



From the Basement...
TO THE BOARDROOM

"Practical Secrets for Starting
a Home-based Internet Business
that Looks like a **Fortune 500** !"

From the Basement to the Boardroom:

Practical Secrets for Starting a Home-
Based Internet Business that Looks Like A
Fortune 500

Table of Contents

Chapter 1 – Introduction	6
The Structure and Purpose of this Book.....	6
The Home-Based E-business	7
The Wild West Illusion of the Home-Based Business.....	9
Chapter 2 - Proceed With Caution	12
The Cart Before the Horse	12
The Example of Urban DPS	13
Chapter 3 - Setting Up Your Identity: The Best Things in Life Are (Almost) Free	18
What's in a Name? Just About Everything	19
Logo-Motion: Finding the Right Logo	26
The Kinds of Logos.....	29
Tips for Logo Development.....	31
A Question of Color	34
When All Else Fails.....	35
Sitepoint.....	39
In Closing: A Few More Logo Tips.....	40
Finding a Slogan	41
Advertising	46

Online Ads	47
Localized Websites.....	48
Your Website	51
Business Cards.....	53
Chapter 4 - Setting Up Your Presence in a Digital World.....	55
Picking the Right Domain Name	56
Selecting a Web Hosting Company.....	59
Setting Up Your Website	61
Chapter 5 - The Brainy Bureaucracy of Business: Covering Your Bases	64
Deed and Zoning Restrictions	65
Issues with Zoning Restrictions	66
Private Restrictions.....	69
Land Use Covenants	69
Leases	70
General Rules.....	71
A Few More Things to Consider	72
Copyrights	73
Trademarks	77
Chapter 6 - Setting Up Your Location	86
Analyzing Your Work Habits.....	88
Setting Your Boundaries	90
A Room of Your Own: Locating Your Office	92

Outfitting Your Office	95
Filing Systems	95
Phones	97
Computer	99
Furniture	104
Odds and Ends	106
In Conclusion	107
Chapter 7 - Setting Up for Growth: Even e-commerce Needs Some	
Brick and Mortar	110
Investing in Staff.....	110
Advertising the Position and Interviewing Applicants	112
Taxes and the Government.....	117

Chapter 1 – Introduction

The Structure and Purpose of this Book

This book is all about advice. It's as simple as that. It's advice that you can take or leave, but its good advice that comes from personal experience in the realm of the home-based e-business.

For a year, I was the assistant to the president of a home-based internet business that should have been a great success. But despite its potential and its significant financial resources, it was a failing business. It seemed that at every turn, the president made mistakes that were compounded by more mistakes. These weren't simply errors in judgment, but a complete misunderstanding of what it meant to run an e-business from home, and how a home-based business compared to other brick-and-mortar establishments.

I observed these mistakes and misunderstandings, and thought constantly of ways to correct them or avoid them entirely. I watched the entrepreneurial ship sink, and the resources of the company dissolve, because of chronic mismanagement and misunderstanding of the nature of the home-based business. I listed and categorized the

elements of a business startup that were not addressed in the context of the failing company.

This book is the result of those observations and the culmination of a year of close observation of "what not to do" as well as what must be done for success. It is my sincere belief that a little understanding and forethought can turn a potential financial disaster into a great success, and my hope that by reading these chapters, your business will succeed where so many others have failed.

This book is organized into sets of practical tips for your business, from picking a room for your home office to the government paperwork necessary to protect your investment. From setting up your workspace to setting up your website, this guide is your number one source for setting up the infrastructure for your home business venture.

The Home-Based E-business

The advent of the modern internet in the 1990s saw an explosion in the number of businesses that existed purely in the electronic ether. These "dotcoms" (so named because of the ".com" designation following their

web domain names) became the new driving force of the American economy. Their immediate popularity with investors and subsequent success resulted in an entirely new business culture. The e-business or e-commerce startup company reigned supreme in the late 90s and the business world saw a schism in the definition of business. A dichotomy became evident between the new internet commerce model of business and the older "brick-and-mortar" model.

A brick-and-mortar business is a traditional business model that deals with customers in person in a physical business establishment that is owned or rented. This model requires a great deal of infrastructure and setup, and lacks the flexibility of an online business.

What we now see is that the dichotomy was, in many ways, a false one. While the dotcom bubble may have burst, the billions of dollars that were being made through stock speculation and over-valuation have now been spread out and redisbursed. We are now in the golden age of the small, home-based e-business boom.

After the collapse of the dotcom bubble, internet-centered commerce is again alive and well, though this time in a somewhat smaller form. Individuals are using the same internet infrastructure and online

business models grown and developed in the dotcom heyday for smaller, home-based businesses. These businesses, however, do not escape some of the traditional models of the old style brick-and-mortar. An office, a paper trail, employees, payrolls, and the old fashioned entrepreneurial spirit of innovation and invention are major components of even the most cutting-edge virtual business.

So, if the new model is a combination of these techniques and knowledge bases, then it necessarily follows that the setup and infrastructure for your business - whether primarily electronic, in a main street storefront, or in your back bedroom - is the same. From pens and pencils, files and folders, to administrative assistants and CEOs - the tricks and techniques for setting up shop remain the same.

This book will show you how to add a little "brick-and-mortar" to your home-based internet business.

The Wild West Illusion of the Home-Based Business

The illusion of the home-based business is that it's the wild frontier. No rules, no laws, and starting up is as easy as putting out a shingle -

which today amounts to putting up a website and waiting for hits. But this just isn't the case. In fact, reality is quite the opposite.

Another issue that some people face when starting a home-based business is that for the first time in their lives, they have no boss. That is to say, they are their own boss. This poses a challenge for many (if not most) people, because there is no one to force them to organize, categorize, schedule and file. It's too easy to just forge ahead without a plan or an organizational system - things that will become invaluable to you when filing the stacks of paperwork that will be necessary to maintaining your business and track its success.

In fact, every regulation and rule that applies to a business in a storefront or a highrise office building applies to you in your living room. Obviously, this applies to income for tax purposes, but it also applies to things that you may never have thought of. Your computer, for example, when being used for your home-based business, becomes the property of your business. If you hire people (depending on how many) even if they work out of your home or theirs, you will be subject to government employment regulations. If you hire someone and allow them to "telecommute" or work from home, you will be responsible for their workspace, even if it isn't on your property, and if

they're injured in their own home while on the job, you'll be liable for that too!

Now, I'm not saying these things to scare you. These are just things that you should keep in mind when starting up a home based business, and each of them is addressed in full in this book. But remember that there are plenty of fun and satisfying aspects to starting a business as well, so don't let any worries outweigh the enjoyment and excitement of starting your own home-based business. Just move forward with a little caution and a lot of forethought.

Reading through each of the chapters in this book won't only help you to plan the future of your business, but may also prompt new ideas or even better ways of approaching the setup of your home-based startup.

Chapter 2 - Proceed With Caution

The title of this chapter is, "Proceed With Caution," and in the world of the small, home-based internet business, these words cannot possibly be over-stated. The fact is, more than 90% of all home-based businesses fail - not in the first year, but before they ever really get off the ground. This failure rate isn't due to a lack of hard work or a lack of funds - it's due to a lack of organization and planning. In short, the trend toward failure is due to entrepreneurs with high hopes putting the cart before the horse, and acting without forethought or caution.

The Cart Before the Horse

So, why the old idiom, "The Cart Before the Horse?" Well, in the first rush of eager energy to begin, new entrepreneurs will often buy supplies or develop elements of their company before they are absolutely necessary, or even needed. It's like a band that picks the titles of songs before they even have instruments. It's natural to think ahead, but committing to those ideas out of sequence could prove disastrous.

Basically, this is the manifestation of fantasy. In the case of a business, this eagerness can spell financial damage or disaster, and use valuable time and resources that might better be spent in other venues.

The Example of Urban DPS

Let's take a fictionalized example of Larry Johnson's home-based startup, "Urban DPS." This company was originally formulated and designed as a security testing service for websites and networks (the "DPS" of the company name stood for "Data Protection Services"). Urban DPS was a real company; the names have been changed to protect the guilty. I worked with Larry personally during the startup phase, and believe now, as I did then, that he had a good product with sufficient financial backing to make the business plan work.

But Larry's motivation didn't reside in business success or financial growth. Like so many home-based business entrepreneurs, Larry liked the *idea* of owning and operating a company as much or more than he actually liked the concept behind the company. This distinction is profoundly important when looking at the ways that Larry failed in his

startup attempts. He lived primarily in the fantasy of being his own boss and so undertook to create much of the infrastructure of a medium-sized business before he had an employee, or even a client.

Larry spent a large portion of his startup funds on t-shirts with the company logo, embossed pens and pencils, professionally designed letterhead, and a slew of other branded items. While eventually all of these things might be appropriate purchases for a new business, what he should have spent those funds on were more immediate necessities. These would have included advertising, computer equipment, a website, or any of the other things important or even necessary to obtaining customers.

Remember that your primary concern when starting a business is minimizing the time between the first dollar you spend for setup and the first dollar that comes in from a customer. That's it - your A-number-one mission in life. The second priority is minimizing the number of dollars you have to spend for that setup. In the case of Urban DPS, Larry Carson violated both of these hard and fast rules. He increased his spending on items that wouldn't necessarily help to get clients or customers. The time it took him to collect his office

supplies was wasted time, and added significantly to that long and frightening period of financial "outflow" before the first profitable deal.

Larry Carson definitely put his cart before his horse in the example of Urban DPS. His good intentioned eagerness to get his company off the ground left him in debt, with t-shirts but no employees, and letterhead but no one to send it to. The items sat in his home office for months, and because he never wisely apportioned funds for advertising and web development, Urban D{S folded after eight wasted months and only one successful deal later. The fancy letterhead was recycled; the cool t-shirts were sent to the local Goodwill.

I wish I could say that this story is the exception rather than the rule, but it isn't. It isn't fair to say that Urban DPS folded because its owner spent too much money on stationery, but it is a good example of a trend toward over-eagerness and a lack of planning. This is the real lesson of Urban DPS. Without a specific set of goals and a structured plan for spending on the basics, it becomes all too easy to spend cash on the "fun" things, like t-shirts and stationery. These are the things that make you feel as if you're in business. They make you feel like you're the boss - and there's no doubt that this is a good feeling - but it's important to take your time, and to make one step after the other, in

the order that makes the most business sense – not the order that provides the most emotional gratification.

Outfitting your office with pens and pencils is just as important as figuring out a name for your business, but what's important is the order in which things are done and in which expenditures are made. It boils down to:

Don't put the cart before the horse.

But is that easier said than done? Sure it is. You're excited to start your business. You're excited to be your own boss, to make a profit, and to make a success out of your idea. That's all understandable, and it's actually an admirable quality in any entrepreneur. But patience is also a virtue, and one that could end up saving you money in the short term, and saving your entire business in the long term.

However, don't despair – it's not all work and toil in the early days. There are plenty of things you can do to get started, and they won't cost you a dime. There are still a few more that will only cost a small amount and which go a long way toward getting you set up in your new

business, as well as really keeping you motivated as you see tangible evidence that your business is taking shape.

Chapter 3 - Setting Up Your Identity:

The Best Things in Life Are (Almost) Free

This chapter outlines the inexpensive steps you can take to create a business identity. These are the less expensive (and often free) things that you can do to get your business going, and give you a sense that you are doing something to benefit your startup.

Eventually, every task in this chapter needs to be tackled, but while you're sitting around, waiting for paperwork to come through or loans to be approved, these are some things that can maintain your momentum and keep your spirits up while not costing you a fortune.

During your early startup phase, pick one or two of these things to do between your bigger, more expensive projects. Be creative and have a little fun.

What's in a Name? Just About Everything

Many people will think of a name for their business even before they have a complete concept of what their niche in the business world really is. Determining your marketability and business niche are subjects for a guide to business planning, but these are also things you need to keep firmly in your mind when you begin to think of your business's new name.

