

HOW TO MAKE MONEY USING YOUR PERSONAL COMPUTER

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HOW TO MAKE MONEY USING YOUR PERSONAL COMPUTER

INTRODUCTION

Not everyone wants to own their own business, and not everyone who wants to is capable of being a success. But for those of you who currently own, or are thinking of buying a personal computer, you can just about guarantee yourself that for just a few hours of your spare time, you could easily produce an income that exceeds your current monthly earnings. Thousands of success stories have been documented, and you could easily earn up to \$5,000 a month, and more, in your spare time. And if you enjoy computers, you can have fun while you earn your extra income.

Home based computer entrepreneurs were once predicted to be "the wave of the future." The U.S. Labor Department believes that up to half of all Americans could be working at home by the year 2000. If that prediction is true, a large number of these workers will be home based employees of various major corporations. Millions of others however will be home based entrepreneurs engaged in a business of their own.

The computer revolution of the 1980's has created the computer explosion of the 1990's. It has also paved the way for a new, very lucrative cottage industry that should continue to be highly profitable for home business entrepreneurs in the 1990's and beyond.

Successful computer entrepreneurs have shown that it doesn't matter if your computer is a simplified Apple, or a loaded IBM PC, you can use it to make more money in your spare time than you ever dreamed was possible.

In his book, *The Third Wave*, author Alvin Tomer predicted that the electronic cottage would be the mom and pop business of the future. The "future" has arrived! Increasing numbers of home based businesses have made Tomer's predication a reality.

To become a successful part of this reality, you must first of all have a plan. An important part of that plan is to not only decide what type of work you would most like to do with your computer, but what type of business you are best suited for. For example, do you like working with children? If so, as a computer consultant you could help children find a computer and program that is compatible to various age groups. You could also program games, become a home tutor, and even have local schools refer students to you.

Maybe you are interested in creative writing. With programs that are now available you can create original verse for any occasion, design crosswords, puzzles, develop and sell your own computer programming courses, start a computer newsletter, or publish your own How To books.

There is by no means a solid criterion for becoming a successful computer entrepreneur. Many people go into business with the singular goal of making money.

Still, you may want to consider doing something that you are happiest doing. Your own interests and experience will help you make that decision, and consequent business success.

Another part of any business plan should of course include knowing exactly what is required. What will it cost? What can you charge for your services? How will you market your service? How many hours can you dedicate to your business? What are local, state, and federal responsibilities, licenses, taxes? Do you know how to keep good accounting records?

Before a person can say they are qualified to run a business, they must determine those qualifications through planning. There is of course nothing you cannot accomplish if you set your mind to it. However, you must have a clear concept of what it is that you enjoy doing, and what you want from your business venture.

This book is designed to show you how to create a plan, especially for you, and then help you set your goals. It has been written in easy to understand language for the average person, who would like to begin making money full time or part time with their personal computer, the easy, enjoyable, and successful way.

PLANNING YOUR BUSINESS

The planning stage of any business can be difficult. Plans are decided, altered, amended, updated, and corrected. This process allows a plan to be refined as each stage is adjusted to correspond to an overall pattern.

People entering business have basically two options to choose from, and they are products and services. In many cases the two are combined. For example, it is entirely possible to have a bookkeeping business and at the same time sell office supplies.

A self-evaluation should include asking yourself if you have the experience or knowledge to start your business, and if you are willing to take the time to learn what you need to know to be successful. If your venture is going to be one of "on the job training" you must be willing to absorb the price of some lost time and the cost of making some mistakes. You will know if you're actually ready to start a business by simply asking yourself, "If you owned a business, would you hire yourself?"

Motivation and dedication is a strong force, that together with the proper planning, can spell financial success. Your "proper planning" should of course be analyzed so that your reasons for starting a business is a reinforcing lever rather than an albatross around your neck.

Self-motivation and being your own boss can make a better life for yourself and your family. Many men and women have gone into business for themselves simply because they couldn't continue working for someone else under conditions they considered intolerable. A great incentive to succeed in itself! Incentive and making a profit however, do not necessarily walk hand in hand. You can often make a determination on your ability to make a go of it in business by examining how well you handle your daily life. For example:

- (1) Do you have organizational skills?

- (2) Are you prompt in paying your bills?
- (3) Are you able to sacrifice immediate gratification to invest in a future benefit?
- (4) Does improving your quality of life drive you?
- (5) Do you enjoy working with people?
- (6) Do you enjoy working with computers?
- (7) Are you a problem solver, or does normal pressure make you "short-circuit"?

In the computer business (or any business for that matter) you must be willing and able to follow through. To make a profit, you must confront problems enthusiastically and with a business spirit that has no room for putting off a job or challenge. Putting off, setting aside, or changing your mind in a negative sense can only lead to quick failure. It is important that you review your every business move. Plan and choose not only the type of computer business you will do best in, but also the type of business you will be happiest with.

If you require some training for specific phases of your computer business, you will be time and money ahead. Wasted errors and time can become an expensive mistake.

Starting a business that fits your computer background and knowledge is sound and logical. Also, a part of your planning should and could include educating yourself either in a first time study or refresher course. You can accomplish this prior to beginning your computer business or while you're operating your business in areas that you are knowledgeable in. In either event, your plans should cover a thorough assessment of your knowledge and interests in the proposed computer business.

Growth & Expansion

Income producing enterprises may be planned as long-range long lasting ventures. Your plans should include growth potential and the future expansion of your market. You should also plan for gradual increases in personal benefits with large portions of the profits going back into your business to provide for future growth. Your initial equipment will reflect your actual needs for growth.

