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Dear Fellow Entrepreneur,

Thanks so much for picking up the *Unconventional Guide to Working for Yourself*. I hope it rocks your world. And by the way, if you didn't know you were an entrepreneur before, well, now you are. Congratulations.

First, a fair warning: I did not write the guide to create internet millionaires. If that becomes your story one day, that's great—feel free to send me a small royalty check from your yacht in the Aegean. But to be honest, I don't know much about doing that... and if I did, it probably wouldn't be smart to write a low-priced guide about it.

Instead, I wrote the guide to help regular people set up a working microbusiness for the first (or possibly the second or third) time. As I mentioned in the pre-launch campaign for this guide, I want to help a large number of people begin generating revenue streams of at least $200 a month.

I realize that $200 a month isn't necessarily a lot of money, but it's $200 more than you had before. Also, once you get one $200-a-month project going, it's not hard to start more projects with less work and better results. Then, when you have a few of them on track, you go back to the one that's working the best. Most of the time, there are several things you can do to scale your most successful microbusiness up to a significantly higher level.

But I don’t mean to get ahead of myself. We have a lot to cover, and it all starts on the next page.

After you’ve read the report, would you do me one favor? I'd really like to know what you thought of the information, so that we can make this and future *Unconventional Guides* even more amazing for you.

(And by the way, against the conventional wisdom of marketing, all future updates for this one will be completely FREE for you. We will be contacting all UGWY owners by email whenever an updated version comes out.)

To send your feedback, write to feedback@chrisguillebeau.com, or follow the survey link at the end of the guide.

OK, that’s all. Enjoy, and stay sane out there.

Chris Guillebeau
Chrisguillebeau.com / UnconventionalGuides.com
INTRODUCTION

Several times a week, if not every day, a number of people ask me the same two questions:

“How do you pay for all your travel?”

and

“How do you make a living without a ‘real job’”?

I began the answer to the first question in the Frequent Flyer Master, and Travel Ninja guides, showing that international travel does not need to be nearly as expensive as most people expect. In the next couple of months, I’ll release another travel-related guide that goes into more advanced travel topics like Round-the-World airfare, creative lodging, and Frequent Flyer maximization.

This guide provides the answer to the second question — how I earn a living without a job. However, while I’ll tell you a number of personal stories, the guide will focus on how you can do this too — and in your own way.

By the way, the two answers are related. As much as possible, my entrepreneurial life and my passion for travel are connected. This is partly due to my desire for convergence, but also out of simple necessity. I am away from my home in the U.S. for at least 12 weeks a year, and I don’t want to change that.

Thus, I have an imperative to be able to work from wherever I am, whether it’s an Estonian ferry (where I’m writing this introduction), a train in India, an airplane over the Pacific, or any number of other locations.

A FEW DISCLAIMERS

1. I haven’t figured everything out yet (far from it). I include a lot of mistakes here so you can learn from them. But along the way, I’ve also learned some things, and I offer them for you here as well. My reading philosophy is to always take what is most relevant to me and not worry about the rest. Don’t get overwhelmed – focus on what is meaningful to you at this time in your life.

2. Creating an online microbusiness is not that complex, but it does take some time.

If you are interested in a ten-minute business, this is not for you. I wish it were that easy... but it’s not. If you want to succeed, be prepared to spend significant time on developing your project and advancing your knowledge in several areas. Most projects will require additional research, although as they say, it’s not rocket science.

3. I’m not really an expert in any one specific business skill, and that has both helped and harmed me over the years.

To become a true expert in one of the strategies or tactics I outline for you here, you’ll need to do a lot more reading. I can take you part of the way (and it should be far enough to be profitable for you), but you’ll need to study further on your own to optimize whatever it is you end up doing.
4. The target group of readers for this report is people interested in starting a very small, online business that creates income for them without requiring an all-new job. Therefore, I am expecting that your specific knowledge and experience is low to intermediate in these areas. If you’re already an online marketing guru, this report will not help you a lot. There are plenty of other resources out there that will help you further develop your skills. Most of them start out at about $1,000, and if you already have a successful business, that may not be too much to spend on making it better.

But if you’re just getting started, you don’t need the $1,000 study course. You need to know how to build something right now, without going into debt or making simple things complicated.

On the other hand, if you don’t know what a blog is, or how Google makes money, or what an affiliate program is, you may need to do some more research of your own before you understand everything in the guide. Again, look for what is meaningful to you, then research that further and save the rest for later.

As I see it, there are two kinds of readers for this report: first, those who want to break free of the tyranny of working a “real job.” Trust me, I completely identify. Second, those who are relatively happy with their current job, but want to create an additional source of income. I totally respect that as well.

(I am a firm believer that each of us should be engaged in meaningful work. If you’ve found it in a company or organization, that’s great. But since you’re reading this, I assume you’re at least interested in adding some more funds to your monthly net income – also a valid and useful goal.)

At several points throughout this guide, I’m going to share personal stories and examples from my own journey. The first one starts below, and then we’ll get right to the strategy section.

**MY JOURNEY, STAGE ONE: THE BEGINNING**

I told a longer version of how I got started in business [in an earlier blog post](#). In short, my life in business was a direct result of a need for income combined with a dissatisfaction of having a regular schedule where I reported to a job and did what someone else told me to.

Specifically, I was in desperate need of cash to pay some bills, and my manual labor night shift job wasn’t cutting it. Despite the fact that it didn’t pay well, I also had to get up in the morning to go to school after working until 2:00 a.m. the night before. You can survive like that for a short time, but it will wear you down after a few weeks.
Without understanding anything about business, I started selling things on eBay during the site’s early days (this was back in 1999 and 2000). I found that without much effort, I could easily make about twice as much money as I made on the night shift job. I never went back.

I began by selling old stuff from around my apartment that I didn’t need anymore. Just like working the night shift job, that approach works fine for a short time, but then after a while you run out of things to sell. After experimenting with different products, I ended up specializing in coffee. I imported coffee from Jamaica that sold at retail for up to $30 a pound. I bought in lots of 30-50 pounds, and sorted it all in my apartment.

It was a lot of fun. Over the next year I kept selling the coffee, and also branched out to anything else I could get a good wholesale source for. I ended up selling Legos, laptop cases, cigars, promotional items, and books. It wasn’t targeted at all, but it worked for a while. I made more money than I ever had, and set my own schedule. I invested in the business, buying a good computer, a nice desk, and all the supplies I needed.

I was in business for myself, and after a couple of months, I couldn’t imagine doing it any differently.

**What Went Well**
I established freedom as my primary value – after this, I knew I couldn’t go back. It was essentially a job, but since I was working for myself, it was the best one I ever had!

**Big Mistakes**
I did not plan well for competition (too many coffee sellers on eBay), did not optimize anything, and created a job for myself instead of a sustainable source of income.
STRATEGY

The strategy section may contain some ideas you are already familiar with. I still recommend you read it first, because it will set the tone for the tactics section and reinforce some good principles. But if you’ve been doing this for a while and just want to skip ahead, hey, it’s your guide. Use it as it suits you.

Let’s start with a basic premise:

**It has never been easier to start a small, online business from home that creates income without requiring a full-time job.**

I’ve been working online since 1999, and have never had a “real job” where I reported to a job site eight hours a day and worked for someone else.

The opportunities change frequently, but the strategies and processes change a lot slower. Most of what I learned about marketing back in 1999 and 2000 is still fundamentally the same—and back then, I was learning from people who learned the lessons at least 10 or 20 years previously.

You don’t need to be especially intelligent to set up a microbusiness. In fact, some of the best small business opportunities don’t require much intelligence at all.

**Hard work, however, is a prerequisite. And arguably, so is goal-setting.**

As you read this report, I’d like to ask you to set at least two measurable goals. I realize you’ve just paid for the words on this page, and now I am asking you to do something else. But trust me… this is for your own good.

**Too much information gets consumed without being acted on. The reason why I created the Incredibly Convincing Guarantee was so I knew people would use the information.**

It is in your best interest to set the goals. If you can’t do that, do us both a favor. Close the report down, delete the file, and send me a note with your purchase details. You’ll get a 100% refund whenever I get back from wherever in the world I am at the moment.

The thing is, you probably don’t want to do that. You want to get started earning money without a job. You want to set up that project that earns money while you sleep.

To do that, you need some goals of your own.

Here’s a few Sample Goals:

» Earn x dollars (or pounds, euros, gold coins, whatever) a month

» Set up 2-3 new income sources in 6 months
» Create a small information product and generate 10 initial sales
» Set up a blog to earn Adsense or affiliate income
» Build an Online Business Empire

(Note: no matter how good it is, an ebook will not provide everything you need to know to build a complete empire. If this first guide is successful, I’ll consider doing a higher-end “Empire Building” project at some point.)

The final disclaimer: I should warn you that the goals you set will be far more beneficial to you if they are aligned with your overall life goals. But in the end, that’s up to you. Use your powers for good.

MULTIPLE STREAMS OF INCOME (BLAH, BLAH, BLAH)

If you’ve ever read any business or finance book before, you’ve probably heard of the ‘Multiple Streams of Income’ concept. I’m not going to say much about it here, except to agree that the idea is solid.

In short, this idea refers to setting up multiple small businesses (often very small) that each produce a small-to-medium source of regular income for you. If one project fails, the idea goes, you will still have the income from other sources. Also, some projects will be more successful than others, so if you have several of them going, hopefully at least one will end up doing very well.

Some books use this strategy to go off on a tangent about real estate investing – although lately that isn’t so popular, thankfully – but the general idea is still a good one: you don’t want all your eggs in one basket.

It’s nice to get checks in the mail, or PayPal payments in your Inbox, from different sources. You can roll your eyes at the phrase multiple streams because it has become trite from overuse, but that doesn’t mean it lacks value. In short, I think it’s better to make a little money from a lot of sources than a lot of money from one source like a paycheck – and that’s what multiple streams of income simply means, without all the hype.

THE HARDWARE STORE, GOOGLE, AND YOUR SMALL BUSINESS

When most people think about starting an online business, they imagine going through a long series of steps to build one enterprise over a number of years. Consciously or not, they’re thinking of the family hardware store model – you know, the one where grandpa had a store that he inherited from his father, it gets passed down from generation to generation, and the whole family spends all their time thinking about nails and plywood.

In other words, whether they intend to or not, people learning about online business for the first time tend to carry over an idealized view of the way things used to be. You start one business, work at it with all you’ve got, and then one day, son, all of this will be yours.
That’s a wonderful idea for some people. I have a friend who is in medical school now, and last year he was getting ready to take the competitive MCAT (the test for med school) that would determine whether he would get in or not. He studied for more than nine hours a day, usually non-stop. I was amazed to hear this, but then I wasn’t surprised when he got into the program and is now training to become a doctor. He’s the kind of doctor I’d want to have – not someone like me who gets easily bored.

If you can study nine hours a day without breaks, then you can probably build the next Google or something. You should spend your time doing that, and one day you’ll be a doctor or start a company that gets you millions of dollars in stock options.

But many of us are not like that, and there’s always a chance that the hyper-attentive people might end up building the wrong kind of business.

It wouldn’t be fun to spend years of your life creating something that turned out to be worth very little, right?

Every once in a while a new business guru proclaims the death of the very small business. The argument is that larger businesses have greater scale, and as they get more technically sophisticated and harness the tools of direct marketing, they’ll put the small players out of business. But I believe the opposite: that the underdog and basic “work for yourself” renegade has the advantage in any basic microbusiness. You can use this to your own advantage, and ignore any experts who prematurely predict the demise of your potential self-employment.

Expanding on Success
When you have a lot of projects going, it’s tempting to get distracted by all the plates in the air. I tend to believe that it’s okay to let some of them fall. When you start several projects (even at the same time), naturally some of them will be more successful than others.

Just as it’s better to improve your core strengths instead of focusing on your weaknesses, in business it’s better to play off the successes and not worry about the failures. If you keep trying, eventually you are going to succeed—believe me, if I can do it, so can you.

In other words, don’t be average. Being well-rounded is boring. Figure out what you’re best at and kick ass at it.

