

Better Home Business Manager

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INTRODUCTION

Starting a home based business is a challenge that millions of people have accepted. They have done so for many different reasons, but one of them is the desire to promote a product or service they truly believe will make a contribution to people's lives. Running a business at home offers many different satisfactions, but its success relies on your ability to follow a well designed marketing plan while following important management strategies for achieving efficiency.

A home based business may sound like a simple enterprise, but it is one that takes a lot of time and effort to create and maintain. You don't want to go to the trouble to build a business only to have it end abruptly. Every year thousands of people start a home based business and thousands go out of business. They go out of business for a variety of reasons. Many just fade slowly due to lack of attention, while others fail because the owner did not manage the business like a real business.

In other words, a home based business must be treated like the true financial enterprise it represents. This means you must manage your business as efficiently as possible. In fact, the home based business may need more attention to detail than a larger business because there is less staff time and financial resources available. When you are dealing with scarce resources, you have to achieve ultimate efficiency to get the most impact.

The purpose of the following sections is to discuss various ways you can become a better manager in your home based business. Though some of the suggestions may seem like common sense, it is easy to get sidetracked when working from home. An entrepreneur may have good intentions to work so many hours a day or to keep good financial records, but good intentions are not enough. You have to follow recognized techniques which improve your chances of success.

These techniques are related to certain areas where home based entrepreneurs are most likely to have problems. The sections discuss the need for operating the business like a true business and not a hobby. For example, one section discusses setting up dedicated space in your home. You will then read about using technology to improve your business efficiency.

If course, it goes without saying that you need good financial records. There are probably thousands of homes you could visit where a home based business is being run and find piles of filing and tax records sitting on a desk.

That is not a good way to operate any business. First, you need the office to stay organized so you have access to the information in the records. Second, if you can't use the information then it becomes useless. Yet the financial records are where you will find your progress data and the guideposts which let you know if you are on the right track to success. Having the ability to generate management reports is important, because you need regular snapshots of your profitability.

Managing your time when you run a home based business is important. The section on time management provides important tips which can help you avoid the common pitfalls home based entrepreneurs face. One of the most important pieces of advice is to separate your personal and business activities.

Your business should follow a business plan that has been well thought out and carefully crafted. The business plan is much more than just a plan in reality. It is a guide which helps you make good decisions on a day-to-day basis. A well developed business plan provides direction, insight, and establishes goals towards which you are always striving. It also identifies the overall mission of the business you are creating or building.

No matter how efficient you may be, there are always ways to improve. The following sections offer ideas and suggestions for becoming a better manager of your home business. The rewards of managing a successful business you have created are immeasurable. It is only reasonable to make sure you are doing everything you can to succeed.

1

ORGANIZING THE HOME OFFICE

Almost everyone who starts their own business does so with a goal of achieving success on multiple levels. These levels of success include financial independence, personal satisfaction, and the control of personal time. Since you are reading this book, you are getting ready to, or have, already joined the ranks of the work-at-home entrepreneurs. This is one of the fastest growing industries for a couple of reasons. The internet provides easy access to customers around the world. In addition, worsening economic conditions leading to employment uncertainty has led many people to seek alternatives. Of course, even before the internet there were plenty of work-at-home businesses, but their ability to expand into markets outside the local area were limited.

Unfortunately, many new at-home businesses will fail. That is because you can have access to a larger number of customers, but you still have to run your operation like a true business and not a hobby or else customers will not be plentiful. This means you need to be organized in order to handle the various tasks which are required. One of the first things you need to do is make sure your home office is organized. There are lots of ways to improve office efficiency and to make sure your office is set up as well as possible to meet your needs.

In the following sections, you will read about the use of space, keeping schedules and using technology to develop an efficient and productive business.

WELCOME TO MY OFFICE

When you decide to work at home, and have established the kind of business you want to run, one of the first steps to success is creating work space dedicated to your business. It does not matter whether you will be greeting customers in your home or only meeting cyber-customers. Part of the process of maintaining professionalism is making sure you operate your business like a true business.

When you go to a traditional storefront office, you will notice there is floor inventory space, check out counters and a designated office. You may be living in an apartment and thinking there is no way you will be able to handle such extensive space requirements. But the main point here is not that you need a lot of space, but that you need to have designated space. There is a big difference.

When you look at your business space from this perspective, you realize you need to set aside a specific area that is comfortable for work while handling your equipment, inventory and customer needs. So you may have to re-arrange your furniture so a corner of your living room becomes your office. Or you might even decide to convert a spare bedroom into an office. Either way you have to have designated office space that has been maximized for efficient use on a day to day basis.

In order to determine how to best arrange your space, the first thing to do is make a list of what you need to be able to handle in this designated space.

