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**Starting and Operating  
An  
Online Business:**

Facts, Tips  
and  
Knowledge to help you become successful.

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Dear Business Owner-

We hope this handout will help guide you to become one of the successful online businesses. Did you know that over 50% of Americans buy online (2009)? Use yourself as an example you just downloaded this handbook, and in the past I used to charge for this handbook. I would gain income by just having this information on my site to purchase; now it's free. You don't have to sell goods to have an ecommerce site; handouts like this, fee-based webinars and non-for profits even take donations over the web. There are several reasons to have a place online and take advantage of the billions of dollars spent on the World Wide Web.

Take advantage of these tips to become a leader in the online market place!

Best,

Allison P. Andrews  
President  
APA Business Consulting, Inc.

Ps. If you need additional support or have a question please email:  
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# **Starting and Operating an Online Business:**

*Facts, Tips and Knowledge to help you become successful.*

## **Starting and Operating an Online Business**

Now that you've learned the basics of starting a business, it is time to learn the specifics for starting an online business. Just like the process for starting a small business, the process for an online business can be broken down into a series of steps.

### **Step 1: Your Domain Name**

Once you have the idea for your online business, you must select and secure a domain name.

The domain name will be the address for your web site and is how people will find your business on the web. Even if you are working with a company that already has an established business name, you may not want to use that name exclusively on the Internet. For instance, if your business name is particularly long, it may be cumbersome for someone to type in a long domain name to get to your web site. In such cases, you may consider:

- An abbreviation of the company name
- A domain name that incorporates your product or service, like [www.shoes.com](http://www.shoes.com), which will help in achieving a higher ranking in search results through search engines such as Google (More on this topic in the marketing section).
- To brainstorm a domain name, check out the web site [www.bustaname.com](http://www.bustaname.com) at which you can enter keywords to generate ideas for available names.

Registering a domain name is fairly inexpensive these days. During the “dot com boom” in the 1990's, a domain name could cost you upwards of \$70 for 1 year of registration. Today, you can register a domain name for under \$9 through sites like [www.godaddy.com](http://www.godaddy.com) . Because it is so inexpensive, many online business owners register multiple domain names using different keywords in hopes of reaching improving their visibility in search engines. It is said that virtually every word in the English language has already been registered as a domain name, so you will want to use your creativity when selecting yours. There is also a secondary market for domain names. You can bid on domain names that are already taken through auction and fixed price sale sites such as [www.afternic.com](http://www.afternic.com) . Obviously, these names will be available at a higher price, but may be worth the cost... if it is essential to the overall success of your online business plan.

**Note:** GoDaddy if you are not familiar with it will have a lot on add on features that can make the cost of registering your domain become pricey. In addition depending on where you host your website many of those packages include email so you don't need to buy the GoDaddy emails in addition- one or the other. This can be overwhelming when you are on the site feel free to call there 800 number for assistance.

## Step 2: Designing Your Site

After thinking of a business idea and purchasing a domain name, you will want to plan the design your site. Some online entrepreneurs design their own sites. But many online business owners have no experience in programming or web site design. These entrepreneurs hire professionals to design and build their websites. The cost for hiring a professional can be significant. But reliable, quickly-loading sites are typically more profitable than sites, which malfunction or look different on various operating systems and browsers. APA Business Consulting, Inc. has several preferred vendors we work with and are happy to make an introduction for you.

Regardless of whether you decide to design the site yourself or hire someone to do it for you, it's a good idea to sketch out how YOU envision the site to look on paper. This will help you create your site, or communicate your wishes to a designer.

You want your visitors and potential customers to easily browse your site and find the information or products/services they are looking for. It's very easy for a visitor to leave your site and go to another one if they are having a hard time finding what they want and you could lose a potential sale. For the main navigation sections of a website, stick to 5-7 options.

Usability studies show that fewer than five options make it difficult to find specific items, and more than seven options can be confusing for users.

If you are having a hard time coming up with a design for your site, take a look at existing web sites on the Internet. You do not want to copy other web sites, but by looking at examples you can get a sense of certain design features you like and dislike. If you decide to hire someone to design the site for you, you will want to **ask the following basic questions:**

How many years have you been building web sites?

Experience is important, and so is being up to date with current technology.

What industries have you created web sites for?

A designer that has experience developing web sites for your industry should know what works and what doesn't.

What is your approach to web design?

It's important to find a web designer who designs with the end user in mind. Creativity is important, but ultimately useless if the user cannot easily access navigate through the site.

Where can I see samples of your work?

You want to see samples of the designer's work so you can see if his/her style matches what you are looking for.

What do the clients have to provide?

Usually you will have to provide the text for the site as well as photos that you want to use, however, some web site developers will provide copywriting and photography

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services as well.

Do I own the code for the site after the project is completed?

Some designers lease the name, hosting, and content of your site to you. These options can seem more economical in the short term, but if you plan on operating your site for more than a year or two, you will definitely want to make sure that you own the finished product.

How long will the project take?

This will help you plan the launch of your site.

How much will my project cost?

