

BUILDING A **VIRTUAL CORPORATION**



LOOKING BIG TIME ON A SMART TIME BUDGET

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BUILDING A VIRTUAL CORPORATION

Looking Big Time on a Small Time Budget

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INTRODUCTION

The Wave of the Future: Why Go Virtual?

Since the inception and spread of the internet, our world has changed.

Boundaries once thought un-crossable have not only been crossed, they have been erased by the expansion of cyberspace. These days, you can hop online and instantly connect with someone on the other side of the world. It's incredible when you stop to think about it.

Perhaps the biggest impact of the internet has been in the world of business, where the term "global market" has taken on a whole new meaning. The ability to connect with nearly all of civilization with a simple click of the mouse has enabled large companies to grow even larger; and small companies that would never have otherwise succeeded to flourish. Target markets can be identified, reached and serviced with the same level of professionalism whether a company consists of several thousand employees and twenty levels of management, or a couple of guys working out of a garage—and believe it or not, online consumer giant Amazon.com started out as exactly that. How about search engine behemoth Google? A couple of guys working from their basement.

Behold the power of the internet.

With the dot-com busts of the eighties gone but not forgotten, businesses have learned their lessons and become more online-savvy than ever. The marketing waters have been tested, and it's possible—and even likely—for a small business owner or venture start-up to craft an enormous web presence that makes them appear as big as Pepsi. This book will explain how to craft your virtual corporation and give your business or start-up the boost it needs to thrive in the global market—without spending or investing thousands of dollars as you would in a typical brick-and-mortar business venture.

Frequently Asked Questions

Isn't it dishonest to make my company look bigger than it is?

Not at all. Your business web site will be a reflection of your company, and as long as you plan to operate professionally (as all good businesses should), conveying that message is not only a great idea, it's a necessity.

How will creating a virtual corporation help my business?

It is difficult and expensive to build and maintain a large physical corporation. For most people, it is impossible without extensive financial backing. By creating a virtual corporation, you are maintaining a professional image that states your

ability to operate just as effectively (and profitably) as those fortunate few who have the capital to invest in a business.

Giving yourself a virtual makeover allows you to grow as big as you can, or want to, without the need for a big building or an office in Corporate Park. More and more often, major companies' home bases are moving from big city concentrations and out to rural and remote areas. You don't have to live in New York or Los Angeles to run a big business any more!

I'm planning to start a business. Should I go virtual from the beginning?

Absolutely. Even if you plan to have a physical office for your business, it is difficult to succeed today without a web presence. And if you can run things without setting up a storefront, you will save yourself time and money while taking advantage of the latest cutting-edge methods big corporations use to reap profits and outdo the competition.

Don't I have to know a lot about computers to start a virtual corporation?

It helps to have some knowledge of computers, or at least possess basic internet use skills. Fortunately, however, you don't have to learn HTML programming or how to install a new hard drive before you can begin your virtual corporation. If you're new to the virtual world, the resource section at the back of this book

contains listings of several books and free classes you can take to develop the necessary computer skills in no time.

NOTE: Though this book focuses on building a virtual corporation in a home office setting, the techniques and strategies outlined are also applicable to small businesses run outside the home. Any company will benefit from the information presented here as an inexpensive, easy-to-implement solution for transforming your business to a dynamic entity in the online world.

So, are you ready to start building your virtual corporation?



The sky is the limit!

GETTING STARTED

Like any business, a virtual corporation requires planning and preparation to be successful. At this point you may be tempted to throw up a web site and jump right in with both feet. Before you do, you should be aware that as much as 95 percent of startup businesses fail within three years, including virtual corporations—and the most common cause of failure is lack of planning.

The information in this section will help you avoid the ill-prepared trap many businesses succumb to, and get your virtual corporation off to a great start. Be sure you don't skip over any of the steps—because even though your virtual corporation can be successful on a tight budget, cutting corners can bring the whole structure tumbling down. Fortunately, planning and dedication takes the place of cash investments when building a virtual corporation.

Are you VC-compatible? Let's explore the characteristics you should possess and develop in order to prosper in cyberspace.

Do you have what it takes to create a virtual corporation?

Running a virtual corporation takes an entirely different skill set and frame of mind than working at a physical location. The popular conception of people who work from home, or telecommute, is a rather skewed one: when you think of

working from home, you're likely picturing a leisurely individual clad in pajamas and bunny slippers, lounging poolside with a laptop and a cool drink. This erroneous image of a glamorous freedom from responsibility, all while earning more money than you could possibly spend, has become the impetus for many disgruntled office employees and homemakers to fuel the growth of work-at-home scams.



It's not all cold drinks, pool boys and relaxation!

The reality of operating a virtual corporation is much less dazzling. Ask anyone who runs a business from home, and they'll paint a more accurate picture of long hours, endless responsibilities, and struggles with clients that would never occur in the regular business world. The VC business model is not the easiest form to tackle.

However, make no mistake: it is the most rewarding, and eventually, the most fun. And it does get easier. By arming yourself with the facts about running a

virtual corporation before you begin one, you can turn a potential disaster into the best and most satisfying career you will ever have—and someday you will find yourself in the lounge chair by the pool, with a laptop and a cool drink, while everyone is asking you how you did it.

We'll start by discussing the aforementioned character traits you need to be a successful virtual corporation.

Passion: Does this one come as a surprise? Passion may not seem like a difficult trait to come by, but it's one of the most important for anyone working from home. You are going to be spending a lot of time thinking about your business, developing your business, working on your business, and convincing potential customers to give you business. That makes your passion for what you're doing an essential element of your skill set for two important reasons. One is that you will live and breathe your product or service. The other is that when you believe in what you're doing (or selling), that passion will shine through in your work, and your customers will feel confident in dealing with you.

Motivation: Are you driven to work for yourself? The reasons behind the decision to work from home in a virtual setting are as varied as the people who do it. For many, it is the freedom of creativity and the challenge of making all the decisions themselves that drives them away from an office setting. Some are simply tired of lining other people's pockets with the fruits of their labor. Thousands of parents

make the move to virtual corporations in order to spend more time with their families. Still another great reason to work from home is the expense you will save on gas, travel time, professional attire, and takeout lunches. Whatever your reasons for choosing to start or transition to a virtual corporation, make sure the motivation behind them is powerful enough to keep you working when the going gets tough.

HELPFUL HINT: Determine your motivations for running a virtual corporation right from the start: “I want to be here for my family,” or “I’m sick of dazzling clients left and right just to make my boss look good,” or “If gas prices rise one more time, I’ll have to start riding a bike to work.” Then commemorate those motivations in physical form: make a poster, use the marquee setting on your computer’s screensaver, or write it with a marker on a coffee mug. Keep your driving force on display at your home office desk and glance at it every once in a while—like after you’ve just argued with a client over why he should pay the invoice you sent him thirty days ago, or while you’re up at two in the morning trying to put the finishing touches on a proposal. It will remind you why you’re doing this, and what your rewards are.

Determination: If you’re the type of person who gives up easily, running a virtual corporation will be challenging at best. The good news is, determination is something you can develop. You may find that otherwise well-meaning friends and family members have difficulty understanding that even though you’re home,

you're working; and no, you can't run to the grocery store or dog-sit for them, nor can you enjoy a leisurely chat over coffee in the middle of the afternoon.

Determination to make your virtual corporation successful will help you learn to say "no" to requests that would seem reasonable, if only you weren't working. Start out by informing everyone you know (especially those who are potential interruptions) that you are starting a business from home, and briefly explain what your job will entail.

Self-discipline: As someone who will report only to yourself, you must keep in mind that the work will not get done unless you do it. You'll also have to deal with the temptation of distraction, especially in a virtual setting where the internet provides all kinds of lovely sidetracks that are just a click away. Most people don't naturally possess the amount of self-discipline necessary to run a virtual home-based business—but this skill is also something that can be developed. It's a case of practice makes perfect: the more often you remind yourself that you're sitting in front of the computer to work, the more natural the process will become.

HELPFUL HINT #1: Set a schedule for yourself and stick to it. Because you are working for yourself, you have the ability to create a flexible schedule that fits around the rest of your life. Perhaps you are able to devote the hours of 9 to 5 for work. Or, if you're following the virtual model in order to spend time with your family, you may choose to work while the kids are at school, and then put in a few more hours at the end of the day, after they've gone to bed. You can give

yourself weekends off, or schedule additional hours on the weekends in order to have more free time during the week. Whatever schedule you set for yourself, the only important thing is to make sure you follow it as strictly as possible so you're not scrambling to get things done.

HELPFUL HINT #2: If you're able, have two separate computers: one for work, and one for leisure. One of the most difficult challenges in running a virtual corporation is setting boundaries between work and personal time; more often than not, beginners blend everything together and end up feeling like every waking moment is spent working. Having separate computers helps you distinguish work from leisure in your mind, and allows you to maintain your professional side while still finding time to unwind. Do not install instant messenger programs, chat room applets or computer games on your workstation computer; save those for private time.

Personal responsibility: For everything that goes right—or wrong—in your virtual corporation, you will be the one solely responsible for it. Those who work from home must keep in mind that when problems come up, they are responsible for solving them in the most professional manner possible. On the flip side, however, you get to take every scrap of credit for jobs well done. The pride and satisfaction you can take in running a virtual corporation is unmatched.

QUIZ: Are You VC Material?

Take this self-test to help you determine where your strengths lie, and which areas you need to work on in preparing yourself to run a virtual corporation.

Remember to be honest with your answers! Once you find out what you need to work on, you can take steps to instill the work habits you need to succeed in the virtual world.

Answer each question with Yes, No, or Maybe. Skip any questions that do not apply to you and your situation.

PASSION

- Do you love your current job? And if so, do you plan to start your virtual corporation in the same area you currently work in?
- If you could only work in one industry for the rest of your life, would you choose the one you're planning to start your corporation in?
- Are you able to talk fluently about what you do (or are planning to do) for hours on end? Can you do it without boring the person you're talking to?
- Can you picture yourself enjoying your job while you run your virtual corporation—maybe even for the first time in your life?

MOTIVATION

- Do you generally follow through on your ideas for hobbies or projects you'd like to accomplish?
- Are you usually able to finish things like housework, tasks at the office and school projects with your children, even when you don't feel like doing them?
- Is the reason you want to run a virtual corporation important to you? How about to your family?
- Do you want what you hope to gain by working for yourself enough to stick with it through days you end up working twelve or fourteen hours straight?

DETERMINATION

- Are you able to reply with a guilt-free "no" when asked to perform a favor or task you know you won't be able to get to in a reasonable amount of time?
- Do people generally consider you stubborn? Do you refuse to let go of the idea of having something you want (within reason) until you get it?
- Are you likely to (or have you ever) haggle with a seller at a flea market or garage sale on the price of an item you want if you consider it unreasonably high?
- Remember the old Klondike Bar commercials, where ordinary people were asked to do crazy things in exchange for a chocolate-covered ice cream bar? Imagine the prize is your successful corporation. What would you do for your Klondike Bar—is it more than what you'd do to get anything else?

SELF-DISCIPLINE

- When you're in the middle of working on something, are you able to resist playing computer solitaire or checking your e-mail every few minutes?
- Do you usually concentrate on the task at hand until it's finished?
- Are there a lot of things in your life, such as exercising regularly or quitting smoking, that you've accomplished by making a plan and following through?
- Can you pass up fun invitations from friends and family when you have unfinished business to attend to and have to get it done?

PERSONAL RESPONSIBILITY

- If you hit an empty car in a parking lot, would you try to find the owner and tell them what happened?
- Do you own up to your mistakes (or at least most of them)?
- When you take on a project or task, do you consider it "yours"—even if it doesn't work out the way you intended it to?
- Are you a firm believer in the value of insurance, whether it's a policy from an insurance company to protect your ass(ets) or a written contract for an agreement between two parties (even friends and family)?

Your results: Look at your ratio of yes to no answers in each section. If you have more "yes" and "maybe" than "no" in a section, consider this area one of your strengths. If your "no" entries are the majority, these are the characteristics you should concentrate on developing. Remember, practice makes perfect!

Now that you're passionate, motivated, determined, self-disciplined, and personally responsible, let's review what characteristics your home office needs in the recipe for virtual success.

You're ready for business—is your business ready for you?

Your home office must be as open and conducive to running a virtual corporation as you are. Having a dedicated space for business is imperative, whether it's an entire room or just the corner of your living room. If you work outside the home and rent or lease space for your office, you should still apply the following tips for creating a professional atmosphere in your work area.



Your home office can be professional *and* comfortable!

Noise Pollution: Eliminating the Background Buzz

How fast would you hang up the phone if you called a dentist or a plumber and heard video games and barking dogs in the background? What your clients hear when they call your business plays a large part in their evaluation of your company. You don't need to invest in on-hold music to create a professional impression, but you do need to ensure life doesn't interrupt your business calls.

The best way to do this, of course, is to have a separate room dedicated to office space. Also, make sure your family and any friends that are likely to drop by unannounced know that when you're in the office, you are working and should not be disturbed. Talk with them ahead of time to avoid hurt feelings, and let them know the times you will be available for things not related to work.

If you don't have a dedicated room, there are things you can do to minimize the noise level in a place where other activities are likely to occur. Try to choose a location away from wherever the most household traffic occurs. If possible, put up folding screens or hang curtains from the ceiling to delineate work space from home space. And if background noise is completely unavoidable unless you're prepared for a call, set up a professional voicemail service or answering machine and stress on your greeting that calls will be returned promptly. That way, you can check messages frequently and arrange for a distraction-free return call.



A cell phone can end up as your business' lifeline

The Importance of Being Earnest—Er, Organized

Because you are entirely responsible for your business, it's up to you to keep track of things. That means organization is essential. There is nothing worse than completing a big project, then walking away from your workspace and returning to discover you have no idea what you just did with it—and the client expects it in an hour. Additionally, keeping your work area clean and coordinated saves you a huge amount of time in the long run you'd otherwise spend hunting down misplaced files or phone numbers scribbled on Post-Its.

Like other integral virtual corporation skills, organization is a process that improves with practice. If you make it a habit to keep things straightened up and stored where you can find them, it soon becomes second nature. It's a good practice to keep personal items and paperwork out of your business area (but no

one would begrudge you an executive desk toy or two!). This also helps to enforce the separation of work and leisure you need to maintain.

A great rule to follow for honing your organizational skills is the One-Time Rule. This means whenever you pick up a piece of paper, whether it's a bill, an invoice, a sales letter or something you meant to add to your permanent file system, determine what should be done with it and do it right then. Never pick something up more than once. The more often you put aside things and tell yourself you'll get to them later, the bigger your "to-do" piles will become. You can also apply this rule to your e-mail. Every time you open an e-mail, decide what action needs to be taken with it: reply, delete, or keep for reference. Then do it! This technique will help you avoid ending up with 1,347 messages in your inbox with no idea what you should do with 1,329 of them.



Don't let the infinite file nightmare consume your office

You'll find more information on specific organizational tools in the upcoming section *Home Office 101*.

Goal setting: where will you be in five years?