- Do you need a desk large enough to handle a computer, monitor, keyboard, printer and writing space?
- Do you need additional desk space for spreading out materials such as order or shipping paperwork?
- Do you require a meeting table for meeting with customers?
- Will there be a need for a file cabinet for organizing paperwork?
- Will you have one or more employees requiring space?
- Do you need work space for any kind of product assembling or for packing orders?
- Do you need inventory storage space?
- Are there any special equipment needs such as postage equipment or envelope sealers that will require space?

Once you have a good list of what kind of space and equipment you need it makes it much easier to begin arranging the area where you will work. Since you know the type of furniture and equipment you will have, it is possible to then decide how much minimum space you need to set aside to accommodate it all. From there you can begin purchasing the right sized furniture and equipment you don't have on hand already.

One common mistake people make is trying to "make do" when it comes to space organization. This does not refer to making your space work for you,

because you only have a certain amount of space available. "Making do" refers to not taking the time to organize your space for maximum efficiency. It also means not making available the right kind of equipment to get the job done efficiently. In the end this will catch up with you when you lose orders because you tried to skimp on your filing space or refused to buy a filing cabinet. As will be discussed later, you also will need filing space for your financial records.

When it gets down to actually setting up your space, you will need to measure your available space and then decide what kind of furniture and equipment will fit. Don't be upset if everything doesn't fit at first, because there are always different ways to arrange an office to make the space work. There is also a number of space-saving office furniture and storage units you can buy that will make your limited space look a lot more spacious.

KEEPING WORK AND PERSONAL LIFE SEPARATE

When you are setting up your office, the goal is to make sure you have enough space to efficiently handle your operations. But you still have to learn how to manage your time. The most beautiful home office in the world is still not going to produce income if you don't manage your time. In a later section, there is a more thorough discussion about time management. But the important point to remember is that your business is only going to be successful if you are able to keep your work and personal life separate.

You can think of it this way. If you held a traditional job, you would only spend lunch time taking care of personal business. If there are errands to run you would either do them before or after work. You would not drop your work and start doing a load of laundry in the break room. You don't sit on the phone talking to friends and family. You don't run to the hairdresser in mid-morning leaving work undone.

Your home business is your job whether you are doing it full or part time. You have to set a schedule which insures you spend the right amount of time on your business without being distracted by the personal surroundings you have in a home. You may be thinking, "Where does the freedom of being an entrepreneur begin if I have to follow a schedule?"

The freedom is in the options you have. For example, when you are working in an office for a corporation, your supervisor determines your hours. You are told when to be at work and when you can leave. Even if you are an executive, there are expectations as to when you are supposed to be in the office.

When you own a home based business, you can set a schedule, but you can determine your hours. For example, you may like to start work at 9 AM instead of 8 AM. You may prefer to work evenings instead of mornings. One of the main influences on when you need to work is the type of home based business you are operating. If you are selling products that appeal to the stay-at-home moms, then you can work during the day. If you are selling products or services to people who work in offices, you will probably have to work some evening hours in order to make contacts.

One of the reasons home businesses fail is because there is no time schedule set. If you say you are going to work your business from 9AM until 5PM everyday, then you need to be at your home office desk working by 9AM.

You also should set a schedule which accommodates the many tasks associated with operating a home business. It is so easy to spend a lot of time on important functions such as bookkeeping, but while you are posting expenses, you are not selling. So your schedule should address how much time you need to spend on contacting customers and how much time will be needed for office maintenance tasks.

As will be discussed more thoroughly under time management, the most important step you can take to be a better manager in your home business is to keep your business and personal office activities separate.

By the way, it is highly recommended by the experts that you dress appropriately for work. You do not have to wear a dress or a suit and tie, but on the other hand, you should not wear pajamas either. It is much easier to treat a business professionally if you treat it like a real job.

USING TECHNOLOGY TO IMPROVE EFFICIENCY

We live in the computer age and that means you can use technology in a number of ways to build a successful business. To put it bluntly, you have to live in a cave to not know about the internet. But what many people do not understand is the variety of e-commerce tools that are available, affordable, easy to access, and productive.

Following is a short list of the various internet tools now available. This list is presented to just to give you an idea of the different kinds of internet tools that can help you get customer leads on a regular basis through the development of your internet presence.

- Email for correspondence and marketing
- Website including counters for marketing analysis
- Online ads and banners

- Online catalogues
- Online customer payments
- Chat rooms and forums
- E-newsletters

You can use the internet to communicate with your customers in a way never before possible for the small business. Of course having access to the internet is only possible if you have a computer. It is recommended you get a high speed internet connection, because today's online graphics are complex and slow to download unless you have the right connection setup.

Other technology tools that have made it possible for the home business person to literally run a million dollar business out of a corner of a room in the house include the scanner, cell phone and laptops for making personal presentations.

Speaking of phones....the newest technology allows you to run local, domestic and even international calls through the internet at a greatly reduced price compared to what you would pay for a regular phone service. The Voice Over Internet Protocol (VOIP) is quickly being embraced by small businesses that need to make expensive calls.

