

The Business Plan Guide For Internet Business Print And Download Instructions

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Business Plan Guide For Internet Business

Introduction

This business plan guide is written for the person who wishes to run an internet based business from home.

This business plan differs from most business plans that you find because it focuses on running a business on the Internet as compared to running an offline shop.

Planning Internet-based business is much different than planning a brick-and-mortar style business.

In many ways the planning requirements for an Internet-based business are fewer and less complicated than those for an off-line shop or store. But it still requires rigorous thought, discipline and research.

This business planning guide is actually a step-by-step guide to setting up a business on the Internet.

If you follow this business plan guide, when you have finished it you will have a completed plan for an Internet business.

How To Use This Business Planning Guide

Each section is separated so that when you print the entire guide and put it in a looseleaf notebook it will be self organized.

The process of writing your business plan is actually a learning process.

As you work on a section you will find yourself referring to other sections to make changes necessitated by new knowledge.

So even though you try to complete sections one at a time, new knowledge begets change and change in one section is likely to force change in others.

There is no need to type it as you do your research. Start by writing things down free hand in keeping notes.

Whenever you need more room, simply insert a clean paper in the proper section.

Once you've completed your plan, then go back through each section and look at your notes and scriblings, organize them and type them on a clean sheet.

Put that clean sheet in front of all the notes. Someday those notes might be important. Keep them for future reference even if they are mere scriblings and scratchings.

Reasons You Should Have A Plan

Most people ignore making business plans. They just don't think that they need them.

If they make a business plan, it is because of some financing requirement or some requirement placed upon them by an investor.

But you will find that savvy Internet marketers in fact have very detailed business plans and work routines.

They have their own formulas. They have their own marketing programs.

They lay out plans and work those plans day in and day out.

That is why they succeed.

And that is why most people who start businesses on the web fail.

And that is because most people who start businesses on the web do not plan.

Survival

If you have an offline shop or business, your offline competition is generally local.

If you have an online shop or business, you are competing with people from all over the world. Some of that competition is backed by a lot of money and has market savvy staffing.

You have to plan how to carve out your niche and plan how you are going to compete against these people.

If you don't, you will fail.

Well over 90% of the people who start internet businesses fail by the end of one year.

They fail because they do not know what they are doing.

They don't plan.

Because they don't plan they don't learn the business.

They don't learn that it is not the product that you sell that makes a big difference. It is the competition that is important.

They lose money. They lose time.

And for those that don't lose money, they are lucky to make just more than breakeven. They lose time that they could have spent getting a life.

Income Taxes

Consider this business plan as an **ESSENTIAL TAX DOCUMENT**. It will help you complete your tax return .

There may come a day that someone calls a one you can justify your business expenses. If you have a completed business plan that you follow, it is much easier to show that you are actually running a business and that your expenses are justified.

So make it detailed and keep it up to date.

Keep it as a record to justify your expenses. And keep any changed plans so you can show a history.

If you use a corporate form to do business, keep it as part of your corporate records.

If you use a non corporate form, keep it as part of your business records.

If for no other reason than income taxes, complete the business plan as much as you can.

About Your Business Plan

There are several parts to an Internet Business Plan.

There is the income plan that describes how you intend to make money on the Web.

You must make a plan for your administrative, offline office and support services.

You must make a website plan for each website you make.

You must make a and advertising and marketing plan for each website.

To try to put things in perspective, read this tutorial on [What Should I Sell On My Website](#)

Once you read that, you will understand that your business plan is made up of modules.

How To Write And Organize Your Plan

Any planning process is organized and completed step by step.

Planning is a process of iteration. You plan something and then change that as you get more data.

More data begets revisions and revisions beget more revisions.

In other words, as one goes through the planning process, what was done before has to be continually revised.

This is because the planning process is really a learning process. As you go through the plan you learn more and more show some of the earlier assumptions have to be changed.

And later, you will have test data and results to factor into your plan. They will make you change your plans.

So to write this business plan let's keep that in mind and start by keeping notes in the various sections.

Only after you have completed all your research and all the sections go back and formalize your final thoughts.

To start, print the operative sections of this plan and put them in a loose-leaf binder.

Go through this guide and review what's here before you start. And then start gathering information.

Do the research related to each section.

Try to complete the sections one at a time.