THREE LEVELS OF ENTREPRENEURSHIP

Entrepreneurial ventures of all kinds can generally be structured in three rough categories: trading time for money, developing business systems, and creating passive income.

1. Trading time for money
Most small business owners that you think of will probably fit into this category – the self-employed hairdresser, the guy with the independent coffee shop, and so on.
Essentially, they have lemonade stands that need to be minded. If they weren’t around all the time, no lemonade would be sold.

Even if they have employees to sell the lemonade, the owner still has to be around to order the supplies, set the schedule, and generally maintain operations most of the time. This is effectively trading time for money, whether you are paid $4 a day or $200 an hour.

Note that having a lemonade stand is not a bad thing. If people like lemonade and you like selling it, there’s no good reason to stop. I have to write three times a week on my blog, because I committed to my readers that I would. For me, it’s kind of like running — most of the time, I like it. When I don’t, I do it anyway because it’s important to me.

With that in mind, however, trading time for money is not the best way to build a sustainable business that will last a long time.

2. Developing business systems
Devoting active attention to developing systems in your business is the natural step up from trading time for money. This is when you step out from selling lemonade all the time (I’ll lose the analogy soon, I promise) and start building up the store so that a lot more stuff can happen without you.

All of the following activities represent systems development:

» Writing down recurring task lists
» Focusing on any kind of business development
» Training others (employees, contractors, partners) to do specific tasks for your business
» Expansion planning
» Creating additional products
» Outsourcing (but see the warning later on)

The classic book that inspires a lot of the strategy for systems development is *The E-Myth Revisited* by Michael Gerber. The author has a strange fixation with pies (you’ll see if you read it) and can be a bit condescending towards the reader, but don’t let that stop you – there are some good, timeless lessons from that book.

3. Creating passive income
Passive income represents the apex of creating systems in your business. If you have income that comes in month after month no matter what you do, that’s passive income. If you have to do stuff for it to come in, then it falls into one of the other two categories.

Examples of passive income include money from investments, rental income (but only as long as you don’t have to do something for it), royalties, and subscription revenue that someone else is responsible for managing.
Getting this going is easier said than done. In fact, if you read much about Multiple Streams of Income or passive income in general, you’ll get the impression that creating passive income can be set up. One day, you’re strapped to the cubicle, grinding away... the next, you’re sitting on the beach, daiquiri in hand, as you glance over thick bank statements that arrive month after month.

This is simply not how it works for most people. And among the few people who do sit on the beach all day while the money comes in, most (if not all) have usually devoted a great deal of work to getting in the position where they can do it.

My friend Jonathan Fields once wrote an interesting blog post called How Not To Get Super-Rich, where he showed how most wealthy people became wealthy by working very hard. There is nothing passive about it at all.

When I read Jonathan’s post, it reminded me of all the times I’ve seen “passive income gurus” speaking on a stage somewhere. One time I was sitting next to another small business owner during one of these talks – the speaker was going on and on about how much money he earns without working – and the guy next to me said, “You know, if passive income is the cause of his success, what is he doing on the stage?”

I thought that was pretty funny, but also true – if someone preaches that passive income (often related to real estate) is the way to go, why are they hawking all kinds of stuff that requires their time and energy to sell? Keep this in mind the next time you hear someone selling the daiquiri dream.

But actually, there is something to passive income, and it has nothing to do with the questionable approach proffered by the real estate lecturers.

For real entrepreneurs who work hard and develop systems-oriented businesses, you can indeed achieve genuine passive income that arrives in your bank account every day without having to do much for it.

If you haven’t experienced this before, you can probably imagine what a nice feeling this is. Havi Brooks, a writer and teacher with a unique voice, told me about this one day when we were emailing back and forth about her work.

“In general, having information products and working towards a business that sells without you is just smart. It makes you look ‘biggified’ and lends you some expert status. It gives people a way to sample you and keep working with your thoughts and ideas. It’s not always 100% “passive” but it’s pretty much as close to passive as it gets. I mean, it’s nice to wake up and have several hundred dollars come out of nowhere.”

Remember, you can start, operate, and succeed in a lot of small businesses without focusing on passive income. The other two categories are perfectly acceptable – it’s your business, right? But if you choose to think more about this third category, your work may be rewarded as you stretch beyond your comfort zone.
Opportunities vs. Biz Building
While setting up systems to bake pies (or whatever you do) is indeed a good strategy for the long-term, I also think you should take advantage of a few good short-term opportunities that come your way. This idea runs contrary to the idea of focusing on only one thing and ignoring anything that doesn’t have to do with your core mission.

I tend to think if you find something that can earn extra money and it doesn’t take too much trouble, you might as well spend a couple of hours setting it up. Obviously, if the time commitment increases to the point of distracting you from your main work, that’s a problem. But then again, if the short-term opportunity provides a good service and earns you more money than whatever else you do, maybe it’s time to make a bigger switch.

You’ll have to make your own decisions with this one, but I just wanted to say that I don’t necessarily think it’s a bad thing to pursue short-term opportunities while building a lasting business. It all depends on your own working style and what you are trying to do.

TOP 6 BIG MISTAKES OF NEW ENTREPRENEURS

We all make exceptions, and if anything, entrepreneurs and new small business owners make more than usual. Here’s a rundown on their / our top 6 big mistakes. Naturally, I’ve made all of these mistakes myself, so at the end of the description, I’ve included a few tips on “How to Slay the Dragon.”

1. Failing to Set a Schedule for Your Home-Work Life
Glen Stansberry writes at LifeDev.net and recently published a nice report on improving productivity in your office environment. The whole report is good, and I especially enjoyed Glen’s introduction:

“In the summer of 2006 I became a freelance writer and web developer. I was stoked that I’d finally be my own boss, and I could work at home, any hour of the day, as long as I wanted.

Unfortunately, that couldn’t be farther from the truth.

I quickly found that the many alluring aspects of the freelancer’s life were nothing more than myths. Working at home in my pajamas was a lot harder than I’d imagined. I was getting next to nothing done, and my attention span shrunk to the size of a 3-year old with ADD.”

When I read that, I thought, “That sounds familiar!” In fact, I could have written almost exactly the same story.

It’s not quite a disaster, but working for yourself can be extremely challenging when you are first getting started. There are a lot of myths and idealized images about working at home or setting off on any solopreneurial venture.

How to Slay the Dragon: If I am writing, or working on an important project, I don’t usually take part in a lot of unplanned social activities. I still make time for friends
and activities I enjoy, but I keep a lot of my day to myself. Some people might find that extreme, but then again, some people don’t get much work done.

These tips are also helpful:

» Set up your most important project the night before. Have it set up and waiting on your desk when you go in, and require yourself to work on it for at least 45 minutes before checking email and your daily web sites.

» Set two “most important” goals every day. I usually have a lot of things going on at once, but I force myself to prioritize the two “most important” goals.

» When done working, really stop working. I take a Sabbath day once a week, usually from Saturday evening to Sunday evening. During that time I don’t check email or do anything related to business. Sometimes I do some writing, but only if it’s the kind of writing I enjoy.

2. Choosing the Wrong Vendors
Later on in the guide (the second Personal Journey section), I’ll tell you how I encountered a very challenging situation when a fulfillment vendor I relied on went out of business with no notice. It wasn’t fun, and caused a lot of headaches.

Unfortunately, a lot of businesses have slowed down or even failed as a result of choosing the wrong vendors. And even if you choose the right vendors, you have to be careful not to rely on them too much. You are the one responsible for your business at all times.

Slay the Dragon: Do due diligence before working with any vendor, and have a backup plan for when (not if) something goes wrong. Sometimes a backup plan may not be possible, and in those cases, just be ready to get creative if the dam breaks.

3. Screwing Up the Customer Service
No one starts a business with the idea that they will provide bad customer service. In fact, it’s usually the opposite – people almost always think that one of the core principles of their business will be excellent customer service. After all, they reason, if I provide fantastic service to the people who buy from me, they’ll want to come back over and over, right?

Interestingly, the mistake becomes apparent more with successful businesses than with unsuccessful ones. Once a business starts doing well, and the cash flow becomes healthy, it turns out that there are a lot of things you need to think about. If you’re just a one-man or one-woman show, customer service can quickly fall behind.

In the beginning, you might not even notice much of a drop in sales… which leads you to pay even less attention to customer service. If you don’t call people back or return emails for a week and the sales don’t suffer, why bother? Of course, sales usually do start suffering at some point, but then it may be too late since you’ve abused the trust of your customers.
Slay the Dragon: To avoid this mistake, you’ll need to plan for customer service the same way you plan for income-generating activities. If you’re doing it all yourself, set aside a specific time each day when you return emails and phone calls. And if it gets too hectic, you’ll have to figure something else out. That something else could be outsourcing, but as the next section shows, you have to be very careful with that.

4. Misunderstanding Outsourcing
You know all about outsourcing, right? How you can outsource your life, get a personal assistant in India, and run off to work in the Bahamas?

Well, it’s largely a myth. I mean, some people may have mastered it to work with their business, but it is rarely an easy project. Contrary to how the whole concept is usually described, outsourcing requires a close monitoring of any work that is being done for you or in your name.

It is possible to outsource certain design and programming tasks with good results. For that I use elance, the standard-bearer in worldwide project-based outsourcing. I’ve had good results with elance from time to time, whenever the project is very clearly defined, and as long as I’ve taken the time to work closely with the service provider from start to finish.

On the other hand, I once tried to outsource my Google Adwords account to a well-known (and well-meaning) business that specialized in account optimization. To put it mildly, it was a complete disaster. They did not understand my business, spent too much money, and neglected to make simple fixes that I knew would improve the account. I ended up doing the optimization myself, while continuing to pay them for two months. Long story short, I won’t do that again.

Slay the Dragon: Be very careful with outsourcing. If you do it, start slowly and make sure your projects are clearly defined for both you and the service provider you select. When the first project goes well, don’t assume you can take your hands of the wheel.

5. Making Mistakes with Domain Registration
If you’re in business for yourself, you need your own domain, and maybe more than one. Thankfully, it’s never been easier to register multiple domains for $5-10 each. You have to pay this amount every year, but obviously, $5-10 is not much to pay for a branded name. I have dozens of them, and I know some people with hundreds.

However, do yourself a big favor from the beginning – make a note of these three companies: Network Solutions, Register.com, and GoDaddy. Never trust them with your money or domains. All three have a history of either charging too much money or setting up unreasonable barriers that prevent you from easily changing the hosting provider or contact details of your domain.

You can also easily forget to renew your domain(s) at the end of the year. Normally you’ll get a notice, and often they’ll be put on auto-renew, but lots of things can go wrong
with that, from bounced emails to expired credit cards. If you forget to renew and someone else takes your domain, it will be extremely difficult to get it back.

**Slay the Dragon:** Create a simple spreadsheet to monitor the domain names you own, including their expiration dates. Put them in your online calendar, so that you’ll get a reminder a couple of weeks (or even months if you’re paranoid like me) before they expire and then immediately renew them without waiting for the auto-renew to kick in.

Lastly, you may also want to pay an extra $5-10 a year to make the business information associated with your domains private. It’s probably not a big deal for personal sites, but before I used private registration, I got a lot of phone calls, unsolicited email, and even junk snail mail from companies who wanted to sell me something. You can cut down on this by having private registration.

6. Poor (or lack of) Productivity Skills

It’s important to have some good (or at least decent) productivity skills when starting a new business. By far the best reference for me has been David Allen’s *Getting Things Done* (GTD) book. It’s a fantastic investment for the price of $9 – many people, including me, will tell you that their business and overall life significantly improved by following even just a few parts of David’s system.

By the way, an interesting side-note about GTD: because I believe in it so much, over the past few years I have probably bought at least 10 copies of that book to give to friends and acquaintances who expressed an interest in it. I kid you not, of the 10+ people I’ve bought it for, only two of them ever let me know how it helped them or even thanked me later.

I think this is interesting because the heart of the GTD system involves capturing your tasks and immediately doing things that can be done in less than two minutes. I suppose the lesson is that great resources can only help you if you do take the time to learn from them and give the ideas an honest try.

