the helm and a dogged determination to succeed. If the answer's so simple, why is there any need to read on? Well, paradoxically building a successful online business that is both clear and straightforward is difficult and fraught with problems. Not in terms of coding or development issues; but because we like to believe that everyone thinks like we do. They don't.

Your online business needs to appeal to customers and clients possibly from a whole variety of countries, age groups and social demographics. If you're venturing into retail, then you will also need to appeal to your potential suppliers and manufacturers.

...cont'd

Whatever your online business, you need to stand above the competition and give your website users a very good reason to become consumers. It doesn't stop there; once they've bought from you or used your services once, you need to get them back again and again and for them to tell their friends all about you...



Don't forget



Life is all about learning. The resources listed in Chapter 8 are there to help you.

### Using This Book

So how do you use this book? Well, you won't go far wrong reading it from cover to cover. Alternatively you can dip in and dip out depending on which stage you are at with your online business, it really doesn't matter. The structured approach contained within is there to guide you through to online business success. Even if your budget is modest, implementing just a handful of concepts from this book will improve your online business and will help you realize your ambitions.

**Good luck on your new, exciting adventure!**

## Is It Right For You?

Who can start an online business? The simple answer is anyone.

This book is intended for entrepreneurs, employees, employers, mums, dads, students, existing website owners, in fact anyone interested in starting a business online no matter what their level of experience. It is for the non-techie who wants to be involved with every facet of setting up and running their own e-business – this book will show you how to research, prepare and run your own online business and will also give you the tools and the confidence to be able to explain to other staff members, clients, potential suppliers and of course customers, about what your online business is, and what it can do for them.

### Hot tip



No matter what your background, with the right tools, you can succeed.



### Beware



Starting an online business is not *easier* than an offline business – it's just different.

Starting an online business is by no means easier than starting a regular offline business – it still has to be well planned, it will require some funding to get you off the ground and it definitely requires hard work and determination. However, the beauty of launching online is the immediacy of your proposition being brought to market, your potential reach and access to an audience of millions all around the world. A fully functioning, all singing all dancing fully-transactional website will cost money, but nothing compared to trying to set up one or more retail units or establishing a fully-functioning comfortable office in a city-center location.

## ...cont'd

### Online versus Offline:

- Relatively inexpensive to create and maintain an online presence
- Opportunity to attract a worldwide or geographically targeted audience
- Easy to give the appearance of being well-established, even if you're a new business
- Possible to compete with larger players through a clever online marketing strategy

Although there are a raft of formal qualifications available in business administration and these courses are without doubt valuable, they are not a pre-requisite to business success. Successful business owners share two things in common, the desire to succeed and the determination to turn their dream into reality.

Regardless of your socioeconomic background, your work experience, your education or your current knowledge of the online marketplace, if you have the desire and determination, you can run your own successful online business.

Don't forget



With a great design and fantastic content, it's easy to look well established.



# A Little Help From A Friend...

## Starting A Business With A Friend, Colleague Or Partner

Many hands make light work, so the phrase goes and it's true, having another person on board will reduce your individual workload and provide both of you with additional input, ideas, inspiration and energy.

The Positives:

- Having worked with a colleague or former colleague before, you know each other's strengths, weaknesses, skills and work ethic
- Running a business can impact the time you have to spend with your partner and family – if you're both involved you're able to enjoy time together, even though it's work
- With friends, colleagues or your partner, you have trust in each other – vitally important for the challenges you will face when running your business
- Complementing your own skills with those of a friend, colleague or partner can complete the skill sets you require to launch and run a business without having to hire externally

### Beware



Just because you get on well as friends, doesn't mean you will get on well as colleagues.



## ...cont'd

Don't mix business with pleasure, so the phrase goes, and it's important to stress that although you might have a great personal relationship, this doesn't always transfer seamlessly into the business environment – even with colleagues who you may have spent many hours with; when it's your own venture, it's a different animal.

The Negatives:

- Problems with the business can affect your relationship with these people
- If the business fails, so too could the relationship
- Business problems will affect your personal relationship and vice versa – it's impossible to completely separate the two
- Personal commitments or enthusiasm for the business can change with time, those changes may not always be compatible.



If you do decide to run a business with a friend, family member partner or former colleague, formalize the business relationship from the start – list the responsibilities, investment requirements, the split of ownership, remuneration levels and what happens if the business and/or the relationship should fail. It's not a pleasant experience, but just blind faith that everything will be fine, is dangerous for the business and for you as individuals.

Some of the most successful and highly visible online success stories happened through partnerships between friends, colleagues or couples. You can do it too – but tread carefully.

Don't forget



You can always invite a partner into the business once it's established.

