



## Etsy + Entrepreneurship = Etsy-preneurship

### The World of Etsy

Etsy.com is a place where e-commerce has a heart. Since 2005, Etsy has been, and continues to be, the place to buy and sell hand-made, vintage, and craft supplies. It is a community of commerce—crafters, artists, entrepreneurship, hipsters, nerds, moms, dads, grandmas, grandpas, kids, and collectives all call Etsy their home. Etsy is where creativity and commerce are linked together, and opportunities for businesses are ripe!

According to its website, Etsy's mission statement is “. . . to empower people to change the way the global economy works. We see a world in which very-very small businesses have much-much more sway in shaping the economy, local living economies are thriving everywhere, and people value authorship and provenance as much as price and convenience. We are bringing heart to commerce and making the world more fair, more sustainable, and more fun.”

I personally know the power that Etsy brings to individuals who call Etsy their virtual storefront. Etsy provides freedom to succeed or fail in a business venture without breaking the bank. Crafters used to rely only on craft shows and boutiques to sell their products; while these are still important sales diversification revenue streams, Etsy opens the door to building something better. Etsy gives you a way to

make sales around the world, build your business brand, and do it in a safe and encouraging environment. Selling on Etsy usually starts as a microbusiness, but can quickly grow into something more.

Etsy is booming! In just the one month of December 2011, more than 3.3 million items were sold on Etsy—with a value of \$69.8 million! In that month, about 789,000 new members joined Etsy. The worldwide economy is hungry for commerce that is different. People are tired of giving gifts that are corporate-cookie-cutter look-alikes. Handmade and vintage is unique, original, and memorable. Behind every handmade and vintage item is a person—a person with passion and a story—not assembly lines, manufacturers, or corporate identities.



Etsy's popularity is not slowing down. If you are or plan to be an Etsy seller, now is the time to claim your percentage of this market share. Creativity and quality are rewarded with success. Thousands of unclaimed craft and vintage niches are waiting for sellers to control, but creativity, crafting ability, and passion take you only so far—to be a lasting success, an Etsy seller must have a solid business foundation. Without a strong entrepreneurial foundation, Etsy businesses are not sustainable.

## Entrepreneurship Is for You

Starting a business is not only for those individuals who have an MBA, hang out with venture capitalists, or are extreme risk takers. I firmly

believe that most people should be small business owners at some point in their lives! Every person has creativity and untapped potential to make the world a better place through their respective businesses. In fact, I believe every person has a role in the global economy's future success by starting and running his or her own small business.

Starting and running your own business is an exciting adventure—it shows your passion. Etsy sellers start their businesses for a variety of reasons, including:

- The need for a productive and creative crafting outlet
- To make additional money to pay off debt, save for a vacation, or achieve other financial goals
- To take the first step toward quitting their day job
- To work for themselves
- Because they love buying things on Etsy and think they can sell, too!

There are just as many reasons for starting an Etsy business as there are Etsy sellers. No matter what your reasons are, I'm here to tell you, "Go for it! You can do it!" I've helped thousands of sellers start legal, legitimate, and sustainable businesses on Etsy, and I'm going to help you do it, too. Starting and running a business can be a little intimidating, but the way to overcome this fear is with the proper knowledge, tools, and guidance. I take great joy in empowering others to create businesses that are sustainable, thriving, and provide joy for years to come. I will teach you the art and science of Etsy-preneurship!

## **Etsy-preneurship Defined**

Etsy + entrepreneurship = Etsy-preneurship. This is the formula for the operational success of your business. Etsy-preneurship is the adventure you are about to embark on or are currently embracing.

Since 2007, I've been in conversation with every type of Etsy seller that seems to exist, selling everything imaginable, all unique and different. Not so unique are the business-related questions I am asked. Most Etsy sellers have the crafting side of their business down well. I am always amazed at the new items I see for sale on Etsy! You already have the "Etsy" part of the formula—amazing crafting, artistic, and design skills.

Of course, there are components to this side of your business that you may want to improve on. If you are like most Etsy sellers, you are more confident in your crafting abilities than in your business skills.

The “Entrepreneurship” part of this formula includes the business foundations that make your creations soar! Over the years, through hearing and answering thousands of Etsy sellers’ business-related questions, I know what it takes to build a successful business on Etsy. I have created a model, or method, on which businesses can thrive! My motto has always been, “Helping your Etsy shop thrive!” I want to help *your* business thrive!