But as you do that research you will find that some of the information that comes before you actually should go in another section also or will have some effect on another section.

When that happens, flip between the sections and add your notes where appropriate.

In reality, it is not necessary to follow this planning guide in any logical order. It will become obvious to you what information you need to complete a section. And you will see when you have to change to another section before completing the one you are working on.

Keep copious notes. When you run out of space add another clean sheet of paper and keep going.

Do not throw out the notes. They will contain information that in the future you will find valuable.

Goal – Reason For Business

Before you get into details, there are some basic questions that you have to answer

Why are you starting and running this business?

What are you trying to accomplish?

If you have a monthly income goal, state what it is.

If you have some other goals in mind, state them. And justify why they are so important that you are more concerned about them than a monthly income.

Note, that if you are not doing this to generate money /earn an income , you are a not running a business. You are dabbling in a hobby.

Write out a specific goal and business purpose that you think your accountant could use to fight off an IRS agent who says that you are really pursuing your hobby and, therefore, cannot deduct your expenses. Be sure to answer the three questions at the head of this section.

How Much Money And Time Are You Willing To Spend To Achieve Your Goal.

In general, the question that you will answer in this section is, "What are your risk limits?"

During start up you will have to spend a lot of time if you want to get your product online and generating income currently quickly.

Of course, if you use some of the systems that are available, those systems help you get online and start generating income often times faster than if you do it manually.

But once your system is online, you should be able to go into a maintenance mode for a particular system and then spend additional time on setting up another stream of income.

What you have to decide is how much time you will be willing to spend on a daily basis to run your business.

There are some people who run their businesses on a couple hours a day. And they can make significant incomes within that couple hours. But there are those whose been almost full time and they make almost nothing.

You have to decide what your risk limit is in the amount of time that you willing to invest.

Likewise, you have to set a budget as to how much you are willing to spend per month to operate your business.

You can fix the startup costs for furniture, programs and so forth. You will have a risk limit here because the basic costs of setting up maybe more than you are willing to invest in something that you might not use it if your business does not go forward.

And then there will be the possibility, or more likely, of monthly expenditures beyond the amount of money that you earn from your website business. You have to set a limit as to how long and how much you are willing to spend on your business over and above your income.

How long do you intend it to be before you turn a positive cash flow?

Business Model

You must choose among the many different ways to make money and the business models that support them.

Are you going to sell products on eBay and other auction sites?

Are you going to pursue one of the many small business ideas that you can find at this link? [Small Business Ideas](#).

Are you going to set up a major e-commerce store such as those that you find in the Yahoo shopping network or are you going to set up [multiple streams of income](#) using Word press-based systems?

Are you going to do the work yourself or are you going to outsource or hire third-party consultants?

Are you going to use a supported system such as [Site Sell](#) or something similar?

Think questions like these through and described here in as specific and detailed as you can exactly what you're going to do.

For example:

I intend to set up a series of WordPress blogs that I will monetize with AdSense and Amazon products and develop those blogs so that I can get approved as an eBay affiliate. See [WordPress eBay Affiliate](#)

I will do the work myself and purchase those necessary tools to get started. At a later time, if I find it appropriate for time efficiencies sake, I will purchase additional tools out of my profits.

I will work in niche markets and design each WordPress blog as a mini business that will yield me a minimum profit of a minimum of five dollars per day – 1500 dollars per year.

Growth Plan

In this section you decide what you are long term plan for your business is.

Do you intend to set up one stream of income and focus on that one stream so as to build it large enough to find a buyer who will give you a substantial sum of money?

Do you intend to set up multiple streams of income or small websites to be resold for small profits?

Do you intend to set up a network of multiple streams of income that you can keep for long-term income and that you keep as a backup or replacement for your current job?

Keep in mind, that a business is always expanding or contracting. You may start an excellent business now, but the market will shift or a competitor will come into your niche and your income will decline. So you always have to be doing something to improve your income situation and your business.

So you have to think long term or in the long term you will have no business to think about.

Describe what you intend to do in the long term.

How Will You Finance Your Business

A credit card can be used and is often used to start an independent website business because of the low costs involved in setting up and getting online.

But you also may be willing to invest some cash in a debit card and use that cash to finance your business.

For most startup internet businesses, you don't have to take out a bank loan. We do not recommend that you start up that way. Learn the business and show a profit before you even consider applying for a loan.

