



Appendix A Starting a Business Outline

- I. Entrepreneurship - Do you have what it takes?
 - A. Personal traits and characteristics (see appendix B)
 - B. Change and Transition
 - i. Lifestyle issues
 1. Status
 2. Identity
 3. Social network
 4. Support
 5. Feedback
 6. Time
 7. Balance
 8. Stress
 9. Accountability
 10. Family
 11. Lifestyle
 12. Health
 13. Risk security
 14. Finances
 15. Personal happiness
 16. Affect on others
 - a. Commitments
 - b. Obligations
 - ii. Determine which issues will be your greatest challenge
 - iii. What can you do to make the transition easier and faster
 1. Get personal finances in order
 - a. Safety net
 - b. 6 months of living expenses
 2. If working, lay groundwork while still employed
 - a. Don't breach confidences
 - b. Don't compromise your integrity
 - c. Don't affect your work performance
 - d. Don't pursue customers if business is in direct competition with your employer
 - e. Do as much as possible ahead of time
 - f. Don't burn bridges
 3. Changes you will experience
 - a. Much more time working
 - b. Long hours
 - c. Need for greater stamina
 - d. Sacrifices of leisure time and activities
 4. Make an assessment of time requirements up front – before committing to an idea
 - iv. Family Issues



1. Communicate First
 - a. Discuss potential conflicts
 - b. Tell what you will be doing
 - c. Why it's important to you
 - d. Paint an accurate picture of what life will be like
2. When conflict arises, try to narrow down the real source
3. Respect the Family's Time and Space
4. Telephone Wars
 - a. Separate business phone line is recommended
 - b. Develop of rules of use
 - c. Praise children when they behave while you are on the phone
 - d. Avoid answering phone when children are loud and screaming
5. Confidentiality – discuss with family what business is appropriate to share outside the home
6. How to Handle Friends and Neighbors
 - a. First determine what neighborhood restrictions may exist
 - b. Make it clear that during the day you are employed
7. How to Manage Your House, Your Family, and Your Business
 - a. Be sensitive to family needs
 - b. Maintain a schedule the family can depend on
 - c. Employ your children – treat like employee
 - i. No yelling
 - ii. Don't talk down
 - iii. Give them office space
 - d. Set boundaries
 - i. Establish working hours and stick to them
 - ii. Take a day off weekly just for family
 - e. Hold regular family meetings
 - i. Include children 4 and older
 - ii. Meet same night each week – no one can miss
 - iii. Make them fun
 1. Special dessert
 2. Pizza
 - iv. Each family member can bring up issues or problems to discuss
 - v. Children need to hear the problems and help with solutions and consequences



- vi. Keep a journal of subjects covered and pass the note-keeping around
 - f. Make sure clients are aware that you work from home and that you have children – eliminates the shock if they see or hear them
 - g. Never blame lateness or unavailability on children; instead, say you have/had an appointment
 - 8. Always set aside special time for your spouse/partner
 - C. Factors for success
 - i. Stay motivated
 - ii. Be flexible and take advantage of every opportunity
 - iii. Network everywhere and always
 - iv. Research the market in your local community
 - v. Do something for free and fill up your goodwill bank account
 - vi. Be confident and hang on to your self-esteem
 - vii. Do something you love
 - viii. Be informed about local tax and employment laws
 - ix. Learn to market yourself; tell people what you are doing
 - x. Manage your time wisely
 - D. Finding the Right Business For You
 - i. Must be something you really enjoy doing
 - ii. Service businesses are simplest to start
 - iii. Hobby businesses
 - 1. Primary motivation is an enjoyment of the business activity
 - 2. Advantages
 - a. Reputation for quality work helpful in building business good will
 - b. Already own much of required equipment and tools
 - c. Might be able to write off certain expenses related to the hobby
 - d. Can be content working part-time
 - e. Slowly build up to full-time – reduces the risk as you can continue your regular job
 - iv. Full-time businesses
 - 1. Planning is vital
 - 2. Set goals
 - 3. Create a plan to reach goals
 - 4. Analyze progress
 - v. Consulting businesses
 - vi. Sales businesses
 - vii. Clarifying Your Idea
 - 1. Build business around a solid idea that creates a competitive advantage by its uniqueness