This is probably a reflection of the fact that most people say they want to improve their productivity skills, but when it comes down to it, they aren’t willing to really work on it. Sad but true – and the upside is that it makes life easier for those of us who do work hard and like to learn new things.

Lastly, check out some good productivity blogs – my favorites are Zen Habits, LifeDev, and 43 Folders. A lot of what is published on the major productivity blogs ends up repeating itself over and over in slightly different ways, but I don’t necessarily think that’s a bad thing. Most of us (certainly me) need to have good information repeated frequently.

**Slay the Dragon:** Read *Getting Things Done* and implement the parts of the system that fit you best. Occasionally read some good productivity blogs, but try to avoid getting sucked in – ironically, you can end up wasting a lot of hours by reading about productivity all the time.
OTHER BALLS TO KEEP IN THE AIR

As mentioned, running a business is hard work. In addition to the creation of products and services (covered more in the upcoming Tactics section), there are a number of other things you need to be aware of and have some kind of plan for.

Search Engine Optimization (SEO)
In short, SEO refers to how you structure your web site, mostly in terms of design and keywords, to target specific words and phrases in the search engines. For example, if you’re selling widgets, you want people to see your site when they type in widgets on Google.

This is no small industry – there is an entire field of art and science devoted to studying it. To learn more about SEO, check out the bonus report from Naomi Dunford (who writes at ittibiz) that you should have also received with your order. I don’t claim to be an SEO expert, so I asked Naomi if we could use some of her great material. Because she is cool like that, she said yes, and even gave me two whole chapters of her SEO Ninja ebook. She also threw in a coupon code if you want to get the entire report, so check it out when you’re ready to work on this.

Adwords & Other Pay-Per-Click
I discuss more about getting traffic on one of the audio segments, but in short, one of the most common methods for commercial websites to quickly gain traffic is through Pay-Per-Click (PPC) advertising, and the most common platform by a wide margin is Google Adwords. The Adwords program allows you to pay for search terms to show up in the listings – so when people search for widgets and you bid on that term, your ad will compete with other advertisers also bidding on the word or phrase.

If you want to use PPC, you’ll want to take the time to carefully research it before starting a campaign. Adwords can deliver you a ton of qualified traffic (this is good), but it can also take away your money without providing much in value in return (this is not good).

If you get serious about Google Adwords, I recommend Perry Marshall’s free and paid materials. You can learn a lot of information from Perry, and potentially save money while bringing in more traffic at the same time.

Spending
One good thing about the ramping up of your business is the ability to earn Frequent Flyer Miles for all your spending. I recommend the American Express Business Gold card for this, and once you have it, you can then enroll in the Membership Rewards program. It’s worth it as long as you can earn at least 6,000 points a year, and there are lots of bonuses that periodically come up.

Overwhelmed? Don’t Worry...
I realize we have covered a lot of information thus far. If you think it will help, read over it again before going on and take notes on what you’d like to research further. We’re going to get right into specific tactics now, so it’s good for you to at least have a general understanding of many of the strategic concepts.

OK... here we go.
TACTICS

MY JOURNEY, STAGE TWO: WEB SITES, CONSULTING, AND MOONLIGHTING

After I had been an eBay PowerSeller for about a year, I could tell that the road ahead would not be as easy. More and more sellers were getting sophisticated and realizing that there was a lot of money to be made on the site. This led to a natural rebalancing of the eBay community and an increased efficiency in the market.

When you’re a buyer, efficiency is good. But when you’re a seller, increased efficiency means that you lose a lot of your competitive advantage.

And besides, I get tired of doing the same thing all the time. I needed something new. Over the course of the year as a full-time PowerSeller, I had acquired a working knowledge of HTML and a good knowledge of copywriting. With that, I set out to create a new small business.

Consulting & Service Work
As I transitioned out of eBay, I started building web sites and taking on some limited consulting clients. Most of the clients needed help with

starting or growing their online retail business; some with eBay, and others through their own web sites. I also learned about lead generation and the idea of having an online portfolio – concepts that would help me later on as I transitioned to Stage Three.

I built web sites for eBay sellers looking to transition away from the auction site like I was, and that led to other contacts. After a while I realized that I would never be a “real” designer – I don’t have the technical skills or background as an artist – but I was good at thinking through the business development side of things. I focused on that, building a few small projects for others while building several of them for myself.

What Went Well
I eliminated the dependency on eBay that threatened my first business. I gained new skills that allowed me to make a good income. Most importantly, I began to understand how to create a sustainable business (although I lacked a few things that prevented its full implementation).

Big Mistakes
I once had a successful lead generation site up and running (I had even paid a few hundred dollars to get a good design) only to have it stolen from me by a cybersquatter who registered the domain a few hours after I mistakenly let it lapse. Unfortunately, that’s just one example – I did a lot of things like that in those days.
This section details several specific projects you can initiate to start your own microbusiness. You can also use these ideas to branch out into something that better suits you. Remember, it’s your guide – use it as you see fit.

There are a lot of different options for the ideas below, and two different approaches to applying them:

Option 1: Pick one thing and do it well.
This is the conventional advice – “find what works for you and stick with it. Ignore everything else.”

It’s not bad advice. If that works for you, use it. But I have the classic ADD personality, and I’ve found that a second approach is better for some people.

Option 2: Start doing a lot of things, and see what ends up working.
Jim Collins wrote about this in Good To Great, calling it the “throw a lot of darts at the wall and see which ones stick” tactic.

As you can see, there is wisdom in each approach, so it’s probably best for you to make your own decision about which is better for your own needs.

Also, some people believe that without the right strategy, tactics won’t take you very far. This is probably true in the long-run, and that’s why I wrote a lot about strategy in the first section. However, if you’re antsy to get something going, you can usually set something up and start taking in revenue fairly soon.

Here are some specific Ideas, each with pros and cons:

1. CREATING AND SELLING INFORMATION PRODUCTS

More than any other opportunity, I am an advocate of creating information products that can be resold again and again. When you take the time and do this well, you’ll have the beginning of a legacy project – something that can live on its own without your regular input – and can also expand as big as you can make it once you gain some initial traction.

First of all, what are information products?

In short, information products facilitate the transfer of specialized knowledge from the seller to the buyer. In other words, books (real books and ebooks) are information products. So are instructional videos, audio teaching, podcasts, computer software, teleseminars, and any other method or medium that involves the transfer of knowledge.

If you understand that, you can skip ahead to “Reasons Why Information Products Are So Awesome” on the next page. But if you’re not perfectly, 100% clear on what an information product is, consider these examples that you are probably familiar with:

Event Marketer - “He was a hard working farm boy. She was an Italian supermodel. He knew he would have just one chance to impress her.” If that doesn’t sound familiar, here’s more about the ad and the marketing campaign behind it: Rosetta Stone - These guys sell language learning
products by the millions, and have developed an insanely profitable business selling information.

**Teaching Company** - You may have seen their ads in magazines like *Newsweek* or *The Economist*. Just like Rosetta Stone, they sell teaching materials in the form of videos, DVDs, and CDs. Each “course” is expensive, and also has a long list of rave reviews.

**Total Immersion** - This company, the leading provider of products for “improvement minded swimmers,” has developed a broad range of materials to teach people how to swim. Both my brother and my dad have learned through their method, and I’m next – and I won’t be paying $500 for a seminar, because thankfully Total Immersion also has a cheap book and DVD set. (It’s even cheaper since my dad is loaning me his copy – don’t tell them!)

**WAIT – those are all Big Companies**

Don’t worry – those examples are “benchmark” companies. I include them so you understand how far you can go with information products. To bring it down to a level most of us small business types are more comfortable with, here’s a few more examples.

**Unconventional Guides** - My new business, of which you are now a part of. (Thanks again, by the way.) After a one-year development period, I now have 5+ high quality products that I offer to my site readers and select affiliate partners.

**Web Warrior Tools** - Another publishing venture that focuses more on shorter ebooks, especially related to productivity.

**Havi and Naomi** - These two small business bloggers, both mentioned earlier, recently combined forces to create an interesting teaching product. The product is delivered over six teleseminars each spaced a week apart. They also have a good upsell option (the basic product is $205, and the premium one is $365).

**Reasons Why Information Products Are So Awesome**

**High Margins** - You’re selling knowledge, not a widget that has a high production cost. As such, the price for your knowledge is related more to *how valuable the information is* rather than *how much it cost you to make it*. Think about how important this is – if you make a widget, your selling price is usually compared to what people think it cost you to make it. Not so with information products, as least when they are done well.

**Not Duplicable** - No one can sell the same thing (at least, not without stealing it). It’s *your* product, not something you buy from a wholesaler or distributor who also sells to a bunch of other people. To a certain degree, you are protected from competition.

**Natural Expansion** - When you develop a winning information product, it’s natural to follow it up with another…. and then another. Along the way, you can increase prices to meet different needs in the marketplace. For more
about this, check out the “Putting it All Together” section and read about creating a sales funnel.

This is what I’m pursuing with the development of the *Unconventional Guides* series. You can watch over the next year and see how it develops. I’m not 100% sure which direction I’ll take with it, but I have a few ideas.

**Easy Automation** - You can’t easily automate your content creation process (I spent a lot of time writing this guide, for example), but after that, the sales process can be totally automated from start to finish.

*(Note: Even though automation is helpful, I still think it’s good to show a personal touch whenever possible. For example, I usually try to send a short, individual note to each person who buys something from me, in addition to the automated notices that go out. But that doesn’t take much time, and technically, it can be skipped if you want to be fully automated.)*

**Different Kinds of Information Products**

As you can see from the list above, information products can be diverse in style, method, and medium. I’ll cover some features of the most popular ones below.

**Ebooks** - This is definitely the easiest kind of information product to create. You simply write out the information you want to share in the form of a short to mid-length report, then create a PDF out of it.

As you can see, I have my ebooks professionally designed by an amazing designer (more on her at the end) because I want all my materials to have a similar, high-quality look. But for an information product, the content is more important than the design, so it’s also appropriate to format your report nicely in Microsoft Word and then create a PDF from it using free conversion software (PC) or directly from Word (Mac). You can also use elance to hire someone for a basic layout job, which should cost about $100-200 for a report of less than 50 pages.

**PROS:** Nice and easy. I kid you not, lots of people make six-figure incomes doing nothing but selling ebooks. Even if that doesn’t work out, many others earn significant extra income each month from an ebook they spent a week writing a long time ago.

**CONS:** Some people won’t buy ebooks. The price ceiling is set at around $50 (for most topics) and $99 for highly-specialized topics – it’s hard to sell for more than that.

**Audio & Video** - To raise your information product business to the next level, you’ll eventually want to do more than just ebooks. Adding some audio or video materials (or both) is the next natural step.

It takes some time to learn how to do this, but one resource I can’t recommend highly enough is Camtasia software. This software package allows you to make high-quality screen capture videos where you can present through a PowerPoint, a series of mind maps, or showing things from a variety of web pages.
To see it in action, check out these demos: 
Camtasia by Techsmith - I am not a highly-technical person, so if I can figure this out, you can too. Adding audio or video can allow you to create more products and dramatically improve sales for existing ones.

**PROS:** Allows you to a) raise prices (since there is a higher perceived value for multimedia) and b) reach more people who have different learning styles.

**CONS:** Higher learning curve, and requires more work to create.

**Action Plan (What to do next):**

» Decide what kind of product to create (I’ll help with this more later)

» Create product – write the ebook, record the audio, etc.

» Write the sales letter (this is what prospects read when deciding whether to buy your product, so it needs to be good)

» Set up order and payment logistics (more on this later too)

» Begin marketing the product to prospects, readers, and anyone who will listen

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2. BUILDING AN INFORMATION PORTAL

An information portal is a web site that presents itself as an authority on a specific topic. Visitors to the portal come to learn more about the topic, and in some cases, to contribute to the topic’s overall knowledge base. The site owner typically earns money by building a regular source of traffic to the site and then supporting it with ads, either through Google Adsense or third-party ad networks.

If all of that sounds confusing, let’s look at a few examples.

