HOW TO START UP ANY BUSINESS

This is a FREE ebook.
Please feel free to give it away to friends or offer it for free on your website!

Brought To You By:
www.BusinessMasterExtreme.com

The **Business Master Extreme Package** is the biggest collection of money-making offline and online business info-products available on the internet in one complete package.
Over **585** business info products and software!

Legal Notices

This book is supplied for information purposes only and the content inside does not constitute professional advice. It is sold with the understanding that the authors/publishers/resellers are not engaged in giving any accounting, legal or other professional advice. If legal/accounting or any other professional assistance is required, the services of a professional (such as an attorney etc.) should be used.

The authors and publishers of this book have used every effort to ensure that it has been prepared in the best possible way – however the authors & publisher make no representation or warranties with respect to the accuracy, applicability or completeness of this book's contents. They disclaim any warranties, merchantabilities or fitness for any particular purpose. The authors/publishers/resellers do not accept any responsibility for any liabilities resulting from the decisions made by the purchasers of this book.

Legal Entity: Determine whether you are going to be doing business as an individual proprietorship, partnership or corporation. The individual proprietorship is the form of entity used by most small businesses at start up. If you need additional capital or expertise a partnership may be the best entity. You can always incorporate later if practical. The expense to incorporate a small business is nominal but since the latest income tax changes unless incorporating will make you more money or better protect your investment there is not much benefit in forming a corporation. Even though there is limited liability as to your personal assets with a corporate entity when obtaining outside financing, or in the event funds are misused, you can still be personally liable.

The strict laws, higher State Income taxes in some states, the legal work involved and the heavier accounting and tax reporting requirements are some of the disadvantages of running your business as a corporation. Also, if you decide later to close out your corporation, the paper work involved, especially to conform to the provisions of the Internal Revenue Code, is difficult and often runs into more problems than the initial incorporation.

Of course when interest rates are high incorporating may be the only practical method to get sufficient capital to start-up and run your operation. However when you go public with your stock you are looking at a whole new ball game. Federal regulations, State requirements, etc., will make it imperative to hire a good corporate attorney and in most instances you will need an investment company to sell the stock. The costs involved to go public are enormous and sometimes cost up to one-third of the proceeds from the sell of stock leaving the working capital and fixed assets in peril.

Business Name: To make the public better aware of just what your firm offers it is generally good practice to choose a business name that describes your product or service. Apply for a fictitious business name with your state or county offices when you plan on going into business under a name other than your own. Also, the bank will require a certificate or resolution pertaining to your fictitious name at the time you apply for a bank account. Your county clerk can tell you where to apply for the name.

Location: The location of your business will of course vary depending on the kind of business or service. Retail businesses should be located in an area with adequate parking space and heavy foot traffic. If you locate in a shopping center be certain you understand the terms of the lease. Is it a Net-Net lease requiring the tenants to pay all center expenses including utilities, signs, lighting, taxes, insurance, garbage, maintenance, etc., in addition to all the usual store expenses? If you're going into an "office" business, or an unproven venture get a month to month rental agreement. In the event your venture is unsuccessful you will not be stuck with future rent as you would if you were under a long term lease. The landlord is in control. You must get his approval in the event you want to sub-lease to another and even if he agrees you are still secondarily liable for the term of the lease.

Failure: Think positive about your new venture but don't expect to make a great deal of money with little or no investment. Lack of capital has been the downfall of many otherwise good business start-ups. You may have limited take home pay for the first few months as you plow your profits back into the business to make it grow. You will need a substantial cash reserve or other source of income, during the "build-up" phase, to take care of your personal expenses.

Lack of training and experience is another great destroyer of dreams. Be sure you have the knowhow and are capable of running the business your propose. Get into something you already know or can learn without getting hurt in the process.

If you are going into a retail operation know who your suppliers will be before you even start looking for a location. Buy the right kind of merchandise, at the right prices, to fit the kind of customer you will be serving. Keep your inventory in balance with sells and cash flow. Plan ahead. Learn how to promote and advertise for best results. Keep up with the trends of the time and know at all times what your competition is doing.