Other equipment you can use in your office to make your business more efficient includes a printer, fax machine and copier. Today you can buy combination units that perform all 3 functions. You can attach document files in emails too and send quotes, orders, invoices, letters and whatever else you want over the internet.

There are a number of software packages you can purchase that let you do many tasks on your computer. You can buy letter writing software, inventory management programs, or publishing software which can create newsletters or marketing material to name just a few examples.

There is one other important piece of technology you need to maintain a successful home business. You should purchase a bookkeeping or accounting software package which will enable you to organize your tax records and keep you informed as to the financial condition of your business.

Keeping good financial records is crucial to any business and that includes the home based business. In the next section we will talk about the importance of maintaining those financial records on a regular basis.

MAINTAINING GOOD FINANCIAL RECORDS

Many small businesses often run into trouble because there is not a good record keeping system in place. The home based entrepreneur is frequently someone with a passion for his or her products or services, enjoys meeting new people, considers marketing to be a challenge....and would prefer torture rather than spend valuable time tracking revenues and expenses.

But if you don't keep good financial records, you have no way of knowing how your marketing and sales efforts are doing and if you are keeping your expenses under control. In addition, the government has a variety of reporting requirements you must meet. Everyone must file annual tax returns, but if you decide to add one or more employees as your business grows, there are additional reports you must file on a quarterly basis.

On the list of important reasons given for why home businesses fail is lack of good accounting records. If you don't know how you are doing financially, how are you going to know if you are on track? How do you know if your business plan is sound? How are you going to know whether you need to change your marketing strategies, make price changes, or reduce expenses?

In other words, you need to see your bookkeeping system as a management tool that can provide you with the signposts you need for determining what path to take towards success.

USING RECORD KEEPING SOFTWARE

You have a choice of bookkeeping methods. You can keep manual records or computerized records. Most people today use bookkeeping or accounting software to track business records. There are a number of options available that range from simple revenue and expense bookkeeping to complex multi-department accounting that is integrated with sales and inventory programs.

The difference between bookkeeping and accounting is one of degree. Bookkeeping software is a basic system for recording primarily cash sales and expense figures. It is quite possible that your bank offers a bookkeeping system based on your checking account activity. You can download your deposits and check information right into the record keeping system. When it is time to prepare the tax return, the accountant will use the bookkeeping records as the basis for preparation of the required business forms.

An accounting system, on the other hand, is designed to handle either cash or accrual record keeping. It also has the necessary features to create entries for tax accounting purposes such as depreciation or inventory records.

The kind of financial record keeping system you choose depends on the complexity of your business. If you operate a simple business selling one particular set of products, do mostly drop-shipping for order fulfillment, and operate on a cash basis, a bookkeeping system will work quite nicely. If you maintain an inventory in your home, operate on an accrual basis, have employees and sell a variety of products and services, you should obtain accounting software.

The Windows based software that is available today is very user friendly. You may dread the thought of keeping financial records, but today's software is built for people just like you. The software can streamline the entire record keeping process.

One important point to keep in mind though is this: you can only be a better manager in your home business if you create a streamlined system of records flow. You need to maintain a good filing system both on and offline. You will need to keep backup paperwork for your sales and expense figures which prove the entries made in the bookkeeping and accounting systems are accurate. But you also need to have a good online method of filing correspondence, email inquiries, order fulfillments and invoices sent through the internet.

FINANCIAL STATEMENTS

When you say "financial statements", it seems to imply big corporations with an army of accountants preparing formal reports and making complicated entries. But even the smallest home based business needs to produce management reports and financial statements which give a clear picture of how the business is doing.

Both bookkeeping and accounting systems produce financial statements either on a cash or accrual basis depending on the kind of program you use. Financial statements should provide useful information that you can use to judge your business progress and to make future financial decisions. If you buy a good bookkeeping or accounting system, the program will probably also generate management reports such as customer data and inventory analysis reports.

The key to successful financial management of your home business is to use the information you have available. Some people wait until the end of the

year and then desperately try to input a year's worth of data. They are really short changing themselves when they handle the financial aspects of the business in this manner. It means they are not using their management reports as decision making tools throughout the year.

There are many types of record keeping software packages for sale. They range in prices from as low as \$40 to hundreds or even thousands of dollars. Before you buy one it is best to do some research and talk to others who have actually used the systems. But whatever you choose to buy, it is important the system be expandable in the future to accommodate your business growth.

What this means is that if you buy a basic system for cash bookkeeping, it should be upgradeable in the future with the addition of modules if you so choose. Or the data in the basic system should be convertible to another more sophisticated version or even another software package. You don't want to have to recreate your accounting system down the road after your business expands.

TIME MANAGEMENT

You can waste a lot of time very easily. This is true whether you work for someone else or for yourself. But people who work at home have added distractions. There is laundry to do, normal interruptions such as phone calls, and the temptation to work on those chores which didn't get done on the weekend. The next thing you know is you have managed to squander half the day away. Even worse is the fact you can miss out on potential sales just because you are disorganized and never found time to return customer calls or respond to email inquiries.