**BiddingforTravel.com**

This site is a forum for users of Priceline.com, a travel service that lets consumers purchase hotel rooms and plane tickets by bidding on the maximum amount they are willing to pay. Priceline succeeds, in part, because they keep a lot of information to themselves, and consumers usually end up bidding too much. The *Bidding for Travel* site brings together Priceline users who lessen Priceline’s advantage by posting their successful bids.

I could say a lot about that from a traveler’s perspective, but from a marketer’s perspective, check out their site and you’ll notice that it doesn’t look very nice. In fact, it looks pretty bad. I go to *Bidding for Travel* not because it looks good, but rather because of the information that is provided. The administrator and site owner doesn’t need to do very much, because the content is generated by users. All she does is moderate the forum from time to time and collect money from advertisers. By all appearances, it works very well for her.
Here’s another example that is more fully built out:

**FlyerTalk.com**
FlyerTalk, the go-to resource for frequent flyers and expert travelers, ended up doing so well that it was purchased by a larger company for an undisclosed sum after many years. A great deal of work went into building the community over time, but it ended up paying off very well. And in addition to the money, of course, the creators and volunteer moderators of FlyerTalk have done a great job of providing access to information that a committed following (in this case, frequent flyers) benefits from.

Most portals exist to inform and educate. But some exist primarily to entertain, and if you do that well, you can also build significant, ongoing revenue. For example,

**I Can Has Cheeseburger**
Seen any funny pictures of cats on the internet? Because this site is one of the top 100 sites in North America, I suspect you have. [ICH] provides a platform for people to upload pictures of cats and create funny captions for them. (I’m not making this up. They are phenomenally successful, both financially and otherwise)

But wait... the group at this Seattle-based company is expanding far beyond cats. In addition to dogs (perhaps a natural expansion point), they have also created numerous other online communities that rapidly acquire an active, dedicated fan base to spread their message. They have even created their own language called “LOLcat speak” which you can now find being used all over the internet.

It’s an insanely-productive business model.

Here are just a few of their sites:

**Graph Jam** - Music and culture for people who love charts

**Engrish Funny** - Funny English-language pictures

Here’s my personal favorite, which I have to ration myself to checking only once a week or else I’d waste countless time:

**Fail Blog** - Fail pictures and videos.

If you’ve never seen these sites, they’re hard to explain. What’s so funny about cat pictures and “fail” pictures?

You just have to, well, see them to get it. And when you check them out, pay attention not only to the hilarious pictures (warning: addictive) but also to how popular the sites are. Every day they receive hundreds, if not thousands, of submissions and comments. Most of that part of their community base goes to the site every day, and they are seriously raking in the advertising money from all the eyeballs and clicks.

You know how sometimes you see something and wish you had done it? That’s how I feel about ICHC. Who knew that cat pictures would be so popular?

**Portal Templates**
There are countless “Adsense templates” you can use to get started with this project. Just Google the term and you’ll see a lot of results. Some of them are good and most of them are
useless – but even the good ones have a huge disadvantage in that they are not unique.

From time to time, Google punishes sites like this that they do not believe are providing a good service to their visitors. Even if you are providing good information, you may get caught up in the purge, and it is really difficult to get back in the rankings once that has happened.

That’s why I recommend creating your own basic site instead of using a template, or at least heavily modifying the template prior to publishing the site. If you’re not a web designer, don’t let this scare you – it’s not that difficult, and if you’re going to be in this business, you should probably learn some basic HTML anyway.

Spend some time looking at the free Adsense templates you like, and compile your information in a similar (but still unique) way. In the long-term, I believe this approach will serve you better than using the same kind of template than is potentially used by a large number of other sites.

Action Plan (What to do next)

» Read up on Adsense, templates, and look at other sites that are succeeding with this model

» Decide on a niche market – the more specific and hyperactive, the better.

» Create good, initial content that will give people a reason to come to the portal

» As soon as the initial content is ready to go, put it online ASAP. When it comes to portals, I recommend the Ready-Fire-Aim approach.

» If you need a turnkey solution that does everything for you, check out SiteBuildIt. I haven’t used this myself yet, but a lot of other people are building site templates through their service with good success.

Wondering What to Create?
If you have no idea what kind of information product or portal to create, there are a few different theories about what to do.

#1: Follow Your Passion
This long-standing belief suggests that you should build a business around whatever you are passionate about. If you love dogs, do something with dogs. If you like jewelry, start a jewelry-making business.

It makes sense that you have a business based around something you love, because doing something that you don’t like every day kind of defeats the purpose of working for yourself. But at the heart of this has to be a plan for revenue… otherwise, you’ll never get off the ground. Mignon Fogarty, the genius behind Grammar Girl and an entire brand she has created around it, put it best in a round-up response we published earlier this year:
“I think it is much harder to be successful if you aren’t doing something you love because success takes time and commitment, and those are easier to give if you’re happy and engaged in your job.

[But on the other hand,] before I launched the successful Grammar Girl podcast, I was the host of a science podcast called Absolute Science. I loved doing that show and I was passionate about it. I actually put more effort into promoting that show than I did for the Grammar Girl podcast, and although Absolute Science was well-received, after doing it for nearly a year it was clear that the show was never going to make enough money to make it worth the time required to produce it.”

I talk more about Mignon’s success in becoming an authority in the audio segments. Don’t forget to listen to those to get the full value of the guide.

#2: Sell What People Buy
This strategy advocates that you should forget about yourself and focus on what your customers want. Customers have needs, and it’s your job to meet those needs through products and services.

For more on this, check out the ebook Desperate Buyers Only, which includes a detailed structure for creating an offer and a sales letter.

#3: Ask Your Customers
A nice combination of the Follow Your Passion and Sell What People Buy is the third way of asking your customers (or prospects) exactly what they want. You do this through a series of surveys (I use SurveyMonkey) where you find out what needs people have (related to your overall business) and then create products and services that meet those needs.

There is one danger in relying on this strategy exclusively. The danger is that people don’t always know what they want, and sometimes what they say they want and what they actually want are two different things. I think that surveying customers and prospects and then creating a product that meets the needs they specify is great, but just keep this in mind.

3. BLOGGING FOR DOLLARS
I believe that if your primary motivation is to make money, then there are a lot easier ways to do it than by starting a blog. Some bloggers have indeed created very significant income directly from the advertising revenue received on their blog… but usually this only comes together after a great deal of initial work with little financial payoff.

I started the AONC site because I wanted to work towards being a full-time writer, not because I wanted to make money. At the request of my readers, I’m now creating a few specialized products (like the one you’re reading), but the main motivation is to write for a broad community of like-minded readers.
None of that is to say that blogging and money can’t go together at all. It is just to note that the blogosphere is generally skeptical about bloggers who are viewed as explicitly commercial. You can usually tell what a blogger’s motivations are by what kind of content they feature on their home page. If the page is filled with banners and Adsense ads, many other bloggers are probably not going to link to it no matter how great the content is, because it’s clear that the blogger is just after money.

I have no objection to advertising in general. I just prefer that the placement of ads be a bit more subdued. When it is integrated with content in a way that is appropriate and not pushy, it can even add value to the blog’s content.

Specific Tips for Blogging as an Income-Generating Activity:

Think carefully before using Adsense, because it can make a good site look bad. Yes, it’s easy to set up and offers good payouts, but you’ll lose control over the “first impression” of visitors and general readability of whatever you’re posting.

Avoid traditional affiliate programs that don’t provide a good return-on-investment. Instead – see below.

Endorse specific stuff. A specific recommendation is always better than general ads with no context. Instead of putting up random ads, spend a bit more time on deciding what you want to endorse. Then when you find a good match, write about it. Add value somehow – for example: can you write a free bonus report for readers who purchase the product?

If you’re fairly established with good traffic to your blog, you can take this strategy to a higher level by contacting the company marketing the product. Explain that you are hoping to promote the product in an upcoming blog post (or ad campaign, newsletter broadcast, etc.) and ask for a coupon code or additional discount for your readers. This will help you in more ways than one, because in addition to the fact that you’ve acquired a discount, you have also established a real relationship with the company.

Build your own products. Better than advertising, the creation of your own products or services will set you apart as a blogger and get the focus on you. When you create something yourself, you’ll probably a) make more money, b) add more value to your brand, c) sell more copies (since people who read your blog are usually interested in other stuff you do), and d) meet the needs of your readers better than a third-party product can do.

Consider BlogAds. Since 2002, BlogAds has facilitated advertising for bloggers who want to create an income source but don’t want to work directly with advertising companies (a process that is difficult and time-consuming). BlogAds now has 1,500 clients, and if you’ve been around the blogosphere for a while, you’ve probably seen their ad format a few times.

Note: These tactics and ideas are not mutually exclusive. While I believe that the creation of products and services is ultimately in your best interest, this strategy can easily combined with others. Not everyone will purchase your products. In fact, most people won’t—so it’s not a bad idea to have something else for the others.
Action Plan (What to do next)

» Subscribe to ProBlogger and read through all the most popular posts

» Decide what kind of blog you want to have and what you want to write about

» Choose a Wordpress theme and create your initial content, especially an About page and a Welcome page

» Begin creating a series of posts (You need some good content before launching, or no one will pay attention)

» After creating a few posts and outlining a plan to regularly create more, you can launch the blog by telling everyone you know about it. This includes
  » All your friends and family
  » Google and other search engines
  » Online Directories
  » Related Sites
  » Comments on Related Blogs
  » Social media, especially Twitter, Facebook, LinkedIn

» After building traffic, post ads through Google Adsense or BlogAds

» Think about creating products or other alternative sources of income

Note: as mentioned at the outset, blogging for dollars is not easy. This process usually takes a long time before it will be profitable. It will be a lot easier if your motivations for blogging are not primarily financial.

Having said that, some sites have been able to be quite successful with Adsense and BlogAds revenue. The best ones, for example, earn more than $1,000 a day in profit. I include this info because while it’s true that blogging is not the path to riches for most people, some have been able to do it.

4. CREATING AN IMMEDIATE INCOME WITH EBAY

It is no exaggeration to say that the widespread adoption of eBay.com as the world’s premier online auction site has changed the world’s marketplace forever. There are at least 340 million users of the site, with tens of thousands being added every day.

No one is certain how many people earn a full-time income by selling on eBay (eBay claims 1.3 million, but this article shows how that figure is likely exaggerated.) At any rate, there are a lot of people doing very well with selling on eBay as a part-time or full-time business.

The success stories are real, and you can do this too… if you’re up for a bit of work.

There are three very different strategies for starting an eBay business. All three of them have the potential to create serious part-time (and even full-time) income. But as you’ll see, the
three strategies are different largely because of the amount of work required by each and the potential for scalability.

**Strategy #1: Buy low and sell high.**
This is the basic method of becoming an eBay seller. It has worked for tens of thousands of people, and can work for you if it’s all you want. I earned a full-time income from 1999-2001 just from buying boxes of stuff from wholesalers and selling the items in individual units.

This Squidoo lens provides some good, basic information if you’re just getting started with Strategy #1:

**PROS:** You can start right away.

**CONS:** Low profit margins, lots of competition, and it’s hard to build a real business this way – you can only visit so many yard sales.

**Strategy #2: Become a specialized dealer.**
This is stage two of most successful eBay sellers’ journey, where they stop selling random stuff all the time and start concentrating on one or more specialized areas. Over time, they establish relationships with wholesalers or just figure out how to get deals on something that sells well (and with good markups).

Most eBay Powersellers, or sellers who sell more than $2,000 a month, fit into this category. If you spend some time surfing around the eBay site, you’ll encounter a lot of them. It’s good to pay attention to what they do, because one of the most interesting characteristics of eBay is that it’s difficult to maintain proprietary information. At any given time, you can see what anyone else is selling, how many people are buying, and what the selling price is.

Of course, many active sellers have more than one account, but nevertheless, you can still see what any one account is doing whenever you want.

*Importing* – If you want to further optimize this strategy, you can do so by establishing relationships directly with wholesalers or even ground-floor factories that produce goods for sale. Most often, these relationships lead to China, and if you haven’t done business in China before, it’s no small project. Alternatively, there are usually several layers of middlemen along the way to the consumer, so even if you don’t get all the way to the factory, you may still be ahead of other sellers.

