Introduction

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Y ou've been thinking about starting your own business, but until now, it's been just a dream. After all, you're a busy person. You have a full-time job, whether it's running your home or working outside your home. Or perhaps you've been through some life-changing event and are ready to take off in a new direction. Then the economy took a turn for the worse, and you were understandably reluctant to make a big career change.

Well, I have news for you: *Now* is the perfect time to turn your dream into reality by starting your own online business. Individuals just like you are making money and enriching their lives by operating businesses online. The clock and your location are no longer limiting factors. Small business owners can now work any time of the night or day in their spare bedrooms, local libraries, or neighborhood coffee shops. And there are new ways of making money online, such as starting a blog or starting a full-time business on eBay, which are becoming more viable all the time.

If you like the idea of being in business for yourself, but you don't have a particular product or service in mind at the moment, relax and keep yourself open for inspiration. Many different kinds of commercial enterprises can hit it big on the Internet. Among the entrepreneurs I interviewed for this book are a woman who sells her own insect repellent, a mapmaker, a woman who provides office services for the medical community, a housewife who sells sweetener and coffee on eBay, a sculptor and painter, a young man who started selling electronics online at age 16, and several folks who create Web pages for other businesses. With the help of this book, you can start a new endeavor and be in charge of your own cyberbusiness, too.

You Can Do It!

What's that? You say you wouldn't know a merchant account, profit-and-loss statement, or clickthrough advertising rate if it came up to you on the street and introduced itself? Don't worry: The Internet (and this book) level the playing field, so a novice has just as good a chance at succeeding as MBAs who love to throw around business terms at cocktail parties.

The Internet is pretty much an accepted part of the business landscape these days. Whether you've been in business for 20 years or 20 minutes, the keys to success are the same:

✔ **Having a good idea:** If you have something to sell that people have an appetite for, and if your competition is slim, your chances of success are hefty.

✔ **Working hard:** When you are your own boss, you can make yourself work harder than any of your former bosses ever could. But if you put in the effort and persist through the inevitable ups and downs, you will be a winner.

✔ **Preparing for success:** One of the most surprising and useful things I discovered from the online businesspeople that I interviewed was that if you believe that you will succeed, you probably will. Believe in yourself and proceed as though you're going to be successful. Together with your good ideas and hard work, your confidence will pay off.

If you're the cautious type who wants to test the waters before you launch your new business on the Internet, let this book lead you gently up the learning curve. After you're online, you can master techniques to improve your presence. This book includes helpful hints for doing market research and reworking your Web site until you get the success you want. Even if you aren't among the lucky small business owners who make a fortune by connecting to the Net, the odds are very good that you will make new friends, build your confidence, and have fun, too.

The Water's Still Fine

When I first started revising this new edition in the fall of 2004, I was excited to find that new business opportunities were springing up again after some lean years. eBay is booming. Other well-known Web-based service providers like Yahoo!, PayPal, and Amazon.com are enabling entrepreneurs to start up new businesses. Bloggers are taking the Internet by storm, and some are making a regular source of income from their online diaries. Google and Overture are making it easier than ever to gain advertising revenue.

As the Web becomes more of a way of life and broadband Internet connections become widespread, doing business online becomes more of a real possibility. Still, you may have reasonable concerns about the future of e-commerce for the very entrepreneurs this book seeks to help — individuals who are starting their first businesses on the Web. Your fears will quickly evaporate when you read this book's case studies of my friends and colleagues who do business online. They're either thriving or at least treading water, and they enthusiastically encourage others to jump right in — the water's fine.

This is still a great time to start an online business. People who are getting into e-commerce today have advantages over those who started out three or four years ago. Simply put, both consumers and businesses are smarter. "There are more experts in the field so that it is easier to make things happen," says Sarah-Lou Reekie, an online entrepreneur I profile in Chapter 13. "The world

is far more *au fait* and switched on to the Web. The percentage of people able to competently order is far higher. People aren't as nervous as they were to put through credit cards. After an amazingly short time, the Web has changed from an unknown and somewhat scary medium to something as easy as ABC for most users."

"I feel the best time to start an online business is when you are positioned to begin. I do not feel that there is an advantage/disadvantage to waiting for a 'better time' to start," says Mark Cramer, whose own online business and Web site are profiled in Bonus Chapter 1 on this book's Web site (located at `www.dummies.com/go/onlinebusinessfd`).

Where This Book Is Coming From

Online business isn't just for large corporations, or even just for small businesses that already have a storefront in the real world and simply want to supplement their marketability with a Web site.