A few of the other things leading to quick failure are: lack of over-all business planning, inept managers or employees, incomplete accounting records, improper financial reports, lack of control over assets, bad credit policy and inability of the owner to reach or act on decisions.

Bank Account: Get to know the manager of your bank. He will be one of your best references. Ask his advice and get his help on financial matters. The more he advises you the better he will come to know you. Develop a line of credit so it will be there when you need it. The banks can't exist without making loans so don't hesitate to apply. When you handle high cost items your bank may be able to work up installment contracts for your customers. Get set up with MasterCard, Visa, etc. It will cost you from 3% to 5% but you must have this service available for your customers if you want to stay in business.

To establish your bank account you will need a Federal ID number or social security number along with your certificate of assumed (fictitious) business name. If you are incorporated the bank will want a copy of the minutes and a corporate resolution authorizing the account.

Payroll Taxes: One of the first things to do when starting your new business is to get Federal and State application forms for ID numbers. Request "Business Start Up" application forms from the Internal Revenue Service and from the State Tax Commission. After your applications are sent in you will be notified of your number and get a packet of information. Depository forms, quarterly report forms, W-4-A's, W-2's, estimated tax forms, etc., will then be mailed periodically as needed.

Payroll taxes and expenses will amount to from 13% to 17% of your gross payroll depending on workmen's compensation rates for the various job classifications. Payroll expenses include:

FICA taxes (Social Security)

FUE taxes (Federal Unemployment)

SUE taxes (State Unemployment)

WC or SDI (Workmen's Compensation)

Also, you will be required to withhold from your employees wages and pay over to the Federal and State:

FICA taxes (Social Security-Employers share)

Federal Income Taxes

State Income Taxes (Most States)

State Disability Insurance (Some States)

If you are a sole proprietorship business or are a partner you will have to file and pay Federal estimated tax reports each quarter based on estimated annual income. (Some states also require periodic estimates through the year.) Partnerships file an annual information return and each partners share of profits is included in their individual personal income tax return. Corporation must also file for estimated taxes.

Hiring Employees: Throughout the year it takes hundreds of hours of your time to prepare and file the various payroll reports and other governmental forms required. This is no reason for you to sacrifice 24 hours a day trying to keep up with your business all by yourself without adequate help. When you have expanded to the pint you can afford good employees and/or managers, don't hesitate, hire them.

Properly trained and advised they will make more money for you than you can ever make going it alone in most ventures. Advertise in the classified section, take applications, set up interviews and hire the best.

Utilities: When you first start thinking about establishing your own business find out when the next issue of the telephone book will be printed and the deadline for getting listed. Place a reasonable display ad in the yellow pages under the classification which best describes your product or service. It could be a catastrophe if you missed the deadline for the next issue by a few days and have to wait 9 months to a year for a listing in the permanent directory. Advance deposits are usually required when you sign up for Power, Gas, Water and Sewer.

Licenses and Permits: Apply at City or County offices for local licenses required. If you are going into a retail business and your state is subject to sales taxes, apply for a permit and number with the State Franchise Tax Board or other proper department. You

will have to add the taxes to your customer's purchases and pay pay the proceeds over to the state periodically. Some states require a nominal deposit with your application. Your various suppliers will need your permit number for their files before they will sell to you. You do not have to collect sales taxes across state lines unless you have businesses in other states. For example: Persons in the mail order business sending their Advertising and products nationwide need only collect taxes for sales made to persons within the state.

Occupational Licenses: Persons entering into certain kinds of business will have to obtain an occupational license through the State or local licensing agencies. These include Real Estate Personnel, those in the medical profession, barbers, beauty operators, electricians, plumbers, contractors, insurance agents, engineers and many others. Passing a written examination is generally required before a license is issued.

Other Licenses: Federal regulations control many kinds of interstate activities with license and permit requirements. These include such businesses as common carriers, certain food processors, TV stations, radio, drug manufacturers and many others. Any organization which shops, sells, or advertises in more than one state is subject to Federal Trade Commission (FTC) regulations. This includes mail order operations although no license is required in most cases. Any firm distributing food products, including restaurants, is subject to permits and periodic inspections.