What do you want to accomplish with your virtual corporation? Do you just want to earn a comfortable living without working for someone else, or do you intend to be fabulously wealthy? Do you want to carve out a niche for yourself in the herbal soap market, or do you want to be the number one global provider of herbal soaps ever to exist? Whatever your goals are for your company, constructing a concrete plan to reach them is a tremendous step in steering your business down the path of success.

Signed, sealed and delivered: why you should create a contract or proposal for yourself

Just as you would never enter into a professional agreement with someone without a contract, this holds true in dealing with yourself and your personal goals. Take the time to determine your goals for the next five years and get them down on paper. Having an official document that states your intentions for your business is a powerful motivator, and can also serve as a road map when you get to an “all right, now what?” juncture in your company’s development. Two good formats for your agreement with yourself are contracts and proposals.

Contract: A simple contract stating your goals, intentions and plans for your business can be sufficient to start you out. Your contract can be one page or several pages long, depending on what you choose to promise yourself in regards to your business. Be sure to include the time commitment you plan to invest (part time, full time, part time that develops to full time); what you ultimately envision your company to be (your “dream job”); and the steps you will take to get there. You can even include your intentions to give yourself a break once in a while and the motivating factors behind your startup venture. Make sure to sign and date the contract. If you have supportive friends or family members, ask one to sign as a witness—and maybe even help you stick to your goals along the way.

Proposal: Though a proposal is a more complicated document than a contract, taking the time to write a great business proposal is worth it for the detailed plan of action you end up with. Most business proposals are exhaustive resources. They are several dozen pages long and list just about every bit of information pertinent to your business you should keep in mind. The components of a standard business proposal are as follows:

- *Statement of Purpose:* This is your reason for writing the business proposal in regards to your company. Most business proposals are written with the intention of explaining why the business will work to a bank or group of investors, in order to obtain funding. For goal-setting

purposes, your statement of purpose should be a brief summary of your business goals to serve as a framework for the rest of the document.

- *Description of Business:* In this section you describe the industry you're working in and what function your company performs in that business: usually sales, service, information or product provider.
- *Location:* Take a page or two and describe where your business is located (home office or outside location). List the benefits and drawbacks of operating your business from your chosen location.
- *Management:* This segment could also be titled "All About Me." The management section details the experience, knowledge and resources you will bring to the company. If you are running your virtual corporation in conjunction with a partner or key employee, their contributions should also be listed here.
- *Market:* What segments of the consumer population will be interested in your product or service? Identifying your market early on will give you an enormous edge and help you target your marketing efforts to your best advantage.
- *Competition:* Researching what other companies in your industry are doing can help you plan your own strategy for success. In this section, try to describe both the strengths and weaknesses of your competitors so you can avoid making the same mistakes.
- *Personnel:* Do you already have a business with a few employees? Do you plan to hire anyone in the next five years? In this section you will

write about your future staff: how many people you will hire, whether they'll work part-time or full-time, what their duties will be, and where your labor pool will be (local or telecommuters).

- *Business goals:* Here's where you take those points you mention in the Statement of Purpose and expand on them. This is the fun part to write. Capture everything you want to accomplish with your virtual corporation so you can look back on your plans and say "I've done it!"
- *Summary:* The summary of a business proposal restates the introduction and ties everything together. It is an affirmation of your intentions. After you get through everything that comes before it, you'll probably know more about your business goals than when you started out, and your summary can reflect that new knowledge.
- *Financial data:* Unless you're an accountant, you probably won't enjoy this part—but if you can make financial plans for your business, you'll be in much better shape down the road. If nothing else, calculating your income projection for the next few years will help you determine the best areas to concentrate the funds you allocate for business purposes. In the resource section at the back of this book, you'll find some references to materials that will help you create income projections and balance sheets for your virtual corporation.

Yes, You Can: Why No Goal is Too Lofty

Though it may seem contrite and clichéd, setting low expectations for your business can help to guarantee you meet them. It is okay, and in fact preferable, to start out slow and take small steps, but in planning your goals for your virtual corporation you should aim as high as you want to go. Whatever your dream is for your career, whether you just want to work for yourself and earn a comfortable living or buy a mansion on an ocean shore, make that dream your ultimate goal and work toward it. No goal is too big—or too small.

Your business, your way: determining your virtual potential

Just about any type of business can form a virtual corporation. Some types are easier than others to run in a virtual setting, but with planning and creativity, any business can be implemented online. In order to determine your virtual potential, you should examine several aspects of your company and figure out the best way to present your business online.

Product-driven companies: Companies that offer physical products are the easiest to translate to a virtual format—unless, of course, you're selling cars or elephants; both of which present shipping difficulties. In setting up a virtual

product-based corporation, your main considerations will be how to reach customers interested in your product and how to deliver orders.

One important, often overlooked aspect of product-driven online companies is price setting. Be sure to factor in the cost of shipping when determining how much you will charge for your products. Online consumers are used to paying extra for shipping, but if your delivery cost exceeds the cost of the product it may be difficult to generate sales. In the United States, the USPS (United States Postal Service) generally offers the lowest price for individual shipments, while FedEx and UPS offer discounts for multiple packages and frequent customers. You should determine the shipping method that best accompanies the product you offer and plan accordingly.



Selling information is both a product *and* a service – plan accordingly!

Service-driven companies: Depending on the type of service your company will offer, running a service-based virtual corporation can be simpler (and less expensive regarding overhead costs) than product sales; or it can be difficult and may require a bit of creative planning. For example, there are thousands of companies that provide web design and hosting services—obviously quite conducive to a virtual environment. On the other hand, if you are a personal image consultant, working face-to-face with clients is an essential aspect of your business.

However, even personal image consultants can benefit from the flexibility of a virtual corporation. Constructing a dynamic web site is a vital step for any company and will help you reach prospective clients in your area that otherwise would not come into contact with you through conventional advertising. If your company is well known in cyberspace, your web site will enable those visiting your area to find you and bring in more business. Additionally, you can offer less extensive versions of your services tailored to internet-friendly delivery. In the example of the personal image consultant, you might offer to review digital photographs and provide a custom analysis of recommended wardrobe, hairstyle and makeup suggestions. These mini-services can also provide an incentive for local clients to enroll for the full version.

Consider what aspects of your service-driven company best lend themselves to a hands-off approach. Perhaps a telephone consultation would provide a method to

deliver a portion of your services to clients. If you think outside the box, you will be able to discover additional ways to provide your services and expand your business possibilities.

Referral/recruitment companies: This type of company is sometimes referred to as multi-level marketing, or MLM. Despite its unsavory reputation, the MLM industry does offer some viable opportunities for those who research companies carefully and plan accordingly. Many MLM programs are indeed scams, but some are legitimate business ventures.

Passion is the most important aspect of a successful MLM business. If you don't love the product, you will not be able to convince others to invest in it.

Fortunately, there is a range of MLM products to suit every taste; so if you're interested in multi-level marketing you will have no problem finding one you're passionate about.

Of course, MLM companies are especially suited to a virtual corporation. Many of the legitimate programs revolve around e-books and e-courses, which are the core components of web commerce. In many aspects, MLM businesses are the ultimate product-driven company models optimized for the internet.

Specialty/niche companies: If you have worked in a particular industry for a long time, or have extensive knowledge in a particular area, your company may

involve dealing in specific products or services that would only be of interest to others in the same industry. For example, if you are involved in the restaurant industry and create or design tabletop displays for food service establishments, only restaurants would be interested in your offerings.

The good news for specialty and niche companies is that a virtual corporation allows you to expand your boundaries and reach potential clients all over the world. Because you can target your marketing and make your web site available to anyone with internet access, the web is the perfect home for specialty businesses. Work at making your virtual corporation look big online, and you will find yourself a prospering global company!

The virtual potential of your business is ultimately up to you. Going online with your company and building a professional presence is an inexpensive and effective way to expand your business.

Home Office 101: How to set up your base of operations

Your home office is the focal point of your virtual corporation. There are many important considerations in setting up an effective home office. Of course, there is also a list of benefits a mile long to working out of the home: no traffic or commuting time, little to no overhead expenses, the freedom of flexible hours, money saved on wardrobe and meals, and so much more.



Your home office can be a technology paradise – or a comfy chair and tea.

You don't need to own a house in order to have a home office. Whether you live in a studio apartment, a trailer, a townhouse, or a sprawling country estate, the beauty of working from home is the flexibility. With planning, you can construct a home office anywhere.

Essential Equipment for the Home Office

Many components of the home office are a matter of personal taste. However, there are some things every office needs in order to function. Shop carefully for your home office equipment—if space is limited, you can find space-saving versions of just about any piece on the list.

- **Computer:** You can't run a virtual office without a virtual facilitator, otherwise known as your computer. Your computer should be reliable and fast, with sufficient storage and RAM to run your business easily. You probably don't need the "best computer money can buy." However, you should make sure you have at least 20 gigs of storage space (especially if you work with graphics, PDFs or other large documents); external storage drives (CD drives with burners work great!); at least 256 megs of RAM (Random Access Memory); and a 1+ gig processor (the processor is what allows your computer to load images, find files, open windows and generally run fast). Also, ensure that you have the peripheral devices necessary to your business: scanner, printer, fax modem (or a scanner/printer/fax combination, which saves you money and space), and plenty of USB ports to plug everything in.
- **Desk:** Somewhere out there is the perfect desk for you. You can find a computer desk to fit just about any space, whether you have a corner

office or an entire finished basement. Your desk should be functional, sturdy and convenient, with plenty of storage space so you don't need a lot of auxiliary storage. Be sure the desk is a good height for you, unless you plan to get an adjustable chair.

- Chair: Your butt will be spending a lot of time planted in your chair, so make sure you pick one that is comfortable. Wheeled chairs are nice for moving around your office, but if you don't have carpeting you may want to avoid wheels. If possible, get a chair with adjustable height so you can avoid straining your arms as your typing, or match stationary chairs to your desk before you buy one.
- Paper storage system: Though you will probably be storing most of your files on your hard drive, there are some things you should keep physical files of, such as your tax returns and equipment warranties. You can get a good two- or three-drawer file cabinet for under \$50 from an office supply store or major department store. If your business deals with sensitive client information, consider purchasing a locking file cabinet. Make sure you have plenty of folders: buy in bulk to save money. You'll also likely need a bookshelf for reference materials, and again, you can get a good set of shelves for under \$50.
- Telephone system: You need a good, clear line of communication, so be sure whatever phone you use doesn't crackle or cut out. If you use a cell phone, go with a reliable service carrier—you don't want to lose your signal in the middle of an important business call. For landline

phones, you might consider a satellite phone. They are more expensive than other types, but have both wired and cordless receivers and transmit signals clearly from room to room. At the very least, invest in a good cordless phone in case you have to suddenly duck into another room in the middle of a call. When you choose your telephone service carrier, opt for one that allows unlimited local and long distance calling, call waiting, three-way calling, and voicemail. If you have both call waiting and voicemail, you will never miss a call—even if you're on the other line and can't answer the incoming call, the voicemail system will pick it up. You also might want to consider a hands-free headset if you will be spending a lot of time on the phone.

- **Organizational/calendar system:** Organization is important for your home office. You should have a large, write-on calendar hanging on the wall so you can see your month at a glance, as well as a portable organizer that you keep with you at all times. A portable organizer can double as storage for business cards, so you're ready to take on a new customer or client any time. Tuck a few business cards into your organizer so you're always ready to pitch your business to a potential customer—you never know when you'll run across one!
- **Shipping supplies:** Keep your home office stocked with stamps, envelopes, paper, printer ink, paperclips or a stapler, and any other correspondence supplies you might need to avoid running to the post office. Also, consider investing in a postage meter—sending company

mail out with printed postage rather than stamps helps to enforce your big-business image.

- Special considerations: Make sure your home office has everything you need to keep your business running smoothly...and you interested in running it. If you can't concentrate without background noise, get a small fan or white noise machine. If music helps you work, invest in a good stereo system with a remote control (so you don't have to keep getting up to adjust it)—or start collecting mp3 files to play right from your computer. Make your home office a pleasant place to be, and you will be much happier spending time in it, and therefore more productive.



No computers, no business – get the best you can afford

Home Office Feng Shui: A Crash Course in Arrangement

Feng shui (pronounced fung shway) has recently gained popularity in the United States. It is the ancient art of arrangement and color usage that is presumed to promote balance and the flow of energy in a given space. Even if you don't believe in the philosophy of feng shui, applying some of the basic principles of this practice to your home office can help you operate your virtual corporation more efficiently—and may make it a pleasant place to spend the better part of your day.

Following are some quick feng shui tips tailored to the home office space, but you can apply these techniques to any office.

- **Location:** Situate your home office as close to the front door of your house as possible. If you can avoid it, do not locate your office in the basement—the first floor or higher is preferable, because energy flows upward. Basement offices can be painted white, with bright lighting and a fan installed to promote energy flow (or just to make you feel happier).
- **Desk placement:** Position your desk so that you are facing the entrance to the room, with your back toward the wall or a corner. Even outside of feng shui considerations, sitting with your back to the door is disruptive because you won't know who is coming in to the room. If

there are windows in your office room, try to place your desk so the window is to your left if you're right-handed, and to your right if you're left-handed. Never position your desk in the center of the room.

- **Color scheme:** Feng shui recommendations for color in the home office vary according to your company's goals. If your business relies on selling or making deals, the aggressive red is a good choice. Yellow promotes discipline and stimulates mental activity and clarity of thought—a solid color scheme for any home office. Warm colors such as orange and tan represent collaboration and cooperation. This is an excellent option for offices with more than one team member. For writing and other creative business endeavors, consider blue-green, which is soothing and promotes creativity.



Keep your office a comfortable and positive environment!

Marking Your Territory

One of the most difficult aspects of working from home are the inevitable interruptions. Well-meaning friends and family members often have difficulty understanding that even though you're home, you're working; and particularly in the beginning you are likely to receive a steady stream of requests, demands and invitations that you cannot fulfill.

It is important to discuss your plans with everyone in your household, including frequent visitors. Show them your office or the space you intend for it, and explain to them (gently) that when you are there, they should consider you "at work" and only accessible in emergency situations. If your office is in a separate room, be sure you have a door. Post your work schedule on the door so that everyone knows when you will be available for non-work related matters.

Family and friends aren't the only distractions from home office productivity—often you will find yourself generating your own set of temptations. Because you are both employee and boss, it is your responsibility to ensure you keep your office distraction-free. This means when you mark your territory, be sure to include only those things that relate to business. Keeping your PlayStation 2 in your office is extraordinarily counterproductive, and your virtual corporation will suffer for it.

Cyber Space: Home Office Computer Considerations

It's a given: if you're running a virtual corporation, you need a computer.

Practically your entire business will be contained on this one essential piece of equipment. What are some of the things you should consider when choosing a computer for your home office?