Picking a name can be a lot of fun, and a very creative endeavor, but it's far more complicated than simply coming up with something that you like, or something that you think is "catchy." **Creating a business name is nothing less than creating an entire business identity.** It is your image, your public face, and the way that people will file your name in their memory - or the reason they'll forget it. Any business-savvy entrepreneur will tell you that your business name – those one or two simple words - is just as important as your business plan or your marketing strategy. In fact, your business name is one thing that transcends all of the elements of a business startup. It permeates the culture of the business and sets up from the very beginning a dynamic of potential success, mediocrity, or failure. Creating your business

name is very serious business – and it's also a chance to put your creativity and fun to work.

So how do you go about brainstorming on a name? What should influence your decision? And most importantly, once you have a name, how do you know if it's any good? Well, in order to answer these questions, you might need to think more deeply about your business than you have before. There's no better time to start than the present!

Your name needs to communicate, and communication is a two-way street. Your name needs to communicate what your business does to an interested demographic. This means that you need to be reaching your potential market through your name, and all of the elements need to be right for it to do the work that needs to be done.

Let's take a stodgy old accounting firm as an example. An accounting firm is a serious financial business that will likely deal with serious professionals. The name needs to communicate professionalism, reliability, and even tradition, to a group of people who will be receptive to those inferences. A traditional naming structure such as the names of the partners - Waldorf & Grey, for example - will communicate what the accounting firm wishes to communicate to the people who will

appreciate the name. Hip young people aren't likely to think much of "Waldorf & Grey" as a name – but hip young people also aren't likely to be the firm's target market.

In the same way, the hugely popular online community "Myspace.com" has a name that communicates a great deal about the nature of the company to a demographic that will be particularly appreciative of the name's connotations. Myspace is largely popular with teenagers and twentysomethings, and so the name creates a feeling of individuality, personality, and uniqueness, which are all important attributes of that generational span. "Myspace" conveys the notion of "my space," or a unique and personal venue for expression. This name is successful because it creates a feeling, a notion, and communicates something about the company to a group of people with an interest in hearing. Wizened grandfathers may not get much out of the name – but wizened grandfathers aren't the market here.

Scenester twentysomethings aren't going to log on to an online community called Waldorfandgrey.com. What kind of party would that be? And middle-aged families aren't going to trust their financial information to WayCoolAccounting. So when you begin to brainstorm on your company's name, it's not only important to completely

understand what you're going to be selling - it's necessary to know who exactly you'll be selling it to. Decide first on the general "mood" of your company. Is it a serious financial business? Is it a wacky t-shirt and coffee mug company? Do you want your business to be stodgy, brainy, wacky, or zany? Think of some keywords that you think would best describe your business and compare potential names to them.

Try to define not only an attitude, but intrinsic qualities you would like your company to be identified with. In the example of Urban DPS, we see that the name contains a few connotations that the owner intended. The word "urban" conjures a very different image than "home town" or "farm land." The owner clearly wanted people who heard or read the name to imagine the city, a metropolis, a sprawling place full of potential and fraught with hazards. The company was designed to test security flaws in business networks, and so a name like "Home Town DPS" just wouldn't have invoked the imagery of the bustling city - which is also the metaphor often used for the internet. "DPS" or "Data Protection Services" is a "TLA" or "Three Letter Acronym." Three letter acronyms are notorious for adding an air of professionalism to any set of terminology. The military, the space program, and corporate America all use three letter acronyms, often to excess. Even if the general population doesn't know what they are, they invoke a sense of

technical prowess that registers subconsciously. The choice to name the company Urban DPS was made consciously and with great forethought as to the kind of feeling that the name should convey.

Most professional marketing and naming strategists believe that business names should contain real words rather than invented ones. This idea stems from the belief that consumers can identify with real words more easily than they can imprint meanings on invented words. Invented words give off an impression of trying too hard, and of marketing buzz and hype. The connotation that a real word holds makes a big difference with the targeted demographic as well.

Also, while abstractions are generally considered to be weaker names, business names that are too specific can cause even more trouble, particularly when a business outgrows its original model. Imagine what would happen if "Ray's Television Warehouse" decided to start selling other electronics as well. The name is far from abstract, but it's so specific that it limits growth.

When you have some sample names, you should do a few tests to determine if the name is going to work for your purposes. First, say it out loud. It's as simple as that. If the name sounds good when it's

vocalized, then it can pass by word of mouth. A name that is difficult to say, or one that, for whatever reason, just doesn't come out right, will not be passed in this way. Give the name to some friends to say as well. See if they have any problems saying it. See if they can come up with derogatory jokes about the name. There is a networking company in Colorado called "Fluke Networks". Whenever I drive past it, I think "if the network is running, it's a fluke!" For all I know, Fluke is the greatest networking company ever – but I'd never give their service a fair hearing, because I've imprinted on their name as being a joke.

Second, write the name out. Type the name into your word processor and apply different fonts to it. This can make a big difference, and may illuminate some issues that you wouldn't have otherwise seen. Imagine the last two letters of the first word and the first two letters of the next word in your business name joining to make something vulgar. Also, pay attention to capital "I" and lower case "L." In many fonts, these two look the same, so that the word "Ill" ends up looking like three plain vertical lines. These are the kinds of things you should check before committing to a name.

In addition to having a name that's easy to say and looks good on paper, you want a name that is short and sharp. Having a concise

name is more important than ever now that your business name needs to fit neatly into a memorable domain name. The days of setting up shop on your free AOL space are long gone (remember the glory days of <http://www.aol.com/members/~username2093738.htm?>). It's now expected - even virtually required - that your business have its own domain name. If you don't, you're just not a serious player.

On a final note, naming your business has major legal implications as well. In many states, the structure of your business can affect the kind of name you will be allowed to use. For example, in some places, a business with a single owner is required to be named after the owner unless certain papers are filed with the government (often known as a "doing business as" form). You will have to determine whether your business name is being used by another business and whether they have jurisdictional rights to your area.

Remember that if after all that work, you still aren't convinced that you have a good name, or if you are uncomfortable with the legal aspects and trademark laws, it's also possible to hire a professional naming firm. The trick is to know when the cost of a naming firm is worth it to you, given the amount of work you've done, and the potential for the name to never live up to your expectations.

There are benefits to hiring a consultant to help you with the naming process. Chief among them is the expertise that such a company will bring to your project. Not only will they be able to expertly analyze word associations, connotations and inferences, they will also have a much more complete understanding of the legalities of company naming practices. Remember that naming your company will dip into realms of trademark law that you may not be familiar or comfortable with. And in the short term, it may be much easier on your piece of mind - and your pocket book - to abandon your planned name in favor of another if it looks like a legal conflict may be on the horizon. You will probably get good advice for your money, and it may save even more money in the long term, but that's a judgment call you'll have to make. After all, you're the boss.

Logo-Motion: Finding the Right Logo

Developing a logo for your business is another way of stretching your creative legs while moving ahead with the more intensive drudgery of paperwork and finances. The expenses incurred by the development of a company logo can range anywhere from zero to tens thousands of dollars. This depends mainly on the type of service or system you

implement for the logo development. You can do it yourself, contract out the work to a low-cost service provider, or sink a significant chunk of your funds into a design firm. Whatever you choose, you should be aware of your own limitations as a designer or marketing guru. The logo, while a simple graphic image, is the face of your company to the world, and it's something that should be developed by people with the greatest possible (or at least affordable) expertise. The basic development of a logo is easy, but the development of a truly great logo is surprisingly difficult. You should plan on investing quite a bit of time in your logo, and if you have it to spare, some money as well. If you have a background in design or other visual arts, you might be able to easily develop a logo on your own. If not, hiring someone is probably a good idea.

A logo is an image, often a stylized representation of the name of your company, which is absolutely essential for advertising, and a general campaign of branding and marketing. Changing your logo once it has been deployed in the public domain can be a disastrous move for a company, particularly if your company has been successfully branded and your business identity is wrapped up with the logo. This being the case, choosing the correct logo at the start of your business will be extremely important for later success.

When you start to brainstorm on a logo, think about your own technical prowess and decide how you want to go about the design. Do you want to use a graphics editing program such as Photoshop? Or just scratch out a rough idea with a pencil and paper for someone else (hopefully a graphic designer or artist) to flesh out later? Whatever you choose, you should just get used to the fact that you will have to develop and scrap quite a few logos before you find one that will work. You can only have one, after all, and tossing out the fruit of creative labor is never easy, but it's something that you'll probably have to do, unless you're lucky enough to stumble on the perfect logo the first time out the gate.

Your logo needs to be something that reflects and embodies what your company does. Just like the development of your name, the connotation of all of your logo elements need to, in some way, reflect your company. The colors should all be in harmony with your business concepts and ideas, and the nature of the logo - whether it's a symbol or a stylized representation of the company name - should make people think of the characteristics you want to associate with your business. This can be professionalism, fun, excitement, humor, or even hunger - it all depends on the kind of business you have.

One universal element of the logo, however, is that it needs to be easily identifiable on a variety of materials and in a variety of contexts. Imagine the logo on t-shirts and cups (if that's relevant), on the cover of books, on your website, and even on your business cards. It needs to look good in all scales and on all surfaces.

The Kinds of Logos

There are basically three types of corporate logo. These are the font-based logo, the literal logo, and the abstract logo. Depending on your business, your intentions, and certainly your potential clientele, one of these three logo types will probably work for you.

The font-based logo is a graphic stylization of the name of your company. Coca-Cola is an excellent example of a font-based logo, as the logo is nothing more than the words "Coca-Cola," written in a stylized font. The font has become so recognizable, in fact, that other words can be written out using the same stylized font and they will still invoke the branding of the beverage. To see this in action, download a Coca-Cola font online (just Google "coca-cola font download"), use it to

write something in a word-processing program, and the familiarity will be immediate and real.

The literal logo is a logo that depicts the actual business that you're in. A computer repair and sales business logo might be an image of a computer. An online pet store might have images of a dog and cat, or a plumber might have a wrench. These logos are traditional, descriptive, and innocuous, but in being these things, they are also sometimes not as effective as a more contemporary, design-oriented logo. However, if your business is a commodity service, or you are in an industry which has been around for a while, the literal logo can be very comforting to your customers.

Finally, the abstract logo is a piece of graphic art that *insinuates* something about the company without actually spelling it out. The Nike logo is a fantastic example of an abstract logo. The "swoosh" symbol insinuates motion, the blowing of wind, or speed, without actually being an identifiable image.

It may be tempting to try to develop this last kind of logo, but it's important to know that these abstract logos really only work if your marketing team is committed to a rigorous and long-term process of

automatic association. An abstract logo is intrinsically meaningless, which means that any connotations or associations must be formed by the public at large. These can only be formed if the public is instructed subconsciously through rigorous marketing, and this process can take years and millions of dollars. This is probably not something you can undertake from the beginning of a small, home based business, and so you are probably better off sticking to a traditional logo or a stylized business name - also called a "type treatment."

Tips for Logo Development

One trick to getting off on the right foot while brainstorming your logo is a technique that works well for company name development as well. Write a short mission statement. Then write a short sentence that summarizes the company image you want to convey (fun, professional, wild, etc.) all the time keeping in mind how these statements will relate to your logo. Once you have these concepts in your mind, you can begin the design process. Here are a few tips to help.

- 1) Take a look at logos for companies involved in the same business or industry. How do your ideas for logos compare to those of other companies? Are competitor's logos traditional and conservative, or

modern, sleek, flashy, or vibrant? Do you want to separate yourself from the competition, or do you want to fit neatly into the business traditions already established?

2) Once you start to design elements of your logo, make sure that the completed logo will scale well. This means that the logo should look good on a billboard or a business card. Solid images and colors with smooth lines do this the best, while fonts, photographs, and any fine detail may become impossible to see or understand when made very small, or blocky and amateurish-appearing if made too large.