It is important that you buy equipment that will amortize over a long useful life and provide lower operating expenses. However, you can also start a business for the sole purpose of making a capital gain. In other words, you could set up a business, plan on a fairly short-term operation, with the single purpose in mind of finding a suitable buyer at the right time.

Is Your Plan Workable?

Now that you've planned this far, step back and take a look at it. Is it realistic? Can you do enough business with the knowledge you have to make a living? If it doesn't appear to be workable, now is the time to revise your plan, not after you've invested your time and money.

If you're not certain about what revisions should be made, share your plan with people who may offer professional and experienced help. For example, you could contact someone at your local Small Business Administration Office, your local banker, or college business professor. Their experience and advice could turn into dollars.

If you have strong doubts about your business, or your ability to operate it, it might be better at this point to temporarily delay going into business until you have the opportunity to brush up on management skills. After you feel comfortable with the management part of business, your computer business operation will begin to show profitable results.

Sometimes circumstances can be different than what a person expected. This of course is normal, and no one can predict the future with 100% certainty. The difference between success and failure in planning often lies in a person's ability to be alert and watch for the areas that may require change.

When you decide that you are ready to begin your business, remember that action is the difference between a plan and a dream. If a plan is not acted upon, it has no more value than a dream that never materializes. To deserve success, you must seek it.

Your Attitude Can Determine Your Success or Failure

Remember:

IF YOU THINK YOU ARE BEATEN, YOU ARE;

IF YOU THINK YOU DARE NOT, YOU DON'T.

IF YOU LIKE TO WIN, BUT THINK YOU CAN'T,

IT'S ALMOST A CINCH YOU WON'T.

IF YOU THINK YOU'LL LOSE, YOU'VE LOST

FOR OUT IN THIS WORLD WE FIND,

SUCCESS BEGINS WITH A PERSON'S WILL-

IT'S ALL IN THE STATE OF THE MIND.

LIFE'S BATTLES DO NOT ALWAYS GO

TO THE STRONGER OR FASTER MAN,

BUT SOONER OR LATER THE MAN THAT WINS

IS THE ONE WHO THINKS HE CAN.

FINANCING YOUR BUSINESS PLAN

A plan for financing is important and should be carefully addressed. A business that tries to begin with no capital will face difficulty in surviving. For example, if your business will represent your sole income, you should have savings that are sufficient to establish a financial interest, and still carry you for a necessary period of time until your business becomes productive.

Financially, there are four stages to consider on your way to becoming a business success:

- (1) The Break Even Consideration
- (2) The Survival Consideration
- (3) The Expansion Consideration
- (4) The Wealth-Building Consideration

Depending on your skills, and the type of computer business you have, the time it takes to reach the "break-even" point is less than the other considerations. Ideally your business will continue to grow, however many go beyond this point.

"Breaking even" means that a business has generated enough income to pay the costs of the business operation without using savings or other resources to maintain a modest standard of living. Normally, this will take from one to six months.

The "Survival Consideration" occurs when a business is not only generating enough money to cover all its costs, but also provides a respectable salary. This may take up to one year or more to achieve.

The "Expansion Consideration" occurs when a business begins to show a gross profit of 20% or more a year, and can expand the business on site or open offices in other geographic areas.

The "Wealth Building Consideration" occurs when an expanding company either goes public with a stock issue, or merges with another company. At this point a computer business entrepreneur can turn an initial investment into marketable stock that could be worth many times his or her interest, if converted into cash.

The survival consideration is the point you should be concerned about to begin with. There are many ways to obtain necessary funds. A new entrepreneur will discover that there are many sources available for funding. Lending money is a business that is the major operation of some organizations, and a side line of others. Banks lend money that is deposited with them. Their only commodity is money. They pay interest to depositors for the use of their money, which in turn is loaned out at a rate that makes a profit both for the bank and the depositor.

There are many other sources of financing, such as private lenders, private investors, credit unions, equity in real estate, and other private and government assistance programs. Also, your local Small Business Administration has information that can assist you. You may also be fortunate enough to have a SCORE Group in your area. This committee of retired executives is available to assist you in planning your every move into the business community.

The best starting point for determining the financial needs of a new business is to define the problem. Defining the problem includes determining the most likely source of funds for your needs. Also included in the problem is a dollar figure. How much will you need in order to be a success in your venture.

Success means not only keeping your business in a solvent state, but supporting yourself and your family until your new enterprise is healthy enough to support itself and show a sufficient surplus that enables you to live comfortably. When you first organize your business you will need records of capital outlay, equipment purchased or leased, and the terms by which the assets are obtained. Initial inventory and renewal methods tracking inventory as sold requires records. The method of financing the venture must be a matter of record as must be methods of repayment. Cost of financing will be an important part of those records.

A personal balance sheet showing your requirements is the first step. List your monthly obligations such as mortgage payment, or rent, utilities, installment credit payments, groceries and possible medical expenses. Add a realistic percentage to cover entertainment and unexpected expenses. Determine the annual cost of these items.

Next determine the cost of the business from day one for one year. The initial outlay required for rent or lease of the location will usually require the first and last month's rent plus a deposit to cover security and clean up. List the capital outlay necessary to equip your business with machinery, office equipment, transportation and inventory. If you are planning to have employees other than yourself, include one year's salary for them in addition to your own. Not necessary, but sometimes included, is a sinking fund replacement cost for equipment as it depreciates. Initial and projected inventory sufficient to operate for one year may be financed by a combination of methods.

In order to borrow money, regardless of the source, you must have credibility. To establish the fact that you are a good risk you must furnish two documents. The first will be the credit application that covers your personal history. The second is a personal balance sheet listing your assets and liabilities. The credit application and the personal financial statement combined with a credit check from an independent credit reporting agency will help the bank determine the risk factor involved in lending the necessary funds.