The foundation of any successful business lies in the ability of managers to plan their time in a way that promotes organization and successful business behaviors. Good home business managers can separate their personal and business lives so that neither is neglected.

MAKING TIME FOR BUSINESS

The first and most important thing to understand is that you will only be successful working at home if you are able to separate your business and personal lives. You can't be cleaning the house or visiting with friends on the phone and also be building your home business. You have to set aside time to work your business and only your business.

If you are operating a part-time business, you will need to set aside as many hours as required to meet your goals. Many home based business owners must accommodate their family schedules for example. A typical scenario is the home based business operated by a stay at home mother. She will probably set aside business hours during the day while the children are in school. Another typical part-time home based business owner is the office worker who is gone all day. The time set aside for doing business will be in the evenings and weekends.

Managing time efficiently involves a lot more than just setting aside chunks of time. You also need to determine how much time you need to do particular tasks.

- Respond to new customer inquiries
- Manage order fulfillment
- Manage customer orders
- Do bookkeeping work

- Implement and manage marketing strategies

No matter how little or how much time you plan on spending on your home based business, you will have to make time for the activities which result in sales. Without sales, there is no business.

A good technique for managing the time spent on your home based business is to use one or more of the many different tools that are available. For example, you can use a manual calendar, an online calendar, time management software, electronic handheld time calendar devices and so on. Some people simply use a spiral notebook and sticky notes. It does not matter what you use as long as you develop a system which:

- Insures you spend your time wisely on the activities which will produce sales
- Maintains the information in a single calendar so you do not risk mismanagement of contacts, meeting times and other activities needed to maintain a smooth flowing operations

Though it is important to separate your personal and business activities, you need to log both on the same calendar. Trying to maintain separate calendars is too difficult and too prone to mistakes. For example, if you have a social engagement at 5 PM, you don't want to schedule a meeting with a new customer at the same time.

Managing your online information, such as customer inquiries, is much easier if you take advantage of the online tools that come with various email programs. You can set up folders and file your messages under a label.

AVOIDING COMMON PITFALLS

People are people and all are prone to make the same mistakes when it comes to time management. We all have things we like to do and things we would prefer to avoid at all costs. You may enjoy talking to your customers and despise doing filing. Or you might enjoy the email correspondence, but don't like spending time on the phone. You may enjoy giving seminar talks to promote your products or services and try to avoid spending too much time on the more impersonal online marketing activities.

What you have to watch out for in order to be a better manager in your home business is avoiding developing a habit of not completing tasks which need to be done on a regular basis whether you enjoy them or not. That is where a managed calendar can be critical to your success. If you set up a

calendar and a work schedule, and follow them, you will have an efficient time management system.

As a home based business entrepreneur, your goal is to work as efficiently as possible while producing sales and managing expenses. The very nature of a home owned business is such there are many pitfalls to avoid which you do not face when working for someone else.

- Do not let yourself be distracted by the home environment
- Do not treat your business like a hobby
- Do not try to manage expenses without a budget
- Do not treat your home office as an extension of your family room
- Do not establish an unreasonable work schedule that is too difficult to follow
- Do not try to take on too much work and end up making your customers upset due to lack of response
- Do not try to run your business without establishing a proper financial and/or accounting system
- Do not try to work your business without prioritizing your work schedule

This may sound like a long list of “do nots”, but it is a practical list of common sense suggestions. It is so tempting for many home based business owners to let the more traditional business management techniques take a back seat. You always have to remember you are planning on your business being able to generate a certain level of income.

For those businesses which plan on having clients visit the home office, you need to make sure they will feel comfortable. This does not refer to comfortable as meaning big easy chairs and fresh baked chocolate chip cookies being available. It means the client should feel as he or she is attending a meeting in a business environment. Some people will be reluctant to visit a personal residence unless your home office is clearly for business purposes only. You don’t want the dog jumping on your clients or the baby’s milk bottle rolling in the doorway where they must walk.

Your professional image when dealing with clients is important. When you are only dealing with people online, you still need to maintain a professional image but in a different way. Your emails should be well written and friendly business like. You don’t want to act like you are everyone’s best friend. You need to respond to all customer inquiries and give a high level of customer service.

When meeting people in person, it is important to maintain a professional demeanor so people know they are dealing with a serious business person. This will make people much more comfortable with the idea of dealing with a home based business.

One of the big pitfalls many home based business owners make is not developing a business plan. Every business needs a business plan which sets goals and defines marketing strategies. The business plan is how you measure your progress and stay focused when making business decisions. The plan should define your market niche, your sales goals and your marketing plan.