In any case, you should write out how you intend to pay what you need now and how do you intend to pay your recurring costs such as your web host costs, an advertising and marketing costs.

Note: Most of business on the Internet is done through the use of PayPal, a credit card or a debit card. In other words payments are made electronically. So you're going to need either a credit card or a debit card.

Once you have completed your income and expense estimates, you will have to come back here and list what will be paid for with cash and what will be put on your credit card.

Back Office Considerations

Even though your business, as seen by the public, is virtual, it has an off-line base of operation.

That base of operations may be little more than a desk in the corner of a room.

But in addition to your desk, you need chairs, lamps, telephones, file folders, file cabinets, paper handling trays, cleaning materials, wastebaskets, extension cords, three ring binders, hole punches, staplers, paper clips and everything else that it takes you to do your paperwork and keep your records.

Even if you have this already, write it down here because it is important for income tax if nothing else.

You need floor space on which to put your desk and store everything. You should write down how many square feet of floor space your business will occupy.

Additionally, you need this to get a true picture of what it cost you to run your business. In many cases you may already have everything necessary to start your business.

Be sure to list everything because the list will be important for your income tax calculations.

Also describe the area around that area. Are you working in a room that is also used for personal purposes.

Is the corner that you have put aside used only for business or do you also use it for personal use?

Describe this in detail, because it is very important for your income tax considerations.

You might even want to take a picture of the area and equipment that you use for your business. You can use this to document what you might lose in a fire and it will firmly establish for your tax records a description of the area in which you are working.

Internet Connection

You will have costs directly related to your connection to the Internet and your ability to transfer information to a web host that will make your website available to the general public on the Internet.

While a high-speed Internet connection is preferable, it is not necessary since your website will be hosted on an external server. All you need is an Internet connection so that you can upload and download files to that external server.

List all of costs and equipment related to this Internet connection and describe the connection's capabilities.

In this section, described in detail your computer and its capabilities, how you are connected to the Internet and that connection's capabilities, any special modems or wiring necessary to make the connection, and any special equipment related to the computer or the connection.

As a professional you are going to have to become efficient and remember that spending time at the computer can cause physical damage to your body. So you have to think about adding to the list a wireless mouse and wireless keyboard so that you do not have to lean over your computer typing on an extraordinarily small keyboard.

Computer Support

You will eventually need or want support equipment. That might include such things as a printer, a headset, a dictation program, a Skype handset, a scanner, a fax machine, external hard drives, pen drives, a Web camera, a video camera, a screen capture program.

And don't forget to include everything that you use to keep your computer clean and operating properly.

List everything that you consider computer related and the costs of anything that you have to buy to get everything that you think you will need to fill out your requirements.

And then there are maintenance costs and local programming costs.

Who will install programs for you? How much will it cost you? Or will to your computer maintenance and what will that cost you?

What will be your time costs, if any, in traveling with your computer to the programmer or maintenance service? Or will they visit you and at what cost?

Security

There are a few aspects to security that you should consider.

First you have to consider a breach of your computer via your Internet connection.

Next you have to consider a break into your home and theft of your computer and the data on it.

Third you have to consider a fire or other catastrophic event that completely wipes out your office and everything in it.

Fourth, you have to consider that any third-party installing programs on your computer or doing computer maintenance has to be checked for reliability so that that person does not install on your computer spyware programs that monitor all your keystrokes and then enable them to steal your data.

Every one of these events occurs everyday to some business somewhere.

Do not consider yourself immune to the possibility of something like this happening to you.

You should immediately install security programs on your computer.

Such programs should include programs like [Kaspersky Internet Security](#), and [Windows Washer](#).

But then you have to consider [external drives](#) and [pen drives](#).

You should backup all your data on external drives and store them somewhere well away from the real estate or the building in which you have your office. In that way if someone breaks in and steals from you, you have backup information. Additionally, if there is a fire or other catastrophe, you will not have lost your computer records.

You may also want to scan your important documents and store a copy of those scans on another hard drive or pen drive and store those off location.

As a matter of fact, routine scanning of important documents as they come in and be very important to you. So in reality, [a scanner](#) is part of your security package.

Keep your passwords and credit card information and other personal information on a pen drive. Do not store that with your computer. When you travel do not have it in the same bag that you have the computer.