- **Specs—Speed, Storage and RAM:** Depending on the needs of your business, you will have different requirements for your computer. Modern computers often have more storage space than you will ever need. For most online businesses, 40 gigs of hard disk space is more than sufficient (and 80 gigs is pure madness). Your processor speed should be the fastest you can afford—the faster your computer works, the more efficient you will be in getting things done. Look for a processor that is at least 1.2 gigs. Regarding RAM, which governs the number of applications you can have running before your computer starts to slow down, 256K is a common and acceptable. If you can get it, you should consider a system with 512K of RAM, which will allow you to run more simultaneous applications (Internet Explorer, a word processing program and a spreadsheet program) without sacrificing speed.
- **Hardware and Peripherals:** Most virtual corporations need at least a printer and a fax machine. A scanner is also useful for a variety of

tasks, including converting paper files to electronic ones. You may also need a good audio system for your computer with external speakers.

- **Software:** A good home office will have the necessary software to tackle any task. Bundled office software such as Microsoft Word is essential: you will need a word processing program, a spreadsheet program, and a database program. Slideshow presentation software such as PowerPoint is optional, but helpful. Also, since so many online companies use PDF (portable document file) format for business material, product delivery, theft protection and more, you should consider investing in the full version of Adobe Acrobat, which allows you to convert any file to PDF format. Other software programs you may find useful: web design software (FrontPage, Dreamweaver), accounting software (QuickBooks, NetSuite), image manipulation software (Adobe Photoshop, ImageMagic), and desktop publishing software (PageMaker, Quark Xpress).
- **Connectivity and Security:** You will need a reliable connection to the internet, as well as a powerful antivirus program to shield your computer from all those nasty little bugs crawling the internet (except spiders...spiders are good!). If it is available in your area, you should have a cable modem or DSL connection; if not, you may want to consider a satellite connection. Dial-up service is slow and often unreliable, and it also renders your phone line unavailable. If you must use dial-up, download an internet answering machine such as

CallWave that will take messages and alert you if someone tries to call while you're online, giving you the option to disconnect and take the call. Also, because your entire business hinges on your internet activity, don't skimp on antivirus protection. Norton and McAfee are the two most popular antivirus software programs, and they are relatively inexpensive—especially when compared with the cost of replacing your hard drive after a virus destroys it.

- **Portability:** Do you anticipate being on the go, or traveling frequently for business? Laptop and notebook computers are far more affordable than they used to be, so if you need portability for your home office, a laptop may solve your problems. Additionally, a laptop allows you to change your work location if you need a break from the same old surroundings.
- **Backup:** Always back up your files. Save what you're working on every thirty to sixty minutes. Many programs have an auto-save feature you can set to automatically save your open projects on specific time intervals. Because the majority of your virtual corporation is on your computer, and computers are machines with the potential to throw a few screws now and again, you must take steps to ensure you retain as much of your files as possible in the event of malfunction. You should also back up your entire hard drive and keep the discs in a separate location outside your office.

Insurance: Do You Need It?

Insurance is a sore subject for most businesses. For the work-at-home entrepreneur with a virtual corporation, it is tempting to decide you don't need it. In many cases this is true: you don't need as many types of insurance as big corporations, nor do you need enormous policies. However, there are a few types of insurance you should consider investing in as the owner of a virtual corporation.

- **Health insurance:** Even if you don't have employees, you should still have health insurance for yourself. Many state governments offer affordable family health coverage for entrepreneurs and individual business owners—and whatever you end up paying, it will be far cheaper than the \$5,000 to \$10,000 in medical bills you would incur with an uninsured hospital stay.
- **Content/property insurance:** Your property insurance probably covers your home office, as it is located on your property. Check with your insurance company to be certain. If you have a lot of equipment in your home office, however, you should consider a separate content policy to cover it in case of theft or fire, flood, or other natural disasters.
- **Disability and workers' compensation:** If you're an individual running a business by yourself, or plan to hire only contractors, you don't need disability or workers' comp. However, if you hire permanent employees you will probably need both. Most states require employers to carry

workers' compensation insurance. Check with your state government for their policies if you decide to hire an employee.

- Business interruption insurance: This is a great policy for the individual business owner. If your business is interrupted due to illness, injury, or a number of other factors, business interruption insurance will pay a percentage of your normal earnings while you get back on your feet. This can help to ensure you won't lose your business if you are forced to close temporarily.

Once you have your home or small business office set up, you can move on to the most exciting part of your virtual corporation—creating a big-time presence on a small-time budget! The following section discusses specific methods for making your business look and sound professional, even if you're running the show yourself. Let's make some magic!

BE A MAGICIAN

Running a virtual corporation is an amazing feat. Most of your customers will never meet you face to face or step into your office. The only aspects of your company the general public will encounter are your web site, and your product. Everything else happens behind the scenes.

Successful virtual corporation owners know that the bigger and more professional you come across to clients, the more impressed and likely to recommend you to others they will be. Word of mouth is the most powerful method of advertising in existence, and maintaining the virtual illusion is the key to generating powerful buzz that will elevate your corporation to success.

Why you must look bigger than you are

The power of professionalism cannot be understated. When consumers visit your web site, it is as vital to impress them with appearances as it would be for a brick-and-mortar establishment to maintain a clean, professional atmosphere. Because of the ease and accessibility associated with setting up web sites, anyone can put one up—and as a result, there are millions of sites that appear sloppy and amateurish, and therefore do not succeed.

With many low-quality web sites, it's easy to tell at a glance that the business or company behind it is a small operation with limited capabilities. There are also quite a few prosperous companies run by only one or two people whose web sites convey a grand-scale impression. These businesses are successful in large part because of that image. Consumers will be far more comfortable dealing with a slick, well-organized web site for Essential Auto Parts, Inc., than with a clunky, poorly laid out site rife with pop-ups and banner ads entitled Uncle Bubba's Parts-R-Us. In a virtual corporation, appearances really are everything.

You don't have to rush out and hire a web designer or lease a warehouse and hire fifty employees to give your corporation a virtual facelift. Some simple adjustments and knowledge are all you need to make your small business look like a million bucks online.

Creating the illusion: How to give your small business a big presence

Like magicians, virtual corporations require certain tricks to present themselves as prosperous, thriving businesses. Most of these are easy to implement; and though they are small, the changes they will bring to your company are enormous.

Where do you live and work? The importance of your physical address

Do you live on Executive Drive...or Happy Lane? Your physical business address (which should be posted prominently on your web site to facilitate customer trust) is a big clue to the perceived size of your business. If your actual address sounds professional, such as 55 Lincoln Road or 7915 Kings Boulevard, go ahead and list it on your web site, letterhead and business cards. However, if you live at 5 Peaceful Street or 110 Running Bear Road, you may want to consider a change of virtual address.



**You may be out in the woods – but don't make your business look like its
in the sticks**

One option is to get a post office box. Many big corporations use P.O. Box addresses, particularly if they receive large volumes of mail and happen to work near a post office branch. Post office box rentals are relatively inexpensive and go a long way toward creating your professional illusion.

Whether you use your street address or a post office box, it always looks more impressive when you have a suite number in your address—and it won't confuse the delivery person one bit. You can simply fabricate a suite number and slap it into your address between the street line and the zip code, and presto! Instant corporate flair. Your professional business address should look like this:

Flowers Forever
525 Times Square Parkway
Suite 1022
Kennedy, NH 00055

There is no “I” in “team”

It's only natural to use the word “I” when referring to yourself. But in your business material, it's a mistake that can cost you sales and clients. Including statements such as “I am available for telephone consultations on such-and-such days...” is a sure sign that you're a small-time operation.

If it sounds natural, a simple solution is to substitute the word “we” in each instance for “I.” You could also refer to “the company” instead. However, using the same phrase over and over in your web copy and promotional materials not only sounds awkward and stilted, it can effect your web site's search engine

rankings (a topic that will be covered in greater detail further in this book) by making it seem as though you're using a practice known as keyword stuffing to draw traffic.

Here's an example of "me-centric" copy that shouts "I'm a small, inexperienced business!":

About Me: I run a company called Flowers Forever, which provides elaborate floral arrangements, bouquets and live plants for every occasion. All of my flowers and vegetation are grown in my special hydroponic greenhouse with choice natural fertilizers. I never use chemical enhancements or commercial insect repellent. All of my arrangements are hand-configured and include my signature ribbon of quality. You can contact me for all your fresh floral needs at me@flowersforever.com.

And here's how you can make it sound bigger and better by changing just a few words and alternating references:

About Flowers Forever: We provide elaborate floral arrangements, bouquets, and live plants for every occasion. Our flowers and vegetation are grown in a special hydroponic greenhouse with choice natural fertilizer. We never use chemical enhancements or commercial insect

repellent. Every Flowers Forever arrangement is hand-configured and includes our signature ribbon of quality. Contact our customer service department for all your fresh floral needs at orders@flowersforever.com.

Scour your web site for the dreaded “I” and “me” syndrome, and you will have taken an enormous step toward creating your professional virtual corporation.

Multiple identities: creating “departments” (without hiring staff)

When you deal with a big company, you expect to interact with certain departments for certain needs: if you’re ordering a product, you contact the sales staff; if you’re having trouble with a product, it’s tech support or customer service; if you feel you’ve been overcharged or want to change your payment method, billing or accounting is what you look for. But how can you manage all those “departments” for your company when it’s just you, or you and one or two others?

The good news is: dividing yourself into more than one department is a snap for a virtual corporation. Most web hosting companies provide you with several customizable e-mail addresses when you purchase a domain name, anywhere from 5 to 50 or more. When you set up your e-mail account, you can create addresses like service@yourdomain.com, orders@yourdomain.com, and president@yourdomain.com; then post these addresses on your web site in various sections to help create your big impression. If the company is just you,

you can set up your account so that all e-mails arrive in your inbox. Most hosting services will allow you to set up separate folders according to the “To” address of the mail you receive, so you can keep your “departments” separated in your files.

If you have an employee or two, you can “give” them an e-mail address with your domain name and have messages sent to their existing e-mail accounts. Your web host will provide detailed instructions on managing your e-mail addresses when you sign up.

NOTE: We’ll cover the actual setup and maintenance of your web site in greater detail further in the book. You’ll find out how to choose a good web host, configure your e-mail addresses, and design a great-looking site without hiring a web designer.

Paper or plastic: why you need to accept credit cards

The ability to accept credit cards is a crucial element of looking big online. Most internet purchases are made using credit cards, and buyers are wary of sites that don’t at least offer the option of credit card payments. Like referring to your company as “me,” not accepting credit cards practically screams “amateur!”

For the owner of a virtual corporation, being able to accept credit cards is a fairly simple process. Brick-and-mortar establishments have to invest in credit card

scanning and transmission equipment and pay hefty usage fees to both the equipment companies and the credit card companies. Accepting credit cards online is relatively inexpensive: generally there are no upfront fees, and credit card companies take a small percentage of each purchase.



Cash is nice, checks are fine, but plastic makes the world go 'round.

HELPFUL HINT: When determining the pricing of your services or products for your virtual corporation, you can calculate the percentage you would pay for credit card purchases and increase your costs accordingly. This way, you don't end up losing money on credit card transactions. However, you should never charge more for credit card purchases than other forms—this practice is considered quite unprofessional, and won't score you points with consumers.

There are a number of proven, trusted companies you can use to accept credit card payments online:

- PayPal: The world's largest online payment system, PayPal allows you to make and receive payments from any of the millions of registered PayPal users. With PayPal, you can accept electronic checks, direct withdrawals and credit card payments with no monthly or upfront fees—they simply take a small percentage of each transaction, around 3 percent. Also, PayPal allows you to generate Order and Buy Now buttons for your web site that will automatically bill the purchase amount, creating hassle-free ordering for both you and your customers.
- CCNow: If you sell physical products, you can accept credit cards with CCNow. Like PayPal, there is no setup or monthly fee. Their transaction fee is 9 percent, and drops to 8 percent in November and December.
- Verza: A universal online credit card company that charges 4.9 to 6.9 percent plus 99 cents per transaction.
- ProPay: This is PayPal's newest competitor. There is a one-time setup fee of \$35, but no additional monthly charges, and their transaction fees are on the low end.

What's that ringing in your ears? Phone services for virtual entrepreneurs

Every good corporation has a telephone number listed for customers to call with questions or problems. If people can't contact you by phone, or at least leave a

message, they will hesitate to do business with you. There are several inexpensive telephone support solutions for virtual corporations; you should choose the one that works best for your business and office location or situation.

- **Dedicated Business Line:** This is the best solution if you anticipate a low call volume and plan to answer the phone yourself. A dedicated business line can be locked away in the office, so there is no chance of having calls answered inappropriately.
- **Voicemail:** Voicemail is generally provided by your telephone service company. There is no equipment to set up; you simply dial a code or a telephone number to check your messages. Voicemail is a good option for those who travel frequently, as you can check your messages from any phone. Also, most cell phones include voicemail options, and you can turn them off during peak home activity time and check your messages later.
- **Answering service:** Answering services are a bit on the expensive side, but if you expect a high volume of business-related calls at all hours of the day, you may want to consider investing in one. A professional answering service helps to give your virtual corporation that big-time image you're aiming for.
- **Toll-Free Numbers:** Big businesses provide a toll-free number for their customers to call. If it's within your budget, you should do the same. Toll-free service is available from any major phone company, usually for a monthly fee, or through an internet company, usually for a

per-minute fee. The plan you choose will depend on your anticipated call volume.

- **Answering Machine:** Answering machines are the least desirable telephone systems for a virtual corporation. If you use an answering machine for your business, try to invest in a digital model rather than one that uses tapes, as taped messages fade in quality and often sound unprofessional.



Success is calling – will you accept the call?

A note on your voicemail message: you should never allow your personal home message to answer business calls. If you only have one phone line and do not use an answering service, make sure your message is professional and announces the name of your business. If customers attempt to call your business and receive a message that says, “You’ve reached the home of Mr. and Mrs. Jones. We’re not in right now...” they will either assume they have the wrong

number (and might not call back) or lose trust in your company (and might not call back). Always thank the customer for calling in your message, and apologize for missing their call.

A SAMPLE BUSINESS ANSWERING MESSAGE:

“Thank you for calling Flowers Forever. We’re sorry to have missed your call. Please leave your name, number, and a detailed message regarding the reason you are calling, and someone will get right back to you. You can also e-mail us at service-at-flowers-forever-dot-com; or check our web site’s Help section at w-w-w-dot-flowers-forever-dot-com for answers to frequently asked questions. We look forward to brightening your life!”

If you’re using an answering machine or voicemail to screen calls because of background noise, be sure to check your messages frequently and return calls as soon as possible.

The Skinny on Expansion: Fitting In to Your Virtual Skin

Once you create the illusion of a big company, you’ll find that your business actually begins to grow as more people discover your professional online presence. This section will cover even more tips to preserving your professional image and ensuring your business can handle the surge.

Company Logos: You Need One

A picture is worth a thousand words. Successful companies have logos that build brand recognition and speak for themselves. Millions of consumers are able to recognize the Macintosh Apple, the Golden Arches, and the Reebok “swish” on sight. Creating an eye-catching logo is a great way to secure your company’s reputation and create consumer interest.