3) Test your logo in both grayscale and black and white before you decide on it. Your logo will be viewed very often on faxes or photocopies – and it should be effective and function strongly even in the absence of color.

4) Remember to incorporate your business name into the logo. That doesn't mean that the logo has to be a stylized text treatment, but if your business name contains words with heavy connotations, it may benefit you greatly to incorporate some element of the business name into the graphic design. If your business name were "Urban Data Protection Services," the logo should reflect a certain degree of urban

class and sophistication, while also accentuating the high-tech nature of the service. A company called "Starfire Printing" could incorporate a stylized glare of a star, or an image of fire. At the very least, be sure that the logo isn't in contradiction with the business name you've chosen.

5) Don't use clipart. It's as simple as that. Anyone who has ever explored Microsoft's bank of clipart will spot it immediately and identify your logo as one without much originality or creative merit. This feeling will probably translate to your company. Use original artwork, and reap the benefits that the professional image will provide.

6) Think of the future. When you design a logo, you don't want to struggle with redesigning it in the near future because it is hopelessly out of date. Using particularly trendy design elements will render your logo a campy classic very quickly. Use classic design elements, without "cutting-edge" fonts or images. Look at logos from companies that were in existence in 1950 – often, those logos are still compelling and attractive, even if the company itself is long gone. You don't want to mire yourself totally in the past, but remember that an awful lot of what is considered hip, cool and flashy now will be thrown on the garbage heap tomorrow. Don't invest hundreds or thousands of dollars

in a logo that will just be embarrassing next year when the styles change.

A Question of Color

Color and the associated expense may be something that you've never thought of. If you design a logo and print it out on your desktop ink jet printer, whatever you designed will show up, and that's that. But if you ever decide to produce your logo professionally for any reason - on stationery, business cards, or a billboard sign, you will need to consider the printing and production cost of your logo.

In printing, every additional color costs more money. In standard "four color process," cyan, magenta, yellow, and black are used to create all colors. Each color requires its own screen or plate (depending on the type of printing you'll be doing) and so in four color process, you will need four inks, four plates, and a lot of time.

Considering a logo with three colors or fewer will save you quite a lot of expense when you decide to print the logo professionally. In addition, this can make reproduction in magazines and newspapers more cost effective as well. A black-and-white logo, while somewhat limited in its

visual flexibility, can save you a bundle of money downstream, when you're printing 20,000 brochures instead of running off one copy of letterhead at a time on your personal inkjet.

When All Else Fails

When you've exercised your creative legs and it's left you feeling a little sore - it might be time to hire help. As with all of the do-it-yourself elements of starting a home-based business, perhaps the greatest virtue is knowing when to say *when*. There's no shame in it, particularly because it can save you money and stress in the long run. And taking advantage of a money-saving opportunity is a sign of the smartest kind of business owner there is.

So where do you find help for logo design, and what should you expect from them?

Some professional design firms exist for the sole purpose of creating logos, and almost all make logo design a primary focus of their business. If you do hire one of these firms, expect to pay between \$4,000 and \$15,000 for a logo. This may include consulting, research, the design itself, and several test and sample designs.

But for the purposes of your home-based business, the services of a major graphic design firm may be far more than you can afford or need. Many independent or freelance designers are available for hire, and many do very good work and have resumes and portfolios to prove it. Their rates are significantly lower, ranging from \$50 a job or less (depending on size) to a few hundred per hour (depending on experience). Many of these freelance logo designers exist, but the trick is knowing where to find them, and once you do, knowing what you should look for before hiring them.

Craigslist

One of the best resources available today for the small, home-based business owner is Craigslist. This set of websites is a locally-organized repository for information, services, sales, trades, jobs, and just about any other thing you could imagine. Craigslist is established in more than 200 cities around the U.S. and the world, and for 99% of the ad categories, it is free to use (the exceptions are some real estate categories in major cities). By navigating the root site at www.craigslist.com, you can select the city closest to you from the list on the right and post ads or respond to them for free.

Craigslist will come in handy for all kinds of needs, but in the case of your company logo design, here's how to use the site to find a designer.

1) Near the top of the left-hand column, select the link that says: "Post to Classifieds". This will take you to a new page.

2) On the new page, you will be presented with several options. Select "Jobs." This link will allow you to post to the "Jobs" section, which receives more traffic than the "gigs" section, which is actually what you're posting.

3) Read the guidelines and select the button at the bottom of the page that says: "I have read these guidelines and will abide by them - proceed with job posting."

4) From the resulting list, select: "art/media/design jobs"

5) Now fill in the required information. You are posting a public ad, so be sure to think these options through before writing anything. You will

need to develop a catchy title, a description of the exact scope of work you want to contract for, and determine how much you'll pay.

6) Enter a real email address in the field that says "Reply-to Email address for applicants."

7) Determine if you would like this address to be displayed or if you would like it to be "anonymized." If you select this last option, responses will go through a Craigslist server and make you anonymous to potential applicants.

8) Check the boxes pertaining to other information.

9) Click "continue."

This ad will be posted soon after the completion of this process. You will need to check your e-mail and confirm that you posted the ad through the Craigslist system. Be sure to check your email regularly for applicants. Once you are in communication with them, you should feel free to ask for any sample work they may have done.

Payment can be negotiated in many ways, including checks, cash, or a PayPal fund transfer.

Sitepoint

Another method of finding a logo is increasing in popularity – have a contest! This method, made popular by such sites as Sitepoint.com, allows you to offer a monetary prize to the site's official stable of designers. Each interested party then designs a logo. You are obligated to pick one of the entries, and the prize goes to that person.

This bidding contest method can result in some excellent design options, but you have to remember that you may end up with no useable design. While this isn't usually the case, you do pay before any work has been done, so you may get stuck paying out \$500 for a logo that you will never have any use for. The price you pay is generally directly proportional to the quality and quantity of the work you will receive as well, so it pays to be generous.

In any case, setting up a contest in the SitePoint user forums is easy. Go to www.sitepoint.com, then navigate to the "forums" tab on the navigation bar at the top, then select the "contests" link from the

options at the left side. It's near the bottom of a long list. At the top of the resulting list of contest posts, select the button that says "Start a Contest Now." You will need to start an account, which is free, and then follow the instructions for posting a contest and a reward.

In Closing: A Few More Logo Tips

A logo is essential to the success of your business. It's something that can be designed in a casual way in your spare time, but in order to really lock in a final design, you may need to hire help or contract out the work, depending on your level of expertise.

1) A logo should be easily identifiable at first sight. When designing, make the logo something people will associate with your business quickly.

2) You should relate your logo to your business in some way - either a stylized text treatment of your company name, or a literal logo such as a wrench for a plumbing business. Abstract logos are too difficult to associate with your business in the public psyche without extensive training through marketing.

3) Once you have a logo that works, test it in color, grayscale, and black and white. These are the three ways that the logo will be represented in print, so the contrast between colors will have to be clear. If a light blue and light green are next to each other, they may look identical in grayscale or disappear altogether in black and white. Also consider using the minimum number of possible colors.

4) Once you're done with the logo, run it by several people – perhaps you should even hire a graphic designer - to make sure that it's professional and appropriately versatile. Make sure it scales up and down well, from billboards to business cards.

5) When you're finished, initiate the trademarking procedure immediately. The process of government trademark registration can take a year or more, so the sooner the better. See the section on trademarks in this book for a more complete explanation of trademarking procedures and tips on going through the process.

Finding a Slogan

Taglines and slogans are used to further identify your company and its place in the market. A logo creates an identity, and a slogan or tagline

further defines that identity. A tagline should answer a few questions about your products and services before potential customers ever get a chance to ask. A slogan should be illustrative of why a customer should choose you and not your competition.

Brainstorming a slogan or tagline is something that should be done with the basic identity of your business in mind. You should keep in mind the attitude you want your business to portray, whether its stodgy reliability, professional detachment, or wacky creativity.

Here are some other tips for slogan development:

1) A slogan should be memorable without drawing too much attention to itself. It should be a strong statement that embodies the business, and one that people will recall when they see your logo or business name.

2) The content of a slogan should relate in some way to the nature of the business and the company name itself. In other words, if you are running a computer repair business, the slogan should mention something about computers, repair, or technical expertise.

3) You may want to be sure that each of the words you choose to use in the slogan has a positive connotation. Making people feel good about your brand is absolutely necessary, and negative connotations - even subtle or subconscious connotations - can detract from this.

4) Your slogan should reflect the attitude of your company. It should be funny or fun if that's what the company's image is.

5) Make sure that the slogan is original and doesn't interfere with existing trademarked slogans or taglines. This might be a difficult task, as you might have to do a trademark search to clear up any possible infringements.

6) The slogan should have marketability. That is, when you embark on an advertising campaign, you should be able to deploy it in print ads and other media.

7) Keep the slogan simple. A short, concise slogan will be far more memorable than a long slogan. It's better to remain a little ambiguous with a short slogan than to clarify what you do and why your company is better with a long and rambling slogan that no one will remember.

8) Your slogan should be believable. A good example of this is a particular sandwich chain's slogan which is "The World's Greatest Gourmet Sandwiches." While legally this is acceptable because it's an opinion, it is such a broad and sweeping statement that it sets up the sandwiches for failure. In fact, most people would agree that the sandwiches are adequate, not spectacular - and so the slogan is revealed as a transparent marketing ploy that insults the reader.

So that's what to do. What follows is a set of "what not to do" when developing a slogan. Be on the lookout for slogans that violate these rules.

1) Don't copy or model your slogan on another slogan. Obviously, your slogan should be original. If it is even remotely close to another slogan in use, it will violate copyright law.

2) Your slogan should not prompt a negative or sarcastic response. The example of the over-the-top claim by the sandwich chain that their sandwiches are the "best in the world" only begs for people to contradict this.

3) The slogan should not be pretentious. It shouldn't indicate directly that your company is better than all others (which is a negative association) and should instead indicate how good your company is at what it does and leave the comparison up to the customer to make.

4) Your slogan should not be corporate doublespeak, management-speak, or "waffle." This is particularly important, as people outside of the corporate world either don't understand the corporate jargon (in the best case) or laugh it off as satirical (in the worst). Terminology such as *leadership, solutions, innovation, strategy, and excellence*, are all words that have meaning on their own, but in the context of corporate doublespeak, they ring hollow.

Most of these corporate slogans are actually meaningless when you analyze them. Take, for instance, the all-too-common slogan "Where people make the difference." Well, you might say, yes. People make the difference. As opposed to intelligent machines or dolphins. Of course people make the difference. What people and what difference, however, is an area for speculation.

6) Make sure the slogan flows off the tongue. Say it out loud. A slogan that is complicated, long, or clumsy won't be as effective as one that is concise.

When designing your tagline or slogan, be sure to focus on the inferred meaning of the words and their meaning in context rather than individual definitions. Make sure that several people agree that it's effective before you deploy it for use in letterhead, stationary, or your website. Test your slogan on strangers, rather than friends and relatives – your friends will want to “spare your feelings” and won't tell you that your slogan idea is lousy.

Advertising

Advertising is a realm in which the home-based, internet-centered business can really compete with larger corporations thanks to the internet and the accessibility of the web. While the business you run out of your bedroom probably can't afford a national television spot, you can reach a national audience in a way that small businesses never used to be able.

Through online ads, newspapers, and localized websites, you can reach an audience that is orders of magnitude larger than might be accessible through the Yellow Pages or other traditional advertising methods.

Online Ads

Online ads are a new and potentially massively profitable advertising method, but they are rife with difficulties as well, particularly as those in more affordable pricing brackets are primarily text based. This means that their success is entirely dependent on the persuasive skill of the writer – and the target market is of necessity limited to those who read ads. You would be surprised at how many people just don't read – even when they're "reading" a website, they're a lot more interested in pictures and short captions than they are in big blocks of text.

Another danger of online advertising is that some of the more common methods, like popups and pop-unders, are generally considered to be lowbrow or "sleazy" advertising tactics. When choosing an online advertising scheme, keep in mind that ads that come in "under the radar" and those that rely on tracking cookies may do your company

more harm than good by creating a negative association between users and your business identity.

