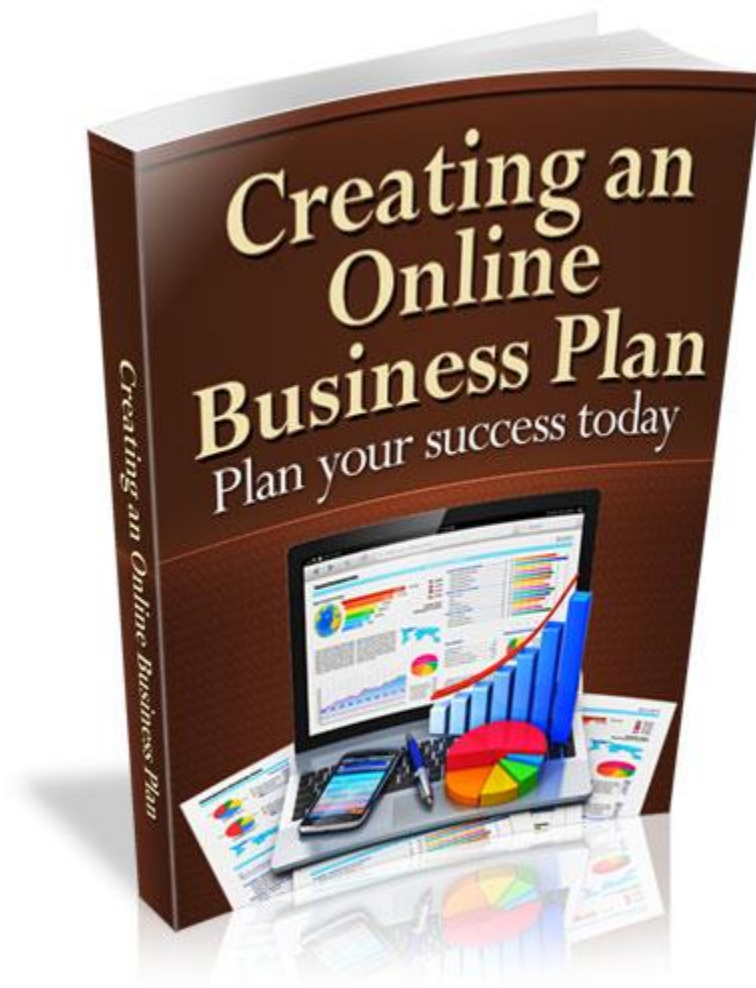


Creating an Online Business Plan



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Your Organization Breakdown in Your Online Business Plan

Your online business plan needs to make sure it addresses the management and administration structure – in other words your organization’s breakdown. Online businesses often have a simpler organization structure than a traditional business, but that’s not always the case, and it must be clearly defined.

You will need to cover the management structure and ownership of your business. It’s okay if one person fills a number of roles. Online businesses that are starting up often don’t have more than one or two people running the whole business.

During the startup period, the owner is not going to be receiving a paycheck or any benefits. Initially owner salaries are going to be figured out based on the profitability of the company but they should never be more than fifty percent of the profit of the business.

If the company is limited, there will be the distribution of shares among the owners. That could be one person, two people or more, but the breakdown needs to be included in the business plan so potential investors know and understand the business structure.

You will also need to include the managerial style that you plan to use. This should be broken out so that not just investors but business owners can stay on track and later compare.

- * Communication - Communication will be mainly through, i.e. email, texting, oral, etc.
- * Decisions Making - Who is going to be the final decision maker for all the decisions pertaining to your business.
- * Project Management –There are different styles. You should define what style you are going to use. For example, all project management will be defined by the PMI PMBOK standards.
- * Record Keeping – The company will use <insert accounting package name> to manage our financial records.

You will need to define the management structure. For example, Person A will be President, Director of Marketing, and Director of IT. Person B will be Director of Operations, Director of Finance. You are then going to define what the responsibilities are in each of those positions that a person holds. Be clear and concise when describing these roles, because you will be using this yourself in running your business.

The organization breakdown is going to look very different from one business to the next, so make sure that you take the time to properly define what your business organization is going to look like.

Your Online Business Plan Must Measure the Market and Metrics

You are going to want to specifically focus on the users and your demographics that you plan to hit with your new online business and how your costs and price compare to what the market is currently willing to pay for the product or service you are going to offer.