Commercial banks are one of the biggest sources of funds. Primarily concerned with loans not exceeding five years, they look to amortization and new loans as a way of business as opposed to savings and loan associations that deal mainly with long term, thirty year housing loans. Credit Unions are classed with banks but usually have a restricted clientele. If you are a member of a credit union it should be your first consideration. As a member of a credit union you will enjoy a better interest rate and also special consideration not given by banks

Of the many government agencies available, the Small Business Administration (SBA) is probably best known for aid in financing. The usual procedure is to apply for a bank loan. If the loan is rejected, apply to the SBA. When the loan is approved, a bank will make the loan with the additional assurance that the government is standing behind it. Sometimes this is the only way a small business can be financed.

One advantage of dealing with the SBA is the fact that your home may be used as partial collateral even though your equity is not sufficient to cover the amount of the loan.

The equity in your home may be used in another way. Banks and private mortgage institutions will loan the difference between the present encumbrance on your real property and eighty percent of the fair market value as determined by an independent appraiser. Known as equity loans, they become second mortgages on your property. One advantage to this type of loan is the payment structure. You may arrange interest only payments or payments of one percent of the face value per month. This of course means a balloon payment is due at the maturity date. It may be that the lower monthly payment at the beginning will enable you to carry your business into a successful period in a shorter length of time, and then be in a stronger financial position when the principal amount becomes due.

Many private individuals loan money as a business. They are limited by usury laws as to the amount of interest they may charge. However these people are usually looking for a tax shelter as well as a better bank rate of return. They will look to your real and personal property as collateral. Frequently they will be more flexible in their requirements, and in some states the interest rate may be lower than prevailing bank rates. To find these people you need not go any further than the classified section of your newspaper.

In some areas you will find private assistance groups. Sometimes these groups are formed to assist minorities in bettering themselves by entering into the business world on their own. Some of these groups have no ethnic guidelines but are solely interested in helping people improve their quality of life. The requirements vary from group to group. Check the yellow pages of your telephone director to locate these agencies.

The private investor, like the private lender, has funds available for business. His goal, like the private lender, is to get a good return and probably some tax shelter. He or she may be one and the same with the private lender but in the role of investor they look for more than a fixed rate return. They want a piece of the action and the size of the piece they take will depend on the ratio of their funds to the total value of the enterprise. He or she will in effect be your partner. Most likely they will specify a limited partnership arrangement. Some states will require a registration of the limited partner. It will be your responsibility for seeing that the venture is successful; you will also be liable for the losses over and above the investor's share. A limited partner is liable only to the extent of his investment for any losses that may occur. In the event of total loss, such as bankruptcy, after all of the assets of the business are expended the creditors may look to your real and personal property to recoup their losses. But the limited partner cannot be called upon to put up additional funds. There are occasions when a legal action may be entered against the limited partner but with no assurance of success. Under these conditions the private investor feels confident that he can make money. You may also find that a private investor will only make his funds available to you if you agree to his

being an active partner. He may feel that his business acumen will be an asset to both of you.

A more sophisticated source of funds is the factor. A factor is the agent of many investors. He places their funds for the best possible return on their investment. Like banks, they require the best possible credit and personal references. As with banks, they will want to know what your experience is in the field of your endeavor. Financial reports are normally required on a regular basis. Usually factors prefer to deal with established businesses.

Financing a new business venture by selling shares of stock in a corporation supplies funds, and establishes the guiding hand. A corporation requires officers, and, if large enough an enterprise, a board of directors. In this event, decisions are not made by one person. The corporate structure eliminates all personal liability. The corporation, as a legal person, bears all responsibility for financial success or failure. Shares are sold and the holders of the shares all have a vote in the selection of officers, and a say in the running of the business. The shares increase in value as the venture succeeds and decrease if it declines. The loss to each investor in case of failure is limited to his investment. The tax structure in the case of a corporation has some drawbacks. The corporate profits are taxed as income, then the share taken as individual income is taxed, in effect, double taxation. Other benefits derived offset this apparent disadvantage. Corporations must be registered with the state in which they are incorporated. The Securities and Exchange Commission of the federal government requires registration of the stock for sale if capitalization exceeds an amount permitted by law. Corporations may be one of two types. A private corporation issues stock to a limited group of people strictly associated with the venture. The stock may not be sold to an outsider, that is the general public. The stock issue is limited to a certain number of shares to be held by the officers of the corporation. A corporation may be formed with only two shares of stock if it is to be a private or closed corporation. A public corporation sells stock on the open market to anyone who has the money to purchase the shares. Shares are traded back and forth. The value of the shares will vary as the economy changes as well as according to the success of the business. A private corporation may elect to go public when it has grown beyond the point where private capitalization can carry it. Additional funds for expansion may be raised in this manner. It is possible for a public corporation to buy up all the outstanding shares and go private although it is not usually a common practice.

You, as the entrepreneur, may use a combination of forms to finance your new business. In many cases your inventory will be financed by trade credit. Credit extended by the supplier is known as trade credit. You may use short term loans that mature in one year or less. Portions of your funds may of course come from long term loans. Depending on the ownership structure, your funds will represent investments by yourself and partners or shareholders, bank funds of a long term nature, and a combination of trade credit and short term loans.

A few sources of government assistance are: The Department of Housing and Urban Development (HUD), the Veteran's Administration (VA), the Export Import Bank, the Department of Health, Education and Welfare (HEW), and the Small Business Administration (SBA).

The Government Printing Office, Washington, D. C. 20402 is a source of many pamphlets and books of great interest to anyone entering business. A catalog will be

mailed on request. There are also branches of the Government Printing Office in some major cities. Check your telephone book under U.S. Government.