Some of the more popular online ad venues are by no means free of ads by an unsavory element, but their appearance is innocuous, and their association with big-name search engines such as Yahoo! and Google boosts the appearance of legitimacy.

Google Ads is perhaps the most popular and easy-to-access online advertising venue. Your ad is referenced by keyword so that a search for *funny t-shirts in Portland, Oregon* will result in an ad for a company that makes funny t-shirts in Portland. Depending on the sets of keywords you provide when signing up for the service, your business website will be indexed in the Google Ad database and appear at the top of the search results and in a separate field when the correct terms are entered. Find more information about this program at:

<http://www.google.com/ads/>.

Localized Websites

Localized websites are online communities that cater to a specific geographical region. Among the most popular is Craigslist, with more

than 200 city-specific websites. The reason for this popularity almost certainly stems from ease of use, and the fact that posting and responding to advertisements is free.

If your company's service would benefit from local advertising as opposed to a national ad plan, Craigslist is an ideal resource. Even if you aren't limited to your city or geographical area, placing multiple ads on local Craigslist boards may be time consuming, but the advertising exposure can include hundreds of thousands of viewers or more.

Placing an ad for a product or service is very similar to the ad we placed for a designer in the chapter on logos. Here is a recap of those instructions.

1) Near the top of the left-hand column, select the link that says: "Post to Classifieds. This will take you to a new page.

2) On the new page, you will be presented with several options. Select "Services Offered." This link will allow you to post to the "Services" section.

3) Read the guidelines and select the button at the bottom of the page that says: "I have read these guidelines and will abide by them - proceed with job posting."

4) From the resulting list, select the category that best fits the service you are offering.

5) Now fill in the required information. This is an advertisement, and so the persuasiveness of your prose will mean the difference between success and failure of the posting. Be sure to include all of the necessary information, including website, a brief price schedule, and any catchy copy that you may have written for other ads.

6) Enter a real email address in the field that says "Reply-to Email address for applicants." This is necessary to receive updates and responses.

7) Determine if you would like your address to be displayed or if you would like it to be "anonymized." If you select this last option, responses will go through a Craigslist server and make you anonymous to potential applicants.

8) Check the boxes pertaining to other information.

9) Click "continue."

This ad will be posted soon after the completion of this process. Check your email for responses, and your website for new hits on a regular basis to see if the posting was successful.

Your Website

And this brings us to the website itself. Your website is, for all intents and purposes, very low-cost advertising. It can be positive or negative exposure, depending on its quality and overall appearance, and, if designed correctly, will provide you with exposure at the top of the biggest search engines in the world, simply because it exists. A website is a massively dynamic advertising tool that should be manipulated for maximum benefit.

It's important to understand that if a website isn't indexed, it will likely never be visited. Google and other major search engines index the web by slowly "crawling." This is a meticulous search by following links and indexing key words that are found on the page. If you are careful

when designing a page and authoring its text content, you can force the search engines to recognize your page as a more relevant search result and therefore place it higher on the result listing.

This exposure amounts to free advertising, but only if you can negotiate phrases and word combinations that will push your site to the top of the results. Buying space on Google Ads is a quicker and more sure-fire way to show up in relevant search results.

Whatever route people take to find your website, once they arrive, they should be greeted by a clean and professional site. Look around the web for sites that appear "professional" to you. Then find a few that look tacky and amateurish. It's likely that the difference will be in the layout, color, and content. Too many personal pages or small business sites have stuck with the design factors that were common in the 1990s. The fact is, those days are ancient history, so if you don't have the skills to design a pro website for yourself, you will absolutely need to have one built. Your website is no different than the signage on the front of your store, the neighborhood your store is in, and your marketing presence rolled into one package. Everything the public knows about you will come through your website. It is the entirety of

your identity, so make sure you treat it like one of the most important decisions you'll make - it probably is.

Business Cards

One of the best advertising methods that a small business can utilize is "word-of-mouth." Of course, despite its name, word-of-mouth advertising requires a little help, usually from a business card. Use business cards as helpful reminders to people that your services are available.

Before you include information on your business card, think about what has the potential to change in the near-future and what you actually need people to know (and what you would prefer they didn't). An internet business run from home probably doesn't need a physical address. In fact, it's better that you don't disclose your home address for the sake of privacy and security. Also, telephone numbers change, especially if you're planning on adding new lines. Perhaps the most stable information is your name, your company name, your website address, and your email address. Some of the more elegant business cards use less information, and this is probably a good rule to follow.

Business cards are far less expensive than they used to be, and have more options as well. One company - VistaPrint (www.vistaprint.com) has carved a particularly wide niche in the business card market, and is well known for their frequent sales and high-quality product.

Depending on occasional specials, boxes of 250 "standard" (non-gloss, template-created) business cards sell for as little as \$4.99. For slightly more, you can create and upload your own graphics for unlimited customization.

Business cards can really help to drive business, particularly when the card is passed out to someone with whom you've had a prior conversation about your business or product. This can create a personal dynamic that's conducive to sales, and ensure that your new business connection will remember your web address and contact information.

Chapter 4 - Setting Up Your Presence in a Digital World

Your business is going to need a domain name, a website, and a web hosting company. The technical aspects of your home-based business aren't things you can't hold in your hand like pens, pencils and business cards, but they do drive your success on a moment-to-moment basis. The content of your website, the marketability of your domain name, and the intangible but necessary elements of a good internet service provider, all come together to make up the technological side of your business and drive your potential success.

It's important to remember that just because you have a home-based internet business, that's no excuse to skimp on any of these elements. Just like any larger company, your small bedroom-based operation needs a professional quality website (not something you did in Front Page with clipart), a domain that meets professional standards (not a subdomain within your ISP, like AOL), and a host that can handle the load of a website being visited (hopefully!) from several hundred to several thousand times a week.

As with all parts of a small company, and as is the theme of this book - if you treat your home-based business as if it's a larger brick-and-mortar operation, you'll reap bigger benefits.

Picking the Right Domain Name

There was a time, in the dark ages of the World Wide Web, when any web address would do, and having your own domain was the sign of a large company or a serious tech-geek. Those were also the days when the Internet Corporation for Assigned Names and Numbers, or "ICANN" (the nonprofit corporation that regulates the internet) sold domain registrations for a flat, universal fee of \$50 per year. This made things simple, but relatively expensive.

As more and more people gained access to the internet, and the importance of the World Wide Web increased in commerce and other aspects of society, more people became interested in registering their own domain names, and the price dropped to \$35 per year.

Since then, domain name registration has continued to drop in price and domain name availability has plummeted as the internet is sold off

in small pieces - one domain at a time. With this drop in price and explosive rise in private domain name registration, the days when an AOL user extension would suffice for a basic web presence have gone the way of the dodo and the Commodore 64.

Today, any self-respecting company (that is, any company with an interest in self preservation and profit) has its own domain with one of the major extensions - .com, .net, or .org. Of course, one of the major driving forces behind this trend is that on the internet, your company is only as big as your website looks. Websites are a mediating factor in the appearance of business, allowing a small home-based business to appear as viable, legitimate, and profitable as a multinational corporation. And the first contact a consumer has with your website is your domain name.

Before you register your domain, you should understand that a domain name registration is only one part of a larger process. For less money, you can register a domain with a company that provides minimal services, but if you do this you will need to have a working knowledge of domain name servers, or DNS, and a certain degree of know-how when it comes to the mechanical workings of your website. If these things seem like Greek to you, you should consider investing in a more

expensive option (though still \$20 or less), that allows you to register a domain and have the name automatically assigned to a DNS. This is usually available through website hosting companies. The quality and quantity of the service from each of these hosting companies varies wildly, but with a little research and a commitment to spend a little extra cash, you can save yourself a lot of trouble and time.

When deciding what domain name to use, you should realize that there are some "should" and "should never" guidelines. There is also the problem of the rapidly shrinking number of unregistered domain names that pertain to your particular business. Almost all names and name combinations (unless they are particularly unusual) have been registered, and relevant terms pertaining to common businesses are taken as well. With this in mind, you may need to exercise a little creativity in order to find a name that is both pertinent to your company and memorable to your customers.

Whenever you attempt to register a name, you will have the opportunity to search to see if that name is already taken. At first, you may be disappointed to see that many in the .com extension are, and you may be tempted to change the extension to .net or .org. But remember that .com is the most memorable and common extension,

and just because you own "website.net" doesn't necessarily mean that people won't type in "website.com" instead. If you do opt to change your extension, make sure that the parallel sites on .org or .com are sites that you don't mind people accidentally landing on. You should look out for similar businesses or pornography in particular.

As a final tip, though a very important one, if you are starting a business that will rely on the branding of your domain name, you should buy up all of the alternative names, near spellings, or variations that you can afford. This might not make much difference in the early stages of your business startup, but later, competitors may cause trouble by attempt to steal your business by leading customers to websites with similar names. While this is generally a prosecutable offense against the law, the money involved in proving your case might have been better spent in purchasing the alternative names to begin with.

For cheap domain names try <http://www.DomainAbbey.com>

Selecting a Web Hosting Company

Once you've decided on a name, have verified that it's free and clear to use, and have registered the domain, you're going to need a web

hosting company. Your web host is a company that will maintain your website on its servers and handle the traffic that your business will generate.

The majority of businesses - even most medium-sized and some large businesses - rely on hosting companies to handle their traffic rather than sinking a large investment in the technology necessary to host their own site. This high level of consumer demand is very good for your choices, as there are now a wide range of potential service levels and packages, ranging from minimum space and bandwidth (the amount of traffic you are able to accommodate over a period of time) for low-traffic personal sites, to corporate level packages with huge storage space and enough bandwidth to accommodate thousands of hits per day.

The selection of an ideal web host will be an interplay of your budget, your potential website traffic, and how much service you will require during the setup phase.

Some of the biggest companies with the best-known names will have technical support that will take the chore of setting up a website out of your hands. This will cost you, however, as some of the "enterprise"

packages being offered in the market include a huge amount of storage and bandwidth - but at a cost of hundreds of dollars a month.

Setting Up Your Website

Websites are a mediating factor in the appearance of business, allowing a small home-based business to appear as viable, legitimate, and profitable as a multinational corporation.

Let's recap some of the information from Chapter 3:

- Your website is, for all intents and purposes, very low-cost advertising.
- A website needs to be indexed before it can be visited.
- Strategic word combinations force the search engine to index your website.
- Your site should look clean and professional.
- If you can't design a professional website for yourself, you should have one built.

In addition to this information, you are going to need to identify your website's audience - and your audience is going to be the market for your product. Once you understand what your customers will expect from a website, you'll need to decide how much money you're willing to spend on your site. This will range from web hosting fees, to the money you will have to pay out to a designer, or - if you're convinced that you can design the site yourself - the money you'll have to pay for web authoring software. Macromedia Dreamweaver, one of the best programs for web design, retails at several hundred dollars and the learning curve is steep, so if your business doesn't involve multiple sites and you're not going to get a big personal charge out of learning web design software, it may be wise to invest in a website designer.

If you do decide to go this route, one important thing to remember is that just because someone can code a complicated site, it doesn't mean that they have graphic design abilities. In fact, programmers often don't have a sense of what "looks good" and so you may find yourself hiring a designer as well.

It's possible to circumvent this by hiring a web design team from sites such as Elated (www.elated.com) who specialize in graphic design and coding. There are also predesigned templates available on the sight,

and while these are offered free of charge, they are only for personal use. So if you need something for your business, it will have to be designed from scratch.

As a final note, if you plan on selling products through your website, you should remember that your site needs to include the ability to accept secure credit card payments. One easy way to do this is to set up a merchant account through PayPal (www.paypal.com), though a merchant account directly through the credit card company looks even more professional.

