

Chapter 1

Micro-Entrepreneurship 101: Just the Basics, Please

In This Chapter

- ▶ Getting a clear picture of micro-entrepreneurship
 - ▶ Identifying the different types of businesses you can choose
 - ▶ Marketing your business
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As the economy continues to struggle, and enterprises both big and small need to become leaner and meaner, an environment has emerged for the micro-entrepreneur. Micro-entrepreneurships are smaller and more nimble and come in a variety of enterprises, ranging from a single person working from home to a few people working out of an office. When large companies need work done and they don't have the wherewithal to hire a conventional employee, they're more likely to work with a micro-entrepreneur.

From 2008 to 2012, a major structural change occurred with the US economy. Standard full-time employment is no longer a given; millions of jobs were wiped out due to a variety of developments, ranging from the popping of the housing bubble (which wiped out hundreds of thousands of construction and real estate-related jobs), to financial firm bankruptcies (Bear Stearns, Lehman Brothers, and so on), to thousands of companies going out of business or drastically cutting back. Millions lost jobs — jobs that could take decades to regain. In the meanwhile, businesses across the economic landscape have been forced to be more efficient and more austere. Consumers also pulled back on spending, and frugality became the rule and not the exception.

Fortunately, adversity can bring opportunity. Many companies (and consumers) that needed products and services (but couldn't afford the typical vendors and employees to provide these wants and needs) turned to micro-entrepreneurs. Having a service done by a single mom from home, for example, was more cost-effective than hiring an employee, especially if it was a relatively small assignment. In this arrangement, the company saved money, and the micro-entrepreneur working from home received a nice paycheck. Similar conditions paved the way for innovative, small firms

(whether they were a single person working from home or a firm of several employees that were home-based); the micro-entrepreneurship arrived.

This chapter serves as your steppingstone into the world of micro-entrepreneurship. Here I explain the ins and outs of what being a micro-entrepreneur really means, the different types of business you may want to pursue as a micro-entrepreneur, and my suggestions for making your business noticed (and successful). I also point out a few tax and legal issues you need to know. After reading this chapter, you'll have a basic understanding and can delve deeper into this book for whatever specific topic interests you.

Understanding What Being a Micro-Entrepreneur Means

Being a micro-entrepreneur may mean different things to different people; however, the concept of what one is and what one does really isn't that difficult. A *micro-entrepreneur* is someone who has launched and managed a small business (typically at home, but could also be at a formal business location) and is seeking to expand its profitability. Some define a micro-entrepreneurship as a small enterprise that ranges from a one-person, home-based operation to one that has up to five employees. I specifically define a micro-entrepreneurship as one that starts initially as a one-person operation that may expand with the use of contractors (outsourcing) and potentially future employees. The employees (if they're hired) are primarily home-based to save on the need to obtain office space. I take the "micro" part seriously (especially in a difficult economy where saving on expenses is vital).

Before you tackle any type of business, including a micro-business, you need to do certain things, so that when you do tackle it, you succeed. In these sections, I make sure you know what you're getting involved with so you know which business path you need to take.

Following your path to be a micro-entrepreneur

When you're ready to embark on your ambitious path to be a successful businessperson, you do the same thing a soon-to-be traveler does. You get a map and chart your course to your destination — okay, well, sort of.

As a micro-entrepreneur, your map and travel instructions are actually laid out in this book. I provide all of the major considerations for a successful small business from start-up considerations to marketing and other growth issues. When I first started my micro-enterprise in 1981, I could have used a road map like this book to help me plot my path forward. I could have avoided some pitfalls along the way and also taken advantage of opportunities much sooner.



In order to be successful, micro-entrepreneurs create a business plan so they can think through what they will do to ensure greater success with their venture. Chapter 2 helps you put together your business plan and much more. Don't just sit there . . . it's time to plan for your success.

Figuring out whether you have what it takes to be a micro-entrepreneur

Because you're reading this book, you have what it takes to be a micro-entrepreneur. You have the desire, which is the first criterion for being a micro-entrepreneur. You want to succeed, right? In addition to desire, initially look at these four *Es* and the related questions to see if you have what it takes:

- ✓ **Enjoyment:** What do you really enjoy doing?
- ✓ **Experience:** What do you have plenty of experience in?
- ✓ **Education:** What have you learned extensively or proficiently during your years in school (including college)?
- ✓ **Expertise:** What are you really competent in? What are you the go-to person for?

These questions tap into just the top layer of traits you need to consider. Chapter 3 discusses many more questions to help you figure out what makes you (yes, you, the micro-entrepreneur) tick.