It's here that you are going to take the time to make a list of your current competition along with what you feel they are doing correctly and what they are doing wrong. This is one of the most important sections for luring lenders and investors on-board with your plan. If you aren't able to show that you have an idea that's innovative and that you also have the marketing strategy to shoot you forward, you'll have difficulty getting any investment interest.

In the business landscape today, your ideas need to also make sure to include social media strategies such as Twitter, Facebook, LinkedIn, etc. Your business personality needs to shine through here and if you know the magic to help this happen in social media, you are definitely on the right path. When you are able to locate influencers that's how you will discover those people who are linked to what you have to offer or who can help you to identify the impact you will have on society.

Online entrepreneurs are lucky to be able to make use of metrics. This is something that businesses in the past did not have access to. This instantly lets you measure how your business is doing. It shows how successful you are in a very inexpensive and practical manner. These are very easy to obtain.

Sure, it's nice to read what your online customers are saying; however, this does not tell you whether a person is actually buying the product you have to offer. The easiest and most effective way to measure success is by paying attention to how your business is performing with those individuals that you have already established a relationship with. This will give you some good feedback about just how effective your online business actually is.

It's important that your business plan pays adequate attention to those marketing factors in combination with the use of metrics to ensure that your marketing is actually working the way you believed it would. Remember once you look at your metrics, this is a good time to 'fine tune' any necessary changes that you think you need to make.

Online Business Plan Needs to Include Your Management and Financial Summary

You are creating your business plan for your online business and like all business plans there are a number of sections you need to put together to ensure you have a plan you can follow to keep your business on track and headed for successes. You may be surprised to learn that many business plans come up short in their management and financial summary. Perhaps this is simply because they are unsure.

Start by creating an outline of what type of experience you want to see your management team have. How many people you envision on your management team, the individual roles that they will have and what their responsibilities will be individually and as a team.

Think of the management summary as hiring resume where you can easily see the qualifications you are looking for, the work history of those that will be involved in the startup of your business. If it's a smaller venture like so many online businesses are, you may have to wear many different hats yourself and improve your skills in some areas. You may not have the luxury of having many people on your management team and so in these instances, in addition to you having to have a wide range of skills, the people you do hire may have to be able to perform a broader range of tasks.

In addition to taking the time to outline what your management team will look like you need to also address any financing that you have put into place and that's ready to go for your startup. Your working capital is critical to your startup. How much working capital you need will depend on your specific venture. Some companies have little to no stock on hand while others carry huge amounts.

Sales and revenues are established by you for the business plan; however, we all that these projections can be way off if the person creating the business plan isn't being realistic, so try to keep it real. Your business plan is also going to establish how much capital you already have and what your operating costs will be.

What's nice about an online business, is that if you don't any sales yet so you can't provide solid sales numbers, you can get your website up and running, go live, get things moving on the site in a practical way that's closer to reality and then show the potential investors what you are making and what you're spending.

Bottom line – make sure your business plan thoroughly details your management and financial needs.

Online Business Plan – What's The Right Business to Build

Don't even consider creating your formal business plan until you are actually ready to use it. The business plan of today for online businesses is far less formal than it used to be and it is far more practical. Does each section of your business plan when you require it and don't be too concerned about formalities?

Don't confuse this with scrapping out your business plan completely, because online entrepreneurs still need to focus on whatever their 'niche' is and their plans for getting their business both off the ground and growing.

What's in your business plan can change based on the current situation, what you will incorporate into your business plan won't change. So in other words your final destination will remain the same but how you reach that destination can change.

Steps for Creating an Online Business Plan

The internet is an extremely powerful tool for all kinds of companies and it has certainly changed the kinds of companies that will prosper. There are four key reasons for an internet site:

1. Transactional
2. Content
3. Promotional
4. Relational

These apply no matter what kind of business you are operating. Remember that your business plan is alive – that blueprint is a living, breathing entity that can help you to navigate. It can help you to manage your business, help you find potential partners or investors, help you find lenders and others who can see your business plan and easily understand it.

Your business plan will need to include an executive summary, company overview, business offering, marketing plan and marketing analysis, strategy and implementation of that strategy, what your management team will look like, and finally your financial projections.

It's important that you understand your online market and that you are able to clearly and concisely create a picture of what this will look like for those who will be reading your business plan and making decisions based on it, and who may not have a good understanding of online business opportunities.

Just because you are running, an online business or planning to start an online business does not mean that you do not need a business plan. Every viable business should have a business plan, even if they are not interested in gaining investment capital. This finely detailed plan will help you to navigate through the waters, and help you to not only get your business off the ground but also keep it successfully moving forward.