2. Customers need a compelling reason to come to you and leave a competitor – lowest price isn't enough
 3. Leverage factors – new ways to serve customers
 - a. Do it faster
 - b. Customize it
 - c. High end it
 - d. Do it cheaper
 - e. Offer product updating
 - f. Do it better
- E. Business organization
- i. Telework
 - ii. Sole Proprietorship
 - iii. Corporation
 - iv. Partnership
- F. What's first
- i. Choosing a Great name
 1. Name needs to reflect you and your business
 2. How to pick
 - a. Says exactly what your business is
 - b. Include what business is going to do and the image you want to express
 - c. Tells people what you are offering
 - d. Expresses the benefits people will get
 - e. Don't be discouraged if someone already has your perfect name
 - f. DBA – file a “doing business as” form if required
 3. Tips
 - a. Be sure name is available
 - b. Catchy and memorable
 - c. Alliteration works well
 - d. Easy to spell and pronounce
 - e. Come up with 5 possibilities and get feedback
 - f. Hire someone to name it if you have the money
 - g. A totally unique name that has nothing to do with the business requires a lot of money to create a memory to brand this name.
 - h. A clever name may lose its appeal in future
 4. Trademark search
 - a. Nationwide notice of trademark ownership
 - b. Evidence of a presumption of ownership of name and/or symbol
 - c. U.S. Patent and Trademark Office – www.uspto.gov
 - d. Trademark you name if business is national or international



- i. Can be complicated
 - ii. Consult law firm that specializes in intellectual property law
 - 5. Be careful the name you choose is something you would be willing to sell in case that becomes an option in the future
 - ii. Licenses and Permits
 1. Make an appointment with management officer
 2. Meet with local tax and/or small business expert
 3. Check with Foreign Commercial Service
 4. Meet with American Chamber of Commerce
 - iii. Bank Accounts and Credit Cards
 - iv. Acquire Employee Identification Number (EIN) from IRS under following circumstances
 1. Business form other than sole proprietorship
 2. Keogh plan
 3. Need to withhold income tax
 4. Have employees
 5. Form SS4
 6. Use same EIN for all sole proprietorships
 7. New EIN needed if you buy a business or change the form of the business
- G. Creating Your Business Plan (for detailed outline see Appendix C)
 - i. Plan categories
 1. Core business
 2. Market
 3. Business vision
 4. Financial goals
 5. Investment requirements
 6. Labor needs
 7. Unique selling proposition
 8. Marketing plan
 9. Location
 10. Competitors
 - ii. Don'ts
 1. Make vague or unsubstantiated comments or claims
 2. Exaggerate growth or income claims
 3. Overcompensate your team or be greedy in allocating equity to investors
 4. Let your competition know of your plan
 5. Send a mass mailing of the plan to venture groups
- H. Market Research – must fulfill a market need, research your potential competition and the industry in general
 - i. Clarify Your Idea
 - ii. Direct Research
 1. Telemarketing



2. Direct Mail
3. Personal Interviews
- iii. Secondary Research
 1. Government Departments
 2. Public Libraries
 3. Local Chambers of Commerce
 4. University Business Departments
 5. Small Business Administration
 6. Trade Organizations and Associations
 7. Internet
 - a. Pick your industry
 - b. Make it more specific
 - i. www.inside.com – home of American demographics
 - ii. www.hoovers.com – worldwide company, industry and market intelligence
 - iii. www.marketresearch.com
 - iv. www.marketresearch.org.uk – international organizations
 - v. www.marketingpower.com
- iv. Magic Markets – 5 hottest consumer markets
 1. Parenting
 2. Plus Size
 3. Pets
 4. Hispanics
 5. Seniors
- v. Identify target audience or customer and determine best way to reach them
- vi. Potential markets
 1. A group, site, department or team within organization you work for
 2. The organization you work for as a whole
 3. Some other part of your organization
 4. Some previous organization you've worked for, in part or whole
 5. Industry that your present organization belongs to
 6. Your own profession or trade
 7. Your community
 8. Some group, community or organization you know about
 9. Individuals like you
 10. The mass market
- vii. Identify Unmet Needs
 1. Missing piece in pattern or sequence