PROPRIETORSHIP, PARTNERSHIP OR CORPORATION

Proprietorship

There are basically three ways of taking ownership in a business. Proprietorship or sole proprietor is the simplest to take. You and the business are essentially one. You as the sole proprietor are the owner of all the assets. You also assume all the liabilities. The profits become your income, business taxes are charged, as in all the expenses, as operating costs against the gross profit of the business. Because all operating expenses are deductible in one manner or another, your net profits become your net income.

Having an accountant is important in making certain that you don't pay too much (or too little) in taxes. It doesn't matter if you operate your business from home or in a large office, a tax accountant is a necessity.

You might also consider counseling with an attorney for the purpose of determining if one business ownership method is preferable over others for your particular needs. An attorney and accountant can assist you in other ways with regard to ownership. The disposition of the business, in the event you decide to sell it, is one determining factor. Another is survivorship in the event of death.

As a proprietor, selling your business and its assets becomes very possible. Transfer of ownership is not much more complicated than the sale of any personal property involving a contract of sale. There are exceptions of course in certain states with regard to protecting the rights of your creditors. An attorney and accountant could play an important role in a transfer.

In the event of death, the business and all of its' assets could be passed on to the heirs by virtue of a "Living Trust." The Living Trust has become increasingly popular because it can be completed by the owner, cannot be contested, and eliminates probate costs.

The employer-employee relationship is another important facet of your operation and requires the advise of a professional. Involved are state and federal income tax withholding, FICA deductions, state unemployment, health benefits, and other considerations peculiar to certain states.

Basically, the employer is responsible for the actions of his or her employees and can be named for any adverse acts. The employee-employer method of doing business, while basically the same under any form of ownership, has certain advantages or drawbacks under each form. As sole proprietor you will bear the responsibility of all acts if they are legally binding upon you. Seeking the advise of an attorney regarding details, as to your state laws, would be wise.

Partnerships

Partnerships are formed for several reasons. The most common reason is because it allows additional funding and expertise. Another is that the business, overall, is more than one person can handle. The end result is referred to in business as a general partnership.

Equal partners share the initial investment, and each has the same amount of control as the other. However, even though financial arrangements may be equally shared, one partner may agree to allow the other to operate the business. Of course, the profits may also be divided according to how much effort each puts into the business, as well as actual dollars invested.

Partnerships do not vary too much from sole ownership in many respects. The profits from the business represents the income of the partners and are taxed as personal income. Liabilities are charged to the partners even though they may exceed the original investment. The main purpose of partnerships is to share the load and therefore create an enterprise whereby the sum of the parts is greater than the individual values.

Partnership may be composed of more than two general partners. Multiple general partnership are frequently formed by professional people such as attorneys or physicians. It is not uncommon for several attorneys to join together to form a law office to handle many different types of legal matters. Physicians and dentists will often join in establishing a clinic or medical building where patients and doctors both benefit by the convenience of having the special medical services in one location.

Limited Partnerships

In addition to general partnerships there are limited partnerships. Limited partnerships are composed of investors who do not want to participate actively in the business operation, but do want a part of the profits. Each limited partnership must have at least one general partner who actively manages the venture. Usually limited partnerships are formed for a short term enterprise, often 2-5 years. Others may be ongoing with the venture changing. For example, real estate investment trusts are generally organized as limited partnerships. If they develop a shopping center, for example, the venture may dissolve, and the participants will divide up the profits according to the agreement under which the partnership was formed. Others may simply move from one project to another under the same organization with some of the partners withdrawing, and new partners entering. Where the venture is of a continuing nature, dividends are paid periodically when it is successful, and demands are made upon the partners for additional capital when the project may require it.

A contractor may use the limited partnership as a method of raising capital to finance the development of a residential tract, a shopping center, or any type of building development. It isn't necessary that a limited partner know anything about construction or development. The limited partner invests his money with the hope that the risk will result in a repayment that is more profitable than bank certificates, etc. In most cases they risk only what they invest, and share according to the ratio of their investment.

The liability of the limited partner is limited to the amount invested. Limited partnerships are generally required to be registered or recorded with the state.

Corporations

A corporation is a legal person, as opposed to a natural person. Corporations can do most business acts that a natural person can do. The organization of a corporation is such that the shareholders are delivered of liability in most cases.

In order to form a corporation certain documents must be filed with the state in which incorporation is sought. It isn't necessary to incorporate in the state where the business is to be located.

As with other forms of ownership, incorporation has advantages and drawbacks, One of the disadvantages to a corporation is the double taxation. The corporation profits are taxed and then the individual income is taxed. However, this is not as bad as it may appear and we will explore it further in the chapter on taxation.

The advantages of incorporating are the ability to capitalize the venture through the sale of stock shares. Those who invest in shares do so with the hope of receiving a return on that investment.

Another consideration is the limited personal liability. Unpaid taxes are collected from the owners if the corporation is unable to pay, otherwise the liabilities of the corporation are not passed on to the owners. As a separate legal person, the corporation can sue or be sued. The corporation can also enter into contracts and buy shares in other corporations. If profits are good, the corporation may also accumulate untaxed earnings as long as the IRS does not consider the accumulated earnings excessive.

The sale and purchase of shares in a corporation can be an ongoing transaction. Large corporations trade their shares on the stock exchanges across the country and the world. Smaller organizations sell and trade share "over the counter." A stockbroker will bring the buyer and seller together.

Closed corporations do not trade shares with the public, but hold the corporation to a few select shareholders. Each of the shareholders may sell their shares to another, or with permission, to an outsider. A corporation may be sold to new owners without any change in corporate structure simply by transferring stock shares. Also, a corporation does not die with the owners. The death of an owner of the corporation has no effect on the business itself. The shares pass to new owners and "business as usual" continues.

