

# Create Multiple Streams of Online Income

By

Tim Knox

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## About The Author

Tim Knox is a veteran entrepreneur who is well qualified to write a book like *Create Multiple Streams of Online Income*.

Aside from being a published author and syndicated columnist, he is the founder, president and CEO of four highly successful companies:

- 8 **Digital Graphiti Inc.**, a software development company whose client list includes Time Warner, Mercedes Benz, BooksAMillion, NASA, and over one hundred others.
- 9 **B2Secure Inc.**, a Web-based hiring management software company with numerous clients in the high tech and healthcare industries.
- 10 **Knox Internet Services**, an online organization dedicated to helping ordinary people launch and prosper from their own eBay or online sales business
- 11 **eLab Ventures, Inc.**, a training and mentoring company that provides entrepreneurial training, mentoring, and consulting to individuals, teams, and companies.

Tim is the author of two popular business startup ebooks: *Small Business Success Secrets* and *The Amazing CD Money Machine*, and writes the weekly newspaper column, *Small Business Q&A with Tim Knox*.

Tim also writes the E-Business Expert column for *Entrepreneur.com*, the website of the national publication Entrepreneur Magazine.

Tim is a board member of the Alabama Information Technology Association, an organization committed to growing and supporting the Information Technology industry and those organizations utilizing, supporting, and affiliated with IT in the state of Alabama.

He has also worked with many e-business, technology and Internet start-up companies as an investor and advisor.

Tim has led numerous seminars and has lectured on the subject of small business, technology and e-business for commercial and educational clients.

Prior to becoming a full-time entrepreneur, Tim spent more than 20 years as a technology executive for Boeing Aerospace and Teledyne Technologies.

As a private business consultant, he has led the e-business initiatives for companies like Advance Internet, Mercedes-Benz, Time Warner and a number of city, county and state government agencies.

In previous lives Tim worked as a standup comedian, radio morning show host, an underground newspaper publisher, an award-winning humor columnist, and almost-syndicated cartoonist.

## Recommended Resources

The resources listed in this section have been helpful in building hundreds of online businesses. Perhaps they can be as helpful to you.

For complete details on all offers visit:

<http://www.dropshipmarketer.com/>

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## "My Amazing Little Website Cranked Out An Incredible \$11,424.61 In ONE WEEK!"

It's now generating \$40,000 a month and I spend less than an hour a day tending to it! I can show you how it can do the same for you.



<http://www.dropshipmarketer.com/>

## **“The Official Powerseller's Online Auction Tool Kit”**

It doesn't matter if you're an eBay beginner or an experienced Powerseller, the information in this huge 10 volume set will make your profits soar!

Written by REAL eBay Powersellers and Experts.

### ***The Official Powerseller's Online Auction Tool Kit***

**The Proven, Step-By-Step Method  
To Online Auction Success**



<http://www.dropshipmarketer.com/>

## **“The eBay Powerseller's #1 Product Resource”**

The Ultimate eBay Dropship Power Pak contains everything you need to start your own profitable online business, including access to our private database of over 3,000 dropship and wholesale companies!

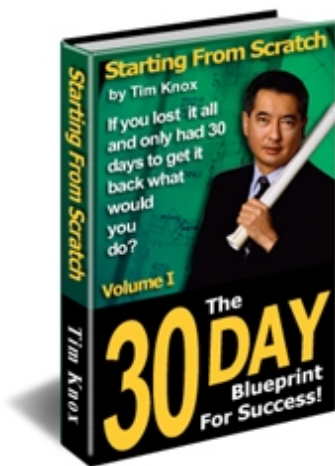


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## **“No Experience, No Money? No Problem”**

We asked 58 of the Internet's Top Money Makers: "If you lost it all tomorrow and had to start over with nothing but the brain in your head and the experience of your years, how would you get back on top in less than 30 days?"

Their answers could make you rich...



<http://www.dropshipmarketer.com/>

## **“The Amazing CD Money Machine”**

The Amazing CD Money Machine gives you the exact blueprint  
for success that I have used to build my own home-based  
business into a  
\$2,000 A WEEK MONEY MACHINE!



<http://www.dropshipmarketer.com/>



## Making Money Online Has Never Been Easier

One of my favorite things about being an Internet Entrepreneur is that I can literally wake up in the morning with an idea for a new product and have it become a reality by the afternoon. Or I can find new ways to promote an existing product. Or I can join a new affiliate program. Or pursue a joint venture.

Every time I repeat this process I create a new stream of income to add to my existing revenue base.

I firmly believe that the key to business success is this: Don't put all your eggs in one basket.

What do eggs and multiple streams of income have to do with each other? If you spread your eggs across many baskets you can still make omelets even if one of those baskets goes away.

Similarly, if you have multiple streams of income, the loss of one income stream will not devastate you the way losing your only stream would.

If you rely on only one source of income and that single income source goes away (ever been downsized, laid off or fired?), you are left broke and desperate.

This is why every successful Internet Entrepreneur that I know has multiple streams of income.

This is also why I encourage my readers, newsletter subscribers, and ebusiness clients to establish multiple streams of income, which is extremely easy to do online.

There are thousands of ways to create multiple streams of online income.