2. Unrecognized opportunity (accompanies change)
 3. Underused resource
 4. Signal event – unexpected success or failure
 5. Unacknowledged change
 6. Impossible situation
 7. Nonexistent-but-needed service
 8. New or emerging problem
 9. Roadblock, a bottleneck, a shortage, a limitation, or a chronic weakness
 10. Interface between groups that have different values, languages, or outlooks
- I. Laws, Taxes and Insurance
- i. Legal Issues
 1. Zoning
 - a. Occupational License Department
 - b. Check with neighbors
 2. Licensing – contact Management Officer at mission for Business License Bureau information
 3. Name registration may be required
 4. Selecting a Lawyer
 - a. Be certain that you select someone who has logged considerable time with new businesses
 - b. A seasoned veteran can help you craft an approach that ensures that you are uncovering problems early and accumulating critical information necessary to lay the groundwork for a business that is both legal and well protected
 - c. Attorney can make judgments about product liability and environmental conformance
 - d. Before hiring, discuss specifics about the fee structure
 - e. Be clear about what you want and don't want
 - f. Agree on scope of work and estimate of dollar amount
 - g. Never accept a bill "for services rendered"
 - h. Be clear that you want attorney to be specific about cost of each service
 - i. How big is the firm – what are its specialties
 5. Guidelines for working with a lawyer
 - a. Be honest
 - b. Be early – don't wait until the issue gets out of hand
 - c. Be thrifty but not cheap
 - d. Be organized
 - e. Do work yourself



- f. Work with the paralegal
- 6. Is a lawyer necessary
 - a. Generic forms can be used
 - b. Upfront costs of a lawyer will be less than those for extricating your business from a legal conflict
 - c. When to use a lawyer
 - i. First set-up
 - ii. Partnership – agreement that includes exit strategy, responsibilities, etc
 - iii. Work-at-home franchises
 - iv. Contracts – when a written one is preferred
 - v. Intellectual Property protection
 - 1. Patents
 - 2. Copyrights
 - vi. Equipment leasing
 - vii. Buying or selling a business
 - viii. Real estate – zoning codes and apply for variance
 - ix. Estate planning
 - x. Collections and bankruptcy
 - xi. Filing a suit
 - xii. Taxes
- ii. Taxes
 - 1. Often home-based businesses are required to pay tax installments quarterly
 - 2. Tips
 - a. Maintain separate checking account
 - b. Maintain separate credit card
 - i. Deductible interest easier to determine
 - c. Computer accounting best or one-write system (carbon checks)
 - d. Reconcile checkbook monthly
 - e. Keep all receipts
 - f. Pay your taxes
 - 3. Sales Tax
 - a. Check with Management officer at mission for who to contact for tax information
 - b. If buying materials wholesale you may need a resale tax certificate
 - 4. Working with IRS
 - a. Workshops for small business owners; Small Business Tax Education Program (STEP)
 - b. *Tax Guide for Small Business* (Publication 334) Schedule C and Schedule C-EZ



- c. *Small Business Tax Workshop Workbook* (Publication 1066) takes the reader through various examples and case studies relevant to small business taxes, providing helpful examples of what the sometimes confusing IRS instructions really mean
5. Federal Taxes
- a. Sole Proprietor
 - i. Income tax on net profits
 - ii. Schedule C or C-EZ
 - iii. State your accounting method
 - iv. Show gross receipts
 - v. Cost of goods
 - vi. Figure gross income
 - vii. Itemize and subtract business expenses
 - viii. Expected to make profit within 3-5 years
 - ix. Estimated Tax – Publication 505:
Estimated Tax Payments
 - b. Partnerships
 - i. Similar to sole proprietorships – partners pay taxes on net profits
 - ii. Form 1065 – reports income or loss of partnership
 - iii. Schedule K-1 provides report of income or loss
 - iv. Each partner files on own 1040, Schedule E
 - v. May have to pay estimated tax for coming year
 - c. Corporations
 - i. Corporation taxed as an individual
 - 1. Corporate income tax on net profits – Form 1120
 - 2. Tax rate ranges from 15% - 35%
 - 3. Pay employers share of Social Security and Medicare
 - ii. S Corporations
 - 1. Profits go to shareholders who then pay tax on the income – Schedule K-1
 - iii. Limited Liability Companies – function like partnerships – Form 1065 with Schedule K-1 going to each owner
 - d. Business Income