**PROS:** By specializing and building a niche, you may be able to optimize and work more efficiently. You can build a nice small business by selling one or two product lines, and it can also be easier than trying to be all things to all people.

**CONS:** You are still vulnerable to competition, and you still might end up building yourself a job.

*Competition* - When you start to be successful on eBay, other Powersellers will notice. You can count on at least several of them to hunt down the same sources you have carefully acquired, and it’s usually only a matter of time (weeks or months) before someone starts selling the same thing as you. In some cases, this may not be a problem. But
in other cases, the market will become more efficient with the introduction of multiple sellers, and your profit margins will go down.

Building a Job – Of course, if you pursue Strategy #2 to its natural end, you may just end up building yourself a job. As I’ve mentioned before, building a job for yourself is only somewhat better than working at a job for someone else.

What About Craig’s List?
You can post an ad on Craig’s List for free, and offer to buy (or just remove) old stuff that no one wants anymore. It helps if you specialize a bit, i.e., “I’m buying baseball cards” or “children’s clothes” or something like that. I recently heard of a few people who are literally earning a full-time income using only this strategy. Since the ads are free, your cost is limited to the transportation you use to get around town to pick stuff up.

For a long time, it was fairly profitable to do something similar with old-fashioned newspaper classified ads, but the biggest expense was the ads. With the modern version (Craig’s List), you have virtually no risk.

Strategy #3: Create products and own your own market.
The vast majority of eBay sellers, even the ones who are able to eke out a full-time living from the site, never get past strategy #2. This is because it works, for the most part – and as mentioned earlier, there’s nothing wrong with a very small business that deliberately remains small.

However, there is a third, far more effective strategy for online auctions that can completely transform your entire business. This strategy consists of creating your own information products in multimedia form and offering them on a recurring basis through eBay.

Let’s break that down a little:

» A) Create your own information products (we covered this in detail earlier)...

» B) ...in multimedia form (you can’t sell ebooks on eBay)

» C) Offering them on a recurring basis.

And actually, there’s more if you’re up for it:

» D) Sell backend products to existing customers (thus avoiding eBay commissions and converting customers from eBay to your own site)....

» E) Drive leads from the eBay site directly to your site through Classified Ads and the “About Me” page that all eBay sellers get to create.

This is a pretty big topic – we could easily create an entire Unconventional Guide devoted to it – but if you start with the broad outline above and then seek help with specific actions as you start putting it into action, you can also tweak things as you go along. Overall, this strategy will give
you the most success at eBay. Among other advantages, by creating your own products, you ensure that no one can sell the same thing.

(If you end up creating a huge hit, then rest assured that suspiciously similar items will start showing up online, regardless of copyright laws... but they won’t be the same as your product, the original.)

**PROS:** No (or very little) competition and high profit margins. Success can be duplicated over and over. You can sell to the whole world instead of just your local market.

**CONS:** More work in the beginning. Occasional maintenance to deal with people who try to steal your work.

**Silent Sales Machine**
For 10 years and counting, Jim Cockrum has written a fantastic online newsletter about eBay selling. I read it every week, even though I don’t do much on eBay anymore. Almost every week, Jim has more great ideas that will work for lots of people.

You can sign up here:


Jim also has some products for sale – a great eBook called *Silent Sales Machine*, and a membership program called *My Silent Team*. If you’re serious about eBay, you should definitely check those out. I don’t receive any benefit from the referral – they are just great resources for the serious eBay seller.

**Other Auction Sites**
By the way, you might wonder about other online auction sites. Can’t you take what’s working on eBay and transfer it over to other venues? Well, not really. eBay is the 800-pound gorilla in the online auction business for a good reason. If you get something working elsewhere, good for you. But chances are that your time will be much better spent with the millions of active buyers on eBay.com.

**Action Plan (What to do next)**

» Get your feet wet by selling stuff you don’t need. eBay will walk you through how to do this step-by-step when you click the huge ‘Sell’ button on any page of their site. Really, it’s easy.

» Once your feedback is above 10, start branching out. Go to yard sales, look on Craig’s list, and slowly build the business.

» Look for wholesale sources or think about creating your own products – this is where the real business begins.
5. YOUR OWN PHOTOGRAPHY BUSINESS (BUT NOT WHAT YOU THINK)

No, I am not suggesting that you become a wedding photographer. There are people who are able to operate successful businesses doing that, but it’s not really an online business... and it also lacks the key feature of creating ongoing income when you’re off doing something else.

Instead, I’m recommending that amateur photographers consider contributing to the growing industry of cheap (but high-quality) stock photos that other artists and web designers use for commercial images.

What if you could go around your neighborhood, or even around the world, and take photographs of cool stuff... and then when you get back, you upload your photographs to a web site and start receiving royalty checks?

Here’s how it works, and here’s a couple of options to get started with right away:

Take a look at 1stockphoto.com and similar sites (Fotolia, Crestock, iStockphoto, etc. – there are many). These sites offer cheap stock photos to designers and businesses. Their inventory comes from a combination of professional and amateur photographers, including many people who didn’t know a lot about photography before getting started.

Spend some time getting a feel for what the site’s users are looking for – it’s usually fairly clear what kind of photos are most popular, and which sell the best.

After creating an account, you can start uploading images that you own. They need to be high-resolution and of professional quality. If you don’t know what that means or don’t have a good camera, you may need to do some more research.

I don’t mean to insult any “real” photographers out there, but digital photography is now so advanced that almost anyone can learn to take good photos with just a few hours of self-study. Again, I am not saying you will become the next Ansel Adams, but it doesn’t take a lot to be able to create some decent stock images that someone will need.

The key to this working well is to match your images to what people have a need for (remember: sell what people are buying) instead of uploading anything you can think of.

Take the time to label your images well and include highly-specific keywords. The more, the better – but targeted keywords are usually better than general ones, because as a new provider of images, you probably won’t show up at the top of the listings for general terms.

(Note that if you are taking pictures of people, you may need to submit a model release. That gets a bit more complicated, so many photographers stick to landscapes and still life images to start with.)

While the need for good quality is assumed, having sheer quantity helps the most. The most successful photographers on 1StockPhoto make well over $100,000...
a year, but they also have tens of thousands of images available for sale at any given time.

Obviously, the best thing about this kind of business is the fact that after the initial work is complete, it produces income without you needing to do anything.

**PROS:** Great potential for long-term royalties.

**CONS:** Takes a while to get started (you’ll need to upload a lot of images), and a certain amount of technical skill is required.

**Action Plan (What to do next)**

» Get an account at 1stockphoto (or a related site).

» Spend some time reviewing the best-selling photos and photographers on the site. See what they are doing that works well (some types of images are more commercially popular than others).

» Learn to take better photos. You can read up on this at Digital Photography School or through books at your local library.

» Upload your best photos, and start taking more. Quantity is the secret here, although of course the photos have to be high quality as well.

» Deposit royalty checks. Go on vacation and take more photos.

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**6. YOUR OWN PHOTOGRAPHY BUSINESS (PART II)**

If you like the idea of taking pictures for a living (or at least some additional income), you can expand beyond the stock photo sites into selling your work for prints and canvases that are created on demand.

A new service called ImageKind – recently bought by CafePress, which offers other customized items – offers you the ability to upload your high-resolution images, which are then printed on a variety of materials for display. The interesting part of this model is that no inventory is carried – whenever someone buys something from you, their print is uniquely created and shipped by ImageKind.

You choose the final price of your prints and canvases based on a markup system. For example, ImageKind may set the initial price of a 4 by 6 print at $9.95, plus whatever kind of matting and frame is used. You can then choose to add whatever profit margin you would like. If the print sells, ImageKind sends you the profits.

**PROS:** An attractive, unique revenue source for artists and photographers.

**CONS:** High price for ImageKind, limited customization of the storefront.
Action Plan (What to do next)

» Get an account at ImageKind (or a related service).

» Upload your best photos.

» Set pricing and other options (make sure the profit margin is good enough).

» Begin promoting your photo site through the ImageKind interface and your own platform (blog, newsletter, etc.).

7. CONSULTING

I don’t have much to say about consulting, because it’s a murky kind of business. I’ve worked with a lot of consultants, and there are very few generalizations that can be made across different industries.

In short, I’d say you should think about consulting if it’s what you really want to do, not just an idea you have to make money. While this maxim is probably true for most businesses, I think it’s even more true for any kind of consulting work. This is because at its core, consulting is not that different from a regular job, and your income is usually somewhat limited when you are trading time for money.

There is one generalization that can be made, however — most pricing for consulting services is somewhat random. In my own experience, when I started helping other eBay sellers a long time ago, I started out by pricing my time at $45 an hour. I really had no idea what to charge; that just seemed like a lot of money to me.

I started getting busy after a while, so I decided to double the rate. My theory was that if I charged $90 an hour, I’d have less clients, and could serve them better. After I raised the rates, though, only one client dropped out.

I suppose I could have raised the price again later, but I was new to the business and didn’t really love the idea of being a consultant. Before I got too sophisticated at it, I left the U.S. to move to Africa, and then I had to think about a lot of different things.

Anyway, if you become a super consultant (or already are one), feel free to write the Unconventional Guide to Consulting.

8. START A CONTINUITY PROGRAM OR MEMBERSHIP SITE

How would you like to get paid month after month, by the same group of loyal customers who are automatically billed for the service you provide? Continuity programs are the secret of many successful online businesses, because they have the potential to greatly contribute to cash flow.
Note: Continuity programs are also called membership programs, subscriptions, or membership sites. These terms all refer to the same thing, which is an ongoing commitment by the customer to pay a set amount for access to ongoing services.

There are a few things to be aware of when setting up a continuity program. First, some consumers perceive them negatively, so you have to conduct a detailed education campaign when first introducing one to an uncommitted audience.

Also, you can’t really start a continuity program from scratch. You have to have some kind of existing customer base that is already familiar with your offerings. Only the most loyal members of your customer base will sign up for the continuity program, so it’s good to have a relatively large base to start with. (If your base is small but exceptionally loyal, that can work as well.)

Here’s a few examples of different continuity programs from around the Internet. Keep in mind that if they look highly-professional to you, that’s just because a lot of work has gone into the planning and set-up. You can start your own continuity program on a small scale (as long as you have the customer base) and gradually scale up.

**ExpertFlyer** – offers advanced airline information not available through free travel web sites. They price on the low-end – either $5 or $10 a month depending on which option you need.

**Flash Publishers** – offers all kinds of multimedia information for Flash designers. They price at $19.95 a month.

**Personal Trainer University** – offers information to help personal trainers get more business. Prices at $19.99 a month.

Some other continuity programs include a lot of online services like **SurveyMonkey** (I’ll talk about this later), iTunes subscriptions (Daily Show, Colbert Report, etc.), and dating sites that charge a fee each month to access profiles and contact other users.

Action Plan (What to do next)
You need to spend a fair amount of time planning out the logistics for your continuity program. Specifically, you need to have clear answers for the following questions:

» What will you offer?

» How will it be provided to the customer?

» How can the customer sign up?

» How will the customer be billed every month?

» How can the customer cancel?

» Will you offer a trial period?
These questions are all logistical. On the marketing side, you’ll need to ask a number of questions as well:

» Why should customers sign up for this?
» How will it change their lives?
» What should the price be?
» What is the unique selling proposition (USP)?
» How can customers refer other customers?

For full service of your continuity program, there are a lot of vendors that offer sophisticated (but pricey) software. Membergate is known as one of the better programs for this.

On the low-end, both PayPal and the 1ShoppingCart service I’ll describe in the FAQ section allow for easy setup of continuity programs. If you use these options you’ll be facing a more manual operations process, but the price is much, much lower.

In your PayPal Business account, choose “Merchant Services,” then look under “Create Buttons” to the one that says “Subscribe.” The form that you see on the next screen is literally all that you need to set up a recurring payment from a customer. Get the HTML or email link code with the variables you select (price per month, optional trial period, etc.) and then use that on your sales page or email offer.