Grab a real professional Merchant Account at
<http://www.e-onlinedata.com/accuratemarketing>

Chapter 5 - The Brainy Bureaucracy of Business: Covering Your Bases

In the Wild West mentality of home based e-business, it's all too easy to forget that you and your business are subject to the same rules, regulations, and limitations that all other businesses are subject to, particularly those regarding intellectual property.

Simply having a great idea just isn't enough. It's also important to protect that idea by the means provided to you by governmental organizations designed for that particular purpose. Even businesses created in the global commons of the internet require all the protections afforded to them under the law for their own protection.

Two of the most important legal concepts for a new entrepreneur are trademarks and copyrights. These two terms are the embodiment of a hugely complex matrix of laws and agreements that allow individuals or companies to own and take credit for intellectual property such as a business name, a marketing concept, even unique terminology used in conjunction with a product.

Remember that even when you're working from your kitchen table, your business is a real, legal entity, and subject to the same laws as if you were working from a Manhattan skyscraper. But this also means that you are entitled to the same legal protections. This chapter shows you how to take full advantage of these protections, and be aware of your legal responsibilities as a home-based business owner.

Deed and Zoning Restrictions

The information in this section may come as an unpleasant surprise. You may not have realized that by starting a home-based business, you might be breaking the law. When going through the time and effort of filing trademark and copyright applications, and doing the other things that can afford legal protections for your investment in the years to come, it's important to realize that you may live in an area of your town that makes use of deed or zoning restrictions that prohibit commercial use of your home. Let's take a look at the specifics.

Issues with Zoning Restrictions

Zoning restrictions for your home based business are determined by municipal regulations. Issues that you might face regarding the location of your business will be local matters rather than state or federal, and so this may afford you slightly more flexibility in dealing with them, and (at least potentially) the possibility of personal interaction with officials who may be able to deal with your case.

The first thing you should do before setting up your business is to determine the local regulations that affect your startup. Visit the zoning board or repository of legal documents pertinent to your area. These are usually located in or near your municipal courthouse. Speak to a person, if you can find one, but never discuss the specifics of your case. Speak in generalities and hypotheticals. Don't give them your real name either, as any information you give the zoning board or other officials in its employ may be the spark for a later investigation. Try to remain as anonymous as possible, and if you can, get someone else to do the investigative footwork for you. At the same time, don't be suspiciously secretive – simply use general terms rather than specific examples. Say “If I was to set up a service business in my home, what

would I need to do?” rather than “I have set up a service business in my home and I want to make sure it’s all legal.”

The good news is that most municipal regulations are very flexible, and set aside a wide range of permitted home-based businesses. This is often laid out in very broad terms, such as "customary home business" and covers legal, dental, and medical practices, as well as many craft or art-based services like photography or music education. These regulations are traditionally very vaguely worded so that in the case of a challenge to your use, the courts in your area will be the deciding factor. Previous cases have established precedent, and this will determine your case.

While these laws are usually very open to interpretation, local regulations often do restrict a few specific elements of business, so take these under serious consideration when setting up.

1) The maximum number of employees that you can have is almost always limited to a very small number. This shouldn't be a problem, as your home-based business will probably be small by design.

2) The number of incoming and outgoing visits to your home are also usually limited by your municipality. This will prohibit frequent deliveries and pick-ups by UPS or FedEx, and also affect the coming and going of your employees, if you choose to have any working with you in your home.

3) The square footage dedicated to your business is usually limited by your zoning. Be sure to keep an eye on these limitations when you decide which parts of your house you will devote to office space.

4) Exterior signage will definitely be limited by zoning restrictions. More than that, however, exterior signage can draw attention to the fact that you are running a business from home. This can be a red flag for thieves who might want to rob the premises, and a signal for neighbors who might want to complain about the added traffic to and from your home during working hours.

This last point is of particular importance, as it's usually the neighbors of small, home-based business owners who are the first to complain. While this guide certainly doesn't promote illegal or "under-the-table" operation of a home-based business, it's safe to say that it may be prudent to operate your business with discretion and in such a way that

your neighbors don't know and have no reason to complain. If they would tolerate the behavior from their non-working neighbor, there's no reason to provoke them by informing them that you're actually on the job.

Private Restrictions

After you've read up on the general zoning laws that will affect your business, you should consider the more specific private restrictions that limit your property use. These are any signed agreements that relate to your occupancy or ownership of the property on which you live. They can include use covenants, lease agreements, rental contracts, or condominium association rules. Let's look at each of these individually.

Land Use Covenants

These are legal restrictions that pertain to your property's deed. They have been formally agreed to and are imposed legally on your property usage. These are sometimes called "deed restrictions" and can severely limit your ability to operate a business from home. These agreements are agreed to when purchasing your home, and so there is

little ground for a legal battle *ex post facto*. Of particular note are homes situated in formal subdivisions. Subdivisions are notorious for rigid deed restrictions that range from paint color on your fence to the type of car you can have in your driveway. Such agreements almost certainly make mention of home-based businesses, and more than likely prohibit them. Many permit certain types of home-based businesses – discretion, noise and visitors are the issues that are most likely to cause a business to be in violation of the covenant. It may be possible for you to tweak your business model to conform to the prevailing rules in your neighborhood.

Leases

Leases are formal signed contracts which relate to a rental property and the rights and responsibilities of landlords, managers, and tenants. A lease may make no mention of a home-based business prohibition specifically, but almost certainly details the specifics that might pertain to operating a business from a rental property. Leases often limit noise, the number of visitors you can have at certain times of the day, and in certain instances may even delve into the specifics of business operation, but this is somewhat rare. What you should remember when considering the legalities of starting a business in an apartment or

rental property is that most trouble can be avoided by being discreet and respectful. These two traits can allow a home-based business to operate unnoticed for an indefinite period of time. Unlike dealing with the city or county government, you are probably best off letting your landlord know right away what kind of operation you are planning. Many landlords are happy to have home-based businesses, as it means that the property is occupied around the clock, which deters crime.

General Rules

Condominiums, cooperatives, and gated communities often have extensive lists of rules that must be followed. There are often committees who make it their business to know your business, and neighbors who are constantly in the market for gossip and trouble. While it may seem that these rules have little legal standing, they are often the most difficult to get around when starting a home based business. This isn't because they are more or less legally valid than other agreements, it's simply that there are more people who are ready and willing to turn you in for violating the rules. Be extremely cautious when going up against condominium or other community rules, particularly because the repercussions of rule violation are just as real

as those stemming from violation of a lease - that is to say, you can be evicted.

A Few More Things to Consider

In addition to all of the legal research you'll have to do regarding the specific regulations that are relevant to a home based business and the contracts you are bound by, you should also research the regulations that govern the specific business you intend to start. This is research that you will undoubtedly have to do anyway, but when you do, pay particular attention to how these regulations pertain to where you will open your business. Day care, auto repair, private investigation, security, and many more businesses with the potential to be run from home require state licenses and are obligated to run under certain conditions. Although your property restrictions might not cover a home-based business, the regulatory structure of the particular business you're going into might.

Other conflicting (or confounding) regulations come from the federal government and the tax code. There are many benefits to running a home-based business, particularly in regard to tax deductions and credits, but these rules may be at odds with the other agreements

mentioned in this section. Worse still, there is potential that if you are operating your business in violation of lease agreements, rules, or covenants, filing for deductions from the IRS with a home-based business as the basis for the claim may be a red flag to local authorities and an investigation - and subsequent shut-down - of your business may ensue.

It's best to be fully aware of all the legal information that's pertinent to your situation, and probably even some that isn't. The advice of a lawyer on these issues is always recommended, as it will save time and energy. While it may not seem like it will save you money, the timely introduction of a knowledgeable attorney into the mix will give you piece of mind and alert you to any potential conflicts down the road.

Copyrights

Filing a copyright is not much different than filing for a trademark. The important thing is that you know exactly what kind of intellectual property you are seeking to protect before you proceed with a

copyright registration. This will largely have to do with the kind of business you plan on operating.

A copyright is different than a trademark in that it is a protection afforded to the content of an expressive work. The U.S. Copyright Office states that a copyright is: "form of protection grounded in the U.S. Constitution and granted by law for original works of authorship fixed in a tangible medium of expression. Copyright covers both published and unpublished works."

That's a mouthful, but what that definition is basically trying to explain is that a copyright protects original authored works, like music, plays, paintings, movies, or books. It is a form of intellectual property protection, just like a trademark, but a copyright protects authorship, while a trademark is designed to protect pieces of writing or artwork that distinguish and identify business entities or their products and services.

You should know that copyright law and subsequent protections pertain to works as soon as they are "created and fixed in a tangible form that it is perceptible either directly or with the aid of a machine or device," according to the U.S. copyright website (www.copyright.gov).

Many companies, particularly internet companies, may try to make you think that you need an elaborate kit for copyright registration, or some kind of insider legal knowledge, but the fact is that copyright is available immediately to anyone who writes a poem or paints a landscape.

The problem with this “easy” access to copyright, however, is a matter of proof. Despite the fact that your works are protected, proving your date of creation may be a difficult task in a court of law. This is where official registration comes in. And depending on what type of business you're thinking about, copyright registration may become a way to save yourself a great deal of money and make sure that you receive the credit you deserve for your work and vision.

To begin, look at the government's own repository of copyright information - www.copyright.gov. This site has extensive FAQs dedicated to educating the public about copyright. When you have read them completely, navigate to <http://www.copyright.gov/register/> in order to see a step-by-step list of instructions for copyright registration. To proceed with the site's instructions, however, you will need to know the type of information you are seeking to copyright. Depending on your business, this will vary greatly. Your choices are:

- Literary Works
- Visual Art Works
- Performing Art Works
- Sound Recordings
- Serials and Periodicals
- Mask Works

The last of those is a newer category that may not be as useful to you as the others. A mask work is the three-dimensional design of a semiconductor chip - probably not as relevant to your home-based business as the other categories, but it remains an option if you decide to take on Intel as a competitor one of these days.

Currently, the filing fee for all of these categories is \$30. This fee, along with a completed application form (available on the website), and a copy of the material to be registered should be sent to:

Library of Congress

Copyright Office

101 Independence Avenue, SE

Washington, D.C. 20559-6000

So, while copyright registration isn't strictly necessary, it will certainly afford you some peace of mind, especially as your product - whatever it might be - becomes more widely advertised and known.

Trademarks

Simply put, a trademark is a symbol or sign of some kind that is used by a business to identify itself. This unique identification applies to goods, services, or other products which the business seeks to market. A trademark is a form of intellectual property, but is unique and distinct from intellectual properties that fall under copyright or patent law. Usually, a trademark is comprised of a combination of a graphic logo, words, phrases, images, or symbols.

In the case of your new business, if you want to do any kind of marketing or "branding," trademarks will be a necessary part of your business research. Your company logo should be trademarked, along with any permutations of the logo or your company name. This is absolutely necessary for your long term security and success.

Before undertaking the process, you might ask if it's necessary to file your trademark with the government. Strictly speaking, the answer to this is no. It is possible to establish a legal ownership of a trademark through use, but registering with the government provides an additional legal protection from infringement. By registering with the USPTO, you also benefit by creating a "legal presumption" of your ownership of the mark and your right to use it exclusively on a national basis in conjunction with your business.

Other benefits stated on the USPTO.org website include:

- Constructive notice to the public of the registrant's claim of ownership of the mark
- The ability to bring an action concerning the mark in federal court.
- The use of the U.S registration as a basis to obtain registration in foreign countries.
- The ability to file the U.S. registration with the U.S. Customs Service to prevent importation of infringing foreign goods.

These benefits may seem complex and unnecessarily legalistic, but you should think of the registration as an insurance policy for the future. If your company grows beyond your expectations, or develops entities in other countries, the benefits afforded by an official trademark registration will pay for the hassle many, many times over.

With that said, where should you start? Filing a trademark application with the government might seem like a daunting task, but it's a step that all businesses, large or small, have to go through at some point to secure some of their most important intellectual commodities.