# Why Start A Business?

## Why On Earth Would You Want To Start An Online Business?

Well, other than the potential financial returns, running an online business is hugely rewarding, and, once established it can offer you a plethora of additional benefits in addition to income. Many online businesses begin in the owner's home, significantly reducing travel time and cost. The time saved from not commuting plus a freedom to work the hours you choose, will also drastically improve your work/life balance. Working for yourself by definition puts you in charge of your own destiny. Creating something from scratch is tough, but launching your own venture is emotionally rewarding and instills a tremendous feeling of accomplishment. The path you are about to embark on will be a challenge, but if you've got the required determination, anything is possible.

### Hot tip



Choose one evening a week for non-work activities – and stick to it!

### Beware



The work/life balance comes with time. Initially it's going to be more work than rest!



...cont'd

## A Reality Check

If all you need is desire and determination, surely anyone can run a business? Not really, running your own online business is hard work. There's no way to gloss over this fact, and it would be naïve to believe that all that stands in your way of online business success is a matter of time.

Preparing, launching and running your online business will stretch your resolve. When things are going well, it's easy to be positive and to be optimistic about the future. But life and business isn't that straightforward, you're going to take knocks even during the business planning stage and it takes a certain character to be able to react to these situations and still find the determination to proceed.

Your relationships with friends and family will change, not least because of the time you will need to dedicate to the business. If you're running the business in addition to paid employment then all that leisure time you enjoyed in the evenings or weekends will now be spent hunched over a laptop or spreadsheets. If you're working on the business full time, then it really does mean full time – emails and calls will remain unanswered unless you're there to communicate. Running your own business is not 9-5, five days a week. Support from friends and family is essential to your business success and their understanding of your commitment and goals are essential.

Running a business means working to a budget, both professionally and personally. It's unlikely in the first few years of operations that you will be able to afford (the cost or the time) holidays, meals out, an extensive new wardrobe or your usual monthly treats. Your new business will take over your life!

Still think that running your own online business is for you? Great, well let's get started.

Don't forget



Friends will be happy to support you – if you remember to ask!

## Hot tip



Your niche doesn't have to be original, it just has to be targeted.

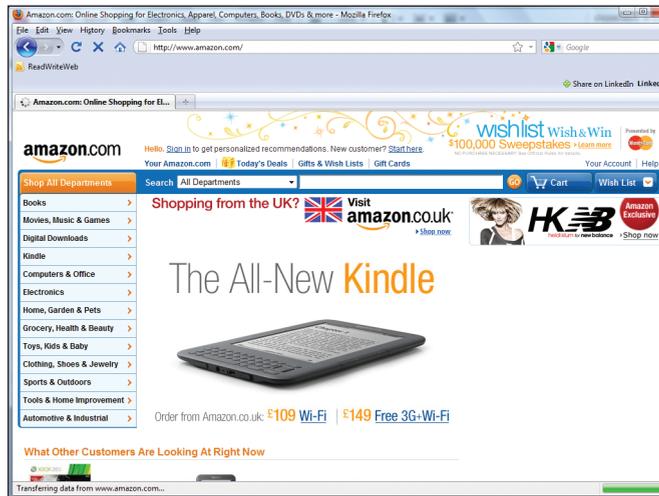
## Beware



One USP isn't enough – you need to appeal to customers on multiple levels.

## Carving Out A Niche

With the best will in the world, saying “I want to be the next Amazon” is not going to work. Amazon enjoys a huge market share, incredible buying power and offers a vast range of products and services across a number of verticals. It wasn't always that way. Amazon had to start somewhere and it started by selling books and only books. The behemoth you see now is the expansion of an online book retailer that became expert in analyzing a market, building supplier relations, investing in technology, processes and customer services and of course marketing. Only when the model was proven through books, was the company able to expand into new products and services.



Amazon filled a niche – and that niche was to offer customers the largest possible range of book titles (over 1 million at the time) which dwarfed even the largest physical bookstore offering some 100,000 titles.

What will ensure the success of your online business is your clear understanding and obsessive approach to the product or service niche you intend to dominate.

Less is more, and deciding upon a niche, empowers your entire business – the marketing, the positioning, the branding and the messaging to customers. Specializing in a specific product or service range, allows you to dominate – spread yourself too thin and your business will be a jack of all, master of none...

# Defining Your USPs

No business is truly unique the same way that no movie plot is truly original. What makes a successful movie is the unique combination of great script, cast, crew, market conditions and the right budget and marketing. It's the same for successful businesses. As a business owner, you will be providing services or products online. The same products or services are already available on the market. Your job is to sell or provide those products in a different way to all of the other competitors on the market. You will still need to get the basics right – great website, great sales and marketing, customer services and of course provide a quality product or service... but how you define your business as being different to all the others, and how you market those differences in the form of Unique Selling Points, is what will give your business the unique combination it needs for success.