Your Business Plan for Your Online Business – Create a Review Schedule

You should never develop a business plan that doesn't have a scheduled review and today, it's more important than ever. In fact, it has become very important to do this review earlier and more frequently.

There is no point in wasting your time worrying about things like your executive summary or the language you used in your marketing analysis if you haven't taken the time to do the most important thing to actually make your business plan work. What's important is the actual planning for the future and being ready to adapt and change as needed along the way.

Your business plan is a great way to get all of your ideas and thoughts for your business onto paper in a manner that's streamlined and easy to understand. However, this one time collection of ideas and information is nothing compared to the process of your ongoing planning and it will change and morph as you move along with your business. What you believed would work may be exception or it may be a complete flop and you will need to be able to think on your feet and adapt. Your business plan can help you achieve this if you have created a review schedule that is designed to make any necessary changes.

For example, maybe the last Friday of every month is the time you will evaluate your business, your traffic flow, your customer conversion rate and your competitors. By creating a schedule there will not be the worry that you have waited too long to address any concerns or problems that have arisen.

From the very beginning at the most basic level, you must define what your business goals are. What will you be selling, where does it fit in the market, how does your price compare to your competitors? How do you plan to make money. If your site doesn't sell an actual product, you will need to define what your income source will be. For example, affiliates.

By clearly defining these areas of your business it will make it much easier during your reviews to compare how you are doing, what's working and what you should consider changing.

The online market can change quickly and having a plan in place to review your business frequently is smart business sense. Waiting just a couple of weeks too long before you do your review can be the difference between success and failure.

Build a One Page Sales Pitch

You are about to start an online business and you know it's a great idea that promises great success. You've done your homework, you've crunched the numbers and you are ready to create your business plan. Now all you need is an investor, venture capitalist or lender to step up. But how are you going to make your business proposal stand out against the many others. How are you going to make your business plan get noticed?

You want to create a professional pitch page your business on a single page. Now we've called it a sales pitch and while technically it's not a 'sales pitch' in a roundabout way it is – you want to sell investors on what you have to offer so that they are interested enough to read your entire business plan.

Your single page sales pitch can come in the form of your executive summary. Your executive summary is the last thing you write and the first thing they read. If you can't capture their interest here, you will have lost your bid to capture their interest. So make sure you are getting potential investors and others who will read your business plan excited about your business, but remember you have to make sure you aren't exaggerating or fluffing up the facts.

Instead focus on the most important facts that are in your business plan, present them in an appealing way, and point out whenever you have the opportunity why what you have is exciting and should tantalize investors. You can also create what's called a professional pitch page.

Let's have a look at what that page can include. This professional pitch page can be shared with investors, lenders, advisers and business partners.

Your pitch will let you highlight the following:

- * Your company summary
- * Any market problems
- * Solutions
- * Your established sales channels
- * Marketing activities
- * Your target market
- * Your market size
- * Your competition
- * What is your competitive advantage
- * Your funding requirements
- * The big picture for your financial projections
- * Your main milestones
- * Your team members

If you had just 60 seconds to sell your business to investors, how would you do it? What would it look like? What would you say? When you are creating your professional pitch page keep this in mind. It will help you to focus and provide the most relevant information.

The Finances of Your Business Plan for Your Online Business Success

Your business plan is an integral part of starting a successful online business, which has different demands than a traditional business. In addition, often the startup costs are much less. Of course, that does depend on what you are selling and how much stock you must invest in as well as the necessary technology.

Although a number of your projections may be based on pilot projects and statistical averages, these are recognized as the educated guesses they are. Online revenue generation is created much differently than in a traditional business. In addition to your goods/services, you will need to determine if you are going to take advantage of other revenue sources that are available.

You will also need to determine how you are going to generate the necessary traffic to create sales – are you going to use SEO, free products, advertising, etc. What are your budgets going to be? These figures need to be included in your business plan and it is important that you are realistic. If you have never had an online business before, don't guess – rather make sure you do your research and contact companies that specialize in these areas.

You will need to determine your projected cash flow, and you should assume that you will have virtually no sales in the first year of your online business. It takes time to get ranked in the search engines and established, often longer than in a traditional new business environment where people begin to wander into your storefront almost right away.

You will also need to determine what your startup fees are and what your operating budget will be.

Below is an example of what your breakdown might look like.

