



Transform your business ideas into
profit and build your own online empire

Starting and Running an Online Business

FOR
DUMMIES[®]



Dan Matthews

*Co-author of Starting a Business
on eBay.co.uk For Dummies*

Greg Holden

Author of eBay PowerUser's Bible

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A Reference for the Rest of Us![™]



UK Edition



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Dummies®***

**by Dan Matthews and
Greg Holden**



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About the Authors

Dan Matthews is Group Online Editor of Caspian Publishing, which produces magazines, Web sites, and events for an audience of UK entrepreneurs. Primarily working on realbusiness.co.uk, Dan writes about stellar business success stories as well as up-and-coming start-ups.

He was previously Group Online Editor of Crimson Business Publishing, with responsibility for sites such as startups.co.uk and growingbusiness.co.uk. He has contributed to a range of business magazines, including being contributing editor of *Real Business* magazine and *Growing Business* magazine, and is the co-author of *Starting a Business on eBay.co.uk For Dummies*.

Greg Holden started a small business called Stylus Media, which is a group of editorial, design, and computer professionals who produce both print and electronic publications. The company gets its name from a recording stylus that reads the traces left on a disk by voices or instruments and translates those signals into electronic data that can be amplified and enjoyed by many. He has been self-employed for the past ten years. He is an avid user of eBay, both as a buyer and seller, and he recently started his own blog.

One of the ways Greg enjoys communicating is through explaining technical subjects in nontechnical language. The first edition of *Starting an Online Business For*

Dummies was the ninth of his more than 30 computer books. He also authored *eBay PowerUser's Bible* for Wiley Publishing. Over the years, Greg has been a contributing editor of *Computer Currents* magazine, where he writes a monthly column. He also contributes to *PC World* and the University of Illinois at Chicago alumni magazine. Other projects have included preparing documentation for an electronics catalogue company in Chicago and creating online courses on Windows 2000 and Microsoft Word 2000.

Greg balances his technical expertise and his entrepreneurial experience with his love of literature. He received an M.A. in English from the University of Illinois at Chicago and also writes general interest books, short stories, and poetry. Among his editing assignments is the monthly newsletter for his daughters' grade school.

After graduating from college, Greg became a reporter for his hometown newspaper. Working at the publications office at the University of Chicago was his next job, and it was there that he started to use computers. He discovered, as the technology became available, that he loved desktop publishing (with the Macintosh and LaserWriter) and, later on, the World Wide Web.

Greg loves to travel, but since his two daughters were born, he hasn't been able to get around much. He was able to translate his experiences into a book called *Karma Kids: Answering Everyday Parenting Questions with Buddhist Wisdom*. However, through the Web, he enjoys traveling vicariously and meeting people online. He lives with his family in an old house in Chicago that he has been rehabbing for - well, for many years now. He is a collector of objects such as pens, cameras, radios,

and hats. He is always looking for things to take apart so that he can see how they work and fix them up. Many of the same skills prove useful in creating and maintaining Web pages. He is an active member of Jewel Heart, a Tibetan Buddhist meditation and study group based in Ann Arbor, Michigan.

Dedication

Greg: To my best friend Ann Lindner, who makes everything possible.

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Dan: Dan would like to thank Simon, Sam, Kelly, and Wejdan at John Wiley for their guidance, support, and ultimately patience in producing this book. He'd also like to thank Gemma for her patience and serenity, and Charles, Rebecca, and Kate at Real Business for being all-round good eggs!

Greg: One of the things I like best about this book is that it's a teaching tool that gives me a chance to share my knowledge - small business owner to small business owner - about computers, the Internet, and communicating your message to others in an interactive way. As any businessperson knows, most large-scale projects are a team effort.

The most successful entrepreneurs also tend to be the ones who were the most generous with their time and experience. They taught me that the more helpful you are, the more successful you'll be in return.

I want to thank all those who were profiled as case studies, particularly John Moen of Graphic Maps, who pops up all through the book.

I would also like to acknowledge some of my own colleagues who helped prepare and review the text and graphics of this book and who have supported and encouraged me in other lessons of life. Thanks to Ann

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Last but certainly not least, the future is in the hands of the generation of my two daughters, Zosia and Lucy, who allow me to learn from the curiosity and joy with which they approach life.