This book contains but a few ideas to get you started.

You are limited only by your imagination and your desire.

# Create Your Own Info Product

Without a doubt, creating your own info product is the best way to generate a steady income stream because creating an info product is so easy to do, so easy to distribute, and offers maximum profit potential.

I can wake up with a topic in mind, sit down at my computer and within hours have a short book or report that I can turn into a downloadable ebook and immediately offer for sale on my website.

Anyone can create an info product themselves or farm out the actual writing to someone more adept. If you've got an idea it's easy to find someone to do the writing for you.

Informational products come in many forms. An info product can be a digital book (an e-book), a digital report or a white paper, a piece of software, a web site or a newsletter.

Any product that's informational or informative in nature can be considered an info product.

Here's why information is the best product to sell online:

**12 It's fast to create, fast to market.** Forget a product development cycle that's years in the making. Forget an intense design and costly manufacturing process. I've literally created info products in as little as two hours and had them generating revenue shortly thereafter. If you have an appealing topic and a computer, you have all the tools you need to create an info product.

**13 There's no inventory to stock.** Forget filling your garage with boxes of cheap watches and cases of megavitamins that you'll never sell. When you sell information, there's no inventory to stock. Your product is digital (I like to call it electronic air) and requires no space in your garage, just a little space on your computer. One of my most successful info products is a 30KB e-book

that requires almost no space at all.

- 14 **The startup costs are low.** When you sell information, you can literally create a product for next to nothing. If your product is an e-book, the only investment required is the time it takes to put words to digital paper. And if you become an affiliate marketer of someone else's info product, your investment can be zero.
  
- 15 **There's an automated sales and delivery process.** Thanks to internet technology, you can sell info products 24/7 and never lift a finger. In fact, you don't even have to be awake or at home to make money with an info product. I know many successful info entrepreneurs who are getting rich despite the fact that they work as little as one hour a day. They check their website and their email, then go play golf or hang with the kids for the rest of the day. You can completely automate the sales and delivery process so your site does everything for you. An automated site can give a potential customer your sales pitch, take the order and process the payment, deliver the product by e-mail, and even follow up in a few days to make sure the customer's satisfied and offer to sell him additional products.
  
- 16 **Customers get immediate access or delivery.** Online consumers are an impatient lot. They want things *now!* These are the people who stand in front of the microwave, impatiently tapping their foot and frowning at their watch. Selling information is the best way to give your customers immediate satisfaction. As mentioned earlier, an automated site can process the order and payment, then immediately e-mail the product's download link to your customer.
  
- 17 **There are no shipping and handling charges.** One of the things I never liked about selling hard goods was the manual process of taking the order, running the credit card, and placing the order with a drop-shipper or filling the order of my stock. I hated finding a box, packing peanuts, printing the label, taping it all up and lugging it to the post office. Every minute I spent filling orders was

time that I wasn't being compensated for; therefore, my profit grew smaller with every minute spent on shipping and handling. Informational products require no shipping and handling—most are delivered by e-mail. In the time it takes you to click your mouse, you can deliver an info product into your customers' hands.

What topics make for good info products? Someone once said, "If you can teach people how to feel better, look younger, be thinner, get rich or be more attractive to the opposite sex, the world will beat a path to your door."

And those topics are just the tip of the iceberg.

An e-book is no different from its paper cousin, except that it's meant to be delivered and read electronically. Topics for e-books are as wide-ranging as regular books.

A few recent bestsellers show people how to:

- 18 Start an eBay business
- 19 Make money in real estate
- 20 Make your own beer
- 21 Protect yourself against a mugger
- 22 Get the best deal on a used car
- 23 Play a better game of golf

Where do you sell info products? Although some e-book authors go the traditional route and actually sell their e-books on CDs at neighborhood bookstores, the largest marketplace for digital info products is on the web.

At any given moment, there are thousands of info products for sale on eBay, Yahoo! Auctions, specialized e-book seller websites, and even Amazon.com.

When marketing your own info product, you can't wait for customers to find you — you have to bring your product to them. Seek out those who would be interested in what you have to say.

If you've written an e-book on how to brew your own beer, check out the online forums devoted to the topic of beer. (You might be surprised to find that there are hundreds of forums for beer lovers!)

Without posting an obvious ad, which is usually not allowed, offer to send free copies of your book to whoever will take one. Don't worry about giving them away for free at first. Once your book finds an initial audience, these people will help you sell more books by referring customers to you.

I also recommend that you create a website to help sell your e-book. When John Grisham wrote *The Firm*, he had copies printed up and drove around selling them out of the back of his car. A website is the modern day equivalent of the bookseller's car trunk.

If you have a computer and a word processing program you have everything you need to create a best-selling info product in a very short amount of time.

Great, you say, but I'm no writer. How the heck can I get into the information business?

The good news is you don't have to be a great writer to create a great info product.

If you don't have the ability to create the product yourself there are several avenues you can take to info product success.

### **Team Up With A Writer To Package Your Knowledge**

Expert knowledge is much harder to come by than great writing skills. If you are an expert on a subject that people will pay to learn about, you just need a good writer to take your expert knowledge and put it in a saleable form.