One time costs:

- * Business Incorporation Filing \$300
- * Register Internet Domain Names (2 years) \$50
- * Accounting Software \$300
- * Corporate Seal \$200
- * Web Hosting \$200
- * Website Design Services \$400
- * Programming \$3000

For a total one time cost of \$4450

Then there are the recurring costs per month

- * Web Hosting \$200
- * Link Building \$500

For a total of monthly recurring costs of \$700

Cash flow projections are also included in your business plan. This is a not a projection of your cost of goods or sales. This shows the financial health of your business. It shows your projection of expected cash flow. Again, be realistic.

Finally, you'll want to include your funding requirements. What do you need for start up and your first year of operations? Investors will be looking for a detailed breakdown of these numbers and how you arrived at them.

The Executive Summary of Your E-commerce Online Business Plan

The executive summary of your business plan for your online business is a key component and necessary in every business plan. However, you may be surprised to discover that rather than writing it first, you should actually write it last. That's because your executive summary should be a clear and concise summary of the information in your business plan.

It's very important that all the information in your executive summary and your business plan should be accurate and achievable. A business plan contains assumptions and projections; however, you should still be realistic and avoid 'puffery.'

The executive summary is seldom recognized for just how important it is. Too many times, companies that seek to raise capital will focus their attention on their business plan. The fact is that venture capitalists and investment bankers quite literally will review thousands of executive summaries and that is why it is important that you can grab the immediate attention of the potential investor so that they want to read your entire business plan.

You might be surprised to learn that the best way to attract the interest and attention of a potential investor to read your full business plan is to actually keep the executive summary short. Anywhere from one page to no more than three pages is good. This means you will need to pull what you think are the most important facts in your business plan to include in the summary. You will not be able to include everything you talk about in your business plan, but you will be able to include those that are most important. Discreetly choose the headings that will be most likely to gain the desired and immediate attention from the investors.

It is very important that everything you present in your executive summary is factual and matches with what will be found in the detailed business plan. It needs to be completely accurate and it must not be built on puffery. Projections need to be reasonable and achievable. There is nothing that will turn a venture capitalist or investment banker away from your project faster than an executive summary and/or business plan that are filled with puffery and exaggerations. If you are overly optimistic, you can expect your business proposal for your online business to be tossed aside. If they resemble fantasy more than reality, you will quickly lose the interest of investors.

Online Tools Make Writing Your Business Plan a Breeze

Writing a business plan can be challenging and a bit of a daunting task. Now thanks to online options it no longer has to be. You can quickly and easily create a sophisticated business plan that's ready to use with your investors or bank.

Starting a business is tough work by itself, and then you once needed to learn the art of business plan writing, which is a talent unto itself. Not anymore. Now online tools have the skills

and will do the hard work for you. All you need to do is fill in the information as you are asked for it. This is a safe and effective way to put a business plan together. Of course, you still need to have all the information available about your business.

These online tools will even remove the need to have an accountant, creating financial forecasts based on the information that you provide. Most applications will generate a Balance Sheet, Cash Flow and Income Statement, also called a Profit and Loss statement. Of course, you need to ensure that you choose the right online tool to provide the type of detail you need, as there are now several of them available.

The more people that look at your business plan the more streamlined it's going to become. Most online tools allow you to freely share your creation so that others can ask their questions and include their input to help you create a better business plan. You might invite colleagues, clients, your accountant and anyone else who could be a valuable asset.

Look for an online business plan tool that allows you to create charts and graphs, which are extremely pleasing to the viewer's eye and make information available at a quick glance. The ability to create charts is extremely important in your business plan presentation, as it will peak the reader's interest.

When you are done, many business plan writing applications will rate you on how you did – provide you with a report card of sorts. This will help you to make sure that you have covered everything you need in the business plan you've created – now is not the time to miss anything! It will also show you where you may have been weak, which gives you the opportunity to tweak things

Online business writing tools make it easy for anyone to create the business plan they need to get the backing they want.

Writing a Business Plan for Your Internet Business

A business plan is the first thing you need to do if you are starting a new business. It is designed to outline your goals, business strategies, financial goals and marketing plans. When you have a business plan in place you are taking steps to make sure that your business is on a good path, and it is also used to seek financial investors, funding, and management staff. A solid business plan is almost always found behind a successful business.

An internet business is usually operated differently than a traditional business is. However, it still needs a business plan. The difference is that the financial, management and marketing details should reflect a growing online market. Let's have a look at the 6 steps to writing a business plan.