- i. All money received as cash, check or charges
 - ii. Barter services also must be included
 - iii. Track inventory items – identify and value
 - e. Business Expenses
 - i. All expenses directly related to the business get subtracted from income revenue
 - 1. Use of home office (no expenses if USG leased or owned home)
 - a. Relevant part of home is used exclusively and regularly for business
 - b. Home is the principal place of business
 - c. Home is where you meet or deal with customers or clients in normal course of business
 - d. Partially deductible
 - i. Painting
 - ii. Repair roof
 - 2. Ability to deduct expenses related to business use of your home is limited by your gross income
 - 3. Car
 - 4. Utilities
 - 5. Depreciation
 - 6. Try to be reasonable
- 6. Record keeping
 - a. Separate your business finances from personal finances
 - b. Advantages of good record keeping
 - i. Financial data to help operate more efficiently
 - 1. identify all business assets, liabilities, income and expenses
 - 2. compare to appropriate industry averages
 - 3. pinpoint strong and weak phases of operations
 - ii. Preparation of current financial statements
 - 1. Income statement
 - 2. Cash flow projection



3. Aid in maintenance of good relation with banker
 4. Present complete picture of total business operation
 - iii. Necessary for preparation of complete and accurate tax documents
 - c. Keep copies of original documents
 - i. Invoices
 - ii. Bills
 - iii. Receipts
 1. Travel
 2. Transportation
 3. Entertainment
 4. Gift expenses
 - iv. Must have date, dollar amount and description of transaction
 - d. All listed property – vehicles, computers, video and stereo equipment, cell phones
 - e. Keep records
 - i. Tax returns – 3-7 years
 - ii. Employment records – four years
 - iii. Business assets for as long as you own the asset and three more years
 - iv. Publication 583 *Starting a Business and Keeping Records*
7. Selecting an Accountant
 - a. Vital to life of business, don't use Yellow Pages
 - b. Need someone with proven track record and endorsements from other business people
 - c. Determine what category of accounting you are in
 - i. Retailing
 - ii. Manufacturing
 - iii. Service
 - iv. Nonprofit organization
 - d. See if client base is made up of people looking for same service
 - e. Ask for references
 - i. Check them
 - ii. Ask about strengths and weaknesses
 - iii. Can accountant help you save money or make money
 - iv. How many clients has the accountant had in situations similar to yours
 - v. Check on timeliness
 - f. Ask about fees



- i. Hourly
 - ii. Flat rate
 - iii. Select on value received not price
 - g. Check for philosophical match
 - h. It is safe to use accountants who are not CPAs – knowledge and experience are what is important
 - i. Accountant will advise on how much cash you'll need to meet start-up and operating expenses for 1st year
 - 8. Resources
 - a. *Minding Her Own Business: The Self-Employed Woman's Guide to taxes and Recordkeeping* by Jan Zobel, E.A.
 - b. Tax Software
 - i. Turbo Tax www.intuit.com/turbotax/
 - ii. Kiplinger Tax Cut www.kiplinger.com/software/taxcut.htm
 - iii. Others – www.taxsites.com/software.html#prep
 - iii. Insurance
 - 1. Meet with several brokers and discuss business needs; also check with other home-business owners for insurance carriers
 - a. Health
 - i. Stick with spouse's coverage if possible
 - ii. Try professional organization/associations
 - iii. Disability often overlooked – important to financial security
 - iv. National Association of the Self-Employed offers health insurance through MEGA Life and Health Insurance
 - v. Castastrophic Health Insurance
 - b. Business property
 - i. Damage or loss to business equipment
 - ii. Damage or loss to inventory
 - iii. *Safeware* – computer insurance company – covers physical damage to hardware, software, printer, scanner
 - 1. Power surges
 - 2. Fire
 - 3. Accident
 - 4. Theft