Stock shares are an excellent method of creating an estate and continuing ownership of the corporation within the family. By giving shares to members of the immediate family, the income tax on dividends is reduced resulting in higher spendable income. If the corporation finds it necessary to generate more capital, additional shares of stock may be issued. There is no tax on the moneys received from the sale of stock shares. Therefore, the money raised can be used to update equipment, increase inventory, or any number of capital improvements to the organization. And if a corporation is unsuccessful, the owners have all the advantages of incorporation.

If a corporation is unsuccessful the owners have all the advantages of incorporation plus the fact that the IRS allows a \$25,000 deduction on an individual tax return, or a \$50,000 deduction on a joint return of money invested in the venture.

If thorough research has convinced you that incorporation is feasible and will provide the best type of ownership for your enterprise, the next step is to decide if you will use the services of an attorney. In either case, the following steps are necessary.

First, a certificate of incorporation is prepared by the incorporators. Most states require three incorporators. The incorporators are legally qualified persons. The incorporators may or may not be stockholders. It may be more expeditious to employ dummy

incorporators. An agent or attorney may act in this capacity. When the certificate of incorporation is issued, the incorporators hold an election meeting. At this meeting the stockholders elect officers and a board of directors, and the incorporators formally resign.

The standard form of incorporation may be obtained from the state official designated to act as corporation commissioner.

OBTAINING A D.B.A. AND/OR BUSINESS LICENSE

In most cities and towns you will need a "D.B.A." (doing business as) if you use a business name other than your own last name. Also, most municipalities require all types of businesses to be licensed. The cost is usually modest and the procedure is simple. Call your local county clerk's office to obtain details on what is required in your area.

A BUSINESS CHECKING ACCOUNT

After you establish your D.B.A. and have a business license or permit (if one is required) you should open a business checking account. If there are several banks in your area, take some time to check them out individually. Look for the one that charges the lowest service charges, charge per check written, etc. Comparison shopping could save you money in banking fees.

ZONING RESTRICTIONS

Although there are millions upon millions of Americans actively involved in their own home-based business, many are doing so in violation of local municipality laws. Many of these are old laws that were written to control home-based "sweat shops" that were prominent at the turn of the century, and prohibited or restricted home business activity.

Many of these regulations are either not known by, or simply ignored by millions of home business operators. You may want to check with your local elected officials to see if there are restrictions in your area. In most cases you would be granted a business license, and never be hassled by city officials, unless your business activity somehow disturbed the neighbors.

PRICING YOUR SERVICE OR PRODUCTS

Operating your business at home will generally mean lower overhead. This of course means that you could price your service and any products that you sell for less money, than if you opened an office outside of your home. However, don't grossly under price your services.

It is possible that if your customers realize you conduct your business at home, some may try to get a cheaper price. Don't allow clients to use the "you work at home and should be able to charge less" tactic to lower your prices. If this comes up, simply tell them that your prices already reflect your lower overhead.

BUILDING REPEAT BUSINESS

Remember that your computer business should concern itself with repeat business. It would be difficult to build a solid home business on one-shot offers. If you give your clients good service and real value, they'll be back again and again. Don't ever cheat or otherwise take advantage of your customers, because you'll be the loser. Instead, win success by giving your customers their money's worth. If you want great success, give them more than their money's worth in price, service, and value.

MANAGING YOUR TIME EFFECTIVELY

Nothing can ruin a business faster than sloppy work habits and time mismanagement. Time is money, and the misuse of time is almost always the result of an established pattern of poor work habits. Changing or reprogramming behavior is not always an easy task. Learning to cope with the clock to make it work for us instead of against us is no simple behavior change. Still, time-wasting habits must be changed if a person is to be financially successful.

Far too many business people develop the bad habit of having huge piles of papers, envelopes, and work together on their desks. Priority jobs get lost in the shuffle, and precious money making time is lost. An effective way to deal with papers, projects, mail, etc., is to sort and divide them into the following categories:

- (1) High Priority-Immediate Action
- (2) Low Priority
- (3) Pending
- (4) Reading Matter
- (5) Wastebasket

By working on one project at a time (from most to least important), your time will be used wisely and effectively.

To operate a timely business you may also have to let your friends and relatives know that you have business hours, and that you mean business. You'll never be successful chatting on the phone or having two hour coffee breaks with well meaning friends. It of course may be necessary to be a little flexible, but a line must be drawn somewhere if you're serious about conducting a money making home business.

MARKETING AND PROMOTION

Marketing and promotion is an important aspect of any business. But how do you determine if there is a market for your service? The following are some questions that you should explore:

- (1) Is there a clear need for my service not currently being met?
- (2) Is my market a local one and can it be promoted nationally?
- (3) Is my market easily reachable through personal contact, advertising, or publicity?

- (4) Who and how big is my competition?
- (5) How does the competition obtain business?
- (6) Who are their customers?

It is important that you both define a real need for your service, and also be able to reach your potential customers in a cost effective manner. Who will your primary customers be - schools, business people, college students, etc.? You need to know!

There are many books available at your local library that will help you identify your market. You will also learn how to interpret market testing data.

Regardless of the kind of computer business you begin, success will be virtually impossible without clients or sales. For the new home business it is extremely important that you begin to generate accounts and sales as quickly as possible.

Marketing is a general term that describes advertising and promotion. Advertising and promotion can result in cost-effective methods of building sales. Although they go hand in hand, they are distinctly different ideas.