Step #1 Write Your Business Summary

If your business operates only on the website, you should take the time to describe all of your site's aspects. Answer questions like who is going to run the business, what does it offer, who does it target, etc.

#2 Create an In-Depth Marketing Plan

Your marketing plan need for you to gather a great deal of research so that you can do this quite some time before you ever create your business plan. However, you need make sure the information hasn't become outdated by the time you incorporate it into your business plan. Include your pricing plan, your checkout options, etc.

#3 Provide the Details on Your Management Team

Explain the details of your major team members. Their duties, how much they will be paid, benefits, etc. Make sure you provide enough detail for investors to understand your management team's role.

#4 Create an In-Depth Financial Plan

This should include your startup capital, operating costs, and your profit forecast and various intervals such as 6 months, 12 months, 2 years, etc.

#5 Create a Business Schedule

Your schedule needs to include now, the immediate future and your long-term plan. This would include things like the date you are going to open the door, when employee hiring will take place, when loan will be repaid, etc.

#6 Write an Executive Summary

Write an in-depth executive summary that includes research as well as an easy to understand explanation of your business plan. Your summary should be broken down into sections and each should have its own title. This will help the information flow better for anyone who chooses to read it.

Developing an Online Business Plan

If you are creating a new online business or you are expanding your existing business onto the information highway, it's a good idea to create a business plan as part of your planning and preparations. Just like a traditional business, your online business plan needs to provide details of the venture you are proposing along with what your needs are and what you expect your results to be.

The Reason for a Business Plan

Your business plan is the proposal for your new undertaking. It is created to convince the reader to stand behind your proposed project. That includes potential investors. If you are an entrepreneur, the purpose of the plan is to grow capital from potential investors. But it does more than that. It forces you the entrepreneur to thoroughly analyze just how effective your business idea really is and makes you accountable to carry out the plan for developing your new business.

Internet Business Issues

E-commerce is fairly new and has its own challenges that aren't seen in more traditional business models. First, many people still are not aware of what the internet is or what it an offer a business. This is a relevant hurdle that needs to be overcome in the business plan for an online business.

In addition, there are resources that are taken for granted in traditional business may not be available online. For example, payment systems, demographic tracking and ad pricing are all at various stages online.

Lastly, the internet is unique in that it is constantly changing. These changes in trends are rapid and competition is tight online. You have to be on the ball if you want to be able stay in the game online.

How Much Work Will it Be?

Like any endeavor you partake in, you aren't going to invest unless you have carefully done your research and know what you are doing. There are a few online sites that offer dot com business plans – some free and some charge. You can use this, as a guideline to putting your business plan together if you feel taking it on yourself might be just a little overwhelming.

You need to know or at least have a pretty good idea of what's needed to develop an internet business plan that's a winner. The most important points include:

- * Addressing the unique environment of the internet.
- * Explaining the businesses advantage online.
- * Pointing out the potential online.
- * Keeping focused on your audience.

It's time to get busy developing your online business plan.

Don't Forget Your Exit Strategy for Your Online Business Plan

You are creating a business plan for your online business – good for you! But don't forget to make sure to include your exit strategy. This is actually as important to your business plan as the plan for your regular reviews of your business strategy. How you exit from your business is as important as how you start your business, and knowing how you or when you plan to exit is as important as knowing how or when you plan to start your business.

Your goal is to maximize what your business is worth prior to converting it to cash and to reduce the amount of time needed to accomplish this goal. This is going to look very different for each business and every individual. There is no one right answer to achieve this type of success with your business.

You need to be able to define your business before you can define your exit strategy. What is your long term goal? Are you hoping to get your site up and running and then sell it to someone, maybe even an investor? Do you have a 3-year, 5-year, 10-year project plan that you want to complete before you move on to the next venture? On the other hand, do you want to continue to run this venture as a profitable venue for years to come?

How you answer the questions here will definitely help you to define what your exit strategy will look like. It's important to give your exit strategy the time it deserves so that you can create a clear and concise exit strategy with goals and steps along the way to make reaching your exit strategy more likely to occur. Of course, don't be afraid along the way to make changes to your business plan and tweak it as necessary.

When you take the time to define these objectives early on and you incorporate them in your business plan, and you also are spending time considering your long term goals, it will help to get your company up and running and then to help you to keep your goals in focus, so that you are always paying attention to meeting these goals. In turn, this will make it much easier to create a viable exit strategy that can work for you.