And be sure to keep a second copy of this. Store that second copy off site.

Set up a routine and password protection system for your computer. You don't want people to you through your computer and its information when you are not looking

With these considerations in mind, laying out the steps you will take to ensure the security of your

computer, data, and business.

At a minimum have [Windows Washer](#) and [Kaspersky](#) or the equivalent.

Describe what you will do to be sure that all your data is kept secure in all the situations described at the beginning of this chapter.

List the programs that you will purchase and their costs.

Technical Work

While most of the technical work required for a home internet business can be done by someone without any technical expertise, you will run into stumbling blocks, want changes beyond your capability or want to delegate work to a third party.

Will you use free systems such as [WordPress](#) and [Amazon Store Builder](#) and set up your web sites yourself?

Will you use paid systems such as [Site Sell](#) that come with some service add ons?

Will you outsource?

If you intend to outsource, where will you find the people who will do the work for you. For example will you rely on service provider forums? Freelance portals such at [Get A Freelancer](#)?

Describe your intentions.

Software

You are going to need software to run your business.

Of course, if you outsource everything, the person doing the work for you will have the necessary programs.

But if you are typical of the person starting up and not ready to outsource, this section will give you a list of programs that you are likely to eventually need.

Not only does this section help you create your budget, it also gives you a feel for some of the things that you will have to do to run your business.

FTP

You will need an FTP program to transfer files between your computer and the web host.

There are some free FTP programs that you can use to get started. You will however find that a professional program will save you a lot of time.

Compare the cost-benefit of a free FTP program to a professional FTP program. Here is a video on [FTP](#)

List your choice and the cost.

Screen Capture

Video marketing is one of the best ways to get free traffic – free visitors - very quickly. It is very easy to do.

It is one of the best free advertising programs that you can set up.

A screen capture program is one of those essential tools for anyone doing video marketing.

You can start with a budget tool and move up to is the industry standard as you get experience. Here is a video that gives you more detail. [Screen Capture](#)

List your choice and the costs.

ZIP

You will be getting files in zip format. And you will want to send the files in zip format.

You will need a program to unzip and a program to zip files.

Here is a link to an open source program. [7 ZIP](#)

There are others, paid and free.

List your choice and the costs.

HTML Editor

You are going to have to learn how to do basic HTML work. And for that you will need an HTML editor.

There are free programs out there.

And your web host is liable to provide you with tools that you can use through the web host.

Comparing them to the Dreamweaver package. [Dreamweaver](#) is a Web marketers standard.

If you are going to use something provided by your web host, be sure to check it does for you that which is necessary before you make a final decision.

List your choice of HTML program and the costs

Word Processing

Most every one has some form of word processing program.

But many people do not know of the existence of the open office programs series. Here is a link to a review of [Open Office](#)

It is completely free and continually updated.

List here the word processing program that you intend to use and the cost.

Also review the open office program series and add that to your package. It will come in handy.

PDF

The PDF format is a standard format for catalogs and other business information.

To create PDF files, the only thing that you need use the [open office](#) series. That allows you to save a document in PDF format.

There are other PDF editors that allow you to take someone else's PDF file and change it. These editors can be expensive.

Here is a link to a list of [PDF files](#).

List your choice of PDF and editors and the costs.

Voice Recognition

A voice recognition program can pay for itself very quickly in the time savings that you can have.

It also will help you save your body by eliminating the need for you to roll your shoulders over keyboard while you type.

Voice recognition programs are very easy to use.

If you are concerned about your body with a side benefit of saving time, then look very hard at a voice recognition program.

Here is a link to [voice recognition programs](#).

Popup

When you put up your website you will want to do everything it you can to convert visitors into buyers.

Pop ups exist on almost every commercial site that you go to because they work. Even if you do not

like them, put them in your site.

A pop-up program will allow you to create you own internal advertising program.

Here is a link to a pop-up program that is disarmingly simple to work while being extremely flexible. [Dhtml Popup](#)

There are other popup programs available.

List your choice of pop-up programs and the cost.

Photo Editor

You will have to have photos of your products or other photos edited at some time.

You may also want to make some simple banners or buttons or other advertisements for your websites.

A photo editor can quickly pay for itself.

Photoshop is generally the industry standard. There are others.

Learning Photoshop is easy because there are many instructional videos on YouTube. If you have to do something is just a matter of going to you to and you will probably find it very specific little doubt telling you exactly what to do.