## The Etsy-preneurship Model

The Etsy-preneurship model will help your Etsy shop thrive! The following topics will help you build a firm business foundation, which will create success for you and your business. Tips and tricks are helpful, but a rock-solid foundation will help you build a business that will last. Each chapter of the remainder of this book corresponds to the following Etsy-preneurship model.



### CREATING A BUSINESS PLAN

If you do not have an initial business plan, you are setting yourself up to fail. A business plan gives you a fighting chance at success. Planning in your head is not good enough. The process of putting it into written words really does make a difference, because it often shows so-called good ideas to be impractical and helps develop weak ideas into blockbusters of success.

**BOOKKEEPING**

The first time you spend or receive your money related to your business, a transaction has occurred and the need for bookkeeping has begun. Etsy sellers who sweep this administrative task under the rug to worry about later are asking for trouble. Good, simple, and practical bookkeeping systems help Etsy sellers are able to better price their products, make smarter business decisions, and meet tax obligations that all Etsy sellers face.

**TAXES**

Death and taxes—you know the spiel! All Etsy sellers have tax obligations, even if they consider their business a hobby! The tax law may seem confusing, but it is manageable in bite-sized pieces. I will help you cut through to the parts that impact most Etsy sellers and explain the tax code in everyday language. As a CPA, the tax code is something I read regularly. It isn't always fun, but it is necessary. Having a basic understanding of the tax laws that face your business will make you feel more confident, especially when an IRS agent is sitting across from you asking about your Etsy business during an audit!

**FINANCES**

Running a successful business is dependent upon making good financial decisions. The way you manage your cash, bank accounts, PayPal account, and budgeting is just as important as performing your craft with great skill. I will reveal financial tips to help your business thrive, as well as the financial nightmares that you can easily avoid with a little foresight.

**LEGAL**

There is only one way to run your Etsy business—legally! Knowing the law gives you confidence to run a business well. There are legal implications regarding how you form your business, contracts you enter, and business insurance. Intellectual property (copyrights, trademarks, patents) are a hot topic for Etsy sellers. The law protects you, your business, and your creations. Legal knowledge empowers you and your business.

**OPERATIONS**

Operations are the day-to-day activities that make up your business. Consistency and standards are your friends when dealing with shipping, producing your products, photographing your products, managing your Etsy shop, managing your inventory, scheduling, and more. Solid operations set clear expectations for you and your customers to rely on. Stable operations that are sustainable will help prevent you and your business from burning out.

**MARKETING**

Just because you list your product on Etsy does not mean it will automatically sell. Sometimes this happens, but it is not the norm. Marketing is where creativity gets to shine, but without the proper marketing framework and disciplines, your business will be all over the place and without focus. Marketing is an art that requires a little science to make its impact most effective.

**ETSY COMMUNITY: 40 ETSY TIPS, TRICKS, AND NUGGETS**

The Etsy community is special. Most of the corporate business world is a dog-eat-dog environment, but the Etsy community is different. Etsy sellers help other Etsy sellers—yes, even direct competitors sometimes help direct competitors! Relying on the communal tips, advice, and wisdom from those who have gone before you and are in the same journey with you is a treasure chest of gold nuggets! Together, we will begin digging into these tips, advice, and wisdom and explore where to find more.

**PRACTICING BUSINESS SELF-DEVELOPMENT**

The fact that you are reading this book shows that you value developing yourself and your business. You must grow personally in the components you already know about business. This does not happen magically, but rather with intentionality. Business self-development is the water, fertilizer, and fertile soil that will help your business grow faster. It will also help you avoid costly mistakes. Together, we will look at the most helpful resources available for Etsy sellers.

**NEXT STEPS AND ADVANCED APPLICATION STUDIES**

Finally, you will be encouraged by the stories of a few Etsy sellers, and you can plan your next steps toward creating a thriving business.

I have also included two advanced application studies that can help both newbie and experienced Etsy sellers improve their business by looking within their own shop and at the Etsy marketplace as a whole.

## My Etsy-preneurship Story

My wife, Katie, started selling on Etsy in 2007, thus beginning her Etsy-preneurship story. She loves babies, had worked with babies in her job, and naturally started making baby-related handmade products. She sewed burp cloths, baby bibs, diaper bags, and the cutest little baby girl dresses and jackets! She started her Etsy shop as a way to be able to work from home and not take on a full-time job. During this time, we were saving money to purchase our first home, with hopes of soon expanding our own family with little ones to use all these cute things, too!