So, remember when you are creating your business plan and working hard on your startup strategy, keep your exit strategy in play too!

Impress Lenders with a Professional Looking Business Plan for Your Online Business

If you are going to be looking for lenders or investors for your new online business, you are going to want to make sure that you have created an accurate, complete and professional looking business plan that reflects your business goals. After all, why would anyone want to invest if you provide a thrown together, messy business plan?

You will want to create a business plan that covers all of the aspects of your business and most lenders have come to expect a specific format in business plans. If your business proposal does not meet those expectations you might find your business plan stuck somewhere in the bottom of a pile to look at later or worse it might just make it to the trashcan. If you are not aware of the format that your lending institute or potential investors prefer, ask them, or at the very least do your homework and find out what the expectations are.

Make sure that you personalize your business plan. Businesses come in every size and shape and so do business plans. Make sure that your business plan is reflective of your business – in other words, it's as unique as your business.

If you use a standard business plan template and you simply plug into the blanks your information, do you think you will gain the interest of investors? What they will think is that if you can't be bothered to create a business plan as unique as your own business you either don't think enough about your business to put the effort in or your business isn't unique enough for them to consider investing.

Make sure that you do a very good job of your executive summary. This is a summary of all of the key points in your business report. For you, it's the last thing you should put together after you have completed your full business report, but for your potential lenders, investors or venture capitalists this is most likely the very first thing that you read. If what you put in your executive summary isn't enticing enough then it's likely that they will not bother to read the rest of your business plan. Then again, don't exaggerate or add fluff to your executive summary because potential investors will see right through that.

Impress your lenders with a professional looking business plan that makes you stand out in the crowd.

Defining Operations in Your Business Plan for Your Online Business

Your online business requires a business plan just like a traditional business does. Part of that business plan will be putting together your operations plan. Because this is an online company, your place of operation will house only the computer equipment needed to access the internet and your company files and records.

In most cases, at least in the beginning, your online business will often be located at your residence, which will minimize your startup costs. As your business becomes established and grows, there is often no advantage to having an online business in one geographic area rather than another. There is generally no need for your business to be tied to any specific physical location as shipping can occur from anywhere in the world and e-goods change ownership online.

You will need to establish how you will produce your goods or services for your business. Producing in-house can often save money. However, sometimes that's not an option for various reasons. You will need to outline the how's and why's of what you are doing in the production field.

For example, your website development will be done by a professional web building company that has experience in HTML and PHP, as well as building e-commerce sites. Search engine optimization will be done partially in-house and partially by a company that specializes in SEO. Building links will be outsourced.

Defining who will be responsible for the various components of your online business operations needs to be clearly defined and the cost associated with these tasks should also be included. This will help potential investors and lenders better understand and it will also constantly provide the guide for you in the running of your business.

You need to keep in mind that some terms that you refer to such as SEO or search engine optimization may not always be understood by potential lenders or investors; therefore, it is a good idea to clearly define what these things are and what their relevance is to your business success, otherwise an investor or lender could potentially see this as a waste of money, which is simply not so.

When you are defining, the operations of your business assume that those who will be reading your business will have no idea what you are doing or what your online business is about. In fact, assume that they do not understand the online business world at all. By doing so you will do a much better job of explaining and defining, what your business is about.

How to Write Your Business Plan for Your Online Business

The very first thing you are going to do when you decided to start a new business should be your business plan and that applies to both traditional and online business ventures. Your business plan is designed to outline your business strategies, how you plan to make your business a success, your marketing goals, your financial needs, and your overall blueprint to success.

It will be used by you as the business owner to stay on your business path and it will be used by potential investors and lenders to help them decide whether your business venture interests them, whether they think your business venture is a viable investment opportunity for them. For that reason alone, you should make sure you take the time to create the best business plan you can.

An online business is generally much different than a traditional business and your business plan needs to reflect that. In addition, your business plan must make sure that it details the nuances of your online business that investors may not be aware of or may not understand.

You can begin writing a business summary. If your business is strictly online then you need to break down all the components of operating an online business. You need to include things like what you will offer, how will you get customers, who will run your business, where will your business be located?

Next you want to create your marketing plan that will delve into the research behind your market and include pricing, markup, advertising, building your brand, etc. Make sure the information is current and relevant.

You will also want to include all the details related to your management team and their various duties. Often with online businesses this is a minimal number of people. You'll also include your business schedule both current and long term. This would be things like when is your site going live, will you be getting a loan? Basically, you want to outline the key growth points to give the reader a picture of where you visualize your business going.