Here is a link to [photo editors](#) including Photoshop.

In any case, list your decision as to which Photo editor you choose and the cost.

Audio

Adding audio to your website and your eBay listings will increase your sales.

There are many audio programs available. This is an excellent one. [Web Audio](#)

You get one free with the [Drop Ship Guide](#).

Here is a review of how to an audio to an eBay listing. It has good information about the type audio program that you should have if you are going to put audio in third-party services. [Ebay Audio](#)

List the audio program that you have chosen and the cost.

Office Expenses

You are going to have office expenses such as pens, pencils, copy paper, cleaning supplies and anything else that you will require to run your little Internet business.

You may already have the furniture necessary but you may want to get something extra such as file cabinets, chairs or anything else that will make your time at the computer more comfortable and efficient.

Don't forget cleaning materials, waste cans, wipes and everything else.

Remember that this is a tax document. Write everything down so you have what you need for your tax return.

List your best estimate of what it will cost you each month's to maintain your office and what it will cost you to outfit your office to maintain it.

Miscellaneous

There are many things that you might do that are related to your business.

For example you may plan to go to trade shows or travel for some reason related to your business.

You may also have other expenses related to your special circumstances related to your special unique business.

You will buy books, magazines, and training materials.

You will go to business meetings.

Think them through now. List what you might buy or do and make some estimate of costs or frequency.

Regulatory

You'll have to decide how you intend to approach your business model. There are many people who make money on eBay without forming companies or taking any special measures as far as taxes or anything else go.

You have to decide whether and at what point you will go forward with either registering in your community some form of legal business entity and with getting federal and local tax numbers and sales tax numbers

At this point in the planning process, it is probably best to do your research to understand what is required, what the costs are, and to gather the necessary paperwork. Put it on file and wait until you get your business plan completed and your first website online and ready to go before making a decision as to what to file and when to file.

You have a lot more to do in starting up than to waste your time running around forming companies and filing paper before you even get your business fully planned an online.

Support

You may run your business simply and on a very low-key and not require either a lawyer or an accountant/ bookkeeper. But then you may.

In any case, you should estimate what the cost might be for each.

There are other considerations.

Will you participate in Webinars?

Will you use a business advisor.

Will you hire SEO consultants?

Will you need security cameras?

Web Presence

Once you have your little office planned out, it's time to sit at your desk and say, "Now I need a website and a way to make money with that website."

So it is time to get down to the details.

There are many ways to make money with a website and there are many types of website. You have to do is start focusing on what you will actually do to start earning an income.

Web Host

You are going to need a web host. Most marketers use budget hosts of one form or another.

Here is a link to a discussion about choosing a web host. This should give you some background and help in filling out the section.

It is important to understand that a web host is a tool.

And a web host should be a service organization for you.

Most of the budget Web hosts provide the same basic services. And the annual costs are not that different.

Do not spend a lot of unnecessary money on your hosting. If at a later time you feel that some form of boutique hosting is better for you, that is fine. But generally in the beginning start with a budget host and then upgrade from there. Bush

List your choice of web hosts and the cost here.

Income Stream Plan

Exactly what will generate revenue for you?

If you will be using mini-sites to generate multiple streams of income, include the web site plan for each here. Of course, you follow your growth plan and add the streams of income on schedule.

Here is a link to information about website plans and a download for a form to use to make one. [Web Site Plan](#)

Time Allocation

Work Schedules

Lay out your daily, weekly, and monthly work schedules by reviewing the work requirements that you have written out for each of the websites that you put on line.

Current Resources Versus Requirements

This is the section that really tells you how much money you're going to have to investigate your business online.

After having listed everything you need you can compare that to everything that you have right now.

It may turn out if you need very little to start your business.

Conversely, there may be some things that you have to purchase to go forward and those things may be beyond your current budget level.

By filling out this section you will be able to make an organized list to compare what you need to what you have and how much you must invest to bring yourself to the point where you can go forward.

Purchase list

List, in order of priority, everything that you have to buy.

After that list, list, in order of priority, everything that you would like to buy.

And of course, on the list shows the cost and the supplier. Do be sure to include shipping costs.

Supplements

Attach Your Advertising Plan For Each Website

Attach Your Marketing Plan For Each Website