I know many subject matter experts who can't write their names in the snow and many excellent writers who don't have the expert knowledge required to create an informational product that will sell. This is when a co-authoring arrangement could be the key to success.

Co-authoring can be a match made in Heaven if an equitable co-authoring arrangement can be made.

Co-authoring means that you both get credit for creating the product and share in the revenues.

If you are an expert on a topic, but not a writer, find a writer to co-author the project with you.

Conversely, if you're a writer without specific knowledge, find a subject matter expert and partner with them to create the product.

Where can you find hundreds of writers who may be the perfect match for you? One of the best ways is to post an ad on a freelance website like Elance.com, which you'll find at <http://www.elance.com> .

Simply go to the site and post a free ad for a writer who can turn your expertise into a sellable work.

### **Hire A Ghost Writer To Write The Book For You**

A ghost writer is someone who will write the book for you anonymously, with the writing credits going solely to you.

You supply the expertise and guidance and the ghost writer puts it in a readable format. You can hire ghost writers on an hourly basis or for a flat fee, depending on the scope of the project.

There is no shame in using a ghost writer to put your thoughts to digital paper. You don't really think all those pro athletes and Hollywood actresses can write 300 page books now, do you?

The key to creating a successful info product is this: the information must be worth far more than the price of the ebook itself. If you're charging \$27 for your product, it must give the buyer many times that price in perceived value.

I asked info product expert Jim Edwards, co-Author of "How To Write and Publish Your Own eBook in as little a 7 Days" for his advice on how to create a killer info product.

Here are Jim's Top 5 Tips:

24 Niche It - Make sure you are targeting a highly defined niche audience... don't try to sell to everyone. You can get a lot more money showing life insurance agents how to find more customers to buy \$250,000 policies than you can trying to sell a product on generic sales skills improvement.

25 Hit Their Pain - Make sure your info product hits a painful problem that members of your target audience will do just about ANYTHING to solve. The more intense the pain, the more they're willing to pay to get rid of it.

26 Give Them A Taste - Give people a taste of what you offer in your info-product by giving them a sample. Just like the wholesale clubs get you to buy tater-tots in a 50 lb. bag by giving you one to try, you can induce people to buy your information by letting them read the first chapter or listen to the first few minutes of an audio.

27 Entertain Them - People hate to be bored. Increase the power of your product by adding humor, drama and other entertainment elements that make them want more and more. This will not only help with future sales to satisfied customers, it will also keep your refunds down and increase word of mouth advertising.

28 Keep it Evergreen - Don't make the mistake of creating a product that hits a fad or a fleeting market. Create info-products that can be updated with very little effort. This allows you to create a product once and keep the sales

rolling in for years (literally) to come!

# Become An Affiliate Marketer

Many Internet Entrepreneurs have become millionaires without ever having a product of their own. They did it by promoting affiliate programs.

An affiliate program simply means that you sign on as an affiliate marketer or reseller for someone else's product. It's your job to market the product, send the company customers, and get a cut each time a sale is made from your efforts.

Affiliate program commissions can range from as little as 2% for high ticket items up to 75% for ebooks and informational type products.

There are thousands of companies that sell informational products and most have affiliate programs that you can sign on with.

As an example, let's say you sign up with Amazon.com's affiliate program. You are assigned an affiliate code which you use to promote Amazon's books on your website.

When someone clicks to purchase an Amazon product from your website, your affiliate code is included in the URL and you get a commission for the sale.

Some folks have built elaborate websites that sell nothing but Amazon.com's books, and each time they make a sale they get a piece of the pie.

One of the most appealing aspects of affiliate programs is how quickly you can begin making money. You can literally sign up as an affiliate and begin making money in minutes. I've done it, I know it works.

Admittedly, I am not an affiliate program expert, so I sought out the person that many call the Ultimate Affiliate Program Authority, Rosalind Gardner.

Rosalind Gardner began making money with affiliate programs in 1997. She has since grown her affiliate business into a \$400,000 a year business and is now considered the authority on the subject.

Her book *'The Super Affiliate Handbook: How to Make a Fortune Selling Other People's Stuff Online'* is considered by many to be the affiliate marketers bible.

I have read Rosalind Gardner's and I have to tell you I found it to be one of the best books on the subject I have ever read. It's a hype-free approach to what affiliate marketing is really all about and how to make it work. The book is 270 pages and leaves no stone unturned.

For anyone serious about making money with affiliate programs, I highly recommend this book. The bottom line, is this: you can make a lot of money with affiliate programs, if you pick the right product and do your part to promote it.

As for which programs would be best for you, I advise that you concentrate your efforts on one or two products instead of starting with a shotgun approach.

Pick only top quality products that hold some personal interest you. Never pick an affiliate product just because you think you'll make a ton of money with it.

Remember, you are starting a business. If it's not a business that holds your interest, you won't be in business very long.

## Market Your Services Online

Are you a computer programmer?

A writer or editor?

A graphics artist or website designer?

If so, you can market your services to customers around the world and it doesn't cost you a dime.

You can offer your services to customers on websites like elance.com or rentacoder.com. Basically you register with these sites and when someone posts a job that falls within your area of expertise you can bid on the work.

For example, I needed a logo for one of my online businesses so I went to elance.com and posted the project for bidding and within hours I had a dozen graphic artists bidding for the job.