- iv. Electronic data processing insurance – covers equipment and reconstruction of data
 - v. Overhead insurance – covers rent, salaries, utilities, insurance premiums and interest payments
 - c. Comprehensive general liability – an absolute
 - i. Covers you for personal injury damage suffered by visitors to property for business purposes
 - ii. Cost about \$500/year – shop around
 - iii. Special coverage to protect against claims of damages that result from rendering of services or sale of products – also covers cost of legal defense if sued
 - iv. Look for an association or guild that is related to our business – may offer insurance or know of providers
 - v. Listservs are another good source
 - vi. Umbrella Liability Insurance
 - d. Business interruption
 - i. Covers losses from an inability to conduct business due to fire, flood or disaster
 - e. Malpractice
 - f. Workers' compensation
 - g. Disability
 - h. Life
 - i. Life Insurance of Partnership – provides buyout money to survivor
 - i. Retirement
 - i. American Express's saving/retirement program
 - ii. IRAs for self-employed
 - iii. IRA-SEP for sole proprietors
 - j. Renter's Insurance endorsements
 - i. Covers business property
 - ii. Limited business liability
- 2. Phase your insurance coverage in as your business grows
- 3. For business start-up you may be able to add riders to existing policies
 - a. Floaters and endorsements to homeowners and/or auto policies



- b. One vehicle may be declared “business car” and its policy cover business activities
 - c. Health and life insurance are vital – increase amount as you grow
 4. Growth phase
 - a. As cash flow starts to increase separate policies for business property and general liability
 5. Long-term stability
 - a. Established and successful make long-term assessment of insurance needs
 6. If you need to save money, raise the deductible on insurance plans rather than lowering upper limits of your liability coverage
 7. Disaster recovery plan
 8. Safety deposit box – copies of key documents, backups of key electronic data, copy of disaster recovery plan
 9. Insurance related expenses are often the second highest expense incurred
 10. In most cases policy should guarantee asset replacement value
 11. Property coverage protects against all direct physical loss

J. Financing

i. Show me the Money

1. Accurately estimate the amount of money you need
2. 75% of start-up businesses are funded by money other than from banks
3. Start up money
 - a. One-time costs
 - i. Legal and accounting costs
 - ii. Licenses and permits
 - iii. Furniture and fixtures
 - iv. Decorating and remodeling costs
 - v. Initial inventory
 - vi. Security deposits
 - vii. Equipment purchases
 - viii. Supplies
 - ix. Payroll and owner’s draw until cash flow is positive
 - b. Working capital
 - i. Money needed to keep business going until you start to make a profit
 1. Debt payments



2. Inventory and replacement inventory
 3. Bills
 4. Advertising and marketing costs
 5. Office supplies, cleaning service
 6. Ongoing payroll
 - ii. Six months worth
 - iii. Keep overhead low
4. Business loans
 - a. SBA can help as it guarantees loans
 - b. The Four Cs
 - i. Character –
 1. Smaller bank; this is critical factor
 2. Determined by past credit history, payment history, letters of reference
 - ii. Capacity
 1. Cash flow statement most important document – bank can see borrower has the capacity to repay the loan
 - iii. Capital
 1. Is the dollar amount requested justified by supporting documentation
 2. The more you request, the more people will review your loan
 3. Smaller loans are easier to get
 - iv. Collateral
 1. Mortgage on real estate
 2. Inventory and accounts receivable
 3. Collateral makes it easier to obtain loan
 - v. Other loan options
 1. Accounts receivable financing
 2. Purchase order financing
 3. Fixed asset loans
 - vi. Angels
 1. Someone with extra money willing to take risk of new venture
 2. Give up a piece of pie
 3. Give up some control
 - vii. Prepare pitch
 1. A proposal that can be explained in 30 seconds