The first thing to do is dive into some good old fashioned research - don't be tempted by high-priced how-to courses online. If you're bright enough to start a new business (which you obviously are) then you're bright enough to file a trademark application with the government.

Some online companies will offer training courses, secret insider tips, or other products that claim to jump-start the trademark, copyright, or patent application process. These may work, but why lay out more money than you have to? There are many free resources available to the small business entrepreneur. Chief among these is the governments own "Patent and Trademark Office" website at

www.uspto.gov. This site is a little difficult to navigate, but only because it's dense with information. It is, after all, the primary repository for information regarding copyrights, patents, and trademarks.

At this site, you will find every piece of information you could possibly want regarding trademarks, including the process for filing them and necessary documents. There are links on the uspto.gov site for each stage of the trademark registration process, making dealing with the USPTO particularly easy compared to other government agencies. This online presence also makes filing and registering with the USPTO a streamlined process that you can undertake from the comfort of your computer chair.

Now that you have some resources at your fingertips, it's important to determine exactly what type of intellectual property you'll need to protect.

This chapter of the book deals with trademarks and copyrights, but you may not be absolutely clear on the difference. There are three basic types of intellectual property: trademarks, copyrights, and patents. For the official registration of a piece of artwork, a business name, or a

combination of logo and slogan, you should pursue a trademark. A copyright is a protection afforded to authors of individual, "original works of authorship." This might include the content of an article or a piece of music. A patent is a protection afforded to an inventor; patents are outside the scope of this book.

Once you have determined what type of intellectual property protection you need (in this case, a trademark), you will need to undertake a trademark search. This is a search of the official USPTO database for trademarks that other businesses may be using that your own proposed trademark may infringe. The USPTO makes this process easy by allowing online access to the TESS, or Trademark Electronic Search System database. This database is searchable by design elements or keywords.

Trademark searches can also be conducted in person, though for most people in the United States, this might be less than practical. The Trademark Public Search Library is located at Madison East, 1st Floor, 600 Dulany Street, Alexandria, Virginia, 22313 and is open from 8:00 a.m. to 5:30 pm.

If, after your search, you discover that someone else is using a mark that appears to be in conflict with yours, you can either decide to use a different trademark, or speak to a professional in the realm of trademark and copyright law.

If you do decide to proceed with your mark, then it's time to begin the process of "trademark prosecution." This can be a time consuming process, as with anything involving government paperwork, so be prepared for a prolonged interaction with the USPTO.

First, draft a description of the goods or services provided by your company. This will accompany your trademark as it makes its way through the bureaucratic hoops of registration. A trademark application without the accompanying description is incomplete and cannot be considered. There is an entire manual on the USPTO website devoted to the process of accurately describing the goods and services your company provides. This is called the "Goods and Services Manual" and can be accessed by searching for that name on www.USPTO.org.

When preparing your application, you should also consider the fact that the mark that you submit with the application will be the mark that is registered. But there are two mark submission formats. The first is

called the "standard format character definition." This is used to register the specific, literal content of the text. Letters, numbers, and words that you intend to trademark are represented in this format, though *not* the design aspect. The second is called the "stylized definition." This format protects the graphic design element of the mark only. The standard format character definition, though it lacks design protection, does have a much broader range of protections associated with it. It should be used if you want to protect the text of your mark, and intend to use it in many formats. The stylized definition has the benefit of protecting a specific representation of words, though the protection is somewhat more limited.

When filing your application, you must choose between a standard format definition, or a stylized definition - only one of these can be used. They cannot be submitted together in a single application, nor can both sets of associated rights be obtained by the submission of a single combined format.

Once the elements of your application have been gathered, it's time to actually submit it. This can be done online using the Trademark Electronic Application System, or TEAS, on the USPTO website. This is particularly convenient, as the online system will check the

application for completeness and payment can be made with a credit card or electronic funds transfer. If the application submission is made through the website, a submission summary is sent to you via email and a serial number will be immediately assigned.

It should be noted that despite the apparently immediate response of the online application form, you will probably not receive an official response from the USPTO for five or six months. What's more, the total time for an application to be processed and a trademark's official registration can be (and usually is) a year or more. This time depends on the legalities and issues which may complicate the application during its period of examination.

Here are a few tips for filing your trademark application:

1) The importance of accuracy and consistency cannot be overstated. It is absolutely necessary to depict the graphic elements of your trademark in exactly geometrically identical ways each time you depict it in the application process. Internal discrepancies could spell doom for your application.

2) Be aware that your application is only the beginning of a lengthy process involving written correspondence and ongoing examination of the application by USPTO attorneys. Understand that your application will be scrutinized thoroughly, and that you will require a great deal of patience. Don't get frustrated, and remember that a trademark registration is not your right. It's a privilege afforded deserving applications.

3) Be articulate and timely in your correspondence with the USPTO. If you fail to respond quickly to any questions posed by the examiner, you may find your application shelved.

4) Finally, as with everything in business, don't be afraid to admit when you're in over your head. The money you save by undertaking this process on your own might be quickly outweighed by future hassles that might have been avoided by seeking professional help.

Chapter 6 - Setting Up Your Location

You've thought about it for long enough. Your business plan is ready and you're in an entrepreneurial mindset. It's time to make a home for your new home-based business. But where do you start? Do you buy supplies, pick a room, or set up a computer network? Don't let the number of things you have to do intimidate you. Just tackle them one by one, and you'll find that your home-based business is up and running in no time.

There are a few things that every home office needs. These are:

- A clean, well-lit, distraction-free environment from which to run the business. You have to remember that this is a business, even if it's run from your home. And just like at a corporate office, distractions kill productivity.
- A comfortable "base of operations" should be established to operate the business. A comfortable chair, clutter-free desk, and other elements of a well-designed office space should come together to create a workspace that fits your lifestyle.

- Like any business, hardcopy filing and storage systems will be necessary. Think about a safe place to put files, lock boxes, fire boxes, and other storage media.
- A phone system, fax machine, and other communication equipment should be installed within easy reach of your base of operations. While most homes already have phone lines, the significance of this requirement is that the phones and other computer or fax lines should be separate. You shouldn't have to go to the kitchen to make a business call.

Each of these requirements and a few more are discussed in this chapter. As you read through the sections, think about how best to tackle each of these tasks, what you already have, what you'll need to purchase, and where you'll arrange all of the elements of your new home office.

Analyzing Your Work Habits

One of the most significant problems with starting a home-based business is the inability of the at-home entrepreneur to separate the working life from the domestic one. Distractions abound, as does the constant temptation to leave the office space and go do something else. After all, it's all within easy reach now that you work at home.

The trick to beating this urge and overcoming distractions lies in finding an office space that is sufficiently isolated and private to provide the illusion that you are at work rather than at home. Also, it's important to provide yourself with a space that is conducive to work - not only private, but clean and comfortable as well.

In order to most effectively construct an office space that suits your needs, you'll need to know exactly what those needs are. You will need to be absolutely blunt and honest in your self-analysis of your work habits, and your organizational strengths and weaknesses. Before you tear out walls and rewire the house for your new T1 line, take the time to analyze yourself and understand your habits.

Work style and habits are basically a function of the natural way that your brain and body are most efficient and effective. Whether you know it or not, your efficiency and productivity are profoundly affected by your natural tendencies. Reduced productivity is the ultimate result of fighting these natural habits. But now that you are your own boss and your home is your office, you can work within the constraints of your natural work preferences.

Let's think about noise pollution. How well do you work with noise distractions? And remember, just because you've been successful in an office environment while phones ring and the intercom grumbles, it doesn't mean that you were at your peak efficiency. This is your chance to set up an office structure that will remove all noise (if it is something that distracts you). Are you the type of person who works early in the morning? Or do you need several hours to get in the groove? Well, your days of 8-to-5 are over. It's time to maximize your scheduled productivity based on your personal preferences and performance. Do you like to think standing up and walking around? Or do you prefer to concentrate by staring at a computer screen?

Knowing your preferences is essential to designing your working environment. Your office should be a natural extension of your work

habits, and not the other way around. Starting a home-based business is your chance to design an office that will maximize productivity, and your enjoyment of work.

Setting Your Boundaries

This is certainly easier said than done. As you explore your new workspace and spend increasing amounts of time there, you will become aware of the subtle ways that the outside world can creep in and distract you in a way that was never possible at the old corporate office. When you finally settle on a space that is as secluded as you can make it, do your best to set up boundaries between work and home, between your work time and free time, and between the outside world and the inner sanctum of your new home office.

Make sure that your office is as separate as you can make it. If this is accomplished with a paper screen or by locating your office in the loft of an old barn on the other side of the property, the best gift you can give yourself is privacy.

Next, be sure that you know when work is over. This is especially true if your office absolutely has to be located in the midst of your personal life, such as in the bedroom or kitchen. Be sure that quitting time really means quitting time.

If you are working in a house with children, be sure that they understand that just because you are at home, doesn't mean that you're available. This goes for other members of your family and friends as well. Firm segregation of your time and roles is essential to success in a home-based business.

If you can (and this is discussed briefly later), further separate your personal and work lives by adding an additional phone line. If you have a home phone and a business phone, not only will it appear to be more professional, but it will also allow you to set more rigid boundaries on your time. You can let voicemail take the business call that comes in at 7 PM.

Finally, if you can afford it and it's practical, utilize some soundproofing. This can be as simple as a carpet and some wall hangings, or as complex as commercially available material that is hung on the walls and absorbs a large percentage of outside sound.

These are just a few tips that you might find helpful when setting out boundaries. Whatever you choose to do, be sure that the boundaries are firm and well-understood by those who might be in the house during the day. There's no reason to totally isolate yourself - after all, that takes some of the joy and relaxation out of a home based business - but boundaries are essential to success.

A Room of Your Own: Locating Your Office

You should decide on an area of your house or apartment based on its level of privacy. Spend a day working there and you'll probably become aware of noises and traffic patterns that you may have never noticed before. It won't do you any good to commit to an area of the house without having fully experienced the negative aspects of it. Make sure it isn't near the main bathroom, kitchen, or other heavily trafficked area of the house. Of course, if you live alone a large chunk of your potential problems are already solved, but family isn't the only source of noise and distraction. If you find yourself in a room with a window, make sure that there isn't too much traffic noise from outside. After you spend your day investigating the potential of your new claim, spend

another day and another after that if you can. Make sure that you can work in peace before you commit to the space by moving furniture and hanging cables.

Now, determine what kind of space requirements your business needs now, and may need in the future. Make a list of the computer equipment, printers, scanners, or other hardware that you'll need to move into the office. Imagine all of the other possibilities as well - such as a television or sound system. If you are starting a high-tech business that has hefty hardware requirement, your hopes of taking over a small attic space or anteroom are probably out the window. Isolating yourself in an overcrowded room can be particularly unproductive, and so you'll want to have a full inventory of your office's potential equipment load before you move anything in. Get a realistic picture of the space your equipment will occupy and then proceed to search for an acceptable area. Like living alone, having a spare bedroom or finished basement solves much of your problem. Most people's situations, however, are more complex than that and will require more ingenuity and imagination.

In the most extreme circumstances, and depending on your resources, home remodeling and renovation may be an option. This is obviously a

more expensive and time-consuming option than using available space, but for some people, particularly those with small homes and a lot of interior traffic, remodeling might be the best way to add space for your new endeavor. Remodeling and renovation can turn basements, garages and attics into amazing office spaces. And because you're basically starting from scratch, they can be perfectly suited to your needs, with everything included - from windows to wiring.

Obviously, if you live in an apartment you will be severely limited in the number of things you can change and the ways in which you can change them. That said, restrictions should never stop you from having a well-designed home office that will boost your productivity and keep you on the road to success. In the case of an apartment, you should consider maximizing your space. Even though it's small, a walk-in closet can be an excellent office with the right lighting and space saving hardware. In most circumstances, using your bedroom as a hub of business is generally a very bad idea. It becomes too easy to blur the boundaries between work and home, and at night it's even easier to get up from bed and start working when you have a new and exciting idea. In an apartment, however, you may not have a choice, and a bedroom might be the only place you can set up an office. If you

absolutely have to, divide the room with screens or curtains, keeping the office separate from your sleeping quarters.