I sifted through the profiles of everyone who bid on my job and picked a graphic artist who did the logo for less than \$50.

Granted, I did not pay top dollar for the logo (to get it done locally would have cost ten times the amount I paid), but the designer probably spent an hour or two knocking out the 5 designs I got back and the work came to him, he did not have to spend a dime on marketing his services.

For more information visit:

29 <http://www.elance.com>

30 <http://www.rentacoder.com>

# Start An eBay or Online Auction Business

Selling on eBay continues to be one of the more popular ways to make money online, though very few people are getting rich with an eBay business alone.

Many Powersellers don't make enough profit to cover their costs.

However, if Fred Sanford were alive today I'm sure he'd be earning his ripple money by selling quality junk on eBay.

While it's also true that one man's junk is another man's treasure (I have a garage full of treasure to prove this point), your chances of building a profitable business selling "junk" on eBay (or anywhere else, for that matter) are slim to none.

While there is a lot of junk/treasure for sale on eBay, it is typically sold by individuals who have "I break for yardsales!" bumper stickers on their cars and not serious business people.

For serious entrepreneurs, however, selling on eBay can be a good way to start a new business if you are willing to put in the time and energy required to make the business a success.

eBay is also a good option for existing businesses to expand their reach by selling online.

Everyone from small used car dealers to giant companies like Dell Computers have discovered that eBay is an excellent place to hawk their wares simply due to the huge number of folks who visit the eBay site on a daily basis.

Nowhere else on earth will you find such a large pool of potential customers.

Consider these numbers:

31 There are nearly 69 million eBay users who spend \$59 million every day.

32 Most eBay sellers are home-based businesses that sell everything from

porcelain dolls to locks of Elvis' hair to \$100,000 Mercedes convertibles to \$5 million dollar vacation homes.

33 Every minute of every day more than 150 new items are listed for sale, more than 500 bids are placed, and seven new people register to shop on eBay.

34 At any given moment, eBay is conducting some 12 million auctions, divided into about 18,000 different categories.

35 About two million new items are offered for sale every day, and 62 million registered users scour the site to find them.

36 One company is grossing more than \$5 million dollars a year selling brand new pool tables on eBay. Their eBay store is so profitable that they have closed their retail location and now sell solely online.

That's right, \$5 million dollars from the sale of pool tables: proof that you can sell just about anything on eBay if you know how to do it.

Be aware, however, that eBay is no magic bullet. As any eBay Power Seller will tell you, building a profitable eBay business takes hard work and requires long hours, and often the financial rewards do not make it worth the effort spent.

When it comes down to the mechanics of it all, running an eBay business is no different than running a brick and mortar business.

You still have the same considerations regarding product selection, inventory purchasing, product pricing, inventory management, order processing, fulfillment, customer service, etc.

You must also consider the legal and accounting aspects of the business. Just because you're selling online does not mean that Uncle Sam won't expect his piece of the pie.

Revenue generated by an eBay business is just as reportable and taxable as

revenue generated from a brick and mortar store.

And if you sell to customers within your state you may also be responsible for collecting city, county or state sales tax. This is discussed in detail later in this section.

One of the biggest obstacles to building a successful eBay business may be the stiffness of the competition.

Many sellers sell identical items and the price wars often get ugly, but that's to be expected in a free market place, which is exactly what eBay is.

You may be the only store in town that's selling that one of a kind, custom made just for you, broke the mold after they made it, Dale Earnhart Memorial Bobble Head Action Figure (Earnhart fans would string me up if I called it a Doll), but do a quick search on eBay and you'll probably find a hundred others just like it.

So, can you build a profitable business selling on eBay? Certainly, thousands of people have done it and so can you.

Here are a few tips to help get you started.

## **Sell Quality Products**

Don't sell junk! Leave the knick-knacks and fake leather jackets to the less informed. You should offer only quality products at a fair price.

## **Research The Competition**

Once you have your product in mind, don't invest a dime on inventory until you have spent some time on eBay to see what the competition is doing. If you want to sell motorcycle helmets, for example, you should look at current auctions to see how many others are selling similar helmets and what prices they are charging.

This step is vital since you may discover that you can't compete with current sellers on price or there is simply no market for what you have to offer.

## **Start Slowly**

Many people believe that the more items they have for sale on eBay the better. They will invest thousands in inventory and spent hundreds on listing fees (yes, eBay charges you to list items for sale and collects a final fee if the item sells). Those are the folks that usually end up with ten thousand Ginsu knives forever in their garage.

## **Test, Test, Test**

A fair portion of eBay auctions result in no sales, so it's best to test the waters before jumping in with both feet.

List a few items and see how they sell. If an item doesn't sell, list it at least twice more. Some items might not sell the first time, but may the second or third, then sell steadily from then on.

If an item gets no bids the first time, consider adjusting your price or your terms. If an item sells well, keep it in stock and then experiment with another item.

## **Do Your Homework**

eBay is too broad a subject to be covered fully here, but there are a multitude of books available that can help you start an eBay business. In fact, I bet you'll find most of them for sale at this very moment at eBay.