USING INTERNET MARKETING TOOLS

You have to research how to best use the large variety of internet marketing tools that are available until you find the ones that work the best for your small business. There are many choices today and the price ranges from free to quite costly depending on where you want to run your ads as well as how frequently you want them to run. Many of the existing tools you already have at your disposal may not be currently utilized to their full capacity and that is a waste of your precious resources. You have got to make the most of all of you have to succeed in running your home based business. "Waste not, want not" is good advice for start ups and established businesses.

LETTING TECHNOLOGY WORK FOR YOU

If you are paying for a land line and a cell phone then you need to learn how to use them both to your advantage. Did you know that calls can be forwarded from one line to another to prevent you from missing out on any leads? Did you know that you can get a link for the two via a virtual assistant program that will notify you on all available numbers until you are located?

These technologies exist and you probably pay for some of them already without even taking advantage of them. You can contact your phone providers and find out all of the details of your current plan to see if you are using all of the features wisely. You can also ask them what they have to offer in terms of additional time management tools. They are more than willing to describe new promotions and advances to get you to upgrade. Frequently you can get a trial period at a reduced cost if you upgrade!

Your computer and internet access are another resource that needs to be fully utilized. There are many programs available to help you keep track of your schedule and your finances. Many of these also offer free trials to help you determine which one will suit your business the best. Time management is a critical key to the success of your small business. It is as important as the passion you have for selling your product or offering your service to the world.

As discussed earlier, there are a wide variety of free online calendars that you can take advantage of to help you make the most of your precious time.

Many of these sites offer printable versions for free as well as the online versions. Many people who are starting their own small business have to keep their day job in the beginning. For these people it is even more imperative that the few precious hours a week they can devote to the promotion of their new business be allocated and spent wisely.

Utilizing your telephone and computer to your best advantage is a top priority in the running of your own company. Put these technologies to work for you and watch how your lead generations and sales soar.

There are a wide variety of traditional marketing plans that can be implemented and have been proven to work very well through out history for the launching of a small business. These methodologies are slowly being swallowed up the by the new wave of virtual advertisement opportunities available on the internet. Gathering local clients by running ads in the newspaper is now being replaced by classified ads on the internet. The ads on the internet are more often than not totally free to list as the websites are ad supported. While you can still make post cards and do mass mailings it is far more cost efficient to do a mass emailing instead. The internet has changed the world or marketing, but it has also made it possible for the home based business to operate globally.

We now live in a global consciousness. This shift in consciousness from a strictly profit driven society to a more sustainable human centered lifestyle on the planet has been the topic of a great many seminars and focus groups over the past year. It is on the top of the corporate mind and on the tongues of all the movers and shakers that make the decisions for the corporations that shape our world. The world is becoming more and more aware of the interconnected state of humanity and we are acting as a global community.

Your local small business can be doing business with customers in Zimbabwe today thanks to the internet. It is all about the advertising. Who you choose to focus your marketing campaign on will determine if you generate any business in a given area. If you are selling an item or service that is needed versus wanted you also increase the likelihood of your own success. These are common sense approaches to your business. The focus here is on using the internet marketing tools to increase revenue.

There are new marketing and management internet tools coming out everyday that makes all of the information you need available at your fingertips all the time. There are hand held devices now that allow you to access the internet and store your schedule on your cell phone. They are becoming more and more affordable and also more compact as each generation is released into the market. Cell phones are now manufactured that have email and web browsing capability. Technology allows an ever increasing amount of data to be stored in smaller packages. This keeps changing the face of portable data storage as ever more intriguing packets are offered to the public.

INCREASING SALES THROUGH THE INTERNET

The internet has expanded marketing to a whole new level. You can generate sales in such a wide variety of ways on the net that it is hard to keep up with them all. There is a lot of buzz about the social networks lately. As they have added a localized ad campaign to allow you not just to network and sell through emails and bulletins, but they are now also offering small businesses the chance to buy in to the ad supported revenue as well.

This is revolutionary as it is localized or global based on your request. Also you can target the people in your sales area even if they are not in your network. This is because they are ad supported sites in the first place, so your customers will be pleased to note that the ads they are forced to look at are at least relative to items they are interested in or in their area.

Some of these sites are super savvy at determining what the customer is looking for based on what they choose to use on their home pages. From downloadable music to décor the things a user shows an interest in are the things that are then displayed in the ads. Taking advantage of the free opportunity to advertise via a social network is the most obvious reason for expanding ads to include small and local businesses.

Many people advertise their small businesses via emails, bulletins, memos and updates on a daily basis to everyone who will accept them into their network. There are people with literally thousands of people in their network. Often all concentrated in or around their marketing area. These sites can either be used for free if you are willing to put the time into them or they can be used for paid ads if you can afford them. They are becoming more and more affordable as they become more and more common place.

Another way to increase sales through the internet is to make use of banner ads and reciprocal links. These are now available on the net from some sites for free. Of course you can always upgrade to a paid version if you are not satisfied with the free banners available. These banners are often exchanged via links to complimentary sites or affiliate sites that will lead to either your site, an informational site with links to your site or to your affiliate site. It works like this: If you post a link to my site on your site, I will post a link to your site on my site.

