



# Business 2.0

A Blueprint for Starting and Operating  
Your Business in Today's Hi-Tech World

The Internet and Today's Flat World Have Changed The Rules For ALL Types of Businesses. Business Owners Have To Learn So Many Different Subject Matters, Now More Than Ever. This Blueprint Will:

- Describe how to plan your business and test its market potential before ever officially forming a legal entity...
- Describe how to set up a business with the necessary infrastructure fast and cheap...
- Describe how to utilize the Internet to drive tons of free traffic to your web site...
- Describe how to best leverage your time and resources for maximum profit...



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## ABOUT THE AUTHORS

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Ms. Berkshire has a Bachelor of Science in Political Science, a Master of Arts degree in Public Administration (summa cum laude), and a Doctor of Jurisprudence.



## INTRODUCTION / HOW TO USE THIS BLUEPRINT

**WHO THIS BLUEPRINT IS FOR:** Since you have downloaded this Blueprint, you must be thinking about starting a business, or have already started a business but are looking for ways to make it better. This blueprint is designed to provide new ideas for any business, regardless of what stage of development it is in. For example, even existing businesses will benefit from Chapter 6 on Sales and Marketing, from Chapter 9 on Time Management, and so on.

**CHAPTER STRUCTURE:** This blueprint is organized into a series of short, digestible chapters. Each chapter has a short audio (usually 20-30 seconds) that introduces the concepts it contains. Click the PLAY BUTTON shown at the beginning of each chapter to play the chapter introduction. Click the play button here too for an audio introduction.

There are then 5 pages of content to explain the concepts. At the very end of each chapter, there are two summaries. The first summary is a Resource Summary that contains hyperlinks to all of the resources that were mentioned earlier in the chapter. The second summary is an Action Blueprint that gives you some step-by-step actions to take. This serves as an excellent checklist for guiding your business from the startup phase and beyond.

**HYPERLINKS:** We decided not to include a textual listing of the hyperlinks in this blueprint. Instead, each link takes you to our Innoventum recommends pages which will then re-direct you to the third party product or service we are referencing. We did the hyperlinks in this way for 3 reasons: (1) if those hyperlinks change over time, we can fix them on our site and then you will never see a broken link; (2) we can direct you to the specific page on the third party site that we are referencing without making you type some really long and cryptic URL into your browser (which a lot of them have); and (3) we can track which resources people find the most useful, so we can create more free content in those subject matters in the future. If you are reading a printed version of this and need to find the URL of a given resource mentioned in this blueprint, you can access a complete list at: <http://www.innoventum.com/recommends.html>. The links are in the same order as the Chapters in this blueprint.

By the way, we spent a ton of time and money creating this for you, so we really hope you enjoy it. We look forward to hearing your comments about it. Enjoy!

Denise

Jynell

# CHAPTER 1

A large, white, stylized letter 'B' is centered on the page, serving as a background for the chapter title.

## Business Planning & Concept Testing

# Do You Have What It Takes?

## Determine Your Aptitude For Running a Business

• Not everyone has the aptitude for running a business. Business ownership has its challenges, and only people with certain personalities can typically handle it. Here are some examples of what you can expect as an entrepreneur:

• **Un-predictable revenue:** Unlike a job working for someone else for a salary, when you own your own business, you never know exactly how much revenue you are going to generate during a given period. Customers can be slow to pay you, and you still have to pay your bills whether customers pay you or not.

• **Huge Time Commitment:** Most people go into business for themselves to gain more “freedom”, but in reality, most business owners find out that it takes them more time to run their own business than they used to spend working for someone else.



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The reason this occurs is because business owners have to deal with so many different subject matters, ranging from legal entity formation, financing, technology, marketing, product development, and so on. It is impossible for you to be an expert in all of those areas. So what happens is that most business owners spend the majority of their time dealing with the infrastructure of setting up or running the business, and are distracted from actually working on the product or service that caused them to open the business to begin with. This can be very frustrating.

• **What Does It Take:** If you want to succeed as a business owner, then you need to be flexible, patient, and hard working. You also need to have a product or service that people actually want to buy. Plus, you really need a plan for how you will carry yourself through the tougher times. The next sections will explore these concepts in more detail.

