

## E-Business in 10 Easy Steps

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The convenience of shopping online from home or work has changed the way today's consumers purchase goods and services. Online sales reported by the U.S. Department of Commerce for the second quarter of 2007 were \$33.6 billion compared to just \$5.5 billion in 2000.

This steady increase is why the Internet is fast becoming the "new economy." Some people have termed it the "equalizer" because for the first time in history, anyone can sell anything from anywhere in the world.

The Internet has created a global economy for both rural and urban entrepreneurs. The only boundaries are set by lack of connectivity to broadband. As more and more Americans gain access to broadband, the more lucrative selling online becomes.

There are many advantages to opening an E-Business. An E-Business eliminates the need for a storefront and allows the owner to have flexible hours. It can also expand markets for existing brick and mortar businesses. In addition, owning an E-Business is also an advantage for some people who have physical challenges and cannot work in a normal work environment.



Below are 10 steps to get you started with your E-Business.

### 1. Decide on a business.

First you must have something to sell. It can be a product, service, or a combination of the two. If you are searching for a business idea, you probably have lots of questions about going into business. To help understand more about how to start your own business, go to <http://www.lsuagcenter.com/en/community/> and read the online article entitled, "Ten Frequently Asked Questions for Small Business Start-Ups," to learn more.

If you already have a business, then you have something to sell. However, before launching an E-Business, it is best to do some preliminary research to determine the need for your product or service by asking these questions:

- What is my online competition?
- If there is no competition, why not?
- Is there a market for my product/service online?

**Tip:** Keep in mind that sometimes existing, successful businesses have to be tweaked to be successful online businesses.

## 2. Create a business plan.

Whether you are launching a traditional business or an E-business, you will need a business plan. A business plan identifies your business, its goals and objectives. Too often, people decide to eliminate this crucial step in the business start-up stage. Creating a business plan allows you to think about your present and future needs.

Taking a road trip, just like starting a business, takes planning. When you plan a road trip, what is the first thing you do? Look at a map, of course. You can't get to your destination unless you know the route, can you? You'll need to know how much it will cost, how much time will be required, and what satisfaction you will receive. All these are important questions that also apply to any business start-up.

To take the confusion out of creating your business plan, there are numerous online helps provided by the Small Business Administration.

Log on to: <http://www.sba.gov/smallbusinessplanner/index.html>

On this site you will be able to click into several articles that will assist you in your quest to write a business plan.

By logging on to: <http://www.sba.gov/services/training/onlinecourses/index.html>

You can take a free online training class in how to create a business plan.

Log onto <http://www.bplans.com/samples/sba.cfm> for free sample business plans.

SBA also posts success stories at

<http://www.sba.gov/tools/resourcelibrary/successstories/index.html>

By reading success stories you can learn how others are launching successful ventures.

## 3. Select a domain name.

The domain name will be the URL (universal resource locator) which is the web address or location on the Internet for your Web site. Selecting a domain name is very important. Spend time in your selection process. Select a name that closely identifies your product or service and one that will be easy for customers to remember. Keep in mind, your name is your first impression.

Next, see if the name you have chosen is available. There are many Web sites that offer free searches for domain names. Type in "free domain name search" into your favorite web browser and lots of sites will appear. Before purchasing the name, consider also purchasing similar names. For example, if you want to purchase "Golf Pro," you might also consider buying "Pro Golf" and "Pro Golfer." Another option to consider before making the purchase is to see if the name can be purchased with different variations like

.com, .org, or .net. Sometimes, business owners wish to buy all the available sites to keep competition from buying the sites.

Tip: Purchasing more than one domain name does not require you to develop a Web site for each name; customers can be directed to one site.

Domain names are generally purchased for one year and then renewed annually. However, some companies now have different options; evaluate each company's options before making a decision.

Remember, when the renewal notice comes due you must promptly pay or someone can buy your domain name. Some entrepreneurs make a business of purchasing domain names and reselling them when they are not renewed. Once lost you may or may not be able to acquire the name again.

#### **4. Select Meta-Tags.**

Meta-tags are the keywords, title, and description you select to describe your web site so that search engines can direct people to your Web site. Here's how it works. Once a URL is submitted to a search engine, the search engine will "crawl" your site with a type of scanning software known as a "spider." The spiders read the information contained in the meta-tags, along with the content of the Web pages themselves, and uses that information to determine a site's position within search results. Once your site has been "crawled" and catalogued by search engines, it becomes visible in search results. Be sure that keywords and content are related, and that your keywords are specific to your site's purpose. Because of the high volume of URL submissions, it's important that you make certain that your listing is correct before submitting it.

#### **5. Design a Web site.**

There are three options available for Web site design: design it yourself; hire a web designer; or utilize the "one stop" method where the Web host designs the Web page from templates. If you choose to design the Web site yourself, take advantage of online tutorials and classes at universities.

If your budget allows, hiring a Web designer may offer you more options in design and get your Web site functioning. Having a knowledgeable Web designer work with you will eliminate the learning curve that most do-it-yourselfers experience. Some Web designers also offer more expanded services that include launching the site and securing the domain name. It is wise to shop around for a designer and view his work online before signing a contract for services.

Most Web hosts offer what is commonly termed "one stop" where they do everything for you--create the Web site, get the domain name, launch the site on the web, and maintain the site. While this sounds appealing, and may be expedient, ask to see some of the Web sites they have been designed before making a decision.

Tip: You should also make sure that domain names are registered to you or your business, not the designer or host. If you are going to make a significant investment of time, money, and effort, you want to be sure that you own the name.

Whichever option you choose, it's wise to know what you want before you begin. The best way to do that is to surf the Internet for sites selling similar items or services and record the things you like about those sites. Then when you are ready to design your Web site you can incorporate some of those ideas into your site.