## **Paying Taxes On eBay Income**

With so many people selling on eBay these days this is a question I get all the time. To many eBay sellers the thought of running an actual business is about as appealing as getting negative feedback, so they go out of their way to convince themselves that selling on eBay is really "just a hobby" and therefore, should not be susceptible to income tax laws.

While you might think selling on eBay is just a hobby and the extra money you're making is not reportable as income, depending on the circumstances, the IRS just might disagree with you.

The IRS rules are clear: you must pay taxes on all personal and business income and that includes money you make selling on eBay.

In its most basic sense, the IRS rules mean that if you buy a vase at a garage sale for \$10 and sell it on eBay (or elsewhere) for \$20 you made a \$10 profit and therefore must report it as income and pay Uncle Sam his fair share.

In reality, if you are a casual seller who only sells a few items on eBay every now and then it's doubtful the IRS is going to lose much sleep over the few bucks you make.

However, if you consistently sell on eBay the IRS may deem your activities to be business oriented and you will be required to file a Schedule C and claim the income.

The IRS uses a number of factors to determine if a hobby is really a business. These factors include:

**37 Do you carry on the activity in a business-like manner?**

If you conduct your eBay activities in a business-like manner, i.e. you keep business records, track profit and loss, keep a separate checking account, etc. then whether you think so or not, your hobby is really a business.

**38 Do you spend considerable time working on your hobby?**

If you put considerable time and effort into your eBay sales, the IRS may contend that you do so for profit and not fun. It seems the folks at the IRS don't believe in doing things strictly for pleasure. My guess is, neither do you. If you weren't making money selling on eBay I doubt you'd bother getting up at 4 a.m. to hit all those yard sales.

Then again, maybe you would... :o)

**39 Do you depend on income from your eBay activities for your livelihood?**

If so, it's a business, not a hobby. There are a number of other factors the IRS uses to determine if a hobby is really a business, but that covers the basics.

You can learn more at the IRS website at [www.irs.gov](http://www.irs.gov).

### **What's eBay's take on all this?**

eBay is vehemently opposed to anything tax related (especially the forced collection of sales tax, which is a whole 'nother issue). It's understandable that eBay is not a fan of the IRS since trying to enforce tax rules on buyers and sellers would undoubtedly be detrimental to the way eBay does business.

eBay does not issue 1099 tax forms to sellers, nor does it report seller's sales figures to the IRS. eBay considers itself a facilitator, i.e. they provide a marketplace in which buyers and sellers come together to do business.

However, since eBay is not directly involved in the transactions that take place between buyers and sellers, it would be impossible for eBay to report sales figures.

Furthermore, eBay does not track if a seller actually gets paid by the buyer, so they have no idea how much money actually changes hands, making it impossible for eBay to issue accurate 1099s to sellers.

On the bright side, if you do sell on eBay as a business you can deduct a number of business expenses, including the cost of inventory, listing fees, shipping, envelopes, packing materials, etc.

You might also be able to deduct things like the purchase of a computer for business use, office space (even if it's a home office), office supplies, and more.

I'm not accountant (nor do I play one on TV), so please do not take any of this as tax advice or legal opinion. Talk to your accountant if there's any doubt as to whether you should or should not be paying taxes on your eBay earnings.

# Start An Online Dropshipping Business

The popularity of eBay has inspired many people to start a business. And for those entrepreneurs who don't want to invest in a ton of inventory but still want to set up shop, dropshipping is a logical solution.

Before you get started, consider these seven steps involved in starting a dropshipping business:

## 40 Step 1:

Choose a product to sell. The very first step in any sales process is deciding what product to sell. Many factors should be considered before you make the decision, but for now, let's say that you've decided to sell CD players on eBay.

## 41 Step 2:

Locate a supplier who will dropship for you. Using a research tool like Google, ThomasRegister.com or an industry-specific resource like [The Ultimate eBay Dropship Power Pak](#), you can search for and find a company that will dropship CD players for you. If the company offers you a 35 percent markup over cost, which means that it will supply the CD players to you for \$100 each, then you should be able to retail them for \$135 apiece. Make sure the dropshipper has a good stock of CD players on hand so you don't end up selling a product that must be back-ordered.

## 42 Step 3:

Set up an account with the dropshipper. Now it's time to set up a reseller account with the company that will supply the CD players. This can often be done online or by phone, but some companies will require that you complete and return a reseller application to open an account. Some may also require a tax ID and a business license.

## 43 Step 4:

Advertise the product for sale on eBay. Now that you have your supplier lined up and you know that the product is in stock, it's time to make a sale. That

means it's time to advertise the product using an eBay auction. Since you know what you must pay the dropshipper for the product, you also know what minimum amount you will take for the product. In this case, you could start your auction at \$100, since that is your cost. If you are confident that you can get more than \$100 for the product, you can start with a lower price, but remember that if the product goes for less than what it costs you to fill the order, you will lose money. Also remember that the dropshipper will charge shipping, so make sure to figure that into your sale.

#### **44 Step 5:**

The product sells. Great news—your CD player has sold for \$135, and your customer pays you with a PayPal instant payment. I highly recommend that entrepreneurs use PayPal or some other online processor to accept instant payments. This allows the customer to pay you faster, which lets you place the order with the dropshipper faster, which gets the product to your customer faster.