Blogs have become common place in all areas of commerce. Write an interesting blog and generate an avid following of readers and you can be a giant in affiliate marketing. Post a lot of links to things you support that also support you and write about something that people want to read.

Hot topics will rise to the top of a search engine based on key word selection. This can be done either by purchasing flat fee internet advertising or by purchasing into the pay per click systems that are available. Adding a streaming video to your blog will allow customers to gain more insight about the products or services that are unique to your company. This method has become more and more popular as several popular internet sites have made this available for free as well.

You can also take advantage of the opportunity to advertise via an e-newsletter. If you can actually charge a fee to enroll in the newsletter then you both generate income off the e-newsletter and can provide your most interested target audience with your recent information and product updates. Joining online forums that have topics that are related to your services and products are also a great way to solicit people for your e-newsletter group. Exercise caution in going too far off topic as you will be accused of trolling on some sites and banned from using them for discussion. Some bans are temporary and some bans can be permanent. So be wise and just don't risk it.

Interactive chats offer another great forum to provide 24 hour customer service online. There are many larger companies that outsource these jobs. A growing trend in the US is to outsource to work-at-home agents which means some home businesses are operating customer service operations for other companies. But the wonderful advantage of internet tools such as interactive chats is that even a one-person home based business can utilize the technology with the right software. You can manage your time and your customer service right from your computer.

Putting the technology of today to work for you in generating more sales through the internet is the best choice a home based company has in the global market. Thanks to technology, you can take advantage of the opportunity to be on the ground floor of the revolutionary ways of doing business that is happening around the world today. Jump into the technological advances and learn how to use all the new fangled gadgets as they are the way the new generations of clients get their information and fill their needs. Don't be left behind based on an unwillingness to learn how to use these tools or because you are operating a small business from home.

COMMUNICATING WITH OLD AND NEW CUSTOMERS

Now that you know how to generate business on the internet using the incredible new technology available today, you have to be sure that you follow through on all of your business emails and phone calls and not waste the leads that you worked so hard to gather together. You can take advantage of auto-responders in your email system to let your clients know

you got their order, shipped a product or when you will be available for customer service.

The automated response emails can be generically programmed to just read that you are away or updated on a day to day basis to reflect what is happening in real time. This makes your clients feel like they are "in the loop" so to speak and that they matter to you enough for you to inform them of your location and plans. If you are careless with your leads your clients will feel like they are unimportant and may classify you as unprofessional based on that poor handling.

Keeping in contact with your clients is a very effective way to keep your reputation in the on and offline community rock solid. Returning calls and return emails promptly illustrates to your clients that they are important to you and that you want them to know it. It is very helpful to maintain a current and complete list of your clients emails and phone numbers so that you can notify them of any changes that relate to them. This also allows you to be able to keep in contact with them between business dealings so they keep your company in mind. Then when they have a need that is in your area of expertise or want a product or service you sell, you automatically pop into their minds.

Gathering this information from your clients is fairly simple. Just ask them for it. One technique for continued branding that has been used successfully is to obtain the date of birth of your client. You can then use software that will automatically send an email that says Happy Birthday. This is not something that is done by every company, but it has grown in popularity as it is established as a fact that this action does indeed keep your business name fresh in your customers mind. The benefit to this of course is not just being able to retain your client. They will also speak of you to others if they hear someone searching for what you offer. They will think of you in more friendly terms when you take more friendly action. That is merely human nature. If you are the company that goes the extra mile to make its customers happy, you will be the company that has customers to make happy.

All of the myriad of ways available to advertise on the internet do not teach you customer retention. In the past this has been an issue of trial and error. In reality it is quite simple. Treat your customers with kindness, courtesy and respect while dealing fairly with them in all negotiations and they will be returning customers who are pleased to refer you to their friends. Utilizing the technology available to you in order to make your customers feel appreciated is using good business sense. Sending out a "Thank You" card by mail still works but it is more cost efficient to send that "Thank You" via email instead and the thought is still appreciated the same.

Larger companies have recorded thank you messages on an auto dial system that will routinely call an existing customer and thank them for their

business. Be careful with this as it has gotten some companies in trouble for unsolicited phone calls. In particular several years ago a very large entertainment company was shut down by the FCC as these phone calls were literally bombarding the clients who filed a lawsuit. The trend for these types of phone calls has been on a downward spiral since. The difference of course is abuse of the system. A simple courteous thank you call is a far cry from harassment. Use a combination of common sense and technology and you will be able to successfully gain and maintain a solid customer base.

ADHERING TO A BUSINESS PLAN

This book has emphasized several times the importance of having a business plan. Your business plan is your master plan and contains the goals and strategies which you believe will lead to success. Success for a home based business can be defined in several ways, because each person becomes a home based entrepreneur for different reasons.