Other permits required for certain businesses include inspection and permit for occupying a new building that caters to the public, fire permits, pollution control permits, and those which regulate the size, shape, style and placement of signs, etc.

If you are in doubt about which permits and licenses pertain to your chosen business it may pay to first set down with the proprietor of a similar business in a different area or town and get full information from them.

Insurance: Don't forget about insurance. The premiums are expensive, especially business liability, but you cannot operate with peace of mind without full coverage. Check with a good agent regarding Fire, Liability, Workmen's Compensation, Business Interruption, Burglary, Glass, Extended Coverage, Vehicles, etc. Have two or three agents submit estimates.

Bookkeeping and Accounting: There is probably no reason you cannot do your own record keeping, at least in getting started. Just use a separate check book and bank account for your business. Use a columnar check register with several "headed up" columns and distribute the amount of each check written to the proper columns. List your deposits on the check register and carry across a continuous bank balance.

If you don't have a cash register to start with you can write up sales on duplicate sales slips, but a cash register is highly recommended. You will be able to ring up sales to different departments and by different clerks. It will pay for itself many times over in just

a short time. Record receipts from the "totaled out" cash register tape at the end of each day to daily or weekly sheets.

With just the above two records of original entry plus a "General Journal" to record any extraneous transactions, and a "General Ledger" to which accounts from the three records are posted at the end of each month, you have all that is necessary for a simple "cash" accounting system. This "cash" system can be easily converted to the accrual method of accounting by simply journalizing accounts receivable, payable, accruals, prepaid insurance, etc. After posting these entries the Balance Sheet and Income statement can be readily completed.

After preparing the financial statements, reverse the accruals and you will be ready for entries the following month. You can enter your gross payroll, payroll deductions and the net amount in your check register. Give your employees a payroll slip showing all the facts and maintain subsidiary payroll sheets with all the information as to each employee.

With these individual payroll records and the control accounts in the General Ledger you have all the information necessary to complete the various payroll tax reports and returns as they come due.

At the end of each annual accounting period all the information for filing your Income Tax returns will be right at your fingertips.

If you know nothing about bookkeeping have an accountant set up your books on the basis of the above simple method. Let him "keep the books" the first few months while you learn how then, if you prefer, take them over yourself. Use your accountant as your advisor. After a short time you probably will be able to do all the accounting without outside help.

Equipment Required: Every business is different and will not be using the same kind of fixtures and equipment. Sometimes it is much better to preserve cash for inventories or working capital and purchase good used fixtures and equipment at a much lesser price. With the recent changes in the income tax laws you will have to do extra analysis to determine whether a lease program or direct purchase is the best way to proceed. Whether to buy or lease depends on many facts which can only be determined by observation and computation. It could be better to lease electronic equipment, computers, copiers and certain other products due to the rapid advances continuously taking place in these fields.

Suppliers: Suppliers are reluctant to ship their goods to new businesses. That is one reason you should get to know your banker as he can offer credit references acceptable to most any firm. You will have to convince your proposed suppliers that you are honest and hard working and that your business has a good chance for success. You may have to pay C.O.D. while getting started so take this fact into account when preparing your financial planning and start-up requirements.

After you have become established with your suppliers send your financial data to Dun And Bradstreet so your company will be listed in their files. Most every firm in the country recognizes Dun and Bradstreet as a most reliable organization for obtaining correct credit information. Work with your suppliers to take advantage of special offers, cooperative advertising programs, trade and cash discounts, dated invoices, etc.

Advertising and Promotion: When you are getting started give a press release to the local newspaper. Depending on the type of business, it may be very profitable to have a few thousand circulars printed and distributed throughout the area. Or you can have grand opening circulars inserted in the newspaper to be distributed to subscribers.

Watch the ads of your competitors. As you find time clip various ads of businesses similar to your own, from large city papers. File them for ideas when preparing your own ads.