#### **45 Step 6:**

Place the order with the dropshipper. Once your customer pays you, you should contact the dropshipper immediately to order the product on your customer's behalf. The dropshipper then ships the order to your customer under your company name and address.

#### **46 Step 7:**

Follow up after the sale. This is where many new e-business entrepreneurs drop the ball. Just because your customer has paid you and you've placed the order with the dropshipper, does not mean that you are out of the loop. Quite the contrary: If there are problems with the order, you are the one that will be held responsible in the eyes of your customer.

It's best to be proactive in your customer relations. Follow up with customers to let them know when a specific item has been shipped. Offer yourself as the personal contact for any issues that may arise. This is also a great way to sell

customers more products. Invite them to check out your eBay store or Web site, if you have one.

Many people are afraid to use dropshipping as a method of sales due to the horror stories that fill the Internet about unscrupulous dropshippers who take the money and don't fill the orders, merchandise that is eternally back-ordered, unscrupulous middlemen posing as dropshippers and so on.

Make no mistake, the dropshipping industry—like most other industries—does have its share of shady characters who would rob you blind given the chance, but there are also hundreds of honest dropshippers who can help you build a profitable eBay dropship business.

# Are You Cut Out To Be An Entrepreneur?

No book on creating multiple streams of income would be complete without a discussion of entrepreneurship. Chances are once you have multiple streams of income flowing in, you may find yourself in the enviable position of quitting your job and becoming your own boss.

Since being an entrepreneur is not for everyone, read through this section and consider the points to help you decide if being your own boss truly is for you.

## **Entrepreneurial Skills, Not Everyone Has Them**

There are a variety of skills you'll need to succeed as an entrepreneur and chances are do not possess them all. One of the great things about being an entrepreneur is that if you lack certain skills you can always hire people with those skills to help round out your company skill set.

Here are a few of the skills you'll need starting out and others you can build upon later. Different stages of business require different skills.

### **People Skills**

Every budding entrepreneur should have good people skills. The ability to walk into a room and befriend everyone there is often more important to your business than an investor with deep pockets. The more you can make people like you, the more they will want to do business with you.

### **Networking Skills**

Networking is one of the best ways to build partnerships and find new clients. Networking simply means that you go to functions that attract the people you need to know. A successful entrepreneur is also a successful schmoozer. It's the entrepreneurial equivalent of "kissing babies and shaking hands." Whether it's the weekly Rotary luncheon or a Chamber function, show up with a pocketful of business cards and meet as many people as you can.

### **Leadership Skills**

To be an entrepreneur is to be a leader. Even if you are a company of one, you must have the skills to take charge and to lead. It's much easier to learn leadership skills when you only have yourself to manage. These skills will come in very handy as you add employees and your business grows.

### **Management Skills**

Management skills encompass a wide variety of tasks, including managing the daily operation, growth, employees, customer relations, investor relations, and so on. Poor managers make for poor entrepreneurs.

### **Employee Relation Skills**

Your employees are one of the most important assets your business has and it is important that as the boss, you develop a professional relationship with your employees. It is important that your employees feel appreciated and you show it financially and professionally.

### **Team Building Skills**

As your organization grows you must have the ability to build a team that can take your business to the next level. Your team not only includes employees, but also partners, your accountant, your attorney, and investors. Anyone who has the ability to impact your bottom line and growth should be part of your team.

### **Marketing and Sales Skills**

Until you grow your business to the point that you can justify adding a marketing person, it will be up to you to think up ways to market your business. As I've said before, marketing is one of the most critical areas of business as getting the word out to customers is the first step in generating revenue.

Like marketing, selling is vital to the success of your business. Starting out you will probably be the one making sales calls and closing deals for your business.

You must have the ability to sit in front of a prospective client and sell them on your service or product. Many entrepreneurs find this difficult to do as sales is more art than skill. This is also why one of your first hires when able should be a good sales

person.

### **Time Management Skills**

Unfortunately, there are only so many hours in the day and for entrepreneurs that means we must manage our time well or inevitably some things won't get done.

I find that it helps to plan your day the night before. I know before I ever get to the office what I have to do that day. I know the order I will do things in.

Of course, something always comes up to throw a monkey wrench in my plan. When the unexpected happens I try to add it to the next day's schedule. If that's not possible, I deal with it and then try to get back on track. That's not always possible, but having a plan certainly helps.

Do you currently have all these skills? Probably not. Very few people possess them all even after years in business.

Does a lack of these skills mean that you shouldn't start your own business? Of course not. Entrepreneurial skills can be learned and improved over time.

### **Is A College Degree Necessary For Success**

It's important to understand that the success of an entrepreneur is not measured by how much education he or she has or how many years of experience are under his or her belt.

An entrepreneur's success is measured by achievements, not words on a resume.

By definition, an entrepreneur is a risk-taking businessperson: someone who sets up and finances new commercial enterprises to make a profit.

Entrepreneurs start businesses. The smart ones then hire MBAs to run them.

Let's start with education. Is a Bachelor's degree or better required to succeed in business?

Of course not. An MBA from Harvard might give you a leg up in a job interview, but it certainly doesn't guarantee that you will succeed in business. Nor does it

automatically mean that you will be a better business person than someone who didn't finish high school.