The Internet is a perfect venue for individuals who want to start their own business, who like using computers, and who believe that cyberspace is the place to do it. You don't need much money to get started, after all. If you already have a computer and an Internet connection and can create your own Web pages (which this book will help you with), making the move to your own business Web site may cost only $100 or less. After you're online, the overhead is pretty reasonable, too: You may pay only $10 to $75 per month to a Web hosting service to keep your site online.

With each month that goes by, the number of Internet users increases exponentially. To be precise, in early 2004 Neilsen//NetRatings released data indicating that more than 74 percent of the U.S. population had access to the Internet at home. The Pew Internet & American Life Project reported that 39 percent of adults who surf the Internet do so with a broadband connection. We have now reached that critical mass where *most* people are using the Internet regularly for everyday shopping and other financial activities. The Internet is already becoming a powerhouse for small businesses.

So why wait to fall behind your competition? The goal of this book is to help you open your fledgling business on the Internet now. Let this book guide you through the following steps:

- Preparing a business plan, defining your target market, and setting goals
- Purchasing the hardware and software you need to run your business
- Making your Web pages content rich and interactive
- Reaching your customers through multiple marketplaces such as eBay, Yahoo!, Amazon.com, and your own Web site

> ✔ Marketing to customers around the world
> ✔ Creating a secure environment for shopping and receiving payments online
> ✔ Keeping your business records and observing legal requirements

How to Use This Book

Want to get an overview of the whole process of going online and be inspired by one man's online business success story? Zip ahead to Chapter 1. Want to find out how to accept credit card payments? Flip ahead to Chapter 12. Feel free to skip back and forth to chapters that interest you. I've made this book into an easy-to-use reference tool that you will be comfortable with, no matter what your level of experience with computers and networking. You don't have to scour each chapter methodically from beginning to end to find what you want. The Net doesn't work that way and neither does this book!

If you're just starting out and need to do some essential business planning, see Chapter 2. If you want to prepare a shopping list of business equipment, see Chapter 3. Chapters 4 through 10 are all about the essential aspects of creating and operating a successful online business, from organizing and marketing your Web site to providing effective online customer service and security. Later chapters get into advertising, legal issues, and accounting. The fun thing about being online is that continually improving and redoing your presentation is easy. So start where it suits you and come back later for more.

What This Book Assumes

This book assumes that you have never been in business before but that you're interested in setting up your own commercial site on the Internet. I also assume that you're familiar with the Internet, have been surfing for a while, and may even have put out some information of your own in the form of a home page.

It also assumes that you have or are ready to get the following:

> ✔ **A computer and a modem:** Don't worry, Chapter 2 explains exactly what hardware and software you need.
>
> ✔ **Instructions on how to think like a businessperson:** I spend a good amount of time in this book encouraging you to set goals, devise strategies to meet those goals, and do the sort of planning that successful businesspeople need to do.

✔ **Just enough technical know-how:** You don't have to do it all yourself. Plenty of entrepreneurs decide to partner with someone or hire an expert to perform design and technical work. This book can help you understand your options and give you a basic vocabulary so that you can work productively with the consultants you hire.

What's Where in This Book

This book is divided into six parts. Each part contains chapters that discuss stages in the process of starting an online business. There's also an Internet Directory that you can access through this book's Web site; it presents an up-to-date list of resources that are essential for any online businessperson.

Part I: Strategies and Tools for Your Online Business

In Part I, I describe what you need to do and how you need to *think* in order to start your new online business. The first chapter follows the story about how a business started by a graphic artist-turned mapmaker has grown into an Internet success story. Subsequent chapters also present case studies profiling other entrepreneurs and describing how they started their online businesses. Within these pages is where I also describe the software that you need in order to create Web pages and perform essential business tasks, along with any computer upgrades that will help your business run more smoothly. You also discover how to choose a Web host and find exciting new ways to make money online.

Part II: Establishing Your Online Presence

Even if you use an online service that isn't technically part of the Web, such as America Online, you need to create a Web site — a series of interconnected Web pages that everyone in cyberspace can view with a Web browser. As far as online business is concerned, the Web is where it's at. This part explains how to create a compelling and irresistible Web site, one that attracts paying customers around the world and keeps them coming back to make more purchases. This part also includes options for attracting and keeping customers, making your site secure, and updating and improving your online business.