Depending on your level of computer skill and expertise, you may choose to create your own logo using a graphic software program such as Adobe Photoshop. You can also research the millions of public domain images and clip art available on the internet and “adopt” one to represent your company. If you choose to “adopt,” it’s a good idea to look up other virtual corporations in your industry and peruse their logos, both to get a general idea of what works and to make sure another company isn’t using the image you select.

If your budget allows for it, the best option for business logos is to hire a graphic designer to create an original concept, which can then be copyrighted so no other company can use it. When choosing a graphic designer, be sure to ask for samples or browse their online portfolios to make sure their style conforms to your needs and tastes. If you sell home-baked treats or hand-crafted items for children, you’ll probably be interested in a graphic designer whose work is on the

whimsy side; however, if you are a financial consultant or you produce a line of executive toys, you will look for a designer with a more sophisticated bent.

Graphic designers' rates vary, usually depending on experience and/or additional services provided. You should be able to locate a competent graphic designer within your budget, and the one-time fee for a logo that will serve your company for years is worth the cost. **Try designoutpost.com for great logo design!**

The Official Bit: Posting Policies on Your Web Site

You can kick your professionalism up a notch by posting your company policies visibly on your web site. You should create separate policies to deal with returns or refunds, security and privacy, and guarantees if you provide them.

Be sure you word your policies carefully, using professional language that is clearly understandable. Because internet security and privacy policies are virtually universal (no pun intended), it is all right to use other web sites' privacy policies as a guide for yours. However, you cannot copy them word for word because you would be plagiarizing, and therefore subject to all sorts of unpleasant legal and personal ramifications.

Policies for returns and refunds are generally individualized to suit your business. In creating your return or refund policy, be sure to take into account how generous you can be without jeopardizing your company. Most returns for

physical products have time limitations, generally 30, 60 or 90 days. Virtual corporations tend to offer longer return windows in order to factor in shipping time. If your company is service-driven, you may offer refunds in case clients are dissatisfied with the results. Here, too, you should offer a time window for requesting refunds. In the case of services, you must clearly define what constitutes dissatisfaction, so you don't end up refunding everything you earn. In wording your refund or return policy, you can look for a company whose procedures are similar to what you have in mind and model yours in a similar fashion, without plagiarizing or copying.

Guarantees are similar to refunds and returns, but many guarantees offer longer time frames and may offer product replacement rather than refunds. For service providers, you might guarantee certain results from your service and offer either a partial or full refund, or additional free services if the guarantee is not met. For example, if your business deals in web site optimization, you might offer a guarantee to your clients that their web traffic will increase by a certain percentage or number of unique hits. Consumers are often more willing to purchase guaranteed products or services, and as long as you word your policies clearly and post them visibly, you will find you'll have more satisfied customers than dissatisfied ones.

It is always advisable to have a lawyer review your official policies, particularly in a virtual corporation where there is little physical interaction with customers. Look

for a lawyer who specializes in business or e-commerce, either locally or online. Protecting yourself against potential law suits is more important than ever, and once you've had your policy professionally reviewed, you can rest assured you've fulfilled your disclosure obligations as a business owner.

HELPFUL HINT: You can give your company a global image by using web translation software to offer versions of your policies or your entire site in other languages. There are several internet companies, such as Babelfish, that provide free translation codes you can install on your site.

How to Be a Consummate Professional

Though a prompt response is not an idea most people associate with large corporations, when you consider the massive volume of customer interactions they handle, that hour you spend on hold seems less significant—especially when some companies take days, weeks or even months to respond to customer requests. When planning the customer service aspect of your virtual corporation, it is important to ensure your customers get the information, answers and help they need, when they need it...and not when you get around to it.

Again, autoresponders help remove some of the burden of answering e-mail enquiries as well as give your company professional aplomb. The internet has fostered the general impatience toward delayed response: often, if a customer

can't find what they're looking for or receive an answer instantly, they will look elsewhere. Setting autoresponders for your most routine correspondence not only impresses consumers; it also frees up a huge amount of your time so you can concentrate on your business.

Your telephone responses are also important in maintaining a professional image. If your business experiences a large volume of daily inbound calls, you may want to consider outsourcing your phone service, either to a call center or a virtual employee. A constantly ringing phone is a distraction at best, and can be impossibly frustrating when you're trying to get work done.

If you receive only a few calls a day, you should try to answer the phone yourself if at all possible. It is comforting for a customer to call and be put in touch with a real live person who can answer their questions. Be sure to answer the phone by stating the name of your company, rather than a simple "hello," to avoid making the customer think they've reached a wrong number. If you must use a machine or voicemail, be sure to check your messages frequently and return calls promptly. When people leave you a message and never hear back from you, they will likely take their business elsewhere.

People want fast, reliable feedback from any company they choose to do business with. Keep on top of your correspondence with your customers, and their satisfaction will expand your company and your profits.

Keep 'Em Coming: Earning Repeat Business

Not only does creating satisfied customers give your company a good image, it also earns you repeat business: customers who keep purchasing your products or using your services faithfully. Creating a solid income stream from repeat business is an essential key to a successful virtual corporation. Web sites flourish because they develop a following. By increasing your repeat business, you generate more web site traffic and create a snowball effect: higher search rankings, a great reputation, and word-of-mouth advertising all help make your business more visible.



With the right business model, they'll be lining up for you!

The easier things are for your customers to find on your site or through your e-mail and telephone system, the more likely they are to return to you. Make sure a customer can get from your home page to your ordering page within three clicks.

Also, keep your main page free from clutter and hype. This will be discussed more fully in the following section on web sites.

Ensuring all your orders are fulfilled promptly and fully is an important step in garnering repeat business. You should also provide e-mail confirmation when an order is placed and when it is shipped; as well as a follow-up message a few days after your product or service is delivered to thank the customer for their business.

You can also offer discounts or special deals for returning customers. Once someone orders from your virtual corporation, their e-mail address is on record with you (be sure to include a disclaimer on your site stating that you will contact customers after they place an order, and allow them the option to opt out of future mailings—most will not). Use a database or list software to keep a running file of customers, and occasionally offer specials, discounts and freebies to everyone on the list.

It costs eight times as much in advertising dollars to gain a new customer than it does to keep existing customers. Be sure to keep your returning visitors satisfied with outstanding customer service, and your company will expand exponentially.

Elastic Options: Choosing Services That Grow with Your Company

If you're just beginning your virtual corporation or looking to expand your current business, you may have a limited budget to work with. Fortunately, there are several options for tools and services in the virtual world that allow you to start small and expand as needed.

Several reputable web site hosting companies, such as Tripod, MSN, and Yahoo! Geocities, offer a range of services from free sites to completely integrated web packages designed specifically for business. You can start with a free site, and then upgrade to the paid services as you find yourself needing more storage space, bandwidth, and add-ons like shopping cart systems or catalogue templates. By starting out with a web host that provides service upgrades, you won't have to worry about moving your files, redesigning your web pages, or the possibility of losing your domain name.

Autoresponder programs also offer services that can be upgraded according to your needs. Free autoresponders, like free web sites, usually display automatically generated banner ads in return for your use of the service. You can find an autoresponder program that uses small, unobtrusive ads relating to your product or service; then, when your business volume expands you can upgrade

to that company's banner-free paid service and keep all your settings and autoresponder copy intact.

Telephone service is another area that will expand as your company grows. Start out by answering the phone yourself or using a voicemail service or answering machine to catch calls. You can then upgrade to a call center service or contract telephone services to an outside employee or freelancer.

Eventually you may find your business in need of additional physical space. If you work from a home office, you probably won't want to lose the benefits of not having to drive to work. Many business owners who work from home choose to erect a separate building (or purchase a pre-fabricated one) to create more space and still stay home.

As word of your professional virtual corporation spreads, your company will expand to match the illusion you've created. Make sure you're prepared for additional business—you are laying the foundation for a successful company that will satisfy your career dreams.

HELP WANTED

Whether you're running your virtual corporation alone or you plan to hire some extra hands, at some point you will need to know how to find help—or at least make it look like you have some.

This section will cover everything you need to know about finding and managing virtual employees, even if the only person you're managing is yourself.

Going it Alone: How to Clone Yourself Online

By now you know the importance of making your company seem bigger than it is, especially if you're the one pulling all the strings. One way to create the illusion of more employees is maintaining multiple e-mail addresses from your domain, as discussed in the previous section. Another is to enlist the services of an inbound call center to handle business calls 24/7. This frees you from phone duty—but it can be expensive, particularly if you're just starting out.

If you're wearing all the business hats yourself, accomplishing the many tasks associated with running a virtual corporation can become confusing. One technique that can help you keep your “departments” separated is to set aside blocks of your business day and use that time to deal with specific functions. For

example, you can spend the first hour answering customer correspondence; the next few fulfilling orders; the following time balancing your books. Schedule separate times to update your web site, deal with suppliers and creditors, and manage your business advertising. It's easier to manage multiple departments if you know what type of tasks you'll be handling ahead of times. You can even give yourself different titles for each portion of your workday—just take care not to refer to yourself as “Zorgo, Sovereign Ruler of Accounting” when you answer a call to place an order!

When you're flying solo, you should automate as many tasks as possible. One of the benefits of running a virtual corporation is the ability to set many of your business functions on auto-pilot using autoresponders. These little pieces of internet magic are e-mail programs that send out an instant, pre-programmed message in response to every e-mail sent to that particular address. You can use autoresponders to send out preset e-mails in response to customer requests for information on your product or service; and if your product is in an electronic format, you can set up an autoresponder to provide instant delivery as soon as a customer places an order.

You'll find further information on using autoresponders in the following section on Tools of the Trade.

Virtual Assistants: The Magic of Telecommuting and Distance Employment

At some point in the formation and development of your virtual corporation, you will need help. Since you're running an online company, the best way to hire employees or contractors is to find them online.

Telecommuting refers to people who work for another company out of their own home and communicate with their employers via e-mail and telephone.

Generally, freelancers and contractors work in this manner all the time. Some companies hire permanent telecommuting employees. By enlisting telecommuters rather than having employees “come” to work, you save on the expenses of providing additional equipment and furnishings—as well as the potential problems that may result from people coming to your home to work.

Virtual assistants are a fast-growing sector of the online business industry. Many people are choosing to work from home, and making their services available to other companies rather than starting their own businesses. Good virtual assistants are pre-packaged with their own equipment, software, phone lines—everything you have in your home office, and sometimes more. There are thousands of virtual assistants available to help your business, either as permanent employees or freelance contractors.

There are a huge number of web sites dedicated to telecommuting and working from home concerns, including job boards, classified ad sites and professional listings of established telecommuters. These boards generally work two ways: you can search them for talent, or post a job advertisement and have the talent come to you.

Virtual Employees: Telecommuting to a Home Office Near You

If you need part-time or full-time help on a permanent basis, you might want to consider hiring a virtual employee or two. There are several ways to regulate and manage virtual employees. You can assign them to “work” at specified times, for instance, if you needed someone to answer phones during peak business hours. There are many virtual administrative assistants trained to perform routine office tasks from a remote location. Just as a typical business secretary would do from the front desk of a brick-and-mortar office, a virtual administrative assistant can answer phones and e-mails, fulfill orders, manage lists and databases, and take care of other time-consuming tasks; leaving you free to run your virtual corporation.

You can also hire a virtual employee on a piecework basis. If your business involves generating projects on an individual basis for clients, such as consultation work, you could hire a part-time virtual employee to work on your overflow and pay them on a per-project basis, rather than an hourly rate.



Hourly workers watch the clock; contractors try to get the job done.

One benefit of hiring a virtual employee is the ability to develop their skills in relation to your company. Because employees involve a longer time frame and level of commitment than contractors, you can develop a relationship with your employees and eventually, they will be able to manage themselves with little supervision. Be sure to invest enough time and energy in your employees to keep them happy working for you, and your job will be far easier in the long run.

When considering virtual employees, you must be aware there are different sets of tax and terms of employment rules than for freelancers and contractors. Tax issues concerning employees versus contractors are discussed further in the section on Legal Mumbo-Jumbo.

Contractors and Freelancers: Why You Need Them, How to Find Them

Most virtual corporations choose to work with freelance contractors rather than hire permanent employees. There is less paperwork involved, and you don't have to pay Social Security, Medicare or unemployment taxes for contractors.

Additionally, nearly every industry has a pool of freelancers who specialize in performing the services you need. As long as you are careful in hiring a contractor, their services can be extremely helpful in keeping your virtual corporation running smoothly.

Freelancers and contractors are available for just about any aspect of your business you can imagine. There are freelance writers who specialize in web copy; graphic designers to create and maintain web sites; companies that create and launch advertising campaigns; general and market research specialists; optimization and search engine submission companies; toll-free call center services...the list is endless. When you decide which area you need help in, you can then look for a contractor whose area of expertise matches your needs.

Many freelance contractors advertise their availability on job boards and classified sites. Most have a web site where you can view samples of their work or find out who some of their previous clients have been. One helpful method of determining which contractors you should look into is to find out the going rate for

that particular freelance service and seek out those who charge close to it. There is usually no need to pay more than the competitive rate; and those who undercharge might offer a lower quality service. However, their work samples may prove otherwise, and in any case you should go with a contractor who will give you what you're looking for.

Often it is to your benefit to let freelancers come to you rather than seek one out yourself. It is far easier and makes for a better working relationship to sort through qualified candidates who are already interested in the job you're offering. Placing an effective job advertisement will bring you plenty of contractors to choose from.

Whenever you deal with a freelancer, it is important to have a contract for their services. This can be a simple document that states what work the contractor has agreed to do, how much you are paying them for it, when the work will be completed, and how the finished project will be delivered (via e-mail; printed and snail mailed; uploaded to your web site). Often, a verbal agreement is not enough to protect you if something goes wrong and the freelancer is unable to deliver a completed project.

Wording Your Job Advertisement

Placing an ad for your job opening on an internet job board or classified ad site is a great way to find just the person you're looking for, whether you need an employee or a contractor. Unlike a newspaper or magazine classified ad, most online job advertisements allow unlimited word space to describe your open position or project. Generally, employers do not pay for internet classified ads, as those who run sites that specialize in job listings charge the users in return for allowing employers to post. In order to ensure you received targeted, qualified responses, there are a few guidelines you should follow in writing your ad.

- **It's not a classified ad, it's a marketing tool.** Approach writing your job advertisement as you would a sales letter for your product. Remember, you are "selling" a position with your company, and it should sound desirable. Be descriptive! You can either tout the benefits of working for you, or try a little humor and reverse psychology: "Open position for a virtual slave to do all my drudge work so I can make money for both of us. If you're willing to glue a phone to your ear and type your fingers off, apply now."
- **Make your job title headline news.** Which position would you rather apply for: "Secretary" or "Virtual Administrative Assistant Working from Your Own Home"? Most online job boards list posts as a series of links

to the full description of the position, named whatever you submit as your job title. By making the title of your advertisement sound like a spectacular employment opportunity, you will have more people clicking your link and more applicants to choose from.