When a product or service is promoted it is more easily sold than when it is just advertised. Customers are more easily convinced when someone other than the designer or producer recommends the product or service. Spending a large sum of money to publish a half page advertisement in your local newspaper may not produce as much business as a press release of the same amount of space. Good promotion pays big dividends, and the most effective promotion is often good media publicity. It's also cost effective, and usually influences more people than costly advertising. Promoting your products and services with the help of other individuals or companies can bring quick, satisfying results, as can promoting them and yourself through "publicity" in the media.

THE PERSONAL COMPUTER MARKET

On the following pages you will discover a range of personal computer business plans to choose from. You don't have to be a computer genius to start or operate any of these businesses. Most of these businesses can be started with off-the-shelf software that you may already own.

Computers are the fastest growing segment of the American economy. Many people want knowledge about computers. This has created a market for providing information in the form of computer camps, schools, courses, books, publications and workshops.

There are computer services in accounting, taxes, financial planning, word processors, mailing lists, and inventory, just to name a few. The demand for computer hardware, software, printers, and other add-on computer devices has created a sales outlet demand. Computers are the fastest growing segment of the American economy. Additionally, the increasing number of computers has resulted in an increasing demand for servicing centers. Anyone who can repair computers should never be unemployed.

Hopefully on the following pages you will discover a computer business that will interest you enough to turn your dreams into reality. Choose those that you would enjoy, that would be fun, that can earn you profits, and success.

Computer Diet Service

A wide variety of off-the-shelf software is available that can assist you in providing custom made diets for millions of Americans that are concerned about dieting, body building, and nutrition in general. Usually, all the software requires you to do is enter information about the person's height, weight, body type, weight goal and physical activity. The software may even have a client questionnaire already prepared for you. After the questionnaire is completed by your customer, you simply enter the information into your system and a custom diet is provided instantly!

Amazingly, you don't even have to be a nutrition expert to get started in this business. Step-by-step instructions will help you feel confident about preparing diets for virtually anyone. The information you will be providing to your customers will include not only foods they need to meet their goal, but food they enjoy.

The field is wide open for this type of consulting service and you should easily be able to charge a fee of \$35 consultation and another \$25 for the program. Your consultation, set-up, and program delivery should not exceed two hours. Adjust your fee accordingly depending on your area and competition.

Computer Tax Service

This is a business that can be done in your home or your client's home. Millions of Americans are for various reasons afraid, or just too busy to fill in the blanks on their tax forms. It would almost seem as if people feel they are supposed to go to a tax preparer instead of completing the forms that really aren't all that complicated. After all, there are line by line instructions. Perhaps the manila envelope stuffed full of receipts is too much to bother with. In any event, clients seem to be in awe of anyone who makes it all look simple.

Contrary to popular belief, an extensive knowledge of tax laws is not necessary for this business. You are required to simply fill in the blanks, not give legal advice. Knowledge of simple arithmetic is all you need. Computer software will handle anything more complex.

After familiarizing yourself with the current annual rules and regulations you can begin. Informational publications are available from your local IRS office. You can also get information by connecting your computer to a telephone line through a device known as a "modem." You can then call for information on how to complete a particular form, laws, regulations, etc. You can also print the information for future use. Select the software you need and prepare yourself for about three and one-half months of great profits. Check with the competition if you aren't sure what to charge.

Computer Dating Service

You've heard the saying "there's someone for everyone." Now you can play cupid and make money doing it by matching the millions of single Americans who are looking for companionship and romance. Many people just stop looking for that special someone

out there, because he or she isn't that easy to find. Now, with your help they can find that special person that was just meant for them.

Providing a service that makes people happy can be fun, fulfilling, and profitable. If you really enjoy people, and helping people, they will be drawn to you like a magnet. They will look to you not only as a professional who can bring happiness into their lives, but as a compassionate, understanding, and caring friend.

To begin with you should check out some books at your local library on compatibility and devise a questionnaire. Contact other dating services, study their methods and formulate your own material. Keep in mind that a questionnaire must reflect a person's total interests. A "rate by scale" questionnaire may best reflect a person's limit of interest in any area. For example, on a scale of 1-10 what number best represents how much you enjoy sailing, bowling, going to the movies, jogging, etc. After you have devised a questionnaire, put together a simple database on your computer consisting of a name, address, phone number and blanks for questionnaire input. You will then use the database to supply output to match the most compatible answers between people you are working with. Check with the competition to determine what fees are being charged in your area and then begin to place your ads for customers.

Typing Broker

You can get a nice cut of typing job profits simply by acting as a typing broker. Everywhere you look there are secretarial services available, but what about a broker that brings the clients and typists together! This field is wide open!

There is always a demand for typing and word processing services, and the typing broker provides a service of "fast turn around" satisfaction to everyone concerned. You don't even have to know how to type. Your main responsibility is to find qualified typists and then supply them with jobs you have received from the business community.

By setting up a simple database you will be able to contact typists who specialize in any field instantly, and know within minutes how soon a job will be completed. Everyone operates on deadlines, and being able to tell a client exactly when a job will be ready means repeat business. Speed and accuracy is the key to success in this area. You can find typists in classifieds, colleges, and bulletin boards, in addition to typing services that are advertised. Tell them you'll do the advertising and provide the job assignments for a per page fee. Check the competition and stick to your area's fee structure guidelines.

Computer Reminder Service

Have you ever forgotten a special event. Mother's Day, a birthday, an anniversary? Now you can make huge profits simply because people are forgetful.

If you give your computer the necessary information, it will tell you who is to be reminded, about what, what needs to be done, and how to do it. A customer that has to be reminded can either be called, e-mailed, or receive a postcard that will indicate the time, date, event, etc. that is about to occur.