Knowledge is a good thing - if you know what to do with it.

Perhaps it is the academic environment itself that turns mere mortal nerds into budding entrepreneurs. The late '90s proved that college students with no experience beyond organizing a frat keg party could start businesses that would exceed all expectations.

Many would argue that the key to success for most of these ventures was that the founders (or the VC financing them) were smart enough to know that while they had an abundance of education, they needed experienced managers to really run the show.

Larry Page and Sergey Brin were college students when they started the company that would become Google. They were smart enough to bring in Eric Schmidt to be chairman and CEO when the business took off. Schmidt was the former CEO of Novell and CTO of Sun Microsystems. A PhD, Schmidt is a man of education and experience.

Jerry Yang and David Filo were candidates in Electrical Engineering at Stanford when they started YAHOO (Yet Another Hierarchical Officious Oracle) in 1994.

They brought in Tim Koogle from Motorola to run things shortly thereafter and now the company is led by Terry Semel, who previously spent 24 years running Warner Bros.

Now on to experience. Is experience a prerequisite of business success? Again, not at all. Many experienced entrepreneurs gained their experience in failed businesses, so experience does not instantly translate to success.

So, when it comes to succeeding in business, which is more important: education or experience? While neither is as helpful as a rich relative, here's the answer that will hopefully help me avoid those worms: Both education and experience can play a large part in business success.

The more important question is can you succeed in business without one or the other, or even without both? And the answer to that one is: yes. Can I get ketchup with those worms?

Many successful businesses were started by first time entrepreneurs who never went to college. Natural talent, ambition, drive, determination, and good old dumb luck have fueled many success entrepreneurs, myself included. I don't have a degree (I drove past a college once. It looked hard, so I kept going). Would a degree have helped make my business trek easier? Perhaps.

Then again, I know people with advanced degrees who are flipping burgers at McDonalds. It's good experience, I suppose.

A combination of education and experience (and a variety of other things) is the best recipe for success. As the old saying goes, "There is no better education than that which comes from experience."

In the end, it really doesn't matter how much education, experience, talent, luck or money you have. It's what you do with it that matters.

### **Does Age Matter?**

Here's my standard answer: It depends. It depends on your health, your energy, your drive, your goals, and of course, your finances. If all those are in good shape and you have your spouse's approval (that's a biggie), then there is absolutely no reason why you should not start a business at your age.

In fact, the numbers are actually in the favor of the older entrepreneur. According to recent studies 22 percent of men and 14 percent of women over 65 are self-employed. That's compared to just 7 percent for other age groups.

According to a Vanderbilt University study the number of entrepreneurs age 45 to 64 will grow by 15 million by 2006.

That's compared to a 4 million decline for entrepreneurs age 25 to 44.

A 1998 survey of baby boomers conducted by the American Association of Retired Persons (AARP) revealed that 80 percent of respondents planned to work

beyond retirement age, and 17 percent of those planned to launch new businesses.

The study noted, "Self-employment among American workers increases with age, with the most dramatic jump occurring at age 65."

Older entrepreneurs may also find starting a business easier than their younger counterparts because older entrepreneurs tend to have more experience to draw from and more assets with which to finance a business.

Further evidence comes from a report released by Barclays Bank entitled Third Age Entrepreneurs - Profiting From Experience. The report shows that older entrepreneurs are responsible for 50 percent more business start-ups than 10 years ago. This amounts to around 60,000 business start-ups last year alone.

The survey also showed that today's third age entrepreneurs (as the report calls entrepreneurs over the age of 50) don't mind putting in the hours required to build their business. Nearly 49 percent work an average of 36 hours or more a week.

Third agers also rated holidays, lack of stress and a balance between work and home life more important than their younger counterparts.

The report further showed that only 27 percent run the business as the only source of household income, with 51 percent supplementing their pension.

Other key findings showed that third age start-ups account for 15 percent of all new businesses, and third age entrepreneurs are three times more likely to be male than female. There is a downside (isn't there always?).

Many businesses fail within the first few years and older entrepreneurs may be less able to handle the financial loss than younger entrepreneurs.

It's one thing to lose everything at 25, but it's a much bigger deal to be financially ruined at 65.

## **Choosing A Business That's Right For You**

I always compare starting a business to jumping into a pool of freezing water. There are typically two types of entrepreneurs who take the plunge.

The first are the "Toe Testers." These are those cautious folks who just stick their big toe in the pool to gauge the temperature of the water. It is for these careful entrepreneurs that the phrase "testing the waters" was coined.

Toe Testers enter the business pool slowly, a little bit at a time. The lesson to be learned from Toe Testers is to start slowly and don't feel like you have to wade in too fast.

Ease into the business pool gradually to make sure it's right for you. Remember, many entrepreneurs realize that the business world is not right for them only after they are in it up to their necks. And that's when the term "sink or swim" takes on a whole new meaning.

The next type of entrepreneur is the "High Diver." These are those fearless souls who climb the ladder and dive into the business pool head first without worrying about the depth of the water or the dangers that lurk beneath the surface.