Of course, you'll need to cover your financial plan. Your startup capital, and whether you need to borrow some or all of it, your operating costs, your projected sales and profits in six month increments for at least a couple of years, but five is best.

Finally, you need to write your executive summary that pulls the main points into a summary that helps the reader decide if they want to learn more by reading the full report.

Covering Your Marketing Plan in Your Business Plan

Marketing is an important part of your online business success and as such, it is important that you make sure your business plan thoroughly details what your marketing plan looks like. Investors will look at this and the information will be helpful for them in making their decision, but as a business owner you will also use this information to help keep you on track and to later evaluate whether you were successful at achieving your marketing goals.

Your Marketing Plan

Your business operations will be centered around your marketing plans and the image you are striving to create. Your marketing will strive to create 'branding' for your company and it will focus on making you visible. Online this requires a different skill set than what would be used in a traditional business.

Your business will set standards to adhere to make your company appear credible to the consumer market to grow your business and ultimately your revenue. Let's look at what your marketing plan needs to address.

#1 Market Analysis

You need to analyze your market before you ever open your doors since you need to know who you will be selling your products to. In addition, in almost every case, there are the same or similar products on the market and you need to analyze how you are going to grab your 'market share.'

#2 Your Competition

You will need to determine who your competition is online. You will need to identify your five most direct competitors, how they advertise, what type of SEO work they have done on their sites, how they place in the search engines, what the strengths and weaknesses are, how their product is different, and how their image is different.

#3 Customer Profile

You will need to determine what your online customer profile looks like. Often you will have the same product but it targets a completely different market. For example, 'Product A' online might target an Asian market, it might target a small unique niche on a family site or it might target through email marketing. You need to identify who you are targeting as your market.

#4 Market Share

You will need to make projections that are realistic about your projected market share, and your projected sales. It's important to not guess and to actually do your projections because investors and lenders are smart and they will simply turn away from your business plan and your proposal, and that would be a shame if you have a great idea that you want to launch and turn into your online business.

Starting an Online Business Identify Your Revenue Sources in Your Business Plan

You are working on getting your online business off the ground and part of that is putting together your business plan. While every business plan shares some common ground, an online business is unique and therefore may look somewhat different from a business plan for a traditional business.

Your business plan will spend some time on discussing what your revenue sources will be and this also presents a unique opportunity, because an online business in addition to earning money from selling products or services has other opportunities to generate revenue and if these are applicable to your business it's important that you make sure to cover them in your business plan.

Let's look at some of the additional sources of revenue that you can add to your online revenues.

#1 Pay Per Click Advertising From Google AdSense

Pay per click advertising is a common source of income from Google AdSense. Many online businesses take advantage of this additional income, and if you are going to be using AdSense as part of your income base for your online business, you are going to want to include this source in your business plan and you'll want to have some actual calculations to base your projections on. Make sure to thoroughly explain this source of income because few have an understanding of these types of income work.

For example, you might show the breakdown that if your page views per day are 4,000 and the effective CPM is \$28.75 you would create an annual revenue of \$42,000. It's important for you to find the relevant average CPM for your industry/product.

#2 Amazon.com Affiliate Program

In addition to your products and services, you might decide to sell products from the Amazon site as an affiliate, which means you will sell relevant products from the Amazon site on your website and be paid a commission for doing so. It's a good way to supplement your income, but if you are going to use this method, you will also need to define and explain this revenue in your business plan.

#3 Affiliate Programs

There are many affiliate programs that offer generous commission as high as 10% and with 30 day cookies. Commissions do vary. You will need to decide what affiliates you will participate with, then do a forecast of how many units you believe you can sell and include that number in your projected revenue.

Your business plan needs to include all revenue sources that you anticipate so that your investors can have a 'real' picture of what your income stream looks like.

Mission Strategies in Your Business Plan for Your Online Business

Your business plan is made up of a number of different areas including defining your mission statement, strategies and vision. When you are creating your business plan for your online business make sure that you give these the full attention that they deserve.

What is your mission statement or your vision statement? Have you provided it clear and concisely so that whoever is reading your business plan can clearly understand what your desired outcome is for your online business?

The first sentence in your vision statement needs to be powerful but short and to the point. It should capture the spirit of your business. Your vision statement can be a single paragraph or many paragraphs.