The list of what people need to be reminded of is endless. Your sales letter should be combined with your application form, and point out that to forget is human, but dates and feelings are important. Your business is to keep your customer posted so that a

mother's birthday, for example, is not forgotten, meetings are not overlooked, business associates are not slighted, and other important dates are remembered.

The main skill you will require is to be more organized than your customers. You can advertise by display advertising, direct mail, or through telephone sales. Your potential customer is virtually anyone. For an annual fee you can allow a set amount of reminders, and on a sliding scale determine a fee for reminders above what you normally allow. This can be a very profitable business.

Computer Roommate Service

The purpose of this business is to match up potential roommates. Just about every city and medium sized town in America has employees, senior citizens, college students, and people from all walks of life that are looking for someone to share living expenses with. With your computer you can meet their needs. You can accomplish this by having your clients complete a questionnaire about themselves that would include what type of person they would like to live with. You can then let your computer match up people with similar interests and needs.

There is a definite advantage in meeting a prospective roommate and learning something about them prior to making a commitment to share an apartment or home together. You will have the opportunity to provide a great service in helping your clients make the right decision.

You can market your business by advertising your service in local newspapers, bulletin boards, colleges, senior citizen centers, etc., and charge up to \$25 or more for providing 2-3 match names or whatever your area market will bear. You should easily be able to process 50 applications for your service per month, and earn \$1,000-\$1,500 or more in your spare time.

Computer Real Estate Listing Service

In this real estate oriented business you can make substantial profits by creating target market listings that will save the buyer time and money. In addition to providing a great service to the buyer, you can also provide invaluable information to a seller and agents.

To accomplish this you can create your own version of a realtors "multiple listings" book, in the form of a newsletter or booklet. You can finance your newsletters, booklet, magazine, etc., by selling space to anyone who sells real estate and in turn sell your accumulated data to buyers.

To get started you need names of people who will advertise, such as banks and title companies, commercial brokers, real estate agents, etc., and data regarding the properties you will be listing which you will receive from the advertisers. Study other publications to learn how listings, ads, photos, etc., are displayed. Practice before you go to print by making "dummy" copies of your publication.

You can start your business almost anywhere with low costs and great profits. Your newsletter or publication should sell for at least five times the cost of production. An hourly wage and other overhead costs should be included in your fee structure. Designing a questionnaire regarding what customers/clients are looking for in real estate property will help you narrow the search. For example, does the home have a

fireplace, recreation room, pool, double or single garage, microwave oven, etc. Don't overlook any target market as you expand your listings. Remember, to make big money you must have the information that buyers are looking for.

Genealogy & Family Tree Computer Service

Everyone is interested in their roots and would like to know more about their family history. A personal computer is well suited to sort out and arrange family histories into meaningful and interesting information.

Millions of Americans would like to trace their family histories, and software has been designed to help you with the process. With the latest software you can easily structure a family tree system for anyone.

In this business you need primary and secondary information. Primary information is what you receive directly from your customer on a questionnaire that you provide. Secondary is the information you gather from public sources such as census records. Primary information helps you acquire secondary information.

You can start by advertising your services in your local newspaper, bulletin boards, etc., and expand to direct mail campaigns. Because this business involves researching records, etc. you should charge an hourly fee that is structured to include wages and costs involved such as long distance telephone calls, postage, copies, etc. You should easily earn up to \$100 and more for each job.

Specialty Locating Computer Service

In this business the object is to locate unique items for your customers. Because most people don't know how to go about finding certain items, or just don't have the time to conduct their own search, you could provide a service that is in demand.

People who are searching for antiques, old coins, collectibles, parts to restore classic cars, or even tubes for an old Zenith TV, could turn to you and your computer service to locate what they need. You can specialize in one area or find anything a customer requests.

To get started you can place classified ads in your local newspaper, utilize bulletin boards, or tap into electronic bulletin boards (BBS's) with the use of your modem to find what your customer is looking for. To market your service you can also run classified ads in the appropriate specialty magazines.

Because your service is unique, you can charge a flat fee, an hourly fee plus expenses, or a commission fee to buyers and sellers. If you're searching for a high value item, a commission agreement could mean a handsome finder's fee. In this business you can also request payment from your customers in advance.

Direct mail, display and classified ads may be the best way to advertise your specialty service. Always state that your search will cost nothing unless you locate the item wanted. For rare and unique items allow yourself at least six months.

Secretarial Computer Service

Computer technology has made it possible for the 9-5 office secretary of yesterday to set their own hours and earn more money, all in the privacy of their own homes. Word processing software has made secretarial skills available to anyone who owns a personal computer. Compatible word processing software and the skill to operate a computer is all you need to start your own secretarial service.

A home computer can allow you to do the work of two, three, or even four traditional secretaries. More and more businesses have discovered that it's more cost effective to utilize secretarial computer services, especially if the business isn't using computers or doesn't require a full time secretary.

The advantages of having a computer business at home is obvious. In addition to setting your own hours, you can brush up on skills, and expand your business at your own pace. You will discover there are programs that correct spelling, grammar, and punctuation. There are also Thesaurus programs that cross check synonyms and provide alternative words.

You can advertise your service in local newspapers, direct mail, or by telephone, and charge by the job or hourly rates. Check with the competition to determine what services are being offered and what charges the market area will sustain.

Computer Handwriting Analysis Service

Experts charge up to \$500 and more for a single handwriting analysis. Handwriting analysis is done for the purpose of understanding a person's personality. Handwriting analysis or "Graphology" is being used more and more by corporations and businesses of all sizes to screen applicants.

The only skill you need in this business is to integrate your computer software, scanner and printer to give you the equipment needed to process handwriting analysis. You will of course have to become familiar with graphology, but there are many books available on the subject.