During this time, we learned our way around Etsy: buying raw materials, making products, taking pictures, writing product descriptions, pricing products, shipping products, and all the other fun Etsy activities (posting in the forums, Etsy blogs, and Etsy teams). It did not take long to realize, “Whoa, we are starting our own business here! What about the legal requirements of running our own business? What about the tax implications? What will we use for a bookkeeping system? Oh, we need a business plan, too! And wait, we don’t even have a business-only bank account! What will our day-to-day operations look like?” This is where my Etsy-preneurship story begins.

I have an undergraduate degree in accounting and a master’s degree in accountancy from Baylor University. I am a Certified Public Accountant (CPA) and Certified Treasury Professional (CTP). I have worked as an international accountant, financial reporting manager, and treasury professional. I have also always been passionate about finance and entrepreneurship—saving money in a tiny jar at the encouragement of my grannie at a young age, buying candy and marking it up for a profit as a freshman in high school, and, with a friend, starting and running a lawn care service in high school and college. Business and finances are part of who I am, and I saw an opportunity to help my wife make her business succeed.

I started out by building a bookkeeping system to help her keep track of her sales, purchases, and inventory. We started using it to track

her finances, and then I had my “aha” moment: If my wife needed this bookkeeping system, other Etsy sellers did, too. I made the system a little more user-friendly and robust and opened my own Etsy shop to sell it to other Etsy sellers. The shop’s name is JJMFinance, where I still sell and am part of the Etsy community.

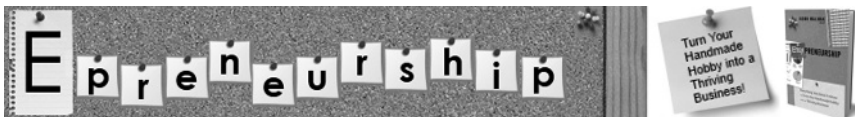


The first time I listed my bookkeeping system on Etsy, I was nervous! I remember looking at the pictures, reading the description over and over, wondering whether what I was putting up there was good enough. A few days later, it sold! I was so excited! After a few more days, I received my first positive feedback. I was hooked!

I began reading Etsy sellers’ business-related questions in the forums and answering them. Then I started getting more *convos* (conversations, or messages from Etsy sellers) with various business questions. Soon, I started creating more products to help address these additional business questions.

I got involved with Handmadeology.com (“The Science of Handmade”), which helps Etsy sellers run their business. Also, I am a contributing editor for Handmadeology Pro, a member-only site that provides instructional videos, e-books, and spreadsheet tools to Etsy sellers.

I also provide business advice for Etsy sellers through Etsy-preneurship.com and my related Etsy shop, Epreneurship.



This is my Etsy-preneurship story over the past six years. I love Etsy and Etsy sellers!



## Instructions for Etsy-preneurship.com and Accessing Digital Downloads

Each chapter in this book has one or more digital downloads that can be downloaded at [etsy-preneurship.com](http://etsy-preneurship.com). On this site, each chapter has a specific web page with information outlining that chapter's topic, including videos, useful links, downloadable spreadsheet tools, and other helpful information. Accessing this information is paramount to completing your study of Etsy-preneurship. When prompted, as you are downloading each chapter's supplement, simply enter the password located in the back of your book. As you read through this book, here are the steps I suggest you follow:

1. Read a chapter.
2. View the specific web page for that chapter on [www.etsy-preneurship.com](http://www.etsy-preneurship.com) to watch related videos, read supplemental material, and become more knowledgeable about the specific business foundation you are learning about.
3. Download the chapter's supplemental content (spreadsheet, printable PDF form, or e-book)—available at [www.etsy-preneurship.com/downloads](http://www.etsy-preneurship.com/downloads).
4. Work through the supplemental content, and then proceed with the same steps for the next chapter, working your way through the entire book.

All spreadsheets are designed for use in Excel 2007 (and higher) products on a PC for maximum functionality. The spreadsheets might work on earlier versions of Excel, but with possible changes in functionality and formatting. Google Docs, Openoffice.org, and other spreadsheet programs may or may not operate these spreadsheets correctly. For those Etsy-preneurship readers who do not have a spreadsheet system that will open these files, I have also provided printable downloadable PDF files. Every computer should be able to open PDF files using Adobe Reader (<http://get.adobe.com/reader/>).

For all downloads, I suggest you save an initial copy that you keep as a permanent copy and then save a second version of the file with a new filename for your working copy. I have left all formulas unprotected in these spreadsheets so you can customize them as you see fit. You do not need to know how to operate a spreadsheet program to

use these tools. I have designed them in a way that, if you can navigate the web, you should be able to navigate the spreadsheets. At the end of each chapter, I will provide any special instructions or teachings related to that chapter's specific download.