2. Intriguing, makes sense, short and powerful – motivate someone to meet with you
 3. Written components
 - a. Executive summary from business plan
 - b. Business plan
 - viii. Old Fashioned ways of financing
 1. Use your savings
 2. Tap your retirement
 3. Use your credit cards, but be careful of high interest rates
 4. Borrow from friends and family
 5. Find a cosigner
 6. Use home equity - risky
 - ii. How much you can afford to pay back each month
 1. Save on rent
 - a. Business incubator
 - b. Stay away from high profile locations
 - c. Start small
 - d. Home location
 2. Used fixtures and equipment
 3. Shelves must be stocked
 - a. Find suppliers who gives credit
 - b. One large supplier to supply large percentage of initial stock
 - c. Everything is negotiable
 - iii. Growing Your Business without Big Bucks
 1. Advertising
 - a. Find the right media source – the one most frequented by potential customers
 - b. Buy unused time or space
 - c. Advertise in less traditional media outlets or at odd times
 - d. Never agree to their going “rate card”
 - e. Get ad produced more cheaply
 - f. Use flyers
 - g. Use door hangers
 - h. Take out a classified ad
 - i. Tap into regional papers
 - j. Barter
 - k. Have visitors to your web site subscribe
 - l. Place an ad in an e-zine
 - m. Use CO-OP advertising
 - n. Track your ads
 2. Marketing



- a. Gift certificates
 - b. Brochures
 - c. Packaging
 - d. Coupons
 - e. Giveaways
 - f. Speeches
 - g. Articles
 - h. Word-of-mouth
 - i. Seminars
 - j. Donations
 - k. Samples
 - l. Press releases
 - m. Trade shows
 - i. Need a booth that attracts some attention
 - 1. Creative
 - 2. Use some time to plan
3. Web sites
- a. Offers product
 - b. Shopping cart
 - c. Take an order
 - d. Send to warehouse for fulfillment
 - i. Warehouse stocks product
 - ii. You become middleman
 - iii. Choose right warehouse service
 - iv. E-fulfillment.com
 - v. Fulfillmentplus.com
 - vi. Ifssolutions.com
 - vii. Weship4you.com
- K. Marketing plan
- i. Elements
 - 1. How big is the market
 - 2. Who will buy your product/service
 - 3. How you will get them to do it
 - 4. Discuss who competition is
 - 5. How you plan to make the customers switch to you
 - 6. Review assumptions along the way
 - ii. SWOT analysis
 - 1. Strengths
 - 2. Weaknesses
 - 3. Opportunities
 - 4. Threats
 - iii. Target market analysis
 - iv. Creating a Great Image
 - 1. Logo



- a. Check name availability before buying stationery
 - b. To register brand name – check state
 - c. Simple task – brief form and fee
 - i. May have to advertise notice of assumed name in newspaper
 - ii. Check on how long the name will be valid
 - iii. Check if registration needs to be renewed
 - d. Distinguishes your company, sets a tone, and fosters your image
 - e. Symbol, graphic image or both
 - f. Tells who you are and what you do
 - g. Don't use any copyrighted material in logo design – www.cooltext.com
2. 1st impressions are vital – the lens used to view your company forever
 3. Signs, business cards, letterhead, brochures, logo, office are often what provides the 1st impression
 4. A professional identity will help clients take you seriously
 5. Hire a professional if you can afford it
 - a. Graphic design student or sole proprietor
 6. Slogan
 - a. A good one should quickly and memorably convey the essence of your business
 - b. Brainstorm
 - i. 3 most distinguishing features of business
 - ii. 3 best benefits for customer
 - iii. Master list of your best features and benefits
 - iv. Narrow list to top 3 features or benefits
 - v. Incorporate those into different, short, quippy saying.
 - vi. Be creative, be wild – come up with 10 possibles
 - vii. Pick the best
- v. Marketing costs
 1. Inventory of marketing related products, promotions and sales plan and itemize the cost
 - a. Brochures, samples and other sales literature
 - i. Stationery
 1. Professionally printed



2. www.printglobe.com,
www.printingforless.com,
http://dir.yahoo.com/Business_and_Economy/Business_to_Business/Printing/;
3. Letterhead contents
 - a. Name
 - b. Logo
 - c. Address
 - d. Phone #
 - e. Fax #
 - f. Email address
 - g. Web address
- ii. Use same font and stock for stationery and business cards
 1. Business card
 - a. Keep it simple
 - b. Use logo
 - c. Legible
 - d. Include only most important, relevant info
 - e. To stand out
 - i. Use non-traditional size or shape
 - ii. Use a cartoon if appropriate
 - iii. Use colored paper
 - iv. Emboss your cards
 2. Web site
 - a. Home page explains what a business does and what web site is about
 - b. Keep it simple and easy to load
 - c. Business address and contact info should be easy to find
 - d. Features and benefits of working with you should be promised.
 - e. Offers that bring people back
 - i. Interactivity
 - ii. Members only areas