Recognizing potential opportunities

To identify opportunities for your micro-entrepreneur business, having a presence on the Internet is beyond a must. In fact, it should be considered mandatory for every micro-entrepreneur. The best (and most common) ways to have an online presence is with a website and/or a blog. Chapter 4 explains how you can create this presence (and do so inexpensively and even for free).

With the Internet's help, finding opportunities to make money in a topic or niche that you like is easy and even fun. I am not kidding about the fun; the niche you're in needs to be enjoyable so that you have what it takes to persevere in the area of your interest. Because hundreds of viable categories exist for you to profit from, you want to make sure you locate opportunities in the right way and then specialize in them so that you can stand out in your area of expertise. Chapter 5 shows you how to find these opportunities.

Deciding What Type of Business Works for You

If you think that there isn't a business or money-earning approach right for you, then you aren't really looking hard enough. There are plenty of ways you can succeed as a micro-entrepreneur. Just as there are different diets for different weight-conscious folks and different financial plans for budget-conscious folks, there are different businesses for people that want to earn money.

Here are the different areas that you can create your micro-business and sell the following:

- ✔ **Arts and crafts:** If you're the creative type who enjoys a peaceful weekend afternoon creating something of beauty (or something useful or functional), then you may want to consider an arts-and-crafts business. Chapter 6 takes a closer look at what goes into creating — don't look at it as creating an object of some kind — think of it as creating something of physical and financial value. If you did a good job creating something, someone would love to buy it from you. You make money in a win-win situation. Guess what? You can do it again and again.
- ✔ **Collectibles and other stuff:** You may have extra stuff taking up space and collecting dust in your garage or attic. You can sell some of that cool stuff on online auctions, such as eBay (and an array of other auction sites), and make lots of money. Even better, you're getting rid of stuff and decluttering your life while making some money at the same time. If you want to go bigger, you can purchase collectibles on the cheap at garage sales, estate sales, and auctions and then re-sell them online. Find out more about the auction business in Chapter 7.
- ✔ **Your services:** I don't think it's an odd thing to say that people are here in this world to serve someone. Whether you serve a boss, a customer, your country, or your family, the idea of service is (or should be) part of being human. For micro-entrepreneurs, service is at the heart to

a win-win scenario. To get paid, give your customers value by giving them some type of service to earn that money. Therefore, no matter who you are, you can be of service to someone and make a profit doing it. Whether you're designing a nuclear power plant or simply cleaning someone's closet, you can make money. Chapter 8 explains how to do so.

✓ **Written word:** If you can draft clear ideas on paper, you can make some good money, part-time or full-time, writing for all sorts of organizations that need this type of content. Some of them are offline (like magazines) while many are online (gazillions of websites and blogs). Refer to Chapter 9 on how writing can be a great business for you.

✓ **Information products:** You can also produce your own information products, such as a book, report, newsletter, audio product (like a CD or podcast), or a video product. In today's world, anyone can become a self-publisher, which is very exciting.

When I first started in business (some time after the Cretaceous Period in 1981), self-publishing was difficult unless you paid good money to graphic artists, book printing firms, and so on. Thankfully, technology has changed for the better. If you have knowledge and information to share (or even something fictional like a short story or novel), you can easily become a self-publisher. Chapter 10 provides more detail.

✓ **Other people's products:** You don't have to make money by creating your own stuff. Being creative and making physical or information products may not be your idea of a fun time. Maybe you want to make money by selling someone else's stuff. Thousands of products are available for sale, and you can get a piece of that action by becoming an affiliate. An *affiliate* means that you make commissions or referral fees by helping established companies sell their products and services. In fact, being an affiliate is big business on the Internet! You can find out more in Chapter 11 about affiliate work.

✓ **Advertising:** You can make money from advertising. Tons of websites and blogs allow advertisers to put ads on their sites. In return, those advertisers pay money — even for actions as seemingly tiny as clicking a link. Take a look because it's all over the Internet. You may as well make money, too. Chapter 12 includes the details.

Making Your Micro-Business Noticeable

Operating all businesses (give or take) can be boiled down to two phases: the set-up phase (which I cover in Parts I and II) and the marketing phase. Marketing simply means how you find folks (your *target market*) who are willing and able to buy what you're offering so you can make money (of course, at a profit).

The following sections help you grapple with the single toughest topic for most businesses (but especially for small businesses and micro-entrepreneurs like you and me): marketing.