- Earn additional or supplemental income
- Replacement of current income
- Creating income source after layoff
- Desire to have control over own time
- Need to have flexible hours

How you manage your home based business will determine how well you are able to meet these goals. Your business plan is your blueprint for creating the kind of business you really had in mind. For example, if you are establishing a home based business part-time in order to generate supplemental income, your business plan will outline the plans for reaching that level of profit within the hours you allot to the business.

A business plan includes many different long and short term goals. These goals and their supporting strategies are what you will use to keep your focus on the results you want to realize. A business plan includes goals related to the following.

- Building a branded image
- Reaching a particular market niche
- Building particular sales levels
- Identifying customer service program
- Identifying demographics of most likely customers
- Establishing marketing budget and strategies
- Developing long term plans for growth

As you can tell, the business plan is comprehensive. Developing a business plan forces you to think in terms of your vision and what actions you can take to support that vision. A good business plan addresses marketing, the competition, operations, finance and long term growth. It can also include a contingency plan for when things do not go as planned. For example, what

will you do if competition prevents planned sales growth? Do you have an alternative marketing or product development strategy?

Too many small businesses believe that business plans are only for big companies. That is not true. In order to develop a successful home based business, you need a plan as much as the largest corporation. It is lack of planning and vision that often causes the fail of the home based business.

STAYING FOCUSED ON THE GOALS

A business plan is not intended to be written and then placed in a drawer never to see the light of day again. The business plan is a working plan and not a "dust collecting" plan. There are goals and action plans that have been outlined if you did your plan correctly. The goals are your marching orders, so to speak, as you build your business.

When you get your business up and running, staying focused on the goals will stop you from veering off in the wrong direction. For example, if your goal is to promote your product to the consumer who is older than 50 years old, you will not target a niche comprised of mostly young adults. This goal then leads to specific actions in your marketing plan.

You want to review each decision you make in marketing and financial planning against the business plan. You also want to step back periodically and look at the business steps you are taking and see how they measure up against your goals. For example, if your business plan says you are going to focus on the fitness industry then you would question whether you should add a product to your product line that is not directly tied to fitness.

You can also use the business plan to help you use your resources wisely. The mission statement provides the overall vision for the company. The goals are ultimate results you hope to achieve. The actions or tasks you complete should support the goals somehow. For example, if your goal is to primarily market online through a website, you would question spending money on print advertising even if it carries your company brand.

USING THE BUSINESS PLAN TO MAKE DECISIONS

When you write your business plan, you pay attention to both general goals and specific tasks. This forces you to think through your business from beginning to end. This attention to detail can help you make large and small decisions.

- What kind of home based business do you want to develop: new start-up, existing business, franchise or combination of one or more?
- Where will you seek initial funding and money for expansion if you meet your financial goals?
- What kind of marketing activities will you use?
- How will you define your customers?
- How much time will you put into the business?
- What sales techniques will work best for you?
- Will you eventually hire employees?

When you must make a decision which impacts your product, financing or marketing, you can turn to your plan and review the strategies and tasks which you defined. Does the plan say you will market only to domestic markets? If so, you will not spend money on global marketing strategies. Does your plan say you will contact 3 or more new customers per day? If so, you need to compare your actual performance against your plan and make necessary adjustments.

The business can help you stay focused on your original goals in a number of ways.

- Formalizes strategies you can follow on a daily basis
- Identifies potential pitfalls which can derail your business
- Identifies details which support your "good idea"
- Keeps your business grounded so you don't begin to think in unrealistic terms
- Gives you something to compare actual results against
- Identifies potential sources of help including financial and personnel
- Gives you the groundwork for making plan revisions as the market changes or your business matures
- Identifies ways you can differentiate your business
- Provides a steady plan for growth

Using your business plan can make you a better manager in your home business by keeping you based in reality and on the direct path for reaching your ultimate goals.

MARKETING YOUR BUSINESS

One of the most important sections of your business plan is the marketing section. Let's face it...without customers there will be no business no matter how organized you may be. You should spend a lot of time developing your home based business marketing strategies, because you will probably be working with a limited amount of capital. Many home based businesses start on a shoestring, but that does not preclude the use of a business plan.

Competition is always going to be a concern of any business. You have to offer what your targeted market wants, but you also have to convince them to choose your product or service over the competition. You need to differentiate your business even if you are the only one working your business.

To manage your business as efficiently and productively as possible you must follow your business marketing plan. If you are like many home based businesses, you do not have a lot of money to put into marketing. You have to carefully use what resources you have and take advantage of the free internet marketing tools discussed earlier. The goal is to attract new customer leads by showing people you have what they need and can deliver it at a fair price.

One of the pitfalls home based business owners fall into is lack of planning. Too many entrepreneurs get off course and spend time and effort marketing to the wrong market. Eventually, the business will fail because the people most likely to buy the products or services don't even know you exist. That is why it is so important to have a good marketing plan that defines the following.