Outfitting Your Office

When you finally locate your office, your next priority will be to outfit it. For many people, this can be the most fun part of beginning a home-based business because it is real and tangible evidence that a new company is being created. Unfortunately, it can be one of the trickiest parts as well, because (as with so many parts of a home-based startup) new business owners too often move away from the fact that despite the fact that the business is located in their home, it's a real business just the same. Pens and pencils, printers and faxes, files and fire boxes are all required, just as they would be in a corporate office setting. A little caution and a lot of forethought are necessary when outfitting your new office space.

Filing Systems

One of the temptations of setting up your office is that you will want to centralize operations. This is a natural instinct and a good instinct for

an organized person. Unfortunately, most home offices will not have sufficient room to maintain extensive files within easy reach, and so additional storage will have to be utilized. Think about the attic (if it's cool), the basement (if it's dry), and the garage if it has any space. Paper files and office supplies can be stashed there until they're needed.

Also, think about moving to a more purely digital office. Paper copies are sometimes necessary, but increasingly, as business is conducted via the internet, hard copies are less preferred. An office without the clutter of paper files will be a cleaner and more easily organized office. But be warned – if you adapt a paperless model of doing business, then you must be religious about conducting backups. A hard drive crash that is irritating to a paper-based office is an unimaginable calamity to a business that runs purely virtually.

Even if you do have room for files and supplies in your office, you may want to consider storing them - along with anything else that might not be frequently accessed - somewhere else. The cleaner and more open your office is, the more productive you will likely be. External storage may be a matter of preference rather than necessity.

Phones

Any business is going to require a telephone, but a home-based business is going to require an *additional* telephone. There are several reasons for this, each one alone being reason enough.

The first is a matter of professionalism. You may think that you will simply answer your telephone as if you were a business from 9 to 5, and then afterward, your teenage daughter can take over as usual. But this isn't the case. Many times, someone might intentionally call after hours to leave a voicemail or hear an informational message. If a potential customer calls expecting to hear an office message and gets a private line instead, it will seem profoundly unprofessional.

Safety is another reason to separate your work and home phone. A telephone number is a key piece of information that might allow a potentially disgruntled customer to use a reverse directory to find your home. Not only should you keep your home and work telephones separate, you should keep any other information that might connect your business to your domestic address separate as well.

Finally, separating the telephone lines is a matter of mental health.

Being constantly accessible for work related issues through your home phone will make you feel as if you're working day and night. You will need a break sometimes, and separating the business and personal lines can go a long way in helping you to relax.

You can buy a 2-line telephone at an office supply or electronics store for under \$200. Look for a unit with two handsets and an included earpiece for hands-free operation.

Fax/Printer

All of the major printer manufacturers produce some type of multipurpose/multifunction machine. This is particularly important when choosing equipment for your new office, considering space will probably be the limiting factor. For between \$200 and \$500, you should be able to find a multifunction machine that includes a printer, scanner, and fax with copier functionality. The more money you spend, the more features you'll get, so try to focus on the most important.

What kind of printing do you intend to do? Photographic printing will require an entirely different set of equipment that high-quality color, or

just simple grayscale. As a general rule in the world of electronics, try to find equipment that specializes. No one thing does everything well. The possible exception to this is a combination fax/printer/scanner/copier that isn't intended for professional-grade color imagery. The technology involved in these basic tasks is sufficiently inexpensive that you should easily find one machine for all your needs.

Once you have your multipurpose machine, avoid putting it on the floor, no matter how tempting this might be. Opening up desk space gives a sense of cleanliness and organization, but the trouble that will be caused by arranging your printer on the floor just isn't worth it, particularly if you have several documents to copy, scan, or fax.

Computer

Your computer is the nerve center of your entire home-based business. In all likelihood, the majority of your customer interactions will be via internet, and it's possible that your entire business model is that of an e-business. In any case, your computer will act as a filing cabinet, a document generator, a source for research, marketing, and a portal to your online presence. Your computer will manage printing,

scanning, faxing, and online communication. With the advent of VoIP or "Voice Over Internet Protocol," your computer and accompanying broadband connection might even manage your telephone communication. A computer is absolutely the most essential piece of office equipment you will buy, and it's a purchase that will require a great deal of research. You may already own a computer or two, but this doesn't necessarily mean that you don't need to buy a new one for your office space. Just like having separate phone lines and establishing privacy, making sure that you have a dedicated computer in your office will increase productivity, privacy, and your ability to separate work from home.

If you know something about computers already, then consider yourself lucky. It's more likely, however, that you own a computer but purchased it for general purposes without really analyzing your needs. The kind of computer that you buy for your office will depend on what your needs are. Ask yourself these questions before you consider buying.

- Will your business involve high-end web content?
- Will your business involve image or video editing?
- Will you need to store large files such as graphics or video?

- What kinds of files will you be viewing?
- How big will your screen be?
- Will you conduct business exclusively from your home, or do you anticipate meetings at other locations?

Answering these question will help you to determine what size and type of computer you should investigate. Buying a computer is no small task, and the decisions that need to be considered could easily fill an entire book of advice, but basically, the elements of a computer that you should consider are:

Processors: This roughly translates to speed. All processors available in new computers should handle the majority of the workload you will run. High-end video and graphics projects should affect your processor choice, but in the end, this probably won't be a major factor in your decision. You will see processor speeds such as "2.1GHz" or more. These are processor "clock speeds" that are a rough estimator of how fast a program will run. The type of processor can make these values inconsistent, however. A 2.1 gigahertz Celeron processor will behave differently and have different practical speeds, for instance, than a 2.1 gigahertz AMD processor. But don't worry - all of these technicalities

are really not important if you intend to use your computer for basic work functionality such as document generation and file storage.

Memory: The overall speed of your computer is also a function of memory. The more memory you have, the less work the processor has to do when you are conducting multiple complex operations at once.

No matter what you plan on using your computer for, look for the system with the most RAM you can find. Expansion upgrades can be easy for someone with experience, but for an inexperienced computer user, the time and money involved with upgrading can be saved by purchasing a computer with large amounts of RAM from the outset.

Hard Drive: This is one of the most important things to be considered when selecting a computer, but it's also one of the easiest. Hard drives come in fairly uniform sizes. Bigger is better. It's a difficult component to upgrade after the fact, however, as you would need to transfer programs and an operating system. Suffice it to say, it's better to spend the money sooner than later. 80 gigabytes should be more than enough for all the programs you might want to load, though remember that if you're dealing with professional graphics files or video, you should have at least a 120 gigabyte core hard disk with possible external expansion.

Monitor: The computer monitor is your window into the workings of your system. It's the interface you will look at for the majority of your day. Probably the worst type of monitor you can have is a small screen area CRT. These units are older "cathode ray tube" television-style monitors that are still sold with low-end new computers. These take up an enormous amount of space and give you a proportionally small screen area. A better option is a "flat panel" monitor. Once the computer periphery of the wealthy, the flat panel monitor has plummeted in price and is an excellent option for the space-conscious office. Small, low-end flat panels still exist, however, and these aren't worth the money you'll pay. Make sure that the resolution is good and that the screen is easy on your eyes. Depending on how much you want to pay, the size of these monitors can rival a living room television and come in widescreen 16:9 ratio.

Portability: Finally, the issue of portability needs to be *the* determining factor in whether you get a laptop or desktop PC. Generally speaking, the pros and cons of laptops and desktops are straightforward.

Laptops are mobile and take up less space, but are hard to upgrade and usually require more expensive externally connected peripherals. Generally speaking, they are also more expensive than desktops for

similar levels of performance and features. Desktops are bigger and take up valuable office space, but are relatively easy to upgrade and the upgrade components (such as ram, drives, and expansion cards) are far less expensive. The price of a desktop is usually less expensive as well. You should think about how you will be conducting business. Will work be done from the home office exclusively? Or will you travel to other locations for meetings. If you think that some of your work may be done "off site," then you should seriously consider a laptop computer. If you plan on running your business exclusively from home, this is less of a worry, so you can focus on price and general functionality.

Furniture

Office furniture is primarily a matter of taste, and secondarily a matter of budget. Of course, this can be the other way around if you're on a particularly tight budget! Another factor to consider when choosing furniture is space. These three points work together in a dynamic triangle - taste, budget, and space, pulling you in different directions. When these three points align, you're in luck. If they don't it's up to you to make decisions that will be most beneficial for your business and your working mindset.

You may have a particular desire to replicate the enormous corner office of a Fortune 500 CEO. This might not be possible, given the constraints of budget and space. You may have all the money you could want to spend but limited space, or you may not want a sprawling office. Maybe your dream setup is a quaint nook with a little privacy.

Depending on your tastes, your office could range from a chair and a table to a massive desk and multimedia display system. When looking for furniture, check out the popular home furnishing store IKEA (www.ikea.com) for great value on designer European furniture styles. For an even more affordable option, office supply stores such as Office Depot (www.officedepot.com) or Staples (www.staples.com) have relatively quality unassembled furniture. Wherever you look for your office furnishings, pay particular attention to the chair you choose. Set aside a little extra money for a high quality office chair. You'll spend a lot of time sitting in it, so make it a chair that you love. In the long run, the extra money you spend on it will be worth every penny.

Odds and Ends

Just like a brick and mortar office, your new home-based business is going to require office supplies. More importantly, because of likely space constraints, its will require a certain organizational efficiency. In a small office, collecting too many office supplies can result in the inaccessibility of cabinets and other storage. Pick the things you'll need most, first. Having a large backstock of supplies may save a little time, but it may also drive you crazy by constantly being in your way.

Things you'll need on your first trip to the office supply store (in no particular order):

- Pens
- Pencils
- Calendar
- Sticky notes
- Dry erase marker board with magnets and/or a corkboard
- Yellow legal pads for notes
- Several reams of paper (not too many!)
- Extra printer ink (be sure to buy the right kind)
- A spool of CD-Rs or DVD-Rs for backup of files and storage.

- A power strip or extension cords
- Mouse pad

There are many discount office supply stores online, but you may find that they have minimum orders amounts or a requirement to start an "account." Of course this is all standard for larger companies who order in bulk, but for a new home-based startup, you may find these minimum orders to be prohibitive. Until your company grows, small trips to the office supply store may be your best option.

In Conclusion

To sum up this chapter, let's review a few of the questions you should ask yourself before you start the process of putting together your office.

What kind of traffic are you able or willing to accept in or around your workspace? Having family around the house can be distracting, but imagine the problems that might stem from bringing potential clients or employees through your living room while your family is home. Think of

all the potential conflicts that might arise from your proximity to the rest of the house and situate the office accordingly.

Will you need additional space? Not only for storage, but for holding an inventory or shipping things from your home office! If you need something more like a warehouse, you'll need to figure this into your plan for your workspace. Additionally, if you plan on actually doing light manufacturing from home - such as would be the case in a craft-based business - you will need to set aside space for a workroom or assembly area as well as a shipping area.

Do you need to have an open space with natural light? Or are you comfortable in a finished basement or interior room with artificial lighting? An office is often chosen without proper regard for the importance that natural light and a view have in efficient work habits and a happy disposition. The choice of an office shouldn't be made simply based on the available space you have in the house. It should be made with the presence of natural light and a window in mind as well.

Think about the growth potential for your business. How much space do you have to grow? If you start in a small closet and are considering

expanding your production to a multi-state operation, you may have a conflict. Most of the time, the trouble isn't so clear cut. Usually, the growth is slow and involves a second or a third computer, and additional printer, or other equipment purchased piecemeal.

Eventually, there isn't enough room for your feet under your desk, and the door to your office is bumping against the new copy machine.

Think ahead when choosing an office, and don't be afraid to think big. It will save you time and money in the long run.