- **Be Specific.** The more detail you use in describing your job opening or freelance project, the more likely you will be to receive replies from qualified applicants. Spell out exactly what you expect from the person you will hire, how the work will be performed, whether there are any benefits or bonuses, and if further opportunities for freelancers will arise in the future. However, too much detail can also harm your results; long posts may seem intimidating or daunting to online job seekers. A good rule of thumb is to keep job listings under 500 words. Remember to include your contact information—if they can't find you, they can't apply for the job!

Virtual Temp Services: Who You Need, When You Need Them

If you don't have the time or the inclination to go through the hiring process yourself, you can enlist a virtual temporary placement agency to find employees or contractors for you. Most virtual employment agencies screen employees and match their qualifications to your need, thereby taking the guesswork out of the hiring process for you. You will probably end up paying a slightly higher rate than you would hiring someone yourself, as these companies take a percentage of

their contractors' earnings as a fee for placing them. However, if you need to save more time than money, a virtual employment agency can be just the ticket.

Paying with Virtual Money

Like traditional employees, virtual assistants and contractors must be paid. You can opt to mail a paper check to your virtual employees, but this is often just one more hassle in an already complicated home office setup. It also costs extra money in printing and mailing costs.

A better way to pay virtual employees is through the internet. Monetary transactions online are much safer than they used to be, and there are several large companies who deal specifically with electronic funds transfers. The most popular of these is PayPal, which allows any two individuals with (free) PayPal accounts to exchange money online. You can register checking accounts, savings accounts, and even credit cards with PayPal, and most virtual telecommuters and freelancers already have PayPal accounts. Paying them is a simple matter of signing in to your account and allocating funds from your checking account—and PayPal takes care of the rest.

You can also set up online transfers between checking accounts, or direct deposit for permanent employees. Most banks will allow you to do this right from their web site, without ever setting foot in a branch office.

Hiring a virtual employee or contractor is a great way to expand your virtual corporation, and the process will help you learn more about online business. A good virtual assistant can be invaluable in making your company look bigger, and you won't have to spend a fortune to get one. The reference section in the back of this book provides several popular online job boards to help you get started in your search.

LEGAL MUMBO-JUMBO

As much as we'd all like to forget about taxes of any kind, if you're running or planning to start a virtual corporation, you have to deal with them. Many of the tax issues for online businesses are the same as those of regular businesses: you must file quarterly sales tax reports (even if you haven't sold anything!), keep up with employee-related taxes (if you have employees), and file an income tax statement every April.

There are some tax concerns regarding online businesses that differ from traditional business. The good news is: most of them are to your advantage as a business owner. So, what do you need to know about the wonderful world of taxes in order to keep your virtual corporation free from audits and penalties?

Typecasting: What Will Your Business Be?

For tax purposes, the first thing you must decide when opening your virtual corporation is the type of business organization you will file under. There are three basic types of business entities in the United States: sole proprietorship, partnership, and corporation, which can be further divided into "C" and "S" corporations. The type you choose depends on the industry you're working in and the arrangement of your company's personnel (if any).

Sole Proprietorship. In a sole proprietorship, the owner and the business are interchangeable. You are the company. The owner of a sole proprietorship is completely responsible for all business functions and unquestionably controls every aspect of the company. In other words: it is a corporate dictatorship.

One of the advantages of a sole proprietorship is that it's the easiest and least costly to set up. The only requirement for this type of business is for you to declare, "I am a business, and this is my business name." However, it is helpful and favorably viewed by the government if you file a DBA (Doing Business As) certificate with your local county clerk's office—particularly if you plan to earn more than \$600 a year with your company. Filing a DBA is a simple, inexpensive process. You will need the name you plan to operate your company under, an official photo identification such as a driver's license, and a fee of around \$50 (fees vary from state to state; check with your local county clerk for specific fee rates). When you file your DBA, have a few variations of your business name ready in case the one you want is taken.

There are some disadvantages to sole proprietorships, particularly in the area of income taxes. The percentage of your income you will pay in taxes is roughly equal (somewhere around 20 percent) until your income passes a certain point—when the percentage for a sole proprietorship begins to rise, and can reach as much as 50 percent. For this reason, many businesses choose to start out as a

sole proprietorship for the ease and low expense, and then make the move to a corporation a few years into operation.

Partnerships: A partnership is a company whose ownership is split evenly between two people. The best advice to those considering forming a partnership business entity is this: *never form a partnership*.

A partnership business entity lies somewhere between a sole proprietorship and a corporation in tax levels as well as the startup and filing costs associated with it. In a partnership, each partner acts as a sole proprietor, but neither partner can make decisions or take action without the consent of the other. If you must form a partnership, be sure to draw up an extensive legal agreement—*with an attorney*—to cover the following areas of concern:

- The type of business you are operating
- The amount of investment equity each partner will contribute, including cash, equipment, and supplies
- Division of profit or loss (usually 50/50)
- How long you intend the partnership to last
- How you will split the business assets in the event of dissolution
- How you will resolve disputes between partners
- Who is in charge of what (restrictions of authority)
- What will happen to the business in the event one partner dies or becomes incapacitated

Regardless of these precautions, partnerships are the most difficult business entity to manage and often the first to dissolve. Never form a partnership—unless you really, really have to.

Corporations. A corporation is the most costly and complicated business entity. However, for your virtual corporation it is often the best choice. In a corporation, control of the business is in the hands of the primary stockholder. Individual business owners can form corporations, because if there is no business stock, they are automatically considered the primary stockholder, as they have the greatest stake in the business.

The prime disadvantage of a corporation is the expense in setting it up. You should always engage a lawyer to handle the incorporation of your business, and legal incorporation fees can run anywhere from \$200 to upwards of \$1000, depending on the level of complication involved in setting up the corporation. If you are just starting out, you may not be able to afford the incorporation fees, and should therefore begin as a sole proprietorship with intent to incorporate.

The advantages offered by the corporation business entity are numerous. One is liability in the event of loss. With a sole proprietorship, if your business goes under then you as the owner are personally liable for all remaining financial responsibilities of the company. This means your creditors will be able to seize

your personal assets if you are unable to pay. However, a corporation is maintained as a separate entity from the business owner, and your personal assets such as your house and car cannot be seized to fulfill financial responsibilities for the business.

Lower taxes are another advantage to corporations. Though the percentage of tax against your income does rise when your business earns more profit, it does not go nearly as high as that of a sole proprietorship. You're not likely to pay more than 30 percent of your income in taxes with a corporation, and generally it won't be more than 20 or 25.

Special considerations for incorporation of a virtual company arise when considering the state of incorporation. A common practice among businesses is to incorporate in a state with notoriously lax income tax laws, such as Nevada. However, this practice is generally far more hassle to you as a business owner than any benefit you might receive. You should discuss out-of-state incorporation with your attorney before considering it for your business.

C or S: What's That Letter Mean? Unfortunately, they don't stand for Complicated and Simple. There are two different types of corporations: the C corporation and the S corporation. Actually, the C corporation is less complicated; basically, with a C corporation all taxes are the responsibility of the primary shareholder (in other words: you, the business owner). S corporations are also referred to as

“pass-through” corporations, because some of the tax burden passes through to individual shareholders.

This description may seem as though the S corporation is the better choice. After all, who wouldn't want to pay less in taxes? However, there are many regulations and restrictions on S corporations that make this model inefficient for the virtual business owner, and can actually work against you. Generally, you will be better off incorporating as a C corporation. You should consult a tax attorney who specializes in small business tax law to determine which incorporation entity is right for your company.

Online Sales Tax: To Charge or Not to Charge?

As a virtual corporation, sales tax is a sticky issue for you. Because the rules for online sales tax are still changing, it is difficult to determine whether you should charge a sales tax for your product or service. Some virtual corporations don't charge sales tax on anything, which is legal at the moment but is very susceptible to change. To be on the safe side, most online businesses charge sales tax only to customers and clients who reside in the state—or states—in which they do business.

You may be thinking that since you are a virtual corporation and your products are available worldwide via the internet, you are “doing business” in every state.

However, according to the federal and state governments, you are only considered to do business in a state if your company has an office, warehouse, distribution facility or retail location in that state. If you work from home, you are only doing business in the state you live. Therefore, you would charge sales tax only to residents of your state.

There are a few exceptions to this rule as well. Certain states are forming partnerships to force virtual companies to collect sales tax from residents of the partner state. Currently there is such an arrangement between New York and Connecticut, as well as eight Midwestern states who have formed the *Midwest Border Tax Compact* to enforce sales tax collection in multiple states. So, if you are doing business in New York, you must charge a sales tax to both residents of New York and residents of Connecticut for your product or service; and vice versa.

Check with your state government and the IRS for specific rules regarding sales tax in your state. It is important to stay current with sales tax laws.

NOTE: Remember when it was mentioned that you must file sales tax reports, even if you haven't sold anything yet? State governments are suspicious of businesses who do not file quarterly sales tax forms. As a business, you are required to file this form every quarter, by the deadlines of March 20, June 20, September 20, and December 20. If you're just starting out and haven't set up for

sales yet, you can fill in 0's on this short, easy-to-understand form and either mail it to your state tax office or file electronically from their web site.

Uncle Sam Wants You! Tax Tips for the One-Person Show

If you have never owned a business before, you may not be paying yearly income tax. Many taxpayers receive income tax refunds each year, especially if they have children (or, as the IRS so fondly deems them, “dependents.”).

However, most business owners must pay income taxes each year, because unlike a traditional employment scenario, taxes are not automatically deducted from your paycheck when you work for yourself.

Though income tax filing generally occurs once a year, some time between January and April, the federal government will allow you to make quarterly payments against your anticipated income tax. Isn't that generous of them? Actually, it is a good idea to set up quarterly payments for your business, because you avoid having to come up with a large chunk of cash at the end of tax season. If you can afford to pay ahead, you can estimate the profits your business should see during the tax year and overpay—and still enjoy a refund in April.

Fortunately for the virtual corporation owner who works from home, there are a number of deductions you can claim throughout the business year to ease the tax burden. The most common of these are:

- **Office space:** If you operate your business from a home office, you can deduct a portion of your rent or mortgage payments, utility bills, insurance costs, property taxes, and even improvements to your property from your income tax. You will have to determine what percentage of your home is used “exclusively for business” (this is the percentage of physical space your home office takes up, which the IRS allows for as much as 25 percent). You can then deduct that percentage of your home bills from your tax returns and pay far less.
- **Equipment and supplies:** The IRS allows business deductions for all equipment and supplies related to your business use. This can include your computer, your desk and chair, any of the furnishings in your home office, office supplies such as printer cartridges and letterhead, your internet service provider, and even your vehicle—as long as you use it for business-related purposes, such as to drive to the office supply store and pick up printer cartridges. Major equipment like cars and computers can only be deducted once. Replenishable supplies should be kept track of and tallied up each year.
- **Driving and travel expenses:** Again, if you use your personal vehicle for company business, you can claim deductions on your income tax. Other than the one-time equipment deduction, you can claim a portion

of your gas usage, insurance payments and repair bills. To figure out your travel deductions, you can either determine the amount of money you spent on gas actually used for business-related driving, or keep track of your business mileage and use the standard IRS per-mile deduction rate listed on the IRS web site.

- **Retirement plans:** Retirement plans are not only a great idea for the owner of a virtual corporation; they're tax deductible! Most funds put into a retirement plan are tax-deferred, meaning you do not pay taxes on it until you withdraw from the policy. Retirement plans will be discussed further in the following sections.

If your business loses money in the first few years—and many do before they become profitable—you can file a loss claim with the IRS and avoid paying income tax for the year; and you may even qualify for a refund.

Why You Need a (Virtual) Accountant

You may be tempted to handle all of these tax concerns and legal hoops on your own. However, if you and you alone are running your business, you may want to consider developing a relationship with a professional accountant—or at least investing in some professional-grade accounting software.

Why pay money for something you can handle yourself (albeit with an investment in understanding the rules on your part)? The answer is twofold. First: as a business owner, your time *is* money. The more time you have to spend on routine yet daunting form-filling and record-keeping, the less time you will be able to spend concentrating on making your company profitable. Therefore, it makes sense to pass on some of the workload, even if it's to an automated program. And second: having your records managed professionally can save you a ton of money down the road, especially if the IRS decides to audit you, and you can't find your tax records among all the client paperwork and various projects you might have lying around the home office. Keeping your tax information separate from the daily function of your business is your best protection against tax disaster. The cost of an outside accountant or good accounting software is minimal compared to the expense and disruption of a tax audit.

The Golden Years: Retirement Planning for the VC Owner

With a traditional employee business model, you are often provided with a retirement package—which may or may not be sufficient for you to actually retire in this lifetime. As a business owner working for yourself, you hold the retirement reins. By investing in a retirement fund, you can set your own standards of retirement living, and even determine at what age you want to retire—whether it's at 50 or 90 (hey, if you love your career, you're not going to want to stop

working!). There are a number of retirement plan options for the virtual entrepreneur to choose from:

- **SEP-IRA:** The Simplified Employee Pension-Individual Retirement Account is a versatile retirement program that allows you to contribute up to 15 percent of your earnings to an interest-bearing account. One benefit of the SEP-IRA for virtual business owners is that you can adjust your contribution amount, so if you earn less in one year you can put less into the plan. Starting a SEP-IRA is a simple matter of filling out one form (Form 5305-SEP) and filing it with the IRS.
- **Keogh Profit Sharing:** The Keogh plan is similar to the SEP-IRA. It is a bit more complicated to set up, but allows you to contribute a higher percentage of your income: up to 25 percent. Keogh profit sharing is widely used among high-earning professions such as law firms and medical professions. However, if you can afford to put away 25 percent of your income, you can retire comfortably wealthy.
- **Roth IRA:** The Roth IRA is an excellent retirement plan. While most contributions to retirement funds are made before income tax is levied, you contribute to a Roth IRA post-tax. This means at retirement time, the entire amount in your Roth IRA, including interest, can be withdrawn tax-free. You can contribute up to \$3,000 annually to a Roth IRA, and there is no age limit on the account—so if you choose a late retirement, you can continue to fund your Roth IRA.



If you want to retire “over the rainbow”, you’ll need to start work on your pot of gold today!

Micro-Management: Legal Handling of Your Scattered Employees

You may not have any employees at all. However, from time to time you may find it necessary to bring in some extra help. When you do, you have two choices: hire an employee, or enlist a contractor. Both of these methods have different tax concerns—and because they are far less complicated for contractual help, most virtual corporations choose to outsource the services they can’t provide themselves.

Employee Tax Issues: Any business owner knows an employee is an investment. If you’re running a virtual corporation, in the beginning stages it’s almost always better to outsource extra work. However, as you grow you may want to consider

hiring someone who will work with you on a long-term basis and know your company almost as well as you.

In regards to taxes, as an employer you must pay Social Security, Medicare and unemployment tax for any permanent employee. One concern related to the virtual office is the physical location of your employee. You may choose to hire a telecommuter—someone else who works from home. If your employee(s) live in another state, you must file a W-2 (standard income tax form for employees) with that state. This costs an additional fee, but usually no more than \$10 annually.

Regardless of where your employees live, you must provide all regular employees with a W-2 at the end of each tax year.