It is for these entrepreneurs that the phrase "damn the torpedoes, full speed ahead" was coined. Quite often these entrepreneurial daredevils find themselves drowning in unknown waters or end up with their heads buried in the bottom of the pool.

Both types of entrepreneurs may find success, depending on how well equipped they are to handle the water they are diving into. Here are a few ideas to help better prepare you for the plunge.

### **Let your experience be your guide**

Start with what you know. If you have spent twenty years working as an accountant or you love to build wooden toy trains as a hobby, consider how you can take that experience and turn it into a successful business. You might also find a great business idea right under your nose. Look around your workplace. Do you see

needs that are going unmet or can you think of a better way of doing something? If so, you might have the seed for a profitable business.

### **Do what you love and love what you do**

I can't emphasize this enough. Many people start a business for the wrong reason: to get rich. While it is true that many millionaires in this country made their fortunes from their own business ventures, that should not be your sole motivation for starting a business.

If you don't enjoy what you do, you will not be successful, at least not from a mental point of view. Sure, the monetary rewards can be tremendous, but the mental anguish of working in a business you don't enjoy is a high price to pay.

I talk to entrepreneurs all the time who are running successful businesses, but are so unhappy as a result that they literally make themselves sick. If you don't enjoy what you do the business will become a chore, not a joy.

### **Don't reinvent the wheel, just make it better**

Many first time entrepreneurs assume that they have to come up with a new business idea to be successful. That simply is not true.

Most successful businesses are born not of innovation, but of necessity. Instead of trying to come up with an idea that changes the world, take a look at the world around you and see where there might be a void that needs filling or a business concept that needs improvement.

Many successful businesses have been built by taking a traditional business and making it better. Domino's Pizza was certainly not the first to offer home delivery of pizza, but they were the first to guarantee it would be delivered piping hot to your door in 30 minutes or less. Amazon.com was not the first company to sell books, but they were one of the first that would let you buy books from the comfort of your own home while sitting in your underwear.

### **Focus on a niche**

Many businesses have gone broke trying to be all things to all people. The ability to offer a gazillion products under one roof is all well and good for Wal-Mart, but not for most new small businesses.

Try to identify a niche that you would enjoy working in and think about starting a business therein. If you love to work outdoors, consider starting a landscaping business. If you enjoy working with numbers, think about becoming an accountant or CPA. When's the last time you had your gardener do your taxes? You get the idea. Focus on a niche and become an expert in your field.

### **A franchise might be an option**

Many new entrepreneurs consider buying a franchise operation instead of starting a business from scratch. Franchises are a good way to jumpstart the process because they have already done much of the hard work for you. They have proven the business model, established guidelines for running the business, spent millions of dollars on establishing the brand, etc.

Buying a franchise is typically a very expensive and involved process that is beyond the scope of this article. The best thumbnail of advice I can give you is to thoroughly investigate the franchisor and the opportunity, use your own attorney to do the deal, and read the fine print in the franchise agreement.

### **It's hard to swim in a crowded pool**

If the business pool is already filled with other companies doing the same thing you want do, chances are you will fail in the face of established competition.

To succeed in such a crowded pool you will have to do something to stand out from the crowd (and I don't mean greeting customers while wearing a bright red Speedo).

If you can't quickly and easily differentiate yourself from a large group of competitors, you're better off choosing another business.

### **Above all, take your time**

Whatever business you choose to start, I encourage you to take the time required to make an informed, intelligent decision.

Think about starting part time while you still have your current job (and income) to fall back on.

Talk to friends and associates who use the product or service you will provide to see if they would consider become paying customers.

Remember, in business you can end up swimming in success or sinking in failure. The key to your success might just lie in the sensitivity of your big toe.

## So What Are You Waiting For?

These are just a few ways to create multiple streams of income.

There are hundreds of other ways to make money online and off.

No matter which ones you pursue, just remember, the more streams of income you have, the bigger your money lake becomes.

I wish you all the best.

Tim Knox, Author

How To Create Multiple Streams of Online Income

**<http://www.dropshipmarketer.com/>**

## Recommended Resources

The resources listed in this section have been helpful in building hundreds of online businesses. Perhaps they can be as helpful to you.

For complete details on all offers visit:

<http://www.dropshipmarketer.com/>

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## "My Amazing Little Website Cranked Out An Incredible \$11,424.61 In ONE WEEK!"

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The Ultimate eBay Dropship Power Pak contains everything you need to start your own profitable online business, including access to our private database of over 3,000 dropship and wholesale companies!

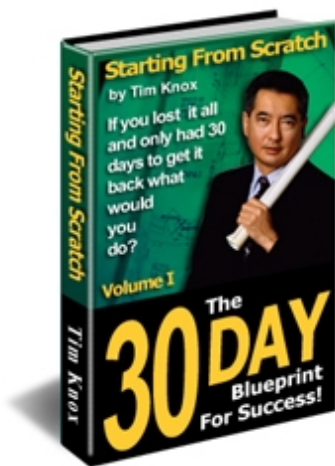


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## **“No Experience, No Money? No Problem”**

We asked 58 of the Internet's Top Money Makers: "If you lost it all tomorrow and had to start over with nothing but the brain in your head and the experience of your years, how would you get back on top in less than 30 days?"

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