Part III: Successful Online Business Models

Some of the most exciting new aspects of starting a business online are ways to generate sales revenue that don't involve setting up your own Web site from scratch. Instead of going it alone, you sign up with one of the many well-established business marketplaces on the Web that enables individuals just like you to create storefronts or sell individual items. You find out about creating storefronts on Amazon.com, Yahoo!, PayPal, and CafePress.com, among other venues. You also discover the ins and outs of starting a business on eBay, a marketplace that has changed lives and is quickly changing the landscape of online business.

Part IV: Running and Promoting Your Online Business

Your work doesn't end after you put your Web site online or start to make a few sales. In fact, what you do after you open your cyberdoors for business can make the difference between a site that says "Wow!" and one that says "Ho-hum." In this part, I describe cost-effective marketing and advertising techniques that you can do yourself to increase visibility and improve customer satisfaction. You discover how to make the shopping experience a smooth one for your customers, how to accept payments, and how to provide good customer service. You also find out about new ways to increase visibility with search services such as Google.

Part V: The Necessary Evils: Law and Accounting

This part delves into some less-than-sexy but essential activities for any online business. Find out about general security methods designed to make commerce more secure on the Internet. I also discuss copyrights, trademarks, and other legal concerns for anyone wanting to start a company in the increasingly competitive atmosphere of the Internet. Finally, you get an overview of basic accounting practices for online businesses and suggestions of accounting tools that you can use to keep track of your e-commerce activities.

Part VI: The Part of Tens

Filled with tips, cautions, suggestions, and examples, the Part of Tens presents many tidbits of information that you can use to plan and create your

own business presence on the Internet, including ten hot new ways to make money on the Web.

An Online Feature: The Starting an Online Business For Dummies Internet Directory

If you're running your online business in your off hours or between other activities, you don't have time to scour the Web for help. Not to fear: You can find everything you need in this directory. It's a collection of links to Web sites and other Internet resources of special interest to individuals starting an online business — especially if you're working alone or at home and need to find people to help you. Access it at www.dummies.com/go/onlinebusinessfd. (On the Web site you'll also find Bonus Chapter 1, which details ten ways of ensuring online success.)

Conventions Used in This Book

In this book, I format important bits of information in special ways to make sure that you notice them right away:

- **In This Chapter lists:** Chapters start with a list of the topics that I cover in that chapter. This list represents a kind of table of contents in miniature.

- **Numbered lists:** When you see a numbered list, follow the steps in a specific order to accomplish a given task.

- **Bulleted lists:** Bulleted lists (like this one) indicate things that you can do in any order or list related bits of information.

- **Web addresses:** When I describe activities or sites of interest on the World Wide Web, I include the address, or Uniform Resource Locator (URL), in a special typeface like this: http://www.wiley.com/. Because the newer versions of popular Web browsers, such as Netscape Navigator and Microsoft Internet Explorer, don't require you to enter the entire URL, this book uses the shortened addresses. For example, if you want to connect to the Wiley Publishing site, you can get there by simply entering the following in your browser's Go To or Address box: www.wiley.com.

  Don't be surprised if your browser can't find an Internet address you type or if a Web page that's depicted in this book no longer looks the same. Although the sites were current when the book was written, Web addresses (and sites themselves) can be pretty fickle. Try looking for a missing site by using an Internet search engine. Or try shortening the address by deleting everything after the .com (or .org or .edu).

Icons Used in This Book

Starting an Online Business For Dummies, 4th Edition, also uses special graphical elements called *icons* to get your attention. Here's what they look like and what they mean:

This icon points out some technical details that may be of interest to you. A thorough understanding, however, isn't a prerequisite to grasping the underlying concept. Non-techies are welcome to skip items marked by this icon altogether.

This icon calls your attention to interviews I conducted with online entrepreneurs who provided tips and instructions for running an online business.

This icon flags practical advice about particular software programs or about issues of importance to businesses. Look to these tips for help with finding resources quickly, making sales, or improving the quality of your online business site. This icon also alerts you to software programs and other resources that I consider to be especially good, particularly for the novice user.

This icon points out potential pitfalls that can develop into more major problems if you're not careful.

This icon alerts you to facts and figures that are important to keep in mind as you run your online business.

We're in It Together

Improving communication is the whole point of this book. My goal is to help you express yourself in the exciting new medium of the Internet and to remind you that you're not alone. I'm a businessperson myself, after all. So I hope that you'll let me know what you think about this book by contacting me. Check out the *For Dummies* Web site at `www.dummies.com`. You're also welcome to contact me directly if you have questions or comments. Visit my personal Web page at `www.gregholden.com` or send e-mail to me at `greg@gregholden.com`.