Contractor Tax Issues: The independent contractor is responsible for all of his or her own taxes. Therefore, most virtual corporations prefer to work with contractors, or as they are often called, freelancers. As a virtual business owner, your only tax responsibility for freelancers is to provide them with a Form 1099 at the end of the tax year, provided you paid them more than \$600 in the year. You must keep track of any outsourced work you purchased so you can report it on your own tax forms.

NOTE: If you're not sure whether a person who has done work for you is an employee or a contractor, the IRS provides a set of 20 questions to help you

make that determination. Basically, if you directly control the way the work is done (you are in direct supervision of the person working for you), you should treat them as an employee. If you simply assign a task and do not control how it is done, but rather receive a finished piece of work after a specified time period (such as web copy writing, site design, or outside bookkeeping services); the person handling the work is considered a contractor.

TOOLS OF THE TRADE

You have your home office. You've filed your business certificate. You have goals for your company, and you know exactly how you're going to meet them.

Now what?

When all of your planning and preparation is complete, it's time to start building the virtual foundation of your business: your web site. Whether you're just starting out, or already own a business and want to expand, the following techniques will help you make the most of your virtual corporation.

Your Web Site: Like a Building, Only...Not

Because your web site is the primary liaison between you and your customers in a virtual corporation, you must put as much time and work into it as you would constructing a brick-and-mortar store or office. Your web site is a showcase for your company, your products and your services. A poor web site will turn away customers faster than a poorly laid out store or office. Customers and clients arriving at a physical location are more reluctant to go elsewhere because they would have to get back into their cars and drive there. On the internet, finding another company to do business with is just a few clicks away.

Market research shows that web sites have between three and ten seconds to entice visitors to stay. Therefore, first impressions count, big-time. There are two stages to making a successful business web site: first, the design and content placement; next, attracting visitors. Each stage has several important steps. You can choose to invest either time or money, or a little bit of both, in creating a dynamic web site that will support your virtual corporation.

Naming Your Domain

Often your domain name will be the first thing people discover about your virtual corporation, whether through advertising, word-of-mouth, or search engine results. The domain name is whatever comes between the www and the .com in your web address: for example, in www.google.com the domain name is Google; and in www.big-money-from-mink-oil-extract.com the domain name is big-money-from-mink-oil-extract. A domain name is located in the address bar of a web browser, and may be different from the title of your web page, which is the text that appears at the top of your window in the left-hand corner of the uppermost bar—appropriately called the title bar.

You should give careful consideration to your domain name before you register it with a web host. A domain name should be easy to remember, easy to spell, and use as few characters such as dashes and underscores as possible. If customers

can remember your domain name and type it into their address bar without having to go through a search engine, they will be more likely to visit your site right away. Search engines produce multiple results, and if potential customers have to search for your site every time, they may find another web site they like better.

If you can use the name of your company as your domain name, that's great. However, if you've decided to name your company Google or Yahoo, you're probably out of luck as far as domain availability. When you're choosing a domain name, list several of your top choices and include breaking characters (yes, you should still avoid them as much as possible, but if your company's name is Flowers Forever and you have to choose between flowers-forever and something entirely irrelevant to your business, by all means use dashes!). You can then go to www.DomainAbbey.com or another domain search site to find out if your choice of domain names is available. If the .com name you want is taken, don't forget to check for availability in other web extensions like .biz, .net, .cc, .org and .info.

Once you've determined what your domain name will be, it's a good idea to check on other web sites with similar domain names before you register yours. For example, if you choose flowers-forever and then discover the web site www.flowersforever.com offers exactly the same products and services you plan to offer, you may want to consider something different. If there are existing web

sites with only a character's difference between them offering the same thing, customers may end up at that other site and stay there. Try reversing the words if it still makes sense (forever-flowers), or coming up with a creative domain name that is not the name of your company but still reveals what your business does (FlowerArrangements or BestFreshFlowers).

You can register your domain name through any of a number of companies that provide domain name reservation. Most of these are free services. However, it will save you a step—and possibly some trouble—if you register directly through the web site host you plan to use like www.DomainAbbey.com

Selecting a Web Host: The Good, The Bad and The Ugly

With thousands of web hosting companies to choose from, you have plenty of opportunity to select the one that's right for your business. It is always a good idea to research web host companies before signing on with one, especially one that requires a certain term of service.

Though there are a large number of free web hosting services, there are many reasons to select a paid hosting company. In order to be a professional and successful virtual corporation, you need your own domain name. If you use a free service, your domain name will be something like

“www.AnotherCompany.com/YourCompany”

This is difficult to remember, and it's a big-time hint to savvy internet users that you're running a small-time company. Also, free web hosts don't provide you with your own e-mail addresses. An e-mail address of flowersforever@yahoo.com is another tip-off that you're the sole employee of your business. Fortunately, you can find a good web host for a low price. A basic package for web hosting will generally run you between \$5 and \$10 a month at www.DomainAbbey.com far less than the cost of your internet connection.

Other than the ability to have your own domain name, there are several things you should consider when selecting a web host.

- **Free e-mail addresses: you@yourdomain.com.** Paid web hosting services generally provide you with a certain number of e-mail addresses that match your domain name. You can configure them to be sent to an offline e-mail program such as Eudora or Outlook Express, or to any web-based e-mail account like @yahoo.com or @msn.com. You can also distribute free e-mail addresses to any employees or contractors you hire, and configure them to be sent to their primary e-mail address. As mentioned before, having multiple e-mail addresses helps you to create virtual “departments” that make your company look bigger and more competent.

- **Storage space.** Web pages you create are stored on a file server maintained by your web host company. You should ensure your web host provides you with sufficient storage space for your files. If you plan to have several dozen (or several hundred) pages with product pictures or other multiple images, you will need more storage space than if you run a consulting service or other business that relies on text-based information.
- **Bandwidth.** Though not as much of a problem as it once was, you should make sure your web host provides enough bandwidth to keep your web site running smoothly. What is bandwidth? Technically, it is the amount of information that can be sent over a network connection in a given period of time. In plain English, it is whether or not your web site traffic will exceed the limits of the web host's server. If you have limited bandwidth, at some points your site may become unavailable for viewing. Customers trying to visit your site will view either a generic Error 404 Page Not Found message, or a customized message from the web hosting company stating that your site has exceeded its bandwidth allowance for the day, and they should try again tomorrow. Most will not. If your site is graphics-heavy, you should look for a web host that offers a higher bandwidth allowance (sometimes referred to as "data transfer allowance").
- **Design options.** Unless you are already a graphic designer or a computer programmer, you probably don't know enough HTML coding

to build a web site from scratch. Many web hosts offer customizable page templates or easy-to-use drag-and-drop design programs for site building. Templates are a great way to create a professional-looking web site with a minimal amount of fuss. If you plan to use an application like Microsoft FrontPage or Macromedia Dreamweaver to create your pages, you don't need this option. However, you will need an FTP (file transfer protocol) program to upload the pages to the hosting server.

- **Term contracts and discounts.** Some web hosts require that you sign a contract for a certain term of service with them, usually 12 or 24 months. Others offer service on a month-to-month basis. It is better to find a host without a contract; that way, if you are dissatisfied with the service you can switch web host providers (and keep your domain name) without having to pay a cancellation fee. Also, many web hosts offer discounts for long-term customers or those who pay for several months of service up front. A few offer bundled packages, such as a web site and a shopping cart system for one lower combined price.
- **Customer service and technical support.** Just as you plan to provide outstanding customer service for your clients, your web host company should provide outstanding customer service for you. Be sure the company lists a phone number on their main web site, and has 24/7 technical support available, either by phone or live web chat. Because your virtual corporation exists mainly in cyberspace, you will more than likely need technical support at some point—and you don't want to have

to wait until “the next business day” to find out why your site is suddenly displaying Japanese characters or empty boxes with little red X’s where your images used to be.

- **Expandability.** As your business expands, your web site should have the ability to grow with it. A good web host will offer the option to upgrade your hosting package to include more storage, bandwidth and features as you need it. If you find that your company has outgrown your current host’s capacity, it can be a nightmare trying to switch your domain name to another providers and transfer all of your files to another server. You can eliminate this potential for disaster by ensuring the web host you choose is flexible and reliable.
- **Add-ons and additional services.** Would your customers be interested in knowing their local weather and news headlines when they visit your site? How about taking a fun poll and seeing instant results? Or the ability to listen to audio clips? Many web hosting companies offer a variety of fun, free add-ons to make your site a great place to visit. You can get free traffic counters, site-specific search boxes, interactive forms, and even mini-games that display right on your site. Some web hosts also offer additional services such as web tracking (so you can find out how many people visited your site and how they found it), shopping cart services (which automates your purchasing process for you without relying on a third-party payment system) and more.

Professionalism: The Total Package

There are two components to consider in creating a professional and trustworthy atmosphere for your virtual corporation: the way your site looks, and the way it reads.

Design. The appearance of your web site is extremely important. Remember, you have only three to ten seconds to capture the attention of your visitors and get them to stay on your site long enough to make a purchase. Many people believe that flashier is better—that using Flash animation and lots of cool-looking graphics will grab visitors by their short attention spans. However, graphics-heavy pages and animation take a long time to load, and web browsers usually don't want to wait for the page to display. Many will simply click the Back button and choose another web site from the search engine results they just ran.

On the flip side, a plain web site that is nothing more than a page of text is not only unprofessional—it's boring. When you design your web site, you should try to strike a balance between words and images that will load quickly, yet provide enough visual attraction to hook visitors. The best web sites incorporate a theme that ties together all the pages of the site, such as a sidebar with links to various sections, or a top header with the company name, logo, and a short, intriguing line of text. Using templates is a simple way to create a theme for your web site. You can also study several web sites you enjoy visiting and notice how they are

designed. Make note of what you like and what you don't care for about the site, and then use the elements you like to create your own site.

Another important consideration in the design of your web site is navigation. Visitors should be able to move easily from section to section and quickly find what they're looking for. Side bars or floating drop boxes are good ways to provide site navigation. At the very least, you should include links to your home page, ordering page and contact page on every web page.

Web copy. In addition to your spectacular design, a professional web site needs professional copy—the text that appears on your web pages. Poor grammar and spelling is a major turn-off for web consumers; it either indicates incompetence, or says the business owner doesn't care enough about the company to bother with correct spelling. Your web copy should be carefully crafted, informative, targeted to your business, and free of advertising hype.

Font styles, sizes and colors are important considerations when crafting web copy. With the exception of your company name, which can and should be stylized, it's generally a good practice to use a standard font such as Arial, Helvetica or Times New Roman. Make sure the font size is large enough to read on the screen, but not so large that your web site seems to be shouting at viewers. Generally, 12- or 14-point fonts are good for most of your text, while you can use 16- or 18-point size for section headings, subheads, links, and other text

portions you may want to stand out. Also, make sure your text color is easy to read against the background color of your site, such as white text on a black background or black text on a white or light-colored background. Bright text colors can be used for emphasis, but should not be employed for blocks of text, as they will be difficult to read. If your visitors' eyes start to water while they're trying to read your web copy, they will look for another site.

When writing your web copy, keep it professional yet conversational. Most newspaper and magazine articles are written using approximately a sixth-grade reading vocabulary level. You should aim for the same comprehension level—not because your visitors are morons, but because the faster they can understand what you're trying to say, the more pleased and likely to place an order they will be. Also, don't intentionally “dumb down” your web copy or include a lot of “sales talk.” No one enjoys reading: “This amazing, incredible product will change your life forever in just one night!” They will likely be thinking, *sure it will*. Let your product or service speak for itself, or include testimonials from past customers on the quality of your offerings. Sales hype can rapidly undermine your professional image. Web copy should mirror the way you talk.

Keep your sentences and paragraphs short on your web site. Long blocks of text are not only difficult to read, they tend to cause a rapid loss in interest. Again, your visitors want to be able to find what they're looking for fast. Bullets and numbered lists are good ways to break up chunks of information into digestible

formats. If you have information that must be conveyed in a longer format, consider offering it as a PDF download or on a separate page—never place meandering blocks of text on your home page.

One way to make visitors feel connected to your company is by using the word “you” in your web copy. For example, instead of writing: “Flowers Forever provides its customers with memorable, high quality floral arrangements for any occasion,” have it read: “Flowers Forever provides you with memorable, high quality floral arrangements for your special occasion.” Talking directly to the customer gives each visitor an individual experience and makes them feel valued.

HELPFUL HINT: Are you hopeless at writing? Do your designs resemble disaster scenes? If you feel you cannot create professional-looking web pages and clear, effective web copy, don’t be afraid to hire a freelancer to do it for you. Writing and graphic design are the two largest industries that use freelancers, and there are hundreds of thousands of people who make a living through contracted writing and design services. Your virtual corporation is worth the one-time cost of hiring a freelancer to do the job right the first time.

What the Heck is a Blog, And Why Should I Get One?

Blogs have enjoyed an explosion in popularity in the internet community. Short for web log, a blog is an online journal set in an archived format that allows for frequent updates. People use blogs for a variety of reasons, both business and personal. The popularity of blogs is so widespread that a new term has been coined to describe the massive collection of blogs existing online: the blogosphere.

There are a variety of good reasons to host a blog for your company. One is fresh content. By adding a new blog entry daily, or even weekly, you are constantly bringing new content to your site, which helps increase your search engine rankings. Another is to showcase your experience. You can create blog entries about projects you've done for clients, or share stories sent in by customers who have purchased your products. Furthermore, a blog provides another way to keep visitors interested by offering them information or entertainment—and keep them coming back for more.

Still another advantage to creating and maintaining a blog is customer interaction. A standard blog feature allows viewers to post comments and feedback on individual entries. You can set your blog to allow comments from

anyone, even anonymous visitors (however, if your blog provides a word verification feature, you should turn it on to avoid spam comments...oh yes, spam is everywhere).

The blog format you choose will vary according to the type of business you run. If you run a consultation practice, make note of your clients' successes as they occur (be sure to get the client's permission before you write about them!). If you are selling a product, you can use a blog to keep consumers updated about company and industry developments. You can also transform a blog into an online resource center for information relating to your product or services. Find a few interesting links every day to related web sites and give visitors something new to look forward to every time they visit your site.

How do you get a blog? You can either maintain a separate blog from your web site, or use a web host that integrates blogging software with their packages. If you set up a separate blog, be sure to link to it from every page of your web site, and link back to your web site from your blog. Most blog hosting companies provide blog accounts free of charge. The most popular blog provider is Blogger.com (powered by search engine giant Google), followed closely by LiveJournal.com. Blog hosts generally provide customizable templates in a wide variety of styles, so you can find one that matches your web site.

Plastering Your Web Site: Internet Advertising Techniques

For any virtual corporation, visibility is the key. The more people are able to find your web site, the more visitors you will be able to convert to customers. As a business owner, you must create and manage an ongoing advertising campaign to attract web site traffic. A successful advertising campaign consists of several components that work together to get the word out about your company.

Keywords and optimization. Keywords are words or short phrases relating to your business that people are most likely to use in search engines when they're looking for a company like yours. Optimization is the strategic use of keywords in your web copy in order to make your site more visible to search engines. Take note of the word "strategic." Overuse of keywords not only makes your web copy come across as stilted and awkward, it can also get your site banned from search engines.