- iii. Content – good, arresting, useful, and timely
- f. For design
 - i. www.ahwebdesign.com
 - ii. www.bizland.com
 - iii. Yahoo! Store
 - iv. www.webyourbusiness.com
 - v. www.earthlink.net
 - vi. www.valueweb.net
 - vii. www.e-builders.net
- b. Public relations – “perception is reality”
- c. Promotional meetings and seminars
- d. Direct selling costs
- e. Packaging
- f. Trade shows
- g. Advertising
- h. Warranties or guarantees
- vi. Word of mouth is best advertisement and cheapest
- vii. Practice your sales pitch
- viii. Use your contacts
- ix. Carry Business Cards
 - 1. Well-designed
 - 2. Make into bookmarks or rolodex punched
 - 3. Ask family and friends to carry cards
- x. Successful Advertising Strategies
 - 1. Get some advertising training
 - 2. Buy everything wholesale
 - 3. Place small ads many times
 - 4. Know when and where to advertise
 - 5. Make it easy and profitable to respond
 - 6. Use multiple media and multiple ideas
 - 7. Select help carefully
- xi. Successful Marketing Strategies
 - 1. Formulate a strategy
 - a. Customers must be attracted and then convince that buying is in their best interest
 - 2. Low cost strategies
 - a. Do your own PR
 - b. Offer a seminar
 - c. Take part in trade shows
 - 3. Pricing Your Product or Service



- a. Perceived value of your product or service is the only factor that matters to customer
 - i. Cost-plus pricing – most ineffective as it disregards perceived value
 - ii. Value pricing – understanding the perceived value of product in customers' minds and pricing accordingly
 - 1. Loss leading – draw customers in on low-priced popular high volume product
 - 2. Volume discounts – lower unit price for volume customer
 - 3. Creaming – for non-price-sensitive customers – modify product cosmetics
 - 4. Bottom skimming
 - 5. Option pricing – like automobiles
 - 6. First-mover pricing – while you are the only game in town, price high, lower as competitors copy you
 - 7. Top line – small specialty retail boutiques in high-income areas use this
- b. Small businesses don't have economies of scale or enough market-share to justify high-volume, low-cost pricing.
- c. Low volume with high margins is always preferable to high volume with low margins. Pricing should be a critical plank in overall strategy platform
- d. Think through what value you are providing and make sure it's aligned with what customers want, then charge whatever the market will bear.

L. Promoting Your Business

- i. Network
 - 1. With other small business owners in non-competing businesses – promote each other
- ii. Distribute flyers
- iii. Create brochures –
 - 1. Picture the product
 - 2. Professional, informative and attractive
 - 3. Use in mailings or leave in appropriate areas
 - 4. Follow up with phone call
- iv. Use direct mail – follow-up call vital – persistence



- v. Write Articles
 - 1. Local newspapers
 - 2. Trade magazines
 - 3. Larger newspapers
 - 4. Informative and interesting
 - 5. Become the expert
 - 6. Always include small bio with info on business
 - 7. *Writing for Money* by Loriann Hoff Oberlin
- vi. Publish a newsletter
 - 1. Another way to establish self as expert
 - 2. Keeps name out there
 - 3. Must look professional and be fun and easy to read
 - 4. Make sure information given is valuable to reader
 - 5. Decide how often you will send newsletter and then stick to it
 - 6. Proof carefully – no mistakes
- vii. Press releases
 - 1. Make yourself newsworthy
 - 2. Reads just like a news article
 - 3. People more apt to read press releases than ads
 - 4. Once published make copies and send it to everyone on mailing list.
 - a. Adds to credibility
 - b. Reminds customers of your business
 - 5. Tips
 - a. Send on personal letterhead
 - b. Familiarize self with publications and match to ones with interests closely related
 - c. Cover letter only if announcing an event
 - d. Upbeat, clear photo of product or service in use
 - e. Know name of editor and spell correctly
 - f. Announce opening and send to business editor
 - g. Follow up with phone call – just offer a little reminder
 - h. Not a one-time thing. Any time you have something new happen in business, let the world know.
 - i. Get writing and photo guidelines for each publication
 - j. Needs to have some sort of human-interest aspect to it.
- viii. Press Kit
 - 1. Latest press release on personal letterhead
 - 2. Business card
 - 3. Black and white 5X7 publicity photo