## **6. Select a Web host.**

Now that you have a Web site, you need a place for the site to reside, called an ISP (Internet service provider) to host it. You can either own or operate your own Web server, an option that requires significant financial investment and a high-level of technical proficiency, or you can use a "hosting service," which is essentially renting space on a server maintained by someone else. For most small businesses or beginners without IT support staff, a hosting service makes the most sense. Hosting services provide server space and some basic programming features for a monthly fee. Many even offer, for a higher fee, more complicated features such as shopping cart applications and inventory databases. Before choosing a Web host consider:

- Does the host have experience with my type of Web site?
- Does the server have adequate bandwidth to handle my storefront?
- Are the technicians knowledgeable?
- Is the Web host reliable?
- Have other E-businesses had problems with the Web host?
- What features will I need (shopping cart, inventory tracking, e-mail) and will the host be able to provide them?

## **7. Decide how you will accept orders.**

Customer satisfaction is important. Your Web site should be easy for customers to navigate and when they are ready to make a purchase it should be easy, safe and convenient.

In selecting an ordering and payment method for your Web site, decide how much time you want to spend with the actual transaction. Do you want an Internet service to receive orders and place money into an account for you or do you want to be actively involved in accepting payments and taking orders? Let's explore your options.

### **Option 1: *Requires little assistance from the Web store owner***

**Online shopping cart** – works just like a shopping cart in a real store. Customers can browse the Web site placing items in the shopping cart until they are ready to check out. At check out time, the order is totaled. This program can be provided by your Web host or you can purchase one. When choosing a Web host ask if shopping cart is an option and if the shopping cart system has the option of adding, removing, modifying, clearing, saving, and checking-out to make transactions simple for the customer.

**Once the customer's cart is filled, it's time to check out.** When they check out, you will need to set up a **merchant account** to handle the transaction. A merchant account

is a special type of bank account that holds the proceeds from credit card transactions. **Paypal.com** is an example of a popular merchant account used on eBay; it eliminates the transaction work for the seller and the seller agrees to pay a percentage of the profit to Paypal. Another advantage offered by some merchant accounts is access to a credit card verification company, again for a small fee.

There are many "merchant account" companies to choose from; simply go to your favorite search engine and type in "merchant account" and a long list will appear. Keep in mind that all companies provide something a little different to entice the customer to do business with them. Read their terms carefully and choose the company that most closely fits your business needs.

### **Option 2: Requires direct involvement from the Web store owner**

With option 2, the Web store owner agrees to take credit card payments. Depending on the setup, the Web site may instruct customers to e-mail, call, or fax their orders with a credit card for payment.

**Credit Card Payments:** Credit cards are the most popular form of payment and can be accepted by manual processing or by real-time processing. In manual processing you request the credit card number from the customer, process the number by hand into a terminal keypad, connect to a processing network, and wait until the network approves or declines the transaction before processing the order. In real-time processing, the entire transaction occurs online and deposits the money into your account. To use real-time processing you will need to set up a **merchant account**.

Tip: It's a good idea to keep your Web store business accounts in a different bank from your personal checking account. If account numbers become confused, you could be running your business from your personal account.

## **8. Provide Web site Security.**

"Buyer beware," couldn't be truer, when it comes to Internet shopping. Sites that are not secure may have less traffic because people are weary of identity theft. To ensure that your customer's transactions are safe and secure, you will need to provide security. Although, it comes with a price, it may put dollars in your pocket in the long run. Consider contracting with a credit card verification company. VeriSign® Security Services is one popular credit card verification company, but others can be found by doing a search for "credit card verification companies."

## **9. Customer Communication System.**

Your Web store will need to communicate with its customers. So create a page providing contact information. That information should include a telephone number, e-mail, physical address, and mailing address.

Once you have received an order, you will need to acknowledge receipt and send notification of shipment to the customer. Tracking customer orders is also a valued option.

## **10. Develop a marketing strategy for your E-Business.**

“Build it and they will come!” Have you ever wondered why so many people advertise their Web sites on television?

Submit your URL to the search engines. Most people purchase from using an online search engine. Submit your URL to the big search engines: Google, Yahoo! MSN, Alta Vista, Excite, WebCrawler, Lycos, and HotBot.

URL submission sites for the major search engines:

<http://www.google.com/addurl/?continue=/addurl>

<http://search.yahoo.com/info/submit.html>

<https://ecom.yahoo.com/dir/submit/intro/>

<http://www.dmoz.org/add.html>

<http://search.msn.com/docs/submit.aspx>

After signing up with search engines periodically, check to make sure your site comes up when searched by using keywords. Keep in mind that it takes a month or longer after signing up for your site to appear. However, sometimes dead links develop and your site disappears, so check periodically to make sure your site is available. The greatest factor in getting listed in search engines and ranking higher in search results is the number of outside links coming to your site. These “inbound” or “external” links originate from Web sites outside of your own and are weighed heavily by search engines in determining the value and position of your URL in search returns.

Cross promotion is another marketing tool that you can use. Link your site to other sites to get more visibility. Many sites offer reciprocal linking; if you link to their site, they will link to yours. This technique is most effective when the sites you exchange links with have some relationship to your site, either as a recommendation or as a similar type site.

Then, there is conventional advertising. Advertise your Web site on the radio, television, business cards, brochures, stationery, fax cover sheets, invoices, quotes, etc.

### **Resources Available:**

The LSU AgCenter has a team of Community Rural Development Agents who specialize in offering education in the areas of leadership, entrepreneurship, and value-added enterprises. Call any of these agents to learn about programs of interest in your area.

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