- Faster or cheaper (or free!) shipping
- The most comprehensive product or service offering
- Specialist, industry recognized or expert knowledge in your field
- Fully qualified staff
- x-number of years' offline experience
- Generous/interest-free or innovative payment terms for clients
- Hand made or limited edition products
- Cheapest or most exclusive pricing
- Money-back guarantee
- Price match promise
- Invite-only membership/registration

Even if there are thousands of competitors selling the same or similar, even if they have been operating for a lot longer than you and even if they command larger marketing budgets, your business will gain customers if you can clearly identify the USPs that differentiate your business from the competition and help you carve your niche. Your USPs may not be immediately obvious to you, don't worry, this is all part of the business planning process.

Don't forget



Check out what the competition is offering – is there something you can do better?

# Good Times, Bad Times

## Is The Time Right?

The economy is both part of, and the cause of, a constant cycle which means there will always be 'good times' and 'bad times'. Current economic circumstances are trying indeed. Banks are being very cautious with their depleted cash reserves and for those of you looking for business loans there is simply less to go around. Risk averse lenders demand more security and will scrutinize business plans in more detail. This is not necessarily a bad thing – the additional pressure to work on your numbers until they are right can only help ensure you've planned your business well, have researched your market sufficiently and the bank agrees with you that your business has a reasonable chance of success.



### Beware



If you negotiate too hard, you run the risk of alienating potential suppliers – be firm but fair.

There is an argument that businesses started during an economic downturn are in a far stronger position to weather any future slumps and because they're built leaner and smarter, can capitalize on growth opportunities when things are on the up.

A depressed economy also means that any services or products you require to set up and run your business can be found more competitively priced; vendors will often enhance their service to win and retain your business and as cruel as it may sound, you can benefit from other failing businesses by buying up their liquidated stock, hiring their staff or picking up reasonably priced office and technical equipment to get your own business off the ground.

Is the time right? If you are planning to sell a product or service that customers need or want, yes it is.

# Knowing Your Skills...



Don't forget



Paying for outside assistance isn't a weakness – it's good business strategy.

We can all multi task and through experience, education and human nature we possess lots of skills that will help us to run an online business. But no one is an expert in all aspects and whatever your expertise, you will require additional assistance with the planning, development and deployment of your online business.

Knowing and understanding your skills, and more importantly recognizing the gaps in your knowledge is a sometimes painful self-assessment, but one which done correctly will reap rewards throughout your entrepreneurial experience.

Although it's critical for your cash flow, especially during the start up phase, to manage your costs; accepting your limitations and paying for expert help when necessary will not only get your project moving forward quickly, but will ensure that your project stands the best chance of success now and in the future. Just like with building a house, a solid business is built on solid foundations.

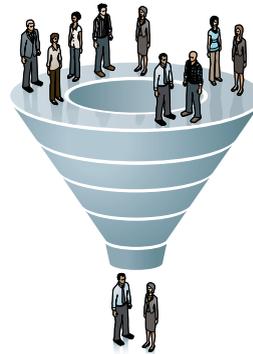
Being a successful business owner does not always mean doing everything yourself – in fact, being a successful business owner means knowing how and when to make the decision to 'do it yourself' or to 'manage internal/external resources'.

# Understanding Business

Let's look at the major functions of a business. Of course depending on the product or service you wish to provide online your focus and requirements will differ, but every business will require skills and elements of the following disciplines:

## Sales, Marketing & PR

Often lumped together, Sales, Marketing and PR are complex disciplines which must be deployed successfully for your business to succeed. As a service provider, finding prospects, communicating your offering and closing the sale are your business's chief concern. You may well be an accomplished accountant or insurance broker, but if you're shy, better with numbers than words or lack the necessary 'people skills' to close a deal, your business will not grow.



### Beware



Marketing your website is a huge task – you're probably going to need help.

If you're providing products or services to businesses or consumers, you're going to need to let your target audience know you exist through both on- and offline marketing strategies. Customers want information, prices, images of the products, guarantees that the product will arrive and it will work... If you're busy shipping products or dealing with customer service issues, who's managing your Google Adwords campaign, or copy writing a press release?

Analyze your strengths and weaknesses in Sales, Marketing and PR. Will you require additional assistance now or in the future? If so, research some of the services on offer from other companies and research the salaries being paid to staff in these disciplines and what sort of skills they could bring to your business. Keep notes, you're building up vital data to help with your business plan and financial projections.