In 1ShoppingCart, continuity programs are known as “Recurring Products.” When you set up a product in their interface, you simply check a box and fill in a couple forms (how much, how often, etc.) to make a regular product a recurring product.

As I said, if you spend some more time learning more before launching a continuity program, your results will probably be better. But if you want to get started immediately, there’s nothing standing in your way.

A Few Important Notes on Continuity Programs

» The more you can automate the creation of content, the better. That way you can focus on other projects and let your continuity program earn money for you while you sleep... or more likely, while you work on other projects.

» It’s hard to get people to join. Many people are naturally resistant to continuity programs because they don’t want to pay on an ongoing basis. To overcome this, you’ll have to provide a clear “reason why” they should subscribe. Offering a very easy cancellation policy is also a good idea, and use this in your marketing copy. “You can cancel anytime at the click of a button and never be billed again” – something like that.

» Lots of people will sign up, kick the tires, and leave the program within a short time. BUT as a general rule, after three months or three billing cycles, most of them will stay around for a year or more. The trick is to put some of your best material (or whatever you are
providing) in the first couple of months of delivery. Obviously, you can’t slack off too much after that, but the point is not to save too much for later. If you hold back good content, you’ll lose a lot more customers.

Properly done, a continuity program can add up to thousands of dollars a month to a small business. If you have some other products in place already and are looking for your next big expansion, I highly recommend it. It’s hard to find something better than a good, consistent continuity program. Good luck!

**PROS:** Great potential to add serious cash flow to a business that is already successful – this can not be overstated. Gives your business a more professional, sustainable model.

**CONS:** Moderate resistance from customers (only your most loyal will join), occasional chargebacks through your merchant account when customers don’t contact you to cancel.

9. AFFILIATE INCOME 2.0

You probably have some idea of how affiliate marketing is supposed to work – web sites with visitors refer those visitors to big-name merchants who offer targeted products and services. When the merchants sell something, the affiliate gets a commission – anywhere from 1% on up to 10-20%, in most cases.

The merchant supplies nice, pretty banners and other ads that the affiliate can paste all over their site, hoping that enough people will click-through and buy something that they’ll earn enough money to be cut a check at the end of the pay period.

What’s not to like about this?

Well, several things, actually. In rough order:

1) The commissions are too low
2) Merchants are not always fair
3) Affiliates don’t usually do a good job of promoting

I have a secret to let you in on that relates to each of these problems—most affiliate marketing doesn’t work.

The affiliate is either set up to fail by the merchant, or the affiliate doesn’t do enough “value-added” promotion to make many sales. The ratio of inactive affiliates to active affiliates in most major programs is well over 90/1. In some cases, it can be as high as 98/1 or 99/1.

Granted, some of those affiliates – perhaps even a lot of them – don’t have a real web site, don’t have much traffic, or just signed up to see how it would work. But surely not 90%. Somewhere in there, a lot of good affiliate partners are getting lost in the cracks.

There is an answer to all of these problems, and the good news is that it requires some work. Why is this good news? Because most of your competitors will not take the time to do it. If you do take the time, you’ll be far ahead of them... and also make a lot more sales.
Action Plan (What to do next)
Here is what you can do as an affiliate to achieve success all-around. Your visitors will be happy (this is the most important thing), your merchant partners will be happy, and you’ll earn more money.

» Focus on building a brand and recommend stuff you really like

» Offer bonuses to your readers or customers for purchasing from affiliate links (this will add value and increase sales)

» Sign up with Hydramedia and carefully look for a good program.

» Sign up with Commission Junction and carefully look for a good program.

(With each of these networks, perhaps 1 in 20 offers will be a good match for your business. Focus on the select few and ignore the general offers.)

One final tip: be aware that some people will not buy through obvious affiliate links. Whenever they sense that a link is monetized, they will deliberately go to the merchant directly. To offset this, provide the bonus mentioned earlier, and require customers to send you their order receipt to receive the bonus.

10. USING ADSENSE FOR SCALABILITY (OR “THE BEST $1.26 I EVER MADE”)

Since I’ve taken a somewhat negative view of Adsense in other sections of this guide, I should be fair and tell you I wasn’t always this critical. There are valid uses for Adsense (in particular, when the placement of the ads is not overly intrusive), and if you have any sites with relatively high traffic, putting Adsense on them can be an easy way to generate passive income.

My Own Experience
In 2005 I attended a quick weekend conference in Chicago. It’s probably not unusual for most people to head to the Midwest for a conference, but at the time I was living in Liberia, West Africa, so in fact it was quite a trip. In one of the first sessions I heard a speaker discuss creative uses of Adsense ads as a secondary goal for site visitors.

For those of us using traditional landing pages, where the primary (and often only) goal was to capture site visitors’ email addresses, at least 75% of those visitors would take a look and then disappear forever. In my case, I was paying up to 50 cents each for those visitors to come to a site, decide it wasn’t for them, and hit the back button. Fifty cents over and over for someone to disappear right after arrival really added up quickly.

Many of the visitors did sign up, but due to the high percentage of people who left without doing so, I was essentially paying a 40% premium on the ones who did.
The brilliantly simple advice I heard at this conference was to use Adsense as a secondary goal, for all of the people who didn’t want to join the newsletter. With this setup, you place Adsense ads at the top of the page in hopes of capturing people before they hit the ‘back’ button. The idea is that Google will serve relevant ads based on the content of the page, along with whatever term they were searching for, so those same keywords will be displayed at the top. When visitors click one of the keywords, they go straight to Adsense-sponsored Google results, and the site owner who sent them there gets paid.

Until I understood this, I had little interest in Adsense because I didn’t have high-traffic sites, didn’t use blogs, and otherwise really had no use for it. But once I understood this, everything changed. I still kept the primary goal of my landing pages—to get people to join a newsletter—but with the Adsense ads at the top, I now had an alternative for the ones who didn’t.

This eventually allowed me to recoup about 30% of my average ad cost, which was effectively a 30% cash rebate since I had been paying for 100% of the cost prior to figuring this out. But it all started with $1.26 in Brussels, Belgium.

In Between Jet Lag and Luxembourg
On my way back to Liberia from the conference, I had a two-night layover in Brussels, the major European gateway to Africa. Thanks to the Priceline.com strategies I briefly mentioned earlier, I was able to stay at the fantastic Renaissance Hotel for just $40 a night. (This hotel normally goes for €199, and has a nice business lounge that you can easily sneak into... not that I would know anything about that.)

On the second day of the layover, I took off to visit Luxembourg, a tiny city-state about three hours away by train. Before I left, I spent an hour setting up an initial test of the alternative Adsense strategy. I wasn’t sure it would work, but I knew it was at least worth a try.

After setting up the test, I took off for Luxembourg and enjoyed walking around the busy streets for a few hours. Returning to Brussels later that evening, I eagerly logged on and checked the stats.

The Google Adsense page finally loaded, and I saw that I had made a grand total of $1.26. That’s right, a buck and a quarter had trickled in via 10-cent and 25-cent denominations throughout the day as visitors had clicked the links.

I could not have been happier.

I was thrilled by the small amount of money because I was pretty sure I could apply the same strategy in other places, and effectively scale up the $1.26 to $50-100 a day in completely passive income.

Over the next couple of months, I did just that, even reaching a $120/day average. This was essentially free money, since I did nothing for it and it reduced my overall ad cost.
About a year or two later, I moved out of that business, and I don’t do anything with Adsense anymore. But as far as I can tell from following the industry and closely watching other publishers’ pages, this strategy still works.

**PROS:** Very easy way to make money, *if* you have decent site traffic and many visitors who tend to quickly leave your site after arrival.

**CONS:** Can be like crack cocaine, because once it works, you will be tempted to plaster it all over your site and disrupt readability. *(Don’t do it!)* Also, Google is temperamental and the rules can change at any time.

**Action Plan (What to Do Next):**

- Use Adsense to offset Adwords spending of a successful commercial site
- Sign up for Adsense and install ads above the top header of your site
- Before scaling up, carefully test this – make sure enough people are clicking and that you are comfortable with the advertisers

**4 HIGHLY-OVERRATED BUSINESSES**

I wanted to give you at least eight specific action plans you could consider to get going on your very small, online business, and it looks like I’ve done that. We’ve covered:

- Creating Information Products of All Kinds
- Building an Information Portal
- Selling Digital Photographs (Parts I and II)
- Building a Real eBay Business
- Creating a Continuity Program
- Blogging for Dollars
- Setting up an Adsense-earning site
- + all the strategy behind these kinds of ideas

But this list would not be complete, however, without some advice about what to stay away from. Unfortunately, some of the most common business opportunities most people are familiar with have a very low success rate. In some cases, the business models are so flawed that new business owners in these fields are practically set up to fail.

Here are a few of these “Overrated Businesses” that you should avoid unless you really know what you are doing.
**#1: Franchising**

A while back I wrote a blog post about *why franchise businesses suck.* The short version is that the primary goal of most franchises is to build the brand and expand. The franchise owner ends up making most of his or her money from the sale of new franchise units (and also the never-ending royalties), and the franchisee is left at the end of the month with little, if any profit.

Here’s a few examples –

**Coldstone Creamery** – The franchise was set on expansion at all costs, and flooded the market with coupons that franchisees were forced to honor. Read this Wall St. Journal article for more.

**Quizno’s** – There’s a Quizno’s in every shopping center these days, but the stores frequently close down and open a few weeks later with new owners. See this article and this forum of franchisees for more.

Sadly, these kinds of experiences are the rule rather than the exception to franchising. If you’re curious about any specific franchise, just Google the name of the franchise along with “franchise complaints.” Granted, every business has its complainers, but with franchisees, you’ll find a troubling series of similar criticisms.

**#2: Traditional Affiliate Marketing (Amazon et al)**

If you spend any amount of time online, you’ve probably encountered legions of Amazon.com affiliates. Pretty much any blogger who has links to or pictures of Amazon books is an affiliate.

Yes, the Amazon affiliate program has been a huge success... for Amazon. The vast, vast majority of Amazon affiliates earn less than $50 a month, and to even earn $50, they have to refer purchases of about $1,000. If you think that selling something for $1,000 and getting paid $50 is a bad deal, you’re on to something.

Most big-name merchants have followed Amazon’s model of paying low commissions to a huge community that helps them achieve saturation. Again, it’s a great deal for the merchants, and that’s why they have little incentive to change the system.

If you want to do affiliate marketing, stick to companies that pay real commissions. You should be looking for these characteristics:

- A) at least 30% commission, or a significant monetary commission for each sale
- B) a commitment and ability to pay you quickly
- C) a good match for your market
- D) proven results
Some MLM marketers have indeed managed to be successful with this, but like successful franchisees, they are definitely the exception to the rule. Instead, the business “succeeds” mostly for the company that is running it, not the sales reps themselves. My view is that if you want to make money at MLM, you should probably start your own MLM company and get other people to slave away for you.

MLM businesses you’ve probably heard of include Amway (also known as Quixtar) and Mary Kay. These sites and forums contain some very good information (mostly critical) you should be aware of before you commit to something like this:

- **Merchants of Deception** - This former Amway mega-seller turned against the company and wrote a book
- **The Pink Truth** - This site has facilitated the return of more than $2.5 million dollars in product to Mary Kay

### #4: ‘How To Make Money’ businesses

A great deal of information products deal with the subject of “How to Make Money.” Ironically, many of the people selling the products are not making a lot of money. You’d expect this fact would prevent them from selling a product about the subject, but it doesn’t.

If you haven’t been successful making money somewhere else, do everyone a favor and stay out of this niche. I have been in business for 10 years, and this is the first time I have sold any kind of product that has to do with making money.
In some ways, I didn’t want to do it, because I knew it would open me to criticism for selling a product in this crowded market. But in the end, people ask me every day how to do stuff like this, so I felt I had an obligation to shed some light on my style and process.

**MISCELLANEOUS (4 FINAL POSSIBILITIES THAT REQUIRE ADDITIONAL RESEARCH)**

1. **Speaking on Cruise Ships**
   If you’re an expert on “something interesting” (deliberately broad), you may be a good fit for a cruise ship lecturer. This is usually not a paid opportunity, but the cruise line will cover the cost of a mid-range cabin for you and a guest.