While writing your web copy, have a list of keywords and phrases handy to refer to, and use them as often as possible while keeping your copy sounding natural. For example, if your company is Flowers Forever, your keywords might include: flowers, fresh flowers, floral, arrangements, floral arrangements, occasion, special occasion, birthday, anniversary, wedding, gift, birthday gift, anniversary gift, wedding gift.

Here is an example of poorly written, keyword-driven web copy:

Find flowers, fresh flowers, floral, and floral arrangement at Flowers Forever, where we have fresh flowers and floral arrangements for every occasion and special occasion. Flowers and fresh flowers for birthdays, flowers and fresh flowers for anniversary gifts, floral arrangements for wedding and wedding gifts, flowers for every special occasion can be found at Flowers Forever.

The wording is awkward, and there is obvious keyword stuffing without conveying much real information. A better example for this company would be;

Welcome to Flowers Forever, where you'll find fresh flowers and floral arrangements for every special occasion. Whether you need a birthday, wedding, or anniversary gift, or simply want to put a big smile on the face of someone special, our fresh floral arrangements make the perfect gift—for any occasion, or none at all. Let Flowers Forever handle your birthday, wedding and anniversary needs with guaranteed-to-please fresh flowers and exquisite, hand-configured floral arrangements. Flowers Forever: because every occasion is a special one.

This version uses plenty of keywords and conveys pertinent information about the company in a natural, flowing manner. It takes practice to work keywords skillfully into your web copy, but the results will be worth the effort.

It is also important to ensure that your page titles are optimized for search engines. You should title your pages not only with the name of your company, but with a few keywords that describe what the page contains in relation to your business. The title bar of a web page carries more search engine weight than the page content itself. Again, refrain from keyword-stuffing when you title your web pages, but be as informative as possible. For example, the title bar for the main page of Flowers Forever might read *Flowers Forever: Fresh flowers and floral arrangements for your special occasion*. This uses three of the target keywords, and furthermore is customer-centric and sounds both pleasing and professional.

Search engine submission. If search engines don't know your site exists, they will generally have a hard time finding it no matter how well your site is optimized. Search engines will allow you to submit your site manually, but this process takes time and must be repeated every one to three months. A better alternative is to use a submission service. There are several free web services that offer simultaneous submission to multiple search engines. The more search engines your site is listed on, the more visitors you will receive.

When sending your site to search engines or a submission service, have a list of keywords and a brief two- to four-sentence description of your web site ready.

The title of your page will become the clickable link in your search engine listing, and the descriptive text will follow. The keywords you provide help search engines determine when to include your site in search results, so be sure to list as many as you can—as long as they are relevant to your web site. Using irrelevant keywords to increase rankings or traffic is another practice that will get your site banned from search engines.

Inbound, outbound and reciprocal links. Another aspect of your web site search engines look for is the quality and quantity of your links. There are three different types of links: inbound, outbound and reciprocal. An inbound link is a link leading to your site from another site that is not listed on yours. Outbound links are the opposite: an external link from your site to another site that does not list yours on its pages. Reciprocal links are round-robin pairs, and generally are posted when two web site owners agree to exchange links.

Inbound links carry the most weight with search engines, as having several links leading in to your site without reciprocation indicates a high level of interest in your site. Outbound links count the least: anyone can slap an enormous list of links to other sites on their web site. Reciprocal links are somewhere in the middle, but still help to influence your search engine rank.

If the links on your web site do not relate to your business or company, they will be ignored by search engines. Also, posting unrelated links tarnishes your professional image—visitors will view your site as a dumping ground for links, and will be less likely to trust your legitimate content.

Groups and forums. Joining groups or forums related to your business is a great way to build a customer base. Internet groups and forums are virtual gathering places for large numbers of people with similar interests. You can find a group or a forum for just about any topic imaginable.

If you join an internet group, there are a few things to be aware of when posting. First: don't jump right in with a glowing review of your fabulous business and insist everyone in the group visit your site right away. Internet forums are surprisingly tight-knit communities, and tend to ignore or ban people who jump in with a "buy my stuff!" message. Instead, spend some time getting to know some of the members. Make a few personal posts, reply to others' posts, and make an effort to visit and comment on existing members' web sites. They will be more likely to return the favor when you finally post information about your web site.

Newsletters and e-zines. One of the most powerful and inexpensive forms of internet advertising is a regular newsletter or e-zine (which are basically the same thing). You can create a great-looking, professional and informative newsletter for your company for next to nothing, or even for free. The main

purpose of a newsletter is to keep potential customers reminded of your company's existence. It usually takes three to seven repetitions of an advertisement for consumers to recognize a new business, and a regular newsletter provides you with repeat exposure for your virtual corporation.

Do not simply make your newsletter an advertisement for your product or services. A good newsletter offers entertainment, solid information and valuable resources readers would not be able to find elsewhere. Of course, you should include any product or service updates and special offers in the mix, but be sure that isn't all you offer. You can publish a newsletter as often as you'd like; most are weekly, bi-weekly or monthly. Be sure to choose a time interval you can meet, as your subscribers will be unhappy with frequently late or missing issues.

Once you've created your newsletter, you will need subscribers. One simple, often overlooked method of getting subscribers is to place a sign-up box on the front page of your web site. Include a brief description of your free newsletter and what will be in it; for example: "Sign up free! The *Flowers Forever Gazette* features tons of free gardening tips, fresh flower care, arrangement advice and more each month." As with the rest of your web copy, make it short, sweet and enticing without overusing your keywords.

Another way to get subscribers is to list your newsletter or e-zine with as many e-zine directories as possible. There are many free directories online to showcase

the thousands of newsletters available, so make sure your newsletter title and the short description of your content are enticing enough to make it stand out. You can also automatically add any customer placing an order with you to your newsletter mailing list, as long as you include a disclaimer somewhere on your order page or confirmation e-mail that by ordering from you, the customer agrees to receive periodic special offers via e-mail.

Your subscriber list can rapidly become too large to handle manually. Like other tasks in your virtual corporation, you should automate your newsletter with list management software specifically designed for e-mail newsletters or e-zines. Several web sites offer this software for free, which often includes lots of bonus features. It is important to remember to always provide a way for subscribers to opt out of your list—most list management software does this automatically.

PPC (Pay-Per-Click) campaigns. Pay-per-click campaigns are one of the least expensive and most effective forms of internet advertising available. If you have ever used Google's search engine (and chances are if you use the internet, you have), you may have noticed the links listed in a column along the right-hand side of the page. These links are the result of pay-per-click advertising campaigns.

Getting your web site to show up on the first page of results in a major search engine like Google, Yahoo or MSN can be a difficult and time-consuming

process. PPC campaigns allow you to do so much faster—sometimes even on the same day you begin your campaign. The way it works is:

1. You sign up for a PPC campaign with a major search engine. The most popular programs are Google AdWords and Yahoo Search Marketing.
2. You generate a list of keywords relevant to your web site, and write a series of four-line ads describing your business: the first line is your title or headline, the next two lines are descriptive text, and the last line is your site's URL (<http://www.flowersforever.com>). Note that both AdWords and Search Marketing will write your ad text for you on request.
3. You deposit a minimum amount of money in your PPC account, usually \$20 to \$50. These funds remain in your account until they are used; you pay only when someone clicks on your link and visits your web site.
4. You “bid” a certain amount on each keyword you provided for your site. The minimum bid for both AdWords and Search Marketing is two cents. Raising your bid amount changes your results position relevant to other PPC advertisers who are bidding on the same keyword: for example, if you bid 10 cents on “fresh flowers” and the remaining advertisers with flower companies set their bid amounts lower, your web site will hold the top position on the first page of results when a web browser searches for “fresh flowers.”

5. Internet users search for terms related to your company and see your web site listing. The amount of your bid for the keyword used to generate your ad is deducted from your account *only when someone clicks through to your web site*, and not each time your listing is viewed.
6. The PPC company provides you with a report detailing which of your keywords and ads generated the highest number of hits. You adjust your bids accordingly by raising the amounts on the keywords with high activity and lowering them on less active ones.
7. Your web site traffic increases exponentially and your virtual corporation grows.

Buzz and word-of-mouth. The importance of buzz and word-of-mouth advertising cannot be understated. Other than search engine results, recommendations from friends or trusted web sites generate the most traffic for your business. The internet community is a powerful marketing tool for any business, and getting on its good side helps to ensure your success.

The best way to generate buzz about your company is to make sure your customers are satisfied. Happy customers make the best advertisements for your business, and word-of-mouth doesn't cost you a dime. All it takes is good will and a concerted effort to make your company convenient and pleasant to deal with. You will find that word spreads all by itself.

Autoresponders are Your Friends

Anything that saves you time and effort in running your virtual corporation is worth having, and autoresponders are a huge timesaver. You may have seen advertisements for programs that promise to get you rich quick and make money while you sleep. Most of them are scams, but they are based on a powerful tool that really can make more money for you if you learn to use it properly: autoresponders.

An autoresponder is an e-mail based program that does exactly what its name suggests: sends out an automatic response when an e-mail is received. Nearly every successful online business uses autoresponders to achieve and maintain a big-time image without spending a fortune or lifting a finger. You've probably seen autoresponders at work if you've ever signed up for an e-zine, newsletter, or other electronic mailing list. The instant you send a message to the subscription address, you receive a reply with either a welcome message or a request to confirm your subscription by clicking a link. Most list-building software comes with built-in autoresponders, and many web hosts are now offering autoresponder options for the custom e-mail addresses they come with.

When you set up an autoresponder, you don't have to make delivery instantaneous. Autoresponders allow you to preset a series of messages to be

delivered on a timed basis to each address it receives: you can send out several messages once a day, every other day, once a week, or even once a month. This makes autoresponders great tools for marketing and newsletter delivery.

How to Use Them

What should you use an autoresponder for in your business? The possibilities are endless. Following are just a few examples of the many uses for autoresponders.

- **Frequently asked questions.** Most web sites have an extensive FAQ, or Frequently Asked Question section. Many people don't want to bother searching through them to find what they're looking for. You can create a shorter version of the most popular FAQs about your company for visitors to request from your home page.
- **"More information."** How many times have you seen this: "For more information on this fine product or service, e-mail info@thiscompany.com"? Use an autoresponder to capture e-mail addresses and provide customers with a compelling sales letter about your product or service. People are more likely to read an e-mail with detailed product information than they are to read long blocks of text on your web site. Be sure to include links to your ordering page in your information letter.

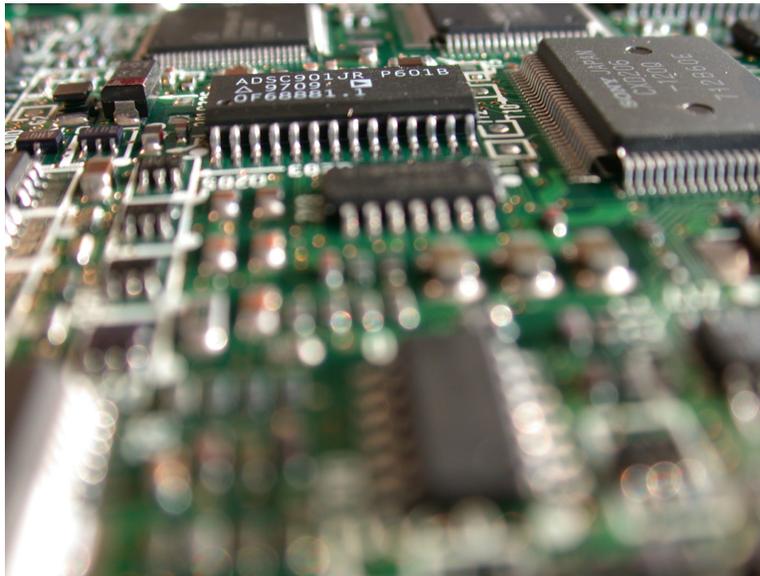
- **Newsletters and e-zines.** Using autoresponders is a great way to manage subscription lists for newsletter and e-zines. You can keep all your contact e-mail addresses in one place, allowing you to send your newsletter as well as occasional updates and special offers. If you write your newsletters ahead of time, you can simply plug them in to an autoresponder, set the delivery date, and forget about it so you can concentrate on other things.
- **Free promotional giveaways.** One great way to gain exposure for your business is providing your potential customers with valuable free information. You can generate articles, article series or even e-courses pertaining to your business and set them up for timed autoresponder delivery. The owner of Flowers Forever might write a series of articles explaining the best way to grow and maintain an indoor garden. Just as with your sales letter or newsletter, be sure to include special offers that are only available to people who request your article or e-course as well as links to your ordering pages.
- **Viral marketing.** With any message you send out from your autoresponder, you can include an incentive for people to spread the word about your product or service. You can offer a free gift, such as an exclusive e-course or a sample of your product or service, for anyone who passes along your sales letter, newsletter issue or article to a certain number of friends, usually ten or more. Viral marketing can be a rapid and powerful tool for expanding your business across the internet.

- **Product delivery.** If your product is in an electronic format, such as an e-book or audio file, you can set an autoresponder to deliver the product instantly upon receipt of payment. This saves you a lot of time in fulfilling orders and ensures every product is delivered promptly.
- **Order confirmation and follow-up.** Even for physical products or services, you can use an autoresponder to instantly confirm to a customer that their order has been received and will be acted upon. For order confirmation, you can set up a two-message delivery: instant confirmation, and a follow-up thank you message timed for arrival a few days after you anticipate order fulfillment. Following up with customers is a great way to ensure repeat business and project a big image.

Where to Get Them? go to wwwAutomatic-Responder.com

Aside from the built-in autoresponders that come with many list management services and web site packages, there are companies specializing in autoresponder technology. Autoresponder services range in price, and are generally either free or billed monthly. Free autoresponders often include banner ads, but you can find a company that will use small, unobtrusive ads relating to your product or service. Paid autoresponders generally offer far more features and unlimited numbers of preset, timed messages.

If you plan to rely heavily on autoresponders to run your business, you should consider investing in a paid autoresponder service. The time you save when your company practically runs itself will be worth every penny.



A good autoresponder turns your computer into a full-time employee!

The Great Divide: Conquering Isolation in a Virtual Environment

Hey, it's lonely at the top – or at least in a virtual office. You will have little or no physical, or even vocal, contact with any of your clients or employees. You'll have to deal with being alone all day, every day. One of the top reasons home businesses fail is the lack of interaction and subsequent loneliness of working by yourself for long stretches.

It is important to combat isolation in a virtual office setting. People who work from home tend to put more time into their business than those who are traditionally employed, and they often don't think about the need for social interaction. There are several methods you can use to beat the lonely-number blues and make sure you don't lose touch with your industry.