The science of handwriting analysis is based upon variations found in individual writing loops, slants, dots, curves, etc., and different styles that each say something about a person's personality. After you do some reading on the subject, you can then enter information into your computer that will allow you to analyze the data. Once your customer provides a sample of his or her handwriting, your computer will study it and print out an analysis.

People from all walks of life are always interested in having an analysis done for personal or professional reasons. You can easily charge \$25 or more per analysis and set up just about anywhere.

Vitamin Requirement Computer Service

This computer business will allow you to help individuals live healthier lives, while you develop a healthier bank account!

The purpose of this business is to create nutritionally tailored plans that are compatible with your customer's requirements.

You can start this business with little overhead or expertise, but a general knowledge of nutrition will be necessary. A wide variety of books on the subject of nutrition and vitamins should be available at your local library or bookstore. A wide variety of off-the-shelf custom diet planning software is also available that can be used to establish programs for individual clients. Visit with your local computer sales specialist to determine which programs would best suit your needs.

To get started, select the proper software and prepare a questionnaire for your clients. (A questionnaire may be included in your software package to be used as a reference.)

In this specialized area you should target your market by advertising in pharmacies, health stores, fitness centers, etc. Your fee can be set at whatever the market in your area will bear.

Payroll Preparation Computer Service

A payroll preparation service could be very profitable both to you and your customers. Many businesses still do their payroll by hand, which can be very time consuming and costly depending on the size of the business. With your computer doing all of the hard and accurate work, you could literally service dozens of accounts.

As an expert specializing in payroll preparation, merchants and businesses of all sizes can supply you with enough work to provide you with an excellent income. All you need is the right program(s) to run check preparations.

Before you print up a brochure, sales letter, etc. to advertise your business, check with the competition to see what services they are offering, and at what cost. Let prospective customers know who you are by handing out business cards wherever you go. Be sure to indicate the services you provide.

Computer Consulting Service

As long as there are computers there will be a demand for computer consultants. Your business can be set up virtually anywhere. All you really have to know is what a computer can or cannot do, or know where to get the information. You should also know the difference between computers, software, and computer accessories. What you will be selling is information and knowledge.

Besides your personal experience, you can get information from computer stores, operation manuals, magazine ads, computer magazines, other users, and your local library. To be a consultant you must know, or know how to get, information that customers are looking for.

Many people and businesses are willing to pay a consultant because they want equipment that is suited for their needs. They also want a professional to train themselves or their staff in an efficient, professional, and timely manner. One way to advertise your service is to offer computer dealers (sales and rental) a referral fee for every client they send to you. The most common however is by direct mail or display ads. Whatever method you use, always point out that your services are less costly than buying the wrong equipment. Computer consultants charge up to \$100 an hour, so learn the business and enjoy the rewards.

Bookkeeping Computer Service

Most businesses do not enjoy the bookkeeping aspect of their business. Those who are still doing bookkeeping the old fashioned way spend hours on a process that can take you only minutes on your personal computer. If you enjoy working with numbers and have a small amount of bookkeeping knowledge, you can look forward to a steady income in this business.

If you visit your local computer or software store, you will quickly learn that there are many bookkeeping software packages available to meet your business requirements. If you're a novice at bookkeeping, teach yourself the basics by visiting your local library, or take a short course at a local community college.

When you begin all you have to supply is the knowledge, and your customers will supply the numbers. You may have to spend a little time with a client in the beginning to determine what their needs are, and if their system could be improved.

Every small business is a potential customer. To begin with, place an ad in the business section of your local newspaper. Have business cards printed up and distribute them to all businesses you come into contact with. When you begin to get customers, charge a set fee for setting up the books and a monthly rate thereafter. Check with other services to determine what the market will be at in fees.

Typesetting Service

If you know how to type, you can turn that skill into a highly profitable business by typing jobs on your home computer, inserting a code for typesetting equipment, and then transmitting the completed work to a typesetter on a disk or via modem. What you are doing in effect is preparing computer files to be typeset. You can do the typing job yourself, or take a customer's prepared disk file, insert the proper code for a typesetter, and deliver or transmit the material. Using this method you can process jobs ranging from book size manuscripts, magazines, and newsletters, to resumes, sales letters, and invitations. Virtually any type of printing job can be completed with this process.

What you must know to begin this business are the codes that are entered into a computer file that allows typesetting equipment to print in boldface or some other typeface. You can contact companies or individuals that operate computer typesetting equipment by referring to your telephone book under "Typesetting." You must determine what codes they use, and what computers and software can be used to communicate with their equipment. Investigate the differences thoroughly.

You can market your service through classified ads, direct mail, telephone book listings, business magazines, or any other media that targets business and writers. Your ad type should represent your typesetting service and look professional. This business will provide an excellent year-round full or part-time income.

Children Tutoring Service

In this business you can tailor your computer teaching programs around an individual's needs. By providing a tailoring service for children, you can help students advance far beyond video games in learning the potential of computers. You can also help students

who may have difficulty learning, by introducing programs in spelling, math, foreign languages, etc. You, in effect, can supplement a student's educational needs.

You don't need a teacher's certificate in this business. You will require good planning and organizational skills, and be familiar with software that will benefit a student's weak areas of understanding.

You can get your service started by talking with teachers and parents, and advertising your tutoring services in local newspapers, bulletin boards, etc. When a potential customer contacts you, offer a one-time fee consultation with the student and parents for the purpose of developing a schedule that is a suitable study program based on the individual's needs.

You can see a one-time fee for a series of appointments, or charge on an as-per tutoring session. To determine what your fee should be, place an hourly session value on your time, plus a pro-rated program cost. For example, if you have 10 students, 1/10 of the costs should be applied to each student.

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