   For more information on this, check out SpeakerNet News.

2. **Importing / Exporting**
   When people say they are doing import / export, they are mostly importing goods from other countries, usually poorer ones or ones where there is some kind of cost advantage. A lot of people have a vague desire to do this, but it takes a lot of work and perhaps more initial research than other microbusinesses.

   For more information on this, check out International Living’s Import / Export Guide. It’s not cheap, but the quality of the resources may be better than the free information you find online.

3. **Domain Name Retailing**
   Yes, you can buy and sell domain names – many people do, and some have been very successful at it. A few of the big players have tried to capture most of the market and squeeze out the hobbyists, but others believe that there are plenty of domains to go around.

   For more information on this, read up on Afternic and NamePros.com. This is not for the faint of heart!

4. **Coregistration and Lead Generation**
   If you become especially good at lead generation (acquiring customer’s contact info who are interested in specific topics), you may be able to sell those leads to marketing companies. There are a couple of ways to do this: either through a company like PostmasterDirect, which splits revenue with lead generators 50%, or by working directly with companies who want to purchase the data. If “the money is in the list,” as they say, then in this case the money is in topics like real estate, employment, and financial services. These topics offer the biggest payouts by far.

   Again, this is a big field, so I don’t devote a lot of time to it here. For more information on coregistration and lead generation, Wikipedia has a nice overview that leads to further resources.
MY JOURNEY, STAGE THREE: INFORMATION PRODUCTS AND THE ROAD AHEAD

After a couple more years of running the business, I began looking for a new challenge. I worked as a jazz musician for a year and spent the majority of my time practicing and rehearsing for gigs. That was fun – and definitely a great learning experience – but I was also looking for an even bigger challenge.

The challenge I found had nothing to do with business at first. Instead, the challenge involved Jolie and I moving to West Africa to volunteer with a charity for two years. The two years turned into four, and for the whole time we were there, we never took any salary from the organization we worked for. Friends and family at home supported our work in part, but this support was not enough to meet all of our needs... so I moonlighted at night from a small office on a hospital ship.

I spent the first couple of years working on entrepreneurial projects only about one hour a day. During most of that time, the six-hour a week job was all I needed to pay the bills – the cost of living is cheap in the poorest countries in the world. But after the first two years, I stumbled on a new opportunity that got me excited.

I discovered information products, the third stage of my evolution as a renegade entrepreneur. As a result of this discovery, I started working 2-3 hours every night and part of Saturday on the business.

There were some crazy things that happened during that time. One time, a fulfillment warehouse I was using in Michigan suddenly closed with no notice, leaving me scrambling to fill $8,000 worth of orders. The sudden closure was hard for all their clients, but most of them were based in the U.S. or Canada. I was in Africa, and obviously couldn’t come back to sort things out.

Somehow I survived that, and ended up using the business to help return to the U.S. and move to Seattle after our four years overseas.

I’m still selling information products today - this guide is one of them – and I’m convinced that this is the best way for me to earn a living without a job and work towards my goal of financial independence. Since I formally set my goal of visiting every country in the world and taking 4-5 major trips a year, the financial independence goal has pretty much been on hold. But I’m still convinced that in the end, this is the best way to go.
Even though it won’t make me rich, the *Unconventional Guides* can produce passive income that arrives in my bank account when I get up in the morning. The best part is getting emails from happy customers who have benefited from the information.

And for you as well – there are a lot of different opportunities you can take advantage of to earn money without a job. I really want you to succeed, so be sure to pay close attention to the next section, “Putting it all together.”

**PUTTING IT ALL TOGETHER**

**HOW TO GET PAID**

Note: This is very important!

You might expect that the section on “How to Get Paid” would be pretty short. A paragraph, perhaps, or something to be covered in the FAQ.

I only wish it were that easy. Instead, failing to think carefully about how customers will pay you is a common mistake for many new business owners. Instead of being an afterthought, you need to seriously consider this process before setting up shop.

Here are a few notes on your different options.

**PayPal vs. Everything Else**

PayPal is the easiest and increasingly most common method of receiving payments online. It is currently available in 190 markets, and operating locally in 13 countries. What this means is that people in all of those markets can send you money. (There are a few minor countries where PayPal doesn’t work, and payments to and from China are also restricted—but otherwise, it’s broadly international.)

Even if you end up using another system of payment, which I recommend you consider, virtually all businesses should also accept PayPal payments. Even big corporations like Dell and Northwest Airlines are now taking payments by PayPal. Simply by adding it to your list of options, you’ll increase sales by an average of 7-10%.

There are a few theories as to why this happens, but the one I find most convincing is that many PayPal users will buy something from their online account that they would not spend cash or credit on. The speculation is that PayPal money is sometimes considered to be “fun money,” so PayPal users have less of an emotional attachment to it. Regardless of the reason, this is an interesting phenomenon you can use to your benefit.
You probably know a little about PayPal already, but if not, be sure to check out the Website Payments section.

**What about other ‘PayPal-like’ services?**
From time to time a new service launches that claims to be ‘just like PayPal, only better.’ I’m all for fair competition, but the reality is that PayPal has achieved a scale that is hard to beat.

Most of these services have lasted only a few months before running out of steam and money. In some cases, account holders (i.e., merchants) have lost the money that was in their accounts. Most of the time, however, there wasn’t much money in the account to begin with… because buyers are skeptical of unknown payment systems.

For now, I recommend you stick with PayPal, unless of course you have a truly compelling reason to use one of the PayPal clones.

**PROS:** Easy, integrated with eBay, somewhat scaleable and customizable as you grow your business.

**CONS:** Historically bad customer service (although it’s not as bad now), not as professional as a merchant account, and some buyers find it difficult or just don’t like it.

**Clickbank**
One alternative to PayPal that is worth checking out if you sell information products is [Clickbank](#). This service is the ebook sellers’ behemoth, and they make it very easy to set up and offer your own ebooks directly for sale – and also other information products like MP3s or online videos. Clickbank’s rule is that all products for sale on their platform must be delivered to the buyer instantly after purchase, so you can’t ship anything in the mail using this service.

I have used Clickbank for a few specialized products and have been pretty happy with them. They automate the customer interaction and troubleshoot any technical problems that crop up. There are some restrictions to the Clickbank service, and you probably don’t want to be a Clickbank-only merchant, but they’re definitely worth checking out.

One of the cool things about Clickbank is that every product you offer for sale on their service is automatically ready for affiliate promotion. This means that there are no special steps or hoops to jump through for Clickbank’s army of affiliates to offer your stuff.

(As explained earlier, successful affiliate marketing requires some real work, but nevertheless, it’s good that Clickbank makes the logistics easy.)

You just need to set the commission for your affiliates, and I recommend you put it as high as you can. Most power-user CB affiliates (and this is where virtually all affiliate sales come from) are good at judging how your product will sell to their markets, and they will not promote your offer unless it generates at least 50% commission for them. Some clever
sellers even set their commission rates to 70% of more in an attempt to attract more affiliates. They then earn their money primarily through back-end selling. This is a very smart strategy, although of course it takes a fair amount of work to develop the back-end products.

Check out Clickbank’s merchant info for more information.

**PROS:** A virtual army of affiliates, ease of use, and automated service whenever customers want refunds or a new download link.

**CONS:** The approval process can take a while, the interface is not highly customizable, you can only sell information products, and there is a maximum $49.99 limit on your product prices at first.

**Merchant Accounts**

If you’re just creating a part-time business or another small source of income, you’ll be just fine with PayPal or Clickbank. Many full-time business owners even continue to use one of the services exclusively. But if you create a full-time business that keeps growing, you’ll probably want to look at opening a merchant account sooner or later.

Be forewarned that this is not a project for the faint of heart. Dealing with a merchant account provider is time-intensive and not nearly as easy as any other option.

So why do it? Simply put, you’ll have much more trust and authority as a seller if you have your own merchant account and accept credit cards directly. Some customers will simply refuse to use PayPal – and depending on the market, this percentage can be significant.

As another important benefit of the merchant account, you can completely customize your order form and the entire order process. This usually leads to higher conversion rates (and more money, better branding, etc.) when done properly.

But as mentioned, this is not usually easy.

I’ve previously written about mediocrity in U.S. airlines, arguing that airlines abuse the same consumers who keep them in business. (Sad but true). The same principle applies to most merchant account vendors, and they can be more frustrating than airlines. Bizarrely, the same bank that profits from accepting your customers’ payments does not want you to have a lot of customers, and they get mad if you start making too much money.

I’m not kidding – it’s bizarre but completely true. As incredible as this is, it is the industry norm. Depending on your credit rating, cash on hand, and the kind of product you’re selling, you may be asked to put down a deposit of $10,000 or more before opening the account. (Seriously.)

But if your business is rapidly growing and you want a professional image, it’s probably worth it.

**PROS:** Trust and authority, complete customization. (These are big positives.)
CONS: Hassles with account reps who don’t understand your business. Dealing with chargebacks becomes more difficult and expensive. (These are also big negatives.)

My Recommendations
I do have a merchant account, although my experience with them has been fairly typical. They are a “good enough” provider, but dealing with them over the past year has reminded me many times over why PayPal is a good company.

Anyway, here’s who I use:

Humboldt Merchant Services

In addition to the merchant account, you need a separate arrangement with a shopping cart company. In this case, I can say I’m happier. I use 1shoppingcart.com and have had a good relationship with them for nearly two years now.

(These are not affiliate links.)

Bank Transfers (also known as Wire Transfers)
If you’re selling anything that costs more than $500, it’s usually worth offering a bank transfer option. These take a bit of work from the buyer’s side, so most people will choose another payment method. But once in a while, an international buyer will want to do a bank transfer, so you might as well allow them to send you money.

As long as you have a bank account, it’s usually very easy to receive transfers. All you need is the routing number and account number(s). I don’t recommend you publish these numbers on your web site, but you will need to send them to anyone who is paying you through a bank transfer.

Just include a note in your FAQ or order page that says you accept transfers for orders over $500 or whatever amount you choose. Anyone who is interested can then contact you for details, and you can then decide whether to send them the numbers or steer them to another order method if you feel uncomfortable.

Be sure to tell customers there will be a delay in processing their order due to the 48-72 hours it takes most banks to display the transfer in their records. It doesn’t always take this long, but to be safe it’s better to advise of the delay.

PROS: A good additional option for large payments, especially from international buyers.

CONS: Most people won’t use bank transfers, so this should not be your primary method. You’ll have to call the bank to verify the transfer is complete, and it may take a couple of days to go through.

(International readers, this information on transfers should be true in most places, but you should check with your bank to make sure before giving the info to customers.)
Checks and Money Orders in the Mail
Depending on the market, about 1-3% of buyers still like to send money in the mail. As with customers who prefer bank transfers, you might as well let them give you money however they want to. If you’ve been in business for a while, you probably have some kind of post office box or private mail box. Give them that address and check in once in a while to see if anything has arrived.

The only thing to watch out for with this is the classic money order fraud, where someone sends you a money order for several hundred dollars in excess of the amount you charge. They usually ask you to send back the extra funds, and after you do so, you find out that the money order was a fake. It seems strange that people fall for this, but apparently it’s still happening.

**PROS:** Free money once in a while

**CONS:** Not nearly as convenient as online payment, and most customers won’t do this.

PUTTING TOGETHER A LAUNCH EVENT

No matter what you are selling and what method you use to sell, I recommend you put together a launch event for your product instead of just uploading a sales page one day. In the long-term, building a series of launch events will train your customers to buy from you and create a great deal more revenue than simply putting things up for sale.

On the AONC site, I am pretty low-key with product launches, because the focus of that site is more on the essays and posts which are free to everyone. But even though it’s low-key, I’ll still build a series of small mentions and email announcements to let people know something is on the way.

Here is a very simplified (but quite effective) sequence of events to use for pretty much any launch:

» Pre-Launch #1
» Pre-Launch #2
» Launch
» Day 2 or Day 3 Update
» “Last Day” of Sale or Offer Update

You can use these announcements through an email list (most common) but also on your site directly. Assuming that the product you launched isn’t a one-time event, then you can also build a series of reminders and updates a long way into the future.