4. Brochure
 5. Quotes from happy customers (well-known if possible)
 6. Newsletter
 7. Video of short clips of TV appearances
 8. Book
 9. Articles or features written about you
 10. Short self bio
 11. Publicity calendar if you are speaking
 - ix. Contact radio shows
 - x. Give out freebies
 - xi. Join business organizations
 - xii. Teach classes and speak to groups
 - xiii. Ask for referrals
 - xiv. Develop a web site
 - xv. Create a mailing list
 - xvi. Send thank-you cards
 - xvii. If you can afford it, hire expert help, maximize your marketing money
- M. Getting Online
- i. Register domain name
 - ii. Work with an accredited registrar
 1. Network solutions – www.networksolutions.com
 - iii. Cost around \$70 for first two years
 - iv. Price has been decreasing since 2000 when more companies began registering
 - v. Check out Department of Commerce's Inte.Nic website internic.net
 - vi. Online Advantages
 1. Get and share ideas – nationally or internationally and not competing with you
 2. Before starting check out competition by searching web sites that advertised products or services similar to ours
 - a. Prices
 - b. Target market
 3. Provides way to talk with other people in your shoes
 4. Online bill may be completely deductible
 - vii. Resources
 1. Bizy moms: <http://www.bizymoms.com>
 2. The Home-Based Working Mom (HBWM) <http://www.hbwm.com>
 3. Moms Network Exchange <http://www.momsnetwork.com>
 4. Work-at-Home Moms (WAHM) <http://www.wahm.com>



5. Cyberspace Field of Dreams
<http://www.fodreams.com/home.html>
 6. The Online Women's Business Center (co-sponsored by SBA) <http://www.onlinewbc.org>
 7. Voices of Women Online:
<http://www.voiceofwomen.com>
 8. Her Planet <http://www.herplanet.com/>
 9. Digital Women <http://www.digital-women.com/>
 10. Business Know-How
<http://www.businessknowhow.com>
 11. Idea Café <http://www.ideacafe.com>
 12. Smart Business Supersite <http://www.smartbiz.com>
- viii. Professional web designers
1. Designer needs to believe in the philosophy and message of your site
 2. Prices are comparable with other designers
 3. Trust the designer
 4. Network with other WAHMs on listservs and message boards and ask them for web designer referrals
 5. Ask for references and check them
 6. Check out the style of the designer not the number of sites designed
 7. Don't be rushed into selecting a designer
 8. Look for a designer who will go the extra mile for you – will talk about the future of your site and where you'd like to expand and change
- ix. Do it Yourself
1. Sample different programs to find the one you enjoy
 2. Find a free html editors to check site over
 3. AOLPress: <http://www.aolpress.com> – available to all Internet users
 4. Arachnophilia:
<http://www.arachnoid.com/arachnophilia/>
 5. WebWerx: <http://www.litewerx.dk/programs.html>
 6. Free-4-u:
<http://members.tripod.com/~asffreeware/htmls.html> - lists the free editors out there
 7. Clip Art
 - a. Less is more
 - b. Create a theme and stick to it
 - c. Be aware of the rules for each site you access
 - d. ArtToday: <http://www.arttoday.com> \$30 a year unlimited access to 750,000 graphics
 - e. Desktop Publishing.com:
<http://www.desktoppublishing.com>
 8. Choosing an ISP



- a. HyperMart (free business hosting):
<http://www.hypermart.net> – allows 10 megabytes of Web space and host your domain free. You will be required to carry its ads on all of your pages
- b. iVillage: http://auth.ivillage.com/cgi-bin/homepages/display_homepages_login.cgi - allows 5MB of web space. You cannot use your own domain name.