This will usually depend on the complexity and features of your site. A really basic web site will most likely cost under \$1,000 and more complex ones can cost several thousands of dollars.

Brochure sites are the most simple and low-cost websites. Adding flash animation, commenting and interactivity, e-commerce functions, and other features add to the cost for developing and hosting a website.

If you are serious about hiring a web designer, it is recommended you get quotes from up to three web designers.

### **Step 3: Selecting a Web Site Hosting Service**

There are several things to consider when selecting a web site hosting service.

**Server Space**

A simple “brochure” web site with little graphics usually takes up approximately 120K to 3MB of space. Larger, more graphics-intense web sites or e-commerce sites can take up 10MB to 100MB or more.

If you are building your own site, you can calculate the amount of web space you will need by adding:

- the size of your web pages
- the size of all your graphic files

You can see the size of the files under the “size” column when you open the folder on your hard drive where the files are saved. If a professional web designer is building the site, they should be able to tell you how much server space you will need. Select a package with enough space to hold your files and still have extra room to expand.

In recent years, hosting services have become less expensive. And even the basic hosting packages offer more server space than in years past. You can find a basic web site hosting package for as little \$5/month for 10GB of web space.

### **Features**

Besides server space, you also want to take the hosting package features into account. A basic feature that comes with all web site hosting packages is the ability to create email accounts for your domain name, such as bob@yourdomain.com. But there are other features that you may want to verify come with the package that you select. Additional features may be necessary depending on the complexity of your site.

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Common features used on web sites are:

**Multiple Language Support** – Your hosting package should support multiple web programming languages such PHP, CGI, Java, and Perl among others. Supporting these languages will allow you to run common “scripts” or programs on your web pages... such as a “contact us” form.

**Database Support** – If you plan on developing a web site that generates content or product pages from information stored in a database, make sure your hosting package supports databases. A common type of database is “MySQL.” E-commerce sites will typically need access to databases where information on the products is stored.

**Site Statistics** – Monitoring where your web site visitors are coming from is important to track the results of your marketing efforts. Select a hosting plan that provides a pre-installed site statistics package so you can see how visitors are getting to your site and from where. Third-party site statistic software is also available if your hosting service does not provide one or only provides a basic statistics package. APA Business Consulting, Inc recommends a free service by Google called Google analytics is available and will provide you great insight to your site. Best part is it is FREE.

**Allowable Data Transfer** – When visitors come to your site, data (web pages and images) are transferred from the server hosting your site to the visitor’s computer. When you have a lot of visitor traffic to your site, it puts a strain on the web server’s resources. Because of this, some web hosts impose limits to the amount of monthly data transfer they will allow before you are charged an extra fee for additional “traffic”. If your web site is large and heavy on graphics, select a hosting package that will allow 100 GB or more of data transfer. Some hosts offer unlimited data transfer as well.

**Secure Server** – Secure or encrypted server space is needed if you are collecting credit card numbers or other sensitive information from your web site visitors/customers. If you don’t have a secure space on your web server to collect this information, it is vulnerable to theft. Avoid potential liability issues by making sure you have secure server space.

**Shopping Cart System** – If your plan is to have an e-commerce business, you will need to make sure that your web-hosting package supports a shopping cart system. The shopping cart system will allow you to easily upload and manage the products on your site. Shopping cart systems can range from the very simple, which allow you to simply add products, prices, and descriptions, to the complex, which includes cross-selling functionality, inventory management, and ability to offer discounts and promotional pricing. Some web hosting packages will include a simple shopping cart system, however, if the included system does not meet your needs, you can also purchase one separately. APA Business Consulting, Inc. recommends that you use Intuit and have you ecommerce site work with your POS (Point of Sale) Intuit QuickBooks system so your inventory control and your bookkeeping is consistent. If you are selling goods this will be an extremely useful tool and will save you headaches.

### **Reliability**

If there is one thing that is crucial to your online business, it is that users should be able

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to access your web site 24/7. Select a web hosting service with a reliability guarantee. This is usually represented as a guarantee on “uptime”. Good web hosting companies will have a 99%+ uptime guarantee.

### **Access to Technical Support**

All web hosting packages will come with access to technical support staff, however, you want to check how easy it is to get in contact with tech support and how fast they respond to problems or questions. Look for a hosting service with easy access to tech support and with a quick response guarantee. Test this service before you commit. Trust us many clients sign up for a service thinking there will be good customer service and find out it’s a message board, not a phone number and no direct email. Check this out before committing!

If your web site requires more space or features than is available through “shared” hosting plans (most hosting plans are shared hosting, meaning you are sharing space on the server’s hard drive with other customers), then you may want to consider a “dedicated” hosting service.

A dedicated hosting service will provide you with your own server and hard drive and allow you to install more features. A dedicated hosting service can run you 10 times as much as a shared hosting package.

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Congratulations! You have now become a smarter consumer and business owner for your online business and I hope feel more confident to shop around for your website options.

For any assistance please email APA Business Consulting, Inc. at [info@apaconsulting.biz](mailto:info@apaconsulting.biz)

We hope you found this to be a helpful handbook and will come back to us for other free resources.