Your mission statement should be short and clearly state the purpose of your business. What are the objectives and goals of your new online business? This statement should define your tangible deliverables and what you expect them to achieve. It should be clearly written so that it can be evaluated at a later time to determine whether you achieved your goals and to what extent they were achieved.

Your objectives and goals need to be specific, measurable, realistic, attainable and time sensitive. Start by stating what the primary objective of your business is. Follow it with specific objectives that are detailed.

Identify the strengths, opportunities, threats and weaknesses of your new business. As an entrepreneur, it can be tough to do this. We want to believe that we can do anything we set our mind to and that we will face no threats or weaknesses, but the truth is we will. So you need to be honest and identify these risks in your business plan. By doing so you are more likely to be prepared to handle these issues and therefore more likely to be successful.

Finally, you need to identify your strategies. What is your game plan and how do you plan to get there. You'll use this section to be your blueprint or roadmap to build your business. You'll want to focus the development of your online business strategies to things like:

- * Develop a website with the key search terms in the URL (SEO)
- * Develop content for the website
- * Build links through a reciprocal linking strategy or link building campaigns.
- * Constantly add new content, new features, new products, etc.

Build your mission strategies based on where you want to take your business in the future.

Do You Have Your Online Business Plan Created?

If you are about to start a new online business or you want to expand your current online business, a good place to begin is with a business plan. This is your roadmap to where you envision your business going and how you plan to get there. It benefits you by providing a map for you to follow along the way and it is helpful for investors who can better decide if they are interested after reading your business plan.

Many make the mistake of thinking that an online business isn't like a traditional business so you don't need a business plan. That's simply not true. Your online business also needs a business plan, but it is going to look different in many ways.

One of the things an online business will face that traditional businesses do not is e-commerce. This is fairly new, not always understood fully, and presents its own challenges but also presents many benefits. You will want to explain how this will impact your business both the pros and cons.

The internet is also unique in that it is in continuous flux – always changing and these changes occur rapidly and the competition online can be very aggressive so you need to include this in your business plan and how you plan to address it.

Like any business you plan to start you shouldn't be going forward unless you have done your research and you know what you are up against, what to expect, identifying challenges you expect to face and how you plan to handle those challenges. How you plan to create brand recognition and even more so, what does it look like in your new online business venture. All of this needs to be addressed in your online business plan so that you can use this roadmap as

you move forward with your business and so that venture capitalist, investors and lenders alike can visualize what it is you are about to create and decide if they are interested in investing.

The most important things to remember when creating your business plan for your new online business is to make sure you address the very unique environment running a business online offers including the pros and cons but focusing on the highly lucrative environment that's hardly touched, point out the potential for growth online when you understand this unique market, and detail how you are going to be an internet success.

The 10 Sections Your Internet Business Plan Should Cover

If you are planning to create an online business, you need to begin to build your internet business plan, which is made up of 10 sections that should be included in your plan. Let's have a look at those 10 sections.

1. Executive Summary – This is a required section and it's goal is to clearly communicate your business plan basics. Keep in mind the reader may not be aware of the potential of an internet business so make sure you provide enough detail.
2. Business Description – This is also required. Talk about your company's products/services along with history of the industry. Explain the internet environment and how what you have fits into it. Make sure you use words the reader will understand rather than industry terminology or lingo.
3. Marketing Plan – This is required and will discuss your targeted market, describe your advertising products, identify your customer and identify the competition, explain your pricing structure, etc.
4. Research & Development – This is required and get's into the technical components of your project. What R&D is required to complete it and the forecast for the project cost to get it off the ground.
5. Operations & Manufacturing – This is not required but is recommended. You should talk about the major aspects of the business you are planning to start including your daily operations, what equipment you will need if any, whether you'll have your own web server or contract from a company. How many employees, how specialized they have to be, etc.
6. Management – This is not required but it is recommended. This should address who is running the company, what their expertise is, how many people on the management team and what they do.
7. Risks – This is required. Here you need to define the major and minor risks your business faces. In addition to regular risks such as a downturn in the industry, cost overruns, new competitors that weren't expected, there are other types of risks online such as hackers, computer viruses, new policies, etc.
8. Financial – This is required. Investors are going to be paying close attention to what's in this area. This is a summary of the money you hope to have invested and the forecast of your profitability. Remember to highlight operating a business online has the lowest operating costs!
9. Timeline – This is required. Here you'll lay out all of the steps to go from an idea to a reality.
10. Bibliography and/or Appendices – This is not required. Include business references, internet references, proposal studies, etc.