- Industry in which your business will be classified
- Market niche you will target by customer definition
- Territory you will cover (local, regional, national, global)
- Competition in the industry and areas you are targeting

If you understand your competition and your customer profile, you can spend your marketing dollars wisely. But even more importantly you can create a marketing campaign that specifically reaches the market where you will find the people who want and need what you are selling.

Your marketing plan will also make it much easier for you to price your products, because if you do your research, you know what your competitors are charging. It will also define the specific promotional and distribution strategies.

The key to being a better marketer in your home business is to specifically target the market of interest. For example, if you are selling women's beauty products, you will not want to run a booth at the local auto show at the convention center where mostly car products are being sold. Paying the booth rental fee is a waste of money.

Only the biggest corporations can afford to pay for general marketing tools such as billboards or television advertisements. When you are a home based entrepreneur, chances are you are operating with very limited funds. Fortunately, you can still run an effective marketing campaign and you can still target the best customers you can find.

Target marketing is focused marketing that specifically seeks out the consumers who are likely to want to purchase your products or services. As described under the section concerning using technology and the internet, there are a number of ways to create an effective marketing plan using a variety of tools. You can balance the internet marketing with offline marketing activities that seek the local customers you can best serve.

Target marketing plans help you avoid wasting your time and money. These are two critical resources that are in limited supply in most home based businesses. When you have a well developed business plan that includes a definitive marketing plan and strategy, you have a roadmap that provides you the best chance of success.

Marketing is really the lifeblood of a business. Marketing includes market and customer definition, product description and pricing, and distribution. The marketing strategies you use are combined with your selling techniques to build a good customer base that is renewable. In other words, your marketing and sales program should attract new customers and create customer retention. The more people that return to purchase your products, the more productive you can be.

You can think of it in this way. A customer who returns to buy again and again is already familiar with your product or service and is obviously happy with the customer service. You can continue to provide him or her that wonderful attention they appreciate while using scarce marketing dollars to find new customers. There is many a home based business that failed, because the owner focused only current customers once a revenue goal was reached and did not develop new customer business. When the old customers stop buying for whatever reason, the business loses revenue it is not positioned to replace.

It is easy to understand by now the business plan is a sales, marketing, time management, and financial plan rolled into one document. The goals, objectives, strategies, tactics and actions identified in the plan give you the direction you need as you build a business.

Being an entrepreneur is exciting, but it also takes dedicated effort. The home based business industry is growing rapidly as people seek ways to take control of their financial and work destinies.

CONCLUSION

Owning a home based business is the dream of many people. When you say the words, "start your own business", people get excited. You can see the glint in their eyes as they think about managing their own time, not answering to a supervisor, earning additional income and achieving financial independence.

The home based business industry is one of the fastest growing industries in the world. People from all walks of life are beginning home based businesses for a number of reasons. Some people simply want to have more control over how they spend their working time. Some people need to earn a specific amount of money in order to manage financially. There are also people who love a challenge and have a good idea for a product or service and so decide to try building a home based business.

As lifelong employment becomes a myth rather than a reality for millions of people, the home based business industry will continue to grow. But just because you are working at home does not mean you can take the enterprise lightly if you plan on succeeding. You need to learn how to be a better manager in order to build a successful enterprise that meets designated goals no matter how or why those goals were established.

There are various ways to improve the management of your home based business. Many of the suggestions seem to be very obvious when reading them. For example, you should follow time management practices in order to insure you use your time wisely. But the obvious is not always the practiced.

In other words, many people who start a home based business do not pay close enough attention to how they spend their time when working their business. The end result is a lot of time gets wasted or the time is not spent doing what needs to be done to build a viable customer base. The next thing you know the business finds itself without enough customers to continue operating or runs out of money.

The same is true for the marketing component of the business. You must spend your marketing dollars wisely so you target the customers most likely to appreciate what you are selling. You need paying customers to create profit and a thriving business. Most home based businesses operate on a limited budget, so each dollar spent must be spent as wisely and as effectively as possible. In other words, you want to get the most bang for your buck.

Marketing can be accomplished in a number of ways. You can market online or offline. There are a number of marketing tools available that are affordable and can be used to target the specific customers you want to target.

The marketing plan you follow should be just one section in a comprehensive business plan. The truth is that anyone can start a business, but it is how you build that business that determines its long term viability. The business plan is a plan for success. It is the roadmap which leads you to the achievement of your goals.

As a home based entrepreneur, it is incumbent upon you to organize your business with a serious intent for long term success. Since you are working with limited space and limited capital, it is important to make the best use of both. You can design your space to accommodate business needs, maintain good financial reports so you always have a handle on your financial progress, and manage your valuable time to avoid wasting it on unproductive activities.

If you have been daring enough to start your own business, you have already proven you are up to the challenge. When you have a solid business plan to help you make decisions and keep you on course, your chances for success are greatly enhanced.