Advertising your services or products

Getting people to notice your business and the services and products you sell isn't always easy, but it's an important aspect of being a micro-entrepreneur, if you want your business to be successful. The second half of Chapter 12 gives you an in-depth taste of how to advertise your business so your customers know about you and where to find you.

Identifying your market

An essential aspect of marketing is knowing who your market is. In other words, you need to know who you're selling to and who your best customers are. You can then use this information to better offer your products and services. The more you know about which customers are your target market is and where they are, the more successful you'll be. The best way to discover this information is by conducting market research. I discuss how to perform market research and how to focus on your target market in Chapter 13.

Communicating with your clients

Selling to your customers boils down to persuasive communication. After all, if you want their money, you need to be able to persuade them that buying your stuff is one of the best things they could do. This persuasion can either be spoken (over the phone or in person) or written (such as in an email or sales letter). How you do it can increase your chance of success. Check out Chapter 14 for more specific how-to information to be more persuasive with your customers.

Marketing your business

Wouldn't it be great if customers just found you and bought your product or service? That would make life and running a business much easier. Business owners spend so much time looking for customers that it would be good for a change if they were looking for you. The way you market your business can take some of the pressure off you.



Here are some great ways you can market your business:

- ✓ **Search engines:** Fortunately, today is the age of search engines, such as Google, Bing, Yahoo!, and so on, that can help arrange just such a transaction. Find out how search engines tick so you can use them to your advantage. The more you know how they work and what strategies and resources to use, the closer you'll come to having your customers find you. Chapter 15 gives you the nitty gritty.
- ✓ **Ezines and blogs:** You can market your business by building a list of folks and keeping them informed through either an *ezine* (an online newsletter) or a blog. This tried-and-true method has worked well for many and can work for you. Check out Chapter 16 for more opportunities with these methods.
- ✓ **Social media:** Facebook and Twitter are just the tip of the social media iceberg. You can use them to strategize and make a profit and still have a piña colada (near your laptop or smartphone to monitor the situation). Chapter 17 has lots of resources and strategies to help you profit. With that, I think you will “like” this chapter.
- ✓ **Other avenues:** As the author of *Zero-Cost Marketing*, I love it when micro-entrepreneurs can boot-strap their way to financial success with marketing methods that cost nothing. Instead of expensive marketing and advertising, the nimble micro-entrepreneur can do methods that only require time, effort, and initiative. Chapter 18 covers some very effective marketing methods, such as article marketing, publicity, and forum marketing.

Being Aware of Taxes and Other Issues

Growing your income and your business to new levels means new things to deal with. Knowing how to handle these issues is important to protect your business interests. These sections can help you with your growing pains with tax and other legal issues that may pop up.

Getting others to help you in your business

You can't grow to the next level with your business if you're doing everything. Fortunately, in today's economy, many helping hands are waiting for you and at pretty reasonable rates.

Outsourcing (using outside contractors to perform non-core business activities to save the company time and/or money or to add efficiency or take advantage of technical knowledge) used to be something that only big companies were involved with. Small or home-based businesses were small enough that hired help either wasn't necessary or was too costly to consider. Today is a different world.

Outsourcing is available even to you, toiling away in the dead of night. You can get help with many tasks — even from experts in their field for a fraction of the cost (or at least, less than you think). Check out outsourcing in Chapter 19 (you can thank me later).

Growing your business

If you want to go from being a micro-entrepreneur to being a macro-entrepreneur (you know, hit it big), where you have franchises or dealerships that you can sell across the country or globe, you want to be able to take advantage of things that many entrepreneurs aren't even aware of. A good example is using service marks to add more profit to your bottom line. In addition, imagine making a six- or seven-figure profit when you sell your micro-entrepreneurship business (how cool would that be?).

Chapter 20 has more about service marks. A *service mark* is a word, phrase, name, or symbol that is legally registered to represent an exclusive service or service company and makes it so that others can't copy it without getting formal permission from the company. If these methods work out and you get the chance to rub elbows with Donald Trump, you can send me a case of lobster tails (Mrs. Mladjenovic loves seafood).

Tackling taxes (but fortunately no death)

Whether you're a small, one-person operation operating from home or a bigger business down at the corporate part of town, you have to deal with taxes, regulations, and other government creations that businesses (and their customers) have to deal with.

Whenever you're talking profit, you're also talking taxes. Each business's taxes are unique, including what you can deduct and can't deduct, so talk with an accountant who can help you deal with them.

You also have to figure out your business structure. Your choices include sole proprietor, LLC, or something else? For answers and resources on the issue of taxes (and related legal matters), go to Chapter 21.