Finally, remember that zoning rules and deed restrictions can severely limit your ability to do business from your home, and even cause you to be evicted from a rental unit. Before setting up an office in your house, think about the repercussions of your new business. An internet-based business in your bedroom will probably draw less attention than a small manufacturing line in the garage. Be aware that the bigger your business gets, the more attention it will attract. In certain circumstances - like imagining the eventual growth of your business - it's good to think big. But thinking too big early on, especially in violation of deed restrictions, can end up costing you dearly.

Chapter 7 - Setting Up for Growth: Even e-commerce Needs Some Brick and Mortar

Investing in Staff

It isn't too outlandish to think that someday your business might grow large enough to have a staff. In fact, "someday" might be a lot sooner than you think, particularly if the workload for your business suddenly exceeds your ability to tackle it single-handedly.

But hiring a staff isn't as easy as putting an ad in the paper for someone to mow your lawn. Taking on employees - or even contractors - is a responsibility full of pitfalls and complexities, particularly relating to taxes, regulations and the state and federal government. But don't let that scare you off. Staff can help in many ways, from making your life easier to making your business more profitable. The fact is, in many cases, staff might not be an option - they will be a necessity, particularly when your business grows bigger and faster than you ever thought it would.

The first thing you should know about having a staff is that they will benefit your business. One of the lessons anyone in a business management class learns, is that staff create profits for the hiring company. This is sometimes hard to see, though you can take companies everywhere as examples. By hiring an employee or contractor, they have agreed to pay out money to that person for services. Those services should, in theory, create profit for the hiring company in the short, intermediate, or long term. The presence of that employee will foster growth and productivity over time. The same will be the case for your business, if you're patient and make wise decisions in the hiring process.

When thinking about hiring staff, think of these people as potential profit producers, or investments. Their impact will be mediated by time and the inevitable fluctuations of your business, but over a period of time, their presence will make your life easier and make your business more profitable through any number of channels. (If they don't, you've either got a hole in your business model, or you've hired the wrong people.) Direct influence over the business and its marketing or advertising, indirect influence through administrative work that will free you up to more aggressively pursue business leads, or even the accomplishment of tasks that you are not suited to, such as graphic

production or copywriting, are all ways that a new employee might affect the profitability of your company. When you employ an individual, you should think of them as a financial investment. You put money into them in the form of wages and get money out in the form of their individual benefit to you as employees.

Advertising the Position and Interviewing Applicants

To invest in a good staff, you'll have to advertise the position to a sufficiently large pool of qualified applicants. Many large and growing cities have an over-abundance of such applicants in their work pools, making finding a job difficult, but finding employees exceptionally easy. You may have experienced this first hand as an applicant, and have a good feel for the work pool in your area. This may be the first time you haven't been put in the uncomfortable position of applying and interviewing for a new job. In fact, unless you were a member of management in your life before the home-based business, this may be the first time in your life you've ever been in an interview on the *other* side of the desk - as the interviewer rather than the applicant. But don't let this go to your head, and even if the available pool is small, you

should treat everyone fairly but honestly, and take the time to interview enough people to find the right one for the job.

With this said, no matter how large or small the pool of applicants in your area may be, or what type of position you have open in your new business, the primary limiting factor on the quality of work you will receive is the amount of money you are willing to pay. It's a very simple equation. Make sure that you understand that an absurdly low wage will yield applicants who are either unqualified or cannot, for whatever reason, secure employment elsewhere. It is possible that you can find a great “bargain” in an employee – someone whose flaws happen to match up with areas where you don't need great performance, usually. However, that's a rare find.

One of the biggest myths in small business startups is that people enjoy the feeling and attitude of a startup and are willing to work for less because of the energetic and inventive atmosphere and the potential for later profit. This is an optimistic assessment at best. The fact is, people will work for *less*, but not for extended periods of time, and not for peanuts. Before you place your ads and begin to bring people in for interviews, know what the payscale for their particular specialty looks like, and have funds budgeted for their salary.

Additionally, if you are hiring employees rather than contractors, and if your budget allows, you may want to consider adding perks to the package, such as profit sharing or benefits. Anything will help during the hiring process. If you aren't offering enough money or sufficient benefits, you may quickly find that your position of power as the interviewer has been usurped by the interviewee. In the end, you are the one who needs them.

When you're finally ready to place an ad, look for local venues. Regional employment websites exist throughout the country. Sites such as Jobdango.com in the Pacific Northwest, Craigslist.com with its myriad localized boards, reach the broadest audience while still tailoring the ad to a local population. National job boards like Monster.com can also reach a wide range of applicants, though the fee for posting an ad is significant compared to Craigslist, which is free. Remember, however, that you may have to wade through more dismissible applicants on a site such as Craigslist than one tailored to a more serious and professional clientele.

Setting up an interview is something that you will have to do with a great deal of discretion. Having an interview in your home may be a

"red flag" to an otherwise qualified and serious applicant, and while you would never want to lie to your employee about the working situation, you certainly wouldn't want to turn them off to the position before they had ever really interviewed. Consider having the interview in a public conference room, such as at a library, or at a hotel with rooms available for rental. A casual sit-down interview at a coffeeshop might also be appropriate, depending on the circumstances.

Here are a few interview questions you should consider asking:

You can start with a bang if you like. Dive right in to your applicant's motivations and qualifications. Depending on the kind of job he or she is applying for, as the old classic: "Why should I hire you?" Different interview strategies suggest asking this question at different points, but all of them seem to agree that it is an effective question. It allows applicants to speak for themselves, and do a little bit of a personal sales pitch.

Asking what the applicant liked or disliked about his or her previous job is a chance to hear how he or she deals with problems. If the answer to this question becomes an excuse to complain about a previous employer, then it speaks poorly of the applicant's problem-solving

abilities and interpersonal skills - not to mention the fact that the applicant doesn't know the most basic rules of interview etiquette.

Don't ask "yes or no" questions. Ask open-ended questions that give applicants a chance to talk about themselves. After all, the answers you get in response to your questions are really only part of the answer that you're looking for. You should be listening for innuendo and suggestion - subtleties that indicate that the candidate would be a benefit to the company. Don't say "do you like to work hard?" – say "when things are busy, how do you deal with stress from your job?"

Most importantly, remember the questions that you absolutely cannot ask. Legally, you are prohibited from asking questions about age, sexual preference, marital status, medical history, or any number of other prohibited subjects. The fact is, there are more questions you can't ask than questions you can, so be overly cautious when interviewing a potential employee.

And remember, just because you are conducting a friendly interview in your home, it doesn't mean that you aren't obligated to abide by the rules and regulations regarding anti-discrimination in the workplace.

Taxes and the Government

Finally, and perhaps a matter for the most serious consideration, is the government regulations regarding employment of people. When you hire someone, you will have just complicated your business's tax situation 100-fold. This is not an exaggeration. If you had any thought of doing your own company taxes, abandon that hope and hand the job over to an accountant if you decide to hire staff. It's not a trifling matter, either. If you take the job of accounting on yourself and make a mistake, you not only run the risk of breaking the law, but you run the risk of setting your staff up for governmental complications that could take months or even years to resolve.

Take the matter of employment taxes seriously. The complications that can ensue from a failure to maintain correct records and file correct paperwork could result in the collapse of your business from fines and other penalties. On the same token, don't give in to the temptation to employ people under the table. This can have even more serious repercussions.

The fact of the matter is, many small business owners (and more so home-based business owners) think that they have the ability to "fly

below the radar" of the IRS. But as has been the theme of this book, the home-based business is, in many ways, identical to a large corporation. The difference, though, is that the result of illegal activity, or even unintentional mistakes regarding employment practices for a large corporation might be absorbed by the company's profits. In the case of a smaller business, the resulting repercussions might be enough to put it out of business.

Chapter 8 - Final Thoughts

In the final analysis, the differences between a home-based e-business and a traditional brick-and-mortar establishment are less important than their similarities, particularly with regard to the standard business practices you should seek to implement and your paths to success.

The fact is, the greatest difference between the two isn't the location, the business strategy, or the implementation of technology. The greatest difference is that an internet-based business run from the home invokes the illusion of freedom from tradition, rules, norms, and even common sense. But as was stated at the beginning of this book, a dotcom business is not the Wild West. Even business run from a back bedroom are subject to the rules and regulations of the government, and can benefit from the same structure and procedures. They can certainly benefit from the same forethought and planning, from the simplest trip to the office supply store, to filing paperwork with the government.

As you should know by now, starting an e-business is more complex than just setting up a computer on the kitchen table and waiting for hits on your website. It takes time, commitment, study, and a deeper

understanding of business - precisely the same traits that make a brick-and-mortar establishment work.

From pens and pencils to copyrights and trademarks, just because your business exists in the invisible spaces of the internet, that doesn't mean that your office does too. Taxes and rules all apply, but so does the fun - the sense of overwhelming accomplishment when you make a sale, or the sense of empowerment and success when you realize that you are at the helm of your very own business. Good luck!

Internet marketing resources

Jeremy Burns Internet Marketing <http://www.JeremyBurns.com>

Start your own Article Membership Website, Without Writing A Word of content on your own. <http://www.ArticleWholesaler.com>

Products you can resell as your own such as the book you are reading now can be found at <http://www.SourceCodeGoldMine.com>

"How to write and publish your own OUTRAGEOUSLY Profitable eBook in as little as 7 days - even if you can't write, can't type and failed high school English class!" Go to <http://www.jeremyburns.com/a/7dayebook> to get started

Now that you are on your way to becoming a Work At Home Expert, don't stop there! The next step is the Holy Grail of Internet Marketing How To Guides... Read on for details!

"Learn how to make a life-changing income of \$100,000 to \$250,000 with your Internet business... even if you're a computer dummy!"

Review: "The Insider Secrets to Marketing Your Business on the Internet" by Corey Rudl

I've just finished reading the brand-new version of Corey Rudl's top-selling Internet marketing system, "*The Insider Secrets To Marketing Your Business On The Internet*," and frankly, I'm overwhelmed by the huge amount of critical wealth-building information he's managed to pack into these **two hefty binders and 3 CDs!**

But I guess I shouldn't be surprised; after all, when the box containing these materials showed up at my door, it weighed in at **over 10 pounds!**

That's 10 pounds of the most comprehensive **marketing strategies, test results, case studies, tools, and ideas** for generating a life-changing income online (from \$1,000s to over \$1 million) you're ever likely to read!

I'm talking about information like...

- Step-by-step advice for starting your own Internet business **in as little as 48 hours!**
- How to build a top-selling web site... for less than \$100!
- Where to find hot products to sell (in 20 minutes or LESS)!
- 100s of FREE and cheap online tools, resources, and software
- How to get 1,000s of qualified NEW visitors to your web site... for FREE!

- How to **get #1 rankings in the search engines** and get tons of FREE traffic from the "Big Guys" like Google!
- Secrets to writing sales copy that can **increase sales by up to 400% (or MORE)!** And much more!

If you're unsure who Corey is, you should know that he's been a recognized expert in online marketing for a decade now. Not only has he generated **\$40,000,000 in online sales**, his sites also attract **450,000 visitor a week!**

What's *really* great about Corey is that he can show ANYONE how to have a **wildly profitable Internet business** (that takes just a few hours each day to run)...

... even if you're an absolute computer dummy!

And if you already have an Internet business, he can help YOU, too. The advanced sections of his system show you how you can **increase your sales by 400%... 700%... even as much as 1,000%!**



I give Corey's system the highest rating possible! Its 1,300+ pages of step-by-step lessons contain the exact SAME tested and proven fast-growth strategies he has personally used to generate over \$40 million in online sales -- *starting on a shoestring budget!*

And it's the SAME SYSTEM that literally **1,000s of his students have used** to drive "truckloads" of cash out of the Internet.

I strongly urge you to check out Corey's wealth-building system as soon as possible! Go to <http://jeremyburns.com/atips> for a FREE preview.