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UKWDA.org

Businesslink.gov.uk

HMRC.gov.uk

Ebay.co.uk

Startups.co.uk

Guardian Technology

Idiottoys.com

Order-order.com

[: Further Reading](#)

Introduction

You've been thinking about starting your own business, but until now, it was just a dream. After all, you're a busy person. You have a full-time job, whether it's running your home or as part of the rat race. Perhaps you've been through a life-changing event and are ready to move in a new direction.

Well, we have news for you: *Now* is the perfect time to turn your dream into reality by starting your own Web-based business. People just like you are making money and enriching their lives by starting up online. Opening hours don't exist, but you can work when you need to, and the location of your business makes no difference. Anyone can run a small business from the comfort of a home office - even if it's just your spare bedroom. And there's an ever increasing number of ways you can make money online, such as running your own blog, starting a business on eBay, or dreaming up something entirely unique.

If you like the idea of being in business for yourself, but you don't have a particular product or service in mind at the moment, keep a look out for openings and ideas: What could you put online that isn't there already? The Internet is home to many diverse businesses that have 'made it' in their own way. Among the entrepreneurs we interviewed for this book are a woman who sells her own insect repellent, a housewife who sells sweetener and

coffee on eBay, a sculptor and painter, and a young man who started selling electronics online at age 16. With help from this book, you can transform a simple idea into your very own online empire.

About This Book

You say you wouldn't know a merchant account, domain name, or click-through if you sat next to one on a train? Don't worry: The Internet (and this book) levels the playing field, so a novice has almost as good a chance at succeeding as the MBA-clutching whiz kids you hear about.

The Internet is a vital part of what makes a business these days. Whether you've been in business for 20 years or 20 minutes, the keys to success are the same:

- ✓ **Having a good idea:** If you have something to sell that people have an appetite for, and if your competition is thin on the ground, your chances of success are good.
- ✓ **Working hard:** When you're your own boss, you can make yourself work harder than any of your former bosses ever could. If you put in the effort and persevere through the inevitable ups and downs, you'll come up smiling.
- ✓ **Preparing for success:** One of the most surprising and useful things we can discover from online businesspeople is that if you believe that you will succeed, you stand a much better chance of

doing so. Believe in yourself and go about your plans like they're dead certs. Together with your good ideas and hard work, your confidence will pay off.

If you're the cautious type who wants to test the waters before you launch your new business on the Internet, let this book lead you gently over the learning curve. Once you're online, you can master techniques to improve your presence. Even if you aren't among the lucky small business owners who make a fortune by connecting to the Net, the odds are very good that you will make new friends, build your confidence, and have fun, too.

Conventions Used in This Book

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

- ✓ **In This Chapter lists:** Chapters start with a list of the topics that we cover in that chapter. This list represents a kind of table of contents in miniature.
- ✓ **Numbered lists:** When you see a numbered list, follow the steps in a specific order to accomplish the task.
- ✓ **Bulleted lists:** Bulleted lists (like this one) indicate things that you can do in any order or list related bits of information.

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

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

Foolish Assumptions

This book assumes that you've never been in business but that you're interested in setting up your own commercial site on the Internet. We also assume that you're familiar with the Internet and have been surfing for a while.

We also assume that you have or are ready to get the following:

✓ **A computer and a modem:** Chapter 2 explains exactly what kind of stuff you need.

✓ **Instructions on how to think like a businessperson:** We spend big chunks of this book encouraging you to set goals and do the sort of planning that successful businesspeople need to do.

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

How This Book Is Organised

This book is divided into five parts. Each part contains chapters that discuss stages in the process of starting an online business: designing the Web site, getting it hosted, choosing what shape your business will take, and figuring out what you plan to sell.

Part I: Strategies and Tools for Your Online Business

In Part I, we describe what you need to do and how you need to *think* in order to start your new business.

Throughout the part, you find case studies profiling entrepreneurs and describing how they started their online businesses. Within these pages, we tell you what software you need to create Web pages and perform essential business tasks, along with any computer upgrades that will help your business run more smoothly. You also discover how to choose a Web host and find exciting new ways to make money online.

Part II: Establishing Your Online Presence

This part explains how to create a compelling and irresistible Web site, one that attracts paying customers around the world and keeps them coming back to make more purchases. This part also includes options for attracting and keeping customers, making your site secure, and updating and improving your online business.