## **Download: Mission, Vision, Values, and Competency Statements**

The first step toward practicing Etsy-preneurship is to know the “why” behind your business. The “why” behind your business can be found in four statements: the mission statement, the vision statement, the values statement, and the competency statement. These four statements can sound a little stuffy, but I have found them to be very helpful to focus small business owners on what their business is really about. These four statements will help make up the first section of your business plan.

### **MISSION STATEMENT**

A mission statement defines the purpose of your business. It is a high-level goal that provides context and guidance to help you make future business decisions. It shows the aims of your business. The mission statement is broad enough to grow with your business, wherever it might take you years from now. Mission statements are for both you and your customers to read. It tells a customer why you are in business and is a form of your business brand. A mission statement is a type of philosophy you can fall back on when you are uncertain about a direction your business is taking. Here are a couple examples of Etsy sellers' mission statements:

*Coil and Flame designs and creates miniature pieces of art in jewelry form using sterling silver with mixed metals and gemstones. Each finished design is a one-of-a-kind or limited production piece that is a jewelry wardrobe investment for the discerning customer. Through online sales, home parties, and local networks, we maintain and attract customers with exceptional quality and service.*

—Coil and Flame, by DLPom LLC

*The purpose of my business is to share how I view the world through photography. Photography is a passion. With the advent of the digital age, I use my trained eye through the monitor of my digital camera, taking advantage of color saturations, macro close-ups, and the full range of editing. It is of utmost importance that any business*

*transactions are for the customer. Whatever I can do to assure a positive experience for the customer is exactly what will happen.*

—Lilleypics by Amy Lilley

### VISION STATEMENT

A vision statement is like looking into the future through a window you never looked out of before. What do you see? It provides inspiration to you by revealing your hopes and dreams for your business. It is bigger than a year in the future: It is what your business looks like 5 or 10 years from now. A vision statement should make you want to get out of bed in the morning and get right to work. Passion is poking itself into the vision statement. A vision statement is not typically seen by your customers, but is for your eyes only. Following are some examples of Etsy sellers' vision statements:

*Coil and Flame's handmade jewelry business will be a recognized name in North America for modernly classic, sterling, and mixed metal jewelry designs. Visibility and demand of innovative jewelry designs will be increased through a presence in galleries and juried shows, ultimately growing the small business into a full-time venture.*

—Coil and Flame, by DLPom LLC

*My vision for my Etsy shop, Lilleypics is expansive. It is my hope to see my work, art, and photography broaden in depth and width over the next five years. Having just relocated to Colorado from New England, my inner and outer landscapes feel like they are being colored with a very, very broad brushstroke. Looking forward is easy, as every day is a new, awe-inspiring adventure for my eyes!*

—Lilleypics, by Amy Lilley

### VALUES STATEMENT

A values statement defines what behaviors are important to you as you run your business. It defines your core traits. These core traits then help you represent your highest priorities. Your personal beliefs can also influence your values. Your values will help you define how you spend your time and with what type of attitude.

My business values are *excellence*, *integrity*, and *service*. I value a lot of other traits, but these are the few I focus on. I believe that if you choose too many values, none of them will be evident in your business. Other popular business values include honesty, love, kindness, patience, humility, persistence, wisdom, courage, flexibility, optimism, fun, compassion,

learning, generosity, dignity, respect, loyalty, innovation, customer service, creativity, discipline, communication, reliability, responsibility, quality, timeliness, orderliness, accuracy, and hundreds of others.

### COMPETENCY STATEMENT

A competency statement is a list of what you do well that makes your business distinct. These strengths can be things that set you and your business apart from other individuals and their businesses. These competencies are not always unique, but they are not easy to duplicate. Your competencies help your customers build additional trust in you, your products, and your business. Competencies can give your business a competitive advantage over other businesses.

Some of my business competencies include small business consultation, taxes, bookkeeping, customer service, and teaching. Other business competencies might include skills or strengths you have. Your competencies can include specific skills related to your craft, your eye for design, photography or literary abilities, or even business acumen.

### DOWNLOAD INSTRUCTIONS



**Mission, Vision, Values, and Competency Statement** *Write your statements in the gray boxes below.*

Write your mission statement below:

Write your vision statement below:

Write your values statement below:

Write your competency statement below:

Note: To download this document, please go to [www.etsy-preneurship.com/downloads](http://www.etsy-preneurship.com/downloads).

Access the download and write your four statements. These four statements will also serve as the first of five total parts of your business plan.