## Determine Your Personal Goals

• Before opening your own business, you should think long and hard about what you really want to accomplish. As an entrepreneur, you have the



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opportunity to start with a clean slate, and to design a business that suits your own personal goals.

• The end goal is to identify what you “really” want. Is it freedom, money, time with friends and family, travel, etc.? Take a minute and write them down:

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

## Obtain The Initial Seed Funding

• When you first start a business, you will need some funds to carry you through the periods where you do not have revenue coming in the door.

• So where can you get this initial funding? This is one of the hardest parts of starting a new business. You can obtain loans using your own personal credit as a co-signer, but do so while you still have a job with documented income, or this will be difficult for you. Banks will require you to personally guarantee the loan because the business has no history. Thus, your ability to get bank funding for your new business really comes down to your personal credit score, and your business plan, which we will discuss next. The most common sources for initial funding are credit cards, home equity loans, personal loans, savings, family, and friends.



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## Research the Competition and Popularity of an Idea

Once you have an idea for a business, you should do some industry research to see what type of competition your market may have. Look for other companies that already sell a similar product or service and see how you can distinguish yourself. Some tools you can use for this research in addition to typical search engines are explained in the right portion of this page. While all of us would like to think that we can create a new market with our great ideas, the reality is that it is extremely difficult to create a market that does not already exist. Thus, you should only proceed with the business if there are actually people already in the market looking for a solution that can be solved by your product or service. We will cover this concept more in the testing section. But for this section, the point is to identify if you have any competition, which is actually a good thing in this instance, because it means there is likely a market for your idea (or the competitors would not be able to stay in business). List your top three competitors here, and what you plan to do differently:

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## Draft an Initial Business Plan

Once you have done some market research of your competition, you can begin drafting an initial business plan. The business plan is helpful to get you to document your business ideas, competition, product or service offering, and how you plan to succeed. A business plan is also something that other parties, such as banks, will ask you for later when you ask them for assistance with your business.

Teaching you how to write a business plan would take far more room than we have in this blueprint. But you can obtain [FREE business plan samples](#) from Palo Alto's business plan software. There are also numerous other resources on the Internet for free business plans. You can just search for them using a search engine.

## Alexa

- [Alexa](#) is a search engine, but also displays a lot of additional data about the web site included in the search result.
- For example, on the search results page, if you click the link that says "Site info for XYZ", you can see a lot of statistics about how much traffic that site gets and other useful info about it.
- This information can be useful for seeing how popular a competitor's web site is, and to help gauge the market potential for your idea.

## Quantcast

- [Quantcast](#) is a great web site for entering the web site of one company and then finding who similar companies are too. In other words, you can quickly locate even more competitors from just a few that you have already found. Quantcast also gives statistics similar to Alexa.

## Affiliate Elite

- [Affiliate Elite](#) is a great tool for analyzing the campaigns of your competitors to see what they are advertising on, etc. (Some people call this "legal spying").



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# Testing, Testing, and More Testing

## Test the Market with an Offer

- Testing is one of the most often overlooked details of starting a new business, or when launching a new product in an existing business.
- The Internet makes it easier than ever before to find out if people will actually buy your product or service before you invest the resources to create it. That's right, you can *and should* take orders for your product before you even spend the time and money to create it. You might be thinking - Isn't that illegal? Not at all, if you do it correctly.
- So how do you test the market correctly for just a few hundred dollars? Well, you create a few different sales pages that test different variations of your offer. You then place advertisements in online search engines so they will send you traffic to that sales page. You can use services such as [Google AdWords](#), [Microsoft AdCenter](#), or [Yahoo Advertising](#) for these advertisements. You have the user proceed to the order page, and can even have them submit their credit card information (as long as you do NOT store it because the product is not really available). Then, on the page where they would normally get a confirmation of their order, you give them a notice that the product is currently unavailable, and that you will get back to them later when it is available. That's it. Anyone who makes it to the "currently unavailable" page was ready to buy your product TODAY.
- When you set up your advertising campaign, you will need to research what key words people actually use in the search engines to search for your type of product or service. In other words, you will need to specify what key words you want to "pay for" during your advertising, and you want it to be the key words that people are using to search for your type of product or service. Some key word tools you can use for your research include [Word Tracker](#), [Good Key Words](#), or the [Google Key Word tool](#).
- If you need to buy domain names for your test, you can use a domain registrar such as [Godaddy](#) or [Network Solutions](#). See Chapter 4 for additional examples of web site hosts you can use to set up your test pages too. Many of them have free web site templates you can use.