Here’s a few examples:

“New Update” Reminder
This reminder goes out whenever you have significantly updated the product. Obviously, you’ll send the update to your customer list, so they can take advantage of the
new information, but you’ll also send the update to your prospects list (people who haven’t purchased), so they can take another look at the product.

“Testimonial” Reminder
I call this the “Here’s what people are saying” announcement. This is great for social proof, which is one of the most important factors in whether someone will buy. If a potential customer has been sitting on the fence, debating whether or not to purchase your product, this reminder will often push them into the buyers’ column.

1 Year Later Reminder (or six months later, etc.)
This time-based reminder goes out to celebrate a birthday or anniversary of your product, i.e., “Can you believe it’s been one year since we launched the Great Widget Maker?” Then you explain what’s happened since then, and include stories of people who have improved their lives through the use of your Widget Maker.

You can also put together an entire re-launch with a 2.0 version of the product or simply some new features using a series of these kinds of reminders.

Launch Event Actions
Before you launch your product, you need to take the time to do some important planning.

Purchase your own product
A great many mistakes can be avoided if you simply follow your own order system flow and purchase the product yourself.

(Note: if you’re using PayPal, you’ll need two accounts to do this, since PayPal doesn’t allow you to purchase something sold by the same account doing the purchasing. This isn’t usually a problem, since you’re allowed to have both a personal and a business account.)

Every single time I’ve done this, I’ve always found at least one problem or action step that could be made more efficient. Don’t forget it – it’s tremendously important, and since you’re effectively buying from yourself, the only cost is the merchant fee you pay for processing. You can also issue a refund later if you prefer, although since that complicates the bookkeeping, I don’t do that unless it’s a large purchase.

As usual, I have learned to do this by mistake. I once sent the wrong order link out on a large mailing, and didn’t check in for several days. (Yes, I know – it’s shameful.)

When I finally did check-in, I realized that I had sent the wrong link. How completely moronic, I thought – so to fix it, I sent an update to the same list with the subject, “Sorry, I am a complete idiot.” The message explained the mistake and what I did to correct it.

A lot of people said they got a laugh out of the title, and in the end, my response to the campaign wasn’t lowered too much. But still – save yourself the trouble and test all the links several times to avoid this.
Clear out the email queue
If a bunch of email (or voicemail) messages have built up during the pre-launch, take the time to answer them all before the launch. If your launch is going well, you’ll have a lot of other mail to deal with, and it’s much better to start the launch phase off with a clean Inbox and voicemail box.

Prepare for the follow-up
The follow-up to the launch is almost as important as the launch itself. What comes next? How will you prepare the customer base for the future? Spend some time on this before you launch, not afterwards.

THE ULTIMATE SCALING UP
(SEMINARS, HIGH-END CONSULTING, EMPIRE BUILDING)

This guide is designed to help you get started; not to take you fully along the road to self-employment. But I want you to know that once you get one small project going, especially something with information products, the path you can take to go further is endless.

The best analogy for a fully-developed information business is a funnel. You start out with something small and entry-level: an ebook, for example, or a very basic information portal. After that’s working well and you’ve recruited a decent customer base, you move up a level. You start doing teleseminars or webinars for your customers, or you create an audio or video series. The audio and video series eventually becomes a whole home study course. Somewhere along the way, some customers will long for more personal interaction from you. This is the point where you can develop full-on seminars, coaching, or other individualized services – for a high but fair price, of course.

By building out the funnel from lead generation to high-end products or services, you’ll create options for customers at all levels and price sensitivity points. Most of them won’t go through the whole funnel, and this does not mean you have failed as a marketer. Instead, it may mean that the customer’s needs have already been met through one of the offerings along the way, and at the present time, that’s all they need.

This is a success. You can continue to contribute something meaningful to that customer’s life through your additional free resources (product updates, blog posts, newsletter, etc.), and perhaps sometime in the future they’ll purchase something else from you.

The point of having some higher-priced offerings is not to meet the needs of each and every consumer – it is to meet the needs of a few. Keep this in mind as you are building out the funnel.

Note: This is a rough snapshot of what a fully developed information business can look like. If you’re planning to do this, you’ll probably need more resources than just this report. I’ll tell you about some of them in the FAQ and free updates, and of course you’ll also find others along your
way. But don’t discount the ready-fire-aim approach. You can start building your own empire right now. What are you waiting for?

The End Is in Sight
Before we go to the FAQ, the survey, and final notes, here’s a question to think carefully about, and also a word of encouragement.

First, do you really want your own business?

I believe that almost anyone who wants to create freedom for themselves through online business can do so. But I also know that working for yourself is not for everyone. Here’s a quick test:

Does all of this information make you excited about learning more, or do your eyes glaze over at the possibility of starting your own project?

From the outside, building a business is a lot like working in the arts, which I why I frequently make comparisons between the two fields. Most people who have regular jobs will never really understand what you do, and they’ll likely have an entire range of misconceptions about how you spend your time.

It’s also kind of like traveling around the world. Yes, it’s cool and I love it, but not necessarily in the way that other people imagine it.

But you know what? In some ways, those people who “don’t get it” are right – even though you have just as much responsibility, if not more, by working for yourself, it’s also true that you have a lot more freedom. For most self-employed people, freedom is what it’s all about. Freedom is the goal, and everything comes back to that.

And now, a Word of Encouragement

If you’re currently working at a job, think about your total salary. Your total salary is whatever you’re paid for a year’s work, including the cash benefits your employer pays for (health insurance, retirement contribution, workman’s compensation, etc.). That is the total cost of you as an employee.

Most businesses will not hire employees if they do not expect to receive 3-5 times the cost of that employee in added revenue. In some situations, it may be closer to 10 times.

I mention that because I passionately believe in entrepreneurship, and a lot of would-be entrepreneurs are currently working at jobs where they are worth a lot more than what they are currently being paid.

I also believe that anyone who really wants to can escape the tyranny of depending on someone else for their income. Some people feel like a “real job” is their security against a weak economy. Entrepreneurs know the opposite: their competence is their security.
Will that be you? I sincerely hope so. But even if not, I hope you’re able to create a new, “small but significant” source of income that was kick-started by the information in this guide. Please let me know what happens.

FREQUENTLY ASKED QUESTIONS

Starting a business for the first time, even a very small one, can seem overwhelming if you’re not used to all of the terminology and resources. In the section below I’ll share my own opinions about specific questions that came in during the preparation of this product. I’ll answer some others in the final audio segment, so be sure to check that out too.

Which skills should I focus on developing the most?
Overall, I think the most important skills for running an online business are revenue strategy and copywriting. For more on copywriting, check out the great CopyBlogger who provides all kinds of great, free info and tutorials.

For revenue strategy, here’s a quick exercise that will help. Get a piece of paper and think about your existing business or the business you want to start. You probably already know 2-3 ways you make money (or will make money), right?

Here is the thing: 2-3 ways aren’t good enough – or at least, they could be a lot better.

Discipline yourself to not leave the desk or wherever you are until you’ve come up with at least 5 additional ways to make money with your project. Then start working on the first steps for them right away.

A few ideas could be:

» Adding an upsell 30-minute phone conversation to any product (personalized tech support)

» Creating a “Gold” or “Platinum” version of the product (a surprisingly high number of people will go for it)

» Developing a 2.0 or otherwise new version of your product (2009 edition, etc.)

» Having a “customers-only” sale to reward people who have purchased from you before

» Setting up a webinar for sale on a highly specific topic

» and so many more… what are your ideas?

I’m new to all of this. What should I do first?
I generally recommend the Ready-Fire-Aim approach. Read the tactics section again and see which ideas are most interesting to you. Do some more online research and complete the “Next Action” steps. If you have enough time, do this for two or three different ideas, then see which one has the most potential. Pursue that one.
How much should I spend on site design?
It depends on what you are trying to do. But here are some guidelines:

If you can do some simple work yourself and just need a logo, header, or overall identity, you’re in luck – those can easily be acquired on elance for around $200-250.

If you want a quick-and-dirty 3-page site design based on an existing template or theme, with a logo and good header, expect to pay around $500.

Decent site with unique design, a better logo and branding materials, and ongoing (basic) support, you’re looking at $1500.

Super high-quality design work is more expensive. If you want that kind of work, be prepared to invest in a relationship and pay more. However, a lot of projects don’t need that – in fact, I tend to think that most microbusiness projects can stick with the $500 or less price.

What services do you use for domain registration, hosting, etc.?
Here’s what I use, but be aware that I’m not necessarily endorsing each of these companies. Note also that there are no affiliate links here.

Aweber – For all newsletters and everything related, Aweber is a great investment. The price starts at $19.95 and goes up – way up – once you start building big lists. But to get started, it’s not bad, and you can do a lot with this service.

Alternatives, if you want them, include ConstantContact, iContact (the Obama campaign chose this one), JangoMail, and GetResponse.com.

Bluehost and Cedant – These are the two web hosting companies I use. I’m not in love with either one… but they work. Both of them have U.S.-based support, which is important to me.

Some other people recommend SliceHost, but I have not had personal experience with them.

For basic web design and maintenance I use the good old Microsoft Frontpage, which is really difficult to buy now that it is no longer being made. Look for it on eBay, and the 2003 version is better than the 2007 one (seriously). For my blog at the AONC site, I use Wordpress, which is free.

Survey Monkey for eliciting customer feedback is great. It costs $19.95 a month. There are also some free services out there – see FreeOnlineSurveys.com, for example. Be aware that the free services have some limitations. If you want to do it without cost and have a relatively small sample size (say less than 1,000), I’d do it all manually by sending and responding to emails. It doesn’t take that much work and presents a nice touch. But otherwise… Survey Monkey is great.

You need a good credit card to run almost any kind of business, and I use the American Express Business Gold card. I also have a United Business Card (currently offering a 20,000 mile bonus!) for the few vendors that don’t take AmEx.
I used to pay about $100 a month for a web analytics service, but now Google Analytics does it for free. Like all things Google, in return for giving you great services, they acquire an incredible amount of knowledge about your business and your life. If you’re not comfortable with this, you can pay another company to do your tracking. I have already given my life over to Google thanks to Gmail and Gdocs, so adding the Analytics in wasn’t that big of a step for me.

As I said, that’s exactly what I use to do everything I need to earn a living. If you are in love with another service, tell me about it and perhaps I’ll include it in a future update. But most importantly, be sure that your tools and resources serve you instead of the other way around.

If something is too complicated, my philosophy is to drop it as quickly as possible. It is all too easy to spend hours and hours learning how to use some cool new software that looks nice but doesn’t really contribute to the bottom line.

**Design Work**

By the way, if you’ve followed the AONC site or read any of my longer writing projects before, you may have noticed a consistent design theme. This is all the result of one person – and it’s not me.

Reese Spykerman does all of my design work. I have worked with a lot of designers over the years, and Reese is definitely at the top of the list. For the Brief Guide to World Domination manifesto, Reese suggested a landscape design (similar to what we use in this guide) that I believe made a big difference in how the report was received.

More than 100,000 people downloaded the manifesto in the first six months, resulting in hundreds of emails, site comments, and trackbacks from other bloggers. I credit a lot of this success to Reese. A number of people mentioned that the great design of the report encouraged them to start reading right away, and to keep going when they otherwise might have stopped.

All that to say if you need a designer, I recommend you contact Reese for a quote request. (I don’t get paid for the referral – she just does good work and I hope she gets more business from it.)

**WHAT DO YOU THINK ABOUT THE GUIDE? I’D LOVE TO KNOW**

This is the second in a series of Unconventional Guides, and I’d like to know if it has helped you. Please take a moment to complete a short survey at the link below. It’s quick and painless, and will help me improve the guide in
the future. (All updates will be free for you for one year, so be sure to let me know what you’d like more information on.)

http://www.surveymonkey.com/ug-freedom

Lastly, thank you again for your purchase. I hope this really helps you. No matter what, remember to take concrete action steps towards your goals.

Keep rocking the universe,

Chris