- **Join the club.** There are thousands of online communities that focus on every subject imaginable. You can find one relating to your business and open up a dialogue with like-minded individuals, build a network of important contacts, and make a few e-buddies whose regular contact will help you remember that you're not alone. If you can't find a group that suits your needs, start one. Most internet groups and forums provide easy tools to help you get the word out about a new group and find members. You might also look for real live community groups to join. Even if they don't relate to your business, joining a group or organization you enjoy gives you a chance to escape your desk once in a while and rejoin the human race. Consider a local reading group, Toastmasters club, or even a writing group—you might learn how to write better web copy! Again, if you can't find what you're looking for in a face-to-face group or club, start one. Your local library is a great place to organize meetings, and most will let you do so for free.
- **Shop 'til you drop.** Though it's more convenient as a virtual business owner to buy your supplies online, every so often you should go out and shop in person. This will allow you to reconnect, as well as let you

compare store prices with online prices so you know where to find the best deals.

- **Invest in you.** Join a regular fitness and exercise group, a gym, or a weight loss club to make new friends and stay in shape at the same time. With all the hours you'll spend sitting in front of your computer, you will need some physical activity to balance your health and well-being. You'll also get a much-needed respite from work.
- **Get educated.** Taking a few learning classes at your local community college or other adult education center near you is not only good for your business acumen, it also gets you out of the house. If you would rather not spend even more time immersed in your industry, you can take classes to learn something you've always wanted to know, such as a foreign language or gourmet baking. If you don't have the time to attend a class, consider taking an online course. You will still be interacting with the teacher and fellow students, and you'll learn something new without ever leaving your house.
- **Pleased to (virtually) meet you.** If you have distance employees, arrange for regular teleconferences (multi-line telephone conversations) to discuss the company and stay connected. It's nice to be able to attach a voice to all those impersonal e-mail communications, and holding teleconferences will help your employees feel more connected to you and your company.

- **Gimme a break.** People who run successful virtual corporations are some of the hardest-working people around. It's easy to convince yourself that you need to put in long hours in order to be successful—and just as easy to forget that you are a human being with certain needs, including food and rest. Give yourself regularly scheduled lunch breaks each day. That doesn't mean grabbing a sandwich and wolfing it down in front of the computer while you keep working, either. Get up, leave your home office or office area, and stay away for at least half an hour while you grab something to eat, call a friend and talk, or catch up on your pleasure reading. You will come back to work feeling refreshed and ready to accomplish more. If you work evenings as well, make sure you take a dinner break too—especially if you have children at home. After all, they are probably one of the reasons you decided to work from home in the first place. Don't forget to take advantage of the time you're afforded by working from home!

How to Streamline Your Virtual Corporation for Maximum Profits

Being a successful virtual corporation does not just mean your site is popular and a lot of people have heard of your company. You get to make money too!

Because of the unique work environment offered by a virtual corporation setting, there are several areas where you have an advantage over traditional business owners that equal more money in your pocket.

Save Money

One of the advantages for any modern business, especially a virtual corporation, is the ability to maintain a nearly paperless office. Gone are the days of roomfuls of towering file cabinets stuffed to the gills with company records. Today's filing systems take up less room than your computer.

The ability to send e-mails and transfer money online has also significantly reduced office paperwork. Though in some cases a letter is better, most of the time your business can be operated completely through e-mail and file transfers. And because most purchases and payments can be made online, you will have no need to print and mail paper checks. The internet saves companies thousands of dollars a year in envelopes, postage, paper and printer ink alone.

Another way to save money for your virtual corporation is to order your routine office supplies online and have them delivered right to your door. This saves you the gas costs of driving to the store, and also saves the time to make the trip—and time saved is money saved, because you can use that time to make more money! You can even make big purchases such as a new computer online, and you can usually find online products at lower costs than those you would find in stores.

HELPFUL HINT: It's great to be able to store practically your entire business on one electronic device. The one problem you might encounter is this: *Your entire business is stored on one electronic device*. If your computer crashes or breaks, you could be out of business for weeks while you get a new system and try to recover your files. Therefore, it is **imperative** that you back up your system regularly, and store the backup files in some place other than your home office. The best idea is to keep them at a location other than your home, such as the home of a relative or friend. That way you're covered in case of loss, and you'll be able to reopen your business as fast as possible.

Spend Money

It is said that you must spend money to make money. With a virtual corporation, this is true to some extent. Though the startup and operating costs of an online business are far less than those of a traditional business, there are still some things you should invest in.

Purchase the best equipment you can possibly afford on your budget. Your home office is the lifeblood of your virtual corporation, so the better and more efficiently you can operate from it, the more profit you will see. The minutes you spend waiting for pages and applications to load on an older computer can easily add up to hundreds of lost hours a year. If you can afford it, use a cable modem or DSL (direct service line) to connect to the internet; which again saves you

valuable time when you're sending e-mail, updating your web site or performing internet research.

Invest as much as possible in your web site as well. Try to choose a web host with great features and service rather than basing your selection entirely on price. Better performance from your web site will translate to increased profits as you create a virtual corporation that looks like big business. If possible, purchase the services of a professional web designer and copy writer, at least to get you started. You can learn what works and what doesn't in web design and copy as you go, and it will be better for your business if you start out with a superb site and simply learn to maintain that level of excellence.

Also, spare no expense in your personal comfort level. You're going to spend a lot of time sitting at your desk, so make sure your chair is both functional and comfortable. If you find you can concentrate better when you are able to change your environment once in a while, consider investing in a laptop with wireless internet access so you can move your "office" to another room, or even outdoors, when you feel stuck or unproductive. Maintaining personal enjoyment is an important aspect of any successful business—especially when you are the only one you have to please.

Make Money

Virtual corporations offer unique opportunities for the savvy internet user. The more time you spend online, the more you will be able to spread your company across cyberspace and create a presence that is hard to miss. Because web pages are often left active even after the owner stops updating them, any place you can post information and a link to your company will remain in existence for years. Eventually you can build a network of hundreds or thousands of links to your site flung all over the internet, all without spending a bit of advertising money.

Web sites with substantial internet presence get noticed by search engines. This translates to page one rankings, which brings more visitors to your web site and generates even more links and network connections. Which makes you more money—especially after you have learned to optimize your web site and translate visitors to sales at a higher percentage than what you started out with.

Establishing a strong web presence often takes time and effort, but in the long run your profits will increase exponentially.

Info Dump: Tips, Tricks and Tidbits for the Virtual Corporation

Virtual corporations are complicated entities. Outside the illusion, there are several aspects of a business that must be addressed in order to keep things running smoothly. The following section covers the remaining issues you should be informed of while running your online business.

Time Management: How to Get Things Done When You're Not Living by the Clock

Once you start working for yourself, no one will tell you when to punch in and punch out. This means you're responsible for making sure the work gets done yourself, and it's far easier to be distracted in a home office setting. There are dishes and laundry waiting to be done, errands that need running, carpets that should be vacuumed; they're all waiting just outside your office door, and no one will tell you that you can't do them. Unless you really enjoy scrambling at the last minute to get everything done on time, you must develop your time management skills. Here are some prime tips for staying on target in the home office atmosphere:

- **Stick to your guns...er, schedule.** It's important for the virtual corporation owner to make a schedule, and actually stick to it. You

should determine approximately how much time you'll need to put into your business each week and plan a schedule with enough hours to accomplish everything, whether you work straight from 9 to 5, or go from 10-ish to 3-ish, then get back to work around 7 or 8.

- **Delete your way to concentration.** Your computer comes pre-packaged with a little nest of distractions called Games (as long as you're using a Windows platform). Solitaire, Hearts, Minesweeper and more all await you, begging to be clicked on. There is an easy way to resist these tempting little time-wasters: delete them. Yes, really. Go into your Control Panel, select Add or Remove Programs, and delete away. No, Microsoft will not hunt you down and take away their software for removing their precious programs. If they aren't on your hard drive at all, you won't be tempted to play them. And while you're at it, go into your Favorites folder and delete all those links to online game sites. Your productivity level will thank you for it.
- **Rules and regulations.** Your rules are your schedule. As a business owner working from home, you need to lay down the law for other household members. You cannot manage your time if it isn't your time to begin with. Make sure everyone in the house knows your schedule and abides by it. If you take business calls and there are certain times you don't screen them with voicemail, let everyone know it's quiet time when the phone rings. You can even develop a signal to let them know if it's just Aunt Ruth, so they can chatter away. Also, make it a rule that

no one is to enter your office (or your work corner) without your knowledge and permission.

- **Get wired.** Other than automating your e-mail and telephone systems, there are several other areas that can be handled over the internet. If you sell products, you will probably be dealing with Federal Express or UPS on a regular basis. Either of these delivery companies will allow you to set up an account, schedule regular pickups and deliveries from your home office, and even deliver shipping supplies right to your door. You don't even have to waste time on the phone to schedule a pickup—you can do everything online. Also, if you send a lot of snail mail you can buy postage online rather than making trips to the post office. Consider investing in a postal scale so you can determine proper postage.
- **Discover your inner octopus.** Seek out ways to accomplish more than one task at once. Invest in a telephone headset so you can type and talk on the phone simultaneously. If you must run an errand, use the time waiting in line to plan or make notes. Perform groups of similar tasks at the same time so you don't have to continually switch activities and mindsets. Multitasking boosts your confidence in yourself and helps save time you could be spending on other things.
- **Try Plan B.** Life has a tendency to interrupt our best-laid plans and good intentions. Be sure you have a backup plan in case one of the kids gets sick or the dog throws up all over the carpet. You have more

flexibility in a home office environment, so you can plan to work on the weekend if you must take time off during the week. The virtual business owner is ready for anything!

- **It ain't over 'til...** you close the door and walk away. When you're through working, be through. You must separate your work life from your home life, and that means closing the door of your home office (or separating your work area with screens or curtains) so you don't look at the pile of work that needs to be done and become preoccupied with doing it. The reverse is also true: when you're in your office, try to be physically separated from the rest of the house so you don't end up staring at that pile of dishes that needs to be done and become preoccupied with doing them.

Child Care for the Virtual Corporation Owner

Even if you've decided to work from home in order to spend more time with your family, you may find yourself in need of childcare—particularly if your children are younger than school-age. Kids are unpredictable, and that means they won't always go down for a nap or let the television hold their attention at the same times every day, if at all. If you have younger children, you should consider arranging childcare for at least a few hours each day. Having a sitter or family member come to your home is best, but you may end up driving somewhere.

Generally, you should expect to put in some evening hours while the kids are small.

Having school-aged children is better for a home business, but there are still holidays, vacations, snow days and that everlasting stretch of summer vacation to be concerned with. If you aren't lucky enough to have a stay-at-home spouse, consider entrusting older children with caring for the younger ones for a few hours on vacation days, or allow them to occupy themselves for a while. Children will be excited with their independence, yet they'll still know you're right there in case of an emergency. Be sure to stress that "we're out of chocolate chip cookies" does not constitute an emergency situation.

You could also arrange for relatives or friends to come and spend time with the children during non-school days. Try bribing them with dinner or planning an outing with them—or just offer money.

The arrangements you make to adjust your working life around your family life will be worth it. Running a virtual corporation is the best gift you can give your family when it allows you to spend less time stuck at an office or driving to and from work, and more time with them.

CONCLUSION

The virtual corporation is fast becoming the new standard in business. There are so many benefits involved in running a virtual corporation, it is a wonder everyone hasn't made the transition already! Managing your own online corporation can be the most rewarding venture you will ever undertake.

Because of the versatility of online companies, you can create the illusion of a huge corporation with a minimum investment and watch your business grow to fit that illusion. The potential for success in virtual corporations has never been greater. Once you go virtual, you will likely never set foot in an office again.

Keep in mind that your virtual corporation can be as grand and profitable as you want it to be, as long as you are willing to put the effort into maintaining your big-time image. Build a rapport with your customers, keep your web site fresh and exciting...then sit back and watch your business explode. There is a pool in the future with your name on it. Keep those bunny slippers handy!

Here's to your virtual success!

RESOURCES

New To Internet Marketing and need some tips?

[Click Here](#) for the best Internet Marketing Course Available

Domain Reseller Accounts & Web Hosting

<http://DomainAbbey.com> Domain Names for your new website are a bargain here plus you can get a Domain Name Reseller Account!

Web Hosting

[Host4Profit](#) - Offers your 1st account for only \$25 and then all additional accounts are only \$5 with no limit!

Merchant Account

[Authorize](#) - This is a real pro merchant account and a super cost- We search high and low before we personally signed up with this merchant provider

[PayPal](#) - Another Merchant account with a Free signup if you are just getting started and doing lower dollar sales volume

Autoresponders

[Automatic-Responder.com](#) - Offers the most reliable autoresponders on the net! If email deliverability is important to you signup today!

Recommended Reading

"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 2005 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!

[Click here](#) for a FREE preview.

A collection of fabulously useful internet resources for the virtual corporation

General resource sites for entrepreneurs and virtual business owners

SOHO (Small Office Home Office): <http://www.soho.org/default.asp>

Entrepreneur.com: <http://www.entrepreneur.com/>

EntreWorld: <http://www.entreworld.org>

WorkHappy—Killer resources for entrepreneurs: <http://workhappy.net>

Home Business Resources for Entrepreneurs: <http://www.homebizlink.com>

Resources for virtual assistants and entrepreneurs:

<http://www.vaofficesolutions.com/resources.htm>

Tools and Resources for Virtual Entrepreneurs: <http://www.virtualizeyourbiz.com>

Starting a Business: Professional Services: <http://www.startupbiz.com>

Tax information

Internal Revenue Service: <http://www.irs.gov/>

State and local tax directory: <http://www.taxsites.com/states.html>

Online job boards and forums

Monster Jobs: <http://www.MonsterJobs.com>

Sunoasis freelance jobs: <http://www.sunoasis.com>

WAHM.com—Work at Home Moms site and job board: <http://www.wahm.com>

Craigslist (popular site for freelancers): <http://www.craigslist.org>

HotJobs: <http://hotjobs.yahoo.com>

AllFreelance job boards and resources: <http://allfreelance.com>

Workaholics4Hire: <http://www.workaholics4hire.com>

Freelance Work Exchange: <http://www.freelanceworkexchange.com>

Office supplies online

Staples: <http://www.staples.com>

Office Depot: <http://www.officedepot.com>

Green Earth Office Supply: <http://shop.store.yahoo.com/greenearthofficesupply>

The Postal Store (United States Postal Service): <http://shop.usps.com/>

OfficeMax: <http://www.officemax.com/>

iPrint (business cards, stamps and more): <http://www.iprint.com/>

Web hosts and blog providers

Yahoo! Geocities: <http://geocities.yahoo.com>

Bravenet: <http://www.bravenet.com>

Homestead: <http://www.homestead.com>

iPowerWeb: <http://www.ipowerweb.com>

Blogger: <http://www.blogger.com/>

LiveJournal: <http://www.livejournal.com/>

MindSay: <http://www.mindsay.com/>

Autoresponders and internet marketing

The Best autoresponders: <http://www.Automatic-Responder.com>

Internet Marketing Info: <http://MarketingTips.com>

Copywriting360—advice on writing web copy: <http://www.copywriting360.com>

AddMe marketing: <http://www.addme.com>

Internet marketing training course: <http://www.magnet4web.com/special>