

# The 10 Essential Ingredients Required to Start a Serious Online

## Business

By Simon Baxter

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If you are considering whether to start an Online Business, listed below are 10 essential ingredients needed, do you have them all?

### 1. \*Equipment\*

Yes I realize this appears pretty obvious, but I have come across people who have not really thought this out thoroughly, in order to get an Internet business of the ground you need as follows:

- a) A computer (make sure this is not one that the kids can get hold of).
- b) Reliable Internet Access via a modem, ASDL or ISDN.
- c) Telephone and or Fax.

### 2. \*Desire\*

\*If you want something enough you will do almost anything to get it\*

You need to be filled with adrenalin and excitement for your ideas to succeed.

### 3. \*Motivation, Dedication and Persistence\*

Trying to get an Internet business of the ground will certainly test your determination.

You need to be able to keep going even when the going gets tough.

Would YOU give up if:

Your web site suddenly self destructs?

Your visitors evacuate in droves?

You lose money due to some unscrupulous dealings?  
(Not on your part I hasten to add)

Someone steals your business ideas and web site design?

You receive a stream of complaints?

You suddenly get a bad dose of flu?

and many more problems that you are sure to encounter.

#### 4. \*Time\*

You certainly can earn a modest extra income working weekends and the odd evenings, but to realize a greater profit and to be able to rely on your Internet Income to become your main source of income, you will need to dedicate a great deal more extra time especially in the beginning when you are trying to get your ideas off the ground.

#### 5. \*A Product or Service to Sell\*

You need to develop a product or service for a niche market, this can be by way of your own product or service or you can sell as an affiliate for other Merchants, who will pay you commission on the volume of sales that you make.

#### 6. \*A Business Plan\*

Even if you do not need to borrow money to fund your business it is always a good idea to put together a business plan, so that you can track whether your purchases and sales are following your plan to make profits or whether you will have to re-think things through.

If you do need outside funding for your business you will need to include in your business plan such things as -

Sidebar-----

Please note the following is for professional businesses that require outside funding but it is still a good idea to prepare a cut down version of a business plan to find out if your idea will bear fruit in way of profit - Also it is quite common for new businesses to lose money in the first year, break even in the second year and head for profit in the third year

End sidebar -----

a) Details about yourself, your product, the type of people that will be interested in your product and how you will go about marketing your product or service.

b) Projected Profit and Loss Forecast - this should include your estimated sales less all estimated purchases, utility charges, labor costs, packaging, delivery, office space charges, interest charges on any loans etc. (A one year forecast should suffice)

c) Projected Cashflow Forecast - this should include the money you expect to receive in, each month less all expenses out for the month. (Again a years cashflow should suffice)

d) Projected Balance Sheet - this should include the values of ALL your asset's and sales less ALL of your liabilities such as outstanding loans, tax bills, Hire Purchases, the balance outstanding from your bought ledger etc.

e) (For Outside funded businesses only) A trial balance sheet - this proves that your figures do in fact actually add up (not necessary for a small home business).

Any good accountant can prepare all of these figures for you from figures you provide. Also it is just worth mentioning here that Banks, Loan Companies and Business Enterprise schemes are well aware that all figures are guestimate, but it proves to the source that you have in fact thought out your business ideas thoroughly.

## 7. \*A Domain Name and Web Site\*

Even if you are selling on behalf of Merchants as an affiliate, you will need your own domain name and web site to be taken seriously.

## 8. \*Capital\*

Depending on what it is that you want to achieve you will need anything between \$200 up to a few thousand dollars available to you for your web site, product or service development, to purchase your Affiliate Products (I am a great believer in testing anything you intend to resell, so that you know the benefits and any flaws of the product or service you are selling) and a small or large monthly advertising budget.

#### 9. \*Online Marketing Knowledge\*

It is advisable to read everything you can get your hands on relevant to Internet Marketing, visit our web site regularly and read up on everything in our marketing section and you will also find valuable content within the other pages of our site.

#### 10. \*Contacts\*

Build your own contact database either by joining Opt In Email programs or by publishing your own Ezine and adding subscribers by all the methods that are available to you (without SPAMMING).

I hope the above has given you some idea of what to do to start an online business. If it is only a little extra income you require each month then you do not have to take my suggestions too seriously, but if it is financial security and freedom that you are after, you must enter into an online business in much the same way as an offline business. There really are NO GET RICH SCHEMES, not honest ones anyway:)

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Simon Baxter is a marketing consultant and reviewer both online and offline. He is a peoples man and derives great pleasure from helping people reach their goals.

His web site \*Affiliates Resource Center\* helps affiliates to do just that.

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