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## Refine Your Offer From the Test Results And Repeat the Testing

- Based upon the results of your initial tests, you can refine your product offering (of your hypothetical product) and conduct further testing. If you had a lot of people visit the sales page but very few who make the "test" purchase, then the problem could be that your product offering is not compelling enough. Typical sales conversions usually range from 2% to 4% of visitors for a well-crafted offer, but this can vary for reasons outside the scope of this blueprint. So the numbers do not have to be huge to indicate a great potential product. In any event, you have to do the math based on how much the traffic cost you versus how much you would have made on the sale.



## Refine Your Business Plan Based Upon the Test Results

- Analyze the test results and see if they indicate this business idea has good potential. If so, then refine your business plan accordingly.

# Resource Summary for Chapter 1

The following is a summary of the resources that were discussed in Chapter 1 - Business Planning and Concept Testing. If any of these links do not work correctly, please let us know and we can update our web site to indicate an alternative resource you can use, or to find an updated link on the third party web site.



## Business Plans

You can obtain [FREE business plan samples](#) from Palo Alto Software. They also sell software to assist you with business plan preparation. Numerous other web sites offer sample business plans.



## Search Engine Advertising

You can utilize [Google AdWords](#), [Microsoft AdCenter](#), or [Yahoo Advertising](#) to pay for internet advertisements that appear when people search on the search engines for certain key words. This enables you to test market potential.



## Low Cost Domains

To obtain internet domains, you can use a domain registrar such as [Godaddy](#) or [Network Solutions](#). You will need to obtain one or more domains for your test web site to test the market potential (if you do not already have them).



## Research Competition

Here are some resources you may want to use for finding out what your competition is doing: [Alexa](#), [Quantcast](#), and [Affiliate Elite](#).



## Key Word Tools

Research what key words people use in search engines to determine how much traffic your idea gets, and what words to advertise for in market testing. You can use one of various key word tools, such as [Word Tracker](#), [Good Key Words](#), or the [Google Key Word tool](#).



## Other Resources

Here are some additional resources you may find useful:

[Entrepreneur Magazine](#)  
[Small Business Administration](#)  
[Startup Nation](#)

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# Action Blueprint for Chapter 1

The following is an Action Blueprint for Chapter 1 - Business Planning and Concept Testing. These steps are listed in the recommended order, but you may decide to do them in a different order or to skip some steps.

1

## Determine Your Aptitude.

Do you have what it takes to be an entrepreneur? Not everyone has the entrepreneurial personality.

Notes \_\_\_\_\_

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\_\_\_\_\_

Date \_\_\_\_\_

2

## Determine Your Personal Goals.

Set the personal goals you want to accomplish from running your own company.

Notes \_\_\_\_\_

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Date \_\_\_\_\_

3

## Obtain Initial Seed Funding.

You will need some money to cover the initial startup costs. Cash flow of a new business can be inconsistent.

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\_\_\_\_\_

Date \_\_\_\_\_

4

## Research the Competition.

Research your competition. How will you distinguish yourself? See the Resource Section for links.

Notes \_\_\_\_\_

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Date \_\_\_\_\_

5

## Draft an Initial Business Plan.

Create a first draft of a business plan. See the Resources Section for links to free sample plans.

Notes \_\_\_\_\_

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\_\_\_\_\_

Date \_\_\_\_\_

6

## Test the Market with an Offer.

Offer the product or service for sale to test market response. Tell customer "temporarily unavailable".

Notes \_\_\_\_\_

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\_\_\_\_\_

Date \_\_\_\_\_

7

## Refine Offer From Test Results.

Analyze the results of the testing. Refine your product or service offer based upon the results.

Notes \_\_\_\_\_

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\_\_\_\_\_

Date \_\_\_\_\_

8

## Repeat the Testing.

Offer the revised product or service for sale to further test market. Tell customer "temporarily unavailable".

Notes \_\_\_\_\_

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Date \_\_\_\_\_

9

## Refine Business Plan With Test Results.

If the testing reveals a potential market for your product or service, refine the business plan based on the testing.

Notes \_\_\_\_\_

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Date \_\_\_\_\_