There are all kinds of promotional ideas and gimmicks to keep your business out in front of your competitor. Search the library, book stores and mail order media for such publications. Choose the ones which fit your promotional programs or those that can be "twisted" to fit and get them working for you.

BUSINESS FORMAT:

Owning your own business is one of the better ways to gain wealth provided you know what is required. Starting a business is risky but your chances for making good are better if you understand the problems you will meet and work out as many of them as you can before you start.

The Business Format that follows will be a valuable aid in getting you started in a business of your own. Use the format as a check list and guide. If the response to the questions and comments is favorable you are in a preferred position to go into business for yourself.

How about you ... Are you the kind of person who can get a business started and make it go?

The first thing you need to know is if you require someone else to get you started or if you do things on your own with nobody telling you to get going.

Do you like other people and can you get along with just about anyone?

Are you able to lead others? Can you get most people to go along when you start something or do you have to follow the lead of others before you act?

Do you like to take charge of things and be responsible for seeing them through?

How good are you at organizing things; do you have a plan before you start and are you the one who gets things lined up for the group?

Can you make yourself keep going as long as you need in order to accomplish something?

Are you able to make the right decisions most of the time, even when you have to make up your mind in a hurry?

Can people trust what you say and have confidence that you don't say things you don't mean?

Do you stick with it and finish what you start?

Are you in good health?

Think very seriously about why you want to own your own business and whether you want it badly enough to keep you working long hours without knowing how much money you will end up with.

Have you worked in a business like the one you intend to start? _____

Have you worked for someone else in a management capacity? _____

Have you had any business training in school? _____

Have you saved any money for your venture? _____

How about money? Do you know how much money you will need to get started?_____

To answer these questions first determine what furniture, fixtures and equipment you will need. List the cost, the down payment or cash price, and if purchased on an installment plan, the amount of each monthly or periodic payment.

Price

$_____

Down Payment

$_____

Amount of each payment

$_____

The furniture, fixtures and equipment required may include such things as counters, storage shelves, cabinets,display stands, tables, cash register, safe, window display fixtures, special lighting, outside signs and delivery equipment.

Now list the starting cost you have to pay only once, such as the following:

Furn., Fix, & Equip. (per previous page) $_____

Decorating and remodeling _____

Installation of fixtures and equipment _____

Starting inventory _____

Deposits with public utilities _____

Legal and other professional fees _____

Licenses and permits _____

Advertising and opening promotion _____

Advance on lease _____

Other and Misc. cash requirements _____

TOTAL ESTIMATED CASH NEED TO START $_____

Now list the estimated monthly expenses:

Salary of owner-manager $_____

All other salaries and wages _____

Payroll taxes and expense _____

Rent or lease _____

Advertising _____

Delivery expense _____

Supplies _____

Telephone _____

Other utilities _____

Insurance _____

Property taxes _____

Interest expense _____

Repairs and maintenance _____

Legal and accounting _____

Miscellaneous _____

TOTAL ESTIMATED MONTHLY EXPENSES _____Multiply by 4 (4 months)

$_____

Add: Total Cash needed to start above

$_____

TOTAL ESTIMATED CASH NEEDED

$_____

When you have found the approximate amount of cash needed to start, determine how much money of your own you can put into the business.

Where are you going to get the rest of the money you need to start the business?

Do you know the credit terms of your suppliers?

Have your prepared a projected Income Statement to know what profits you may expect?

Is projected profit, including the salary you pay yourself, sufficient for you to live on and still generate working capital to help your business grow?

How about a partner? If you need a partner with money or know-how do you know someone you can get along with as a partner?

Do you know the good and bad points of being an individual proprietorship, a partnership, or a corporation?

How about customers?

Do most of the businesses in your community seem to be doing well?

Have you determined whether stores like the one you want to open are doing well locally and nationally?

Do you know what kind of people will want to purchase what you plan to sell? Is there a good demand for your kind of business?

Getting started in your business:

How about your building: Have you found a good building in a good location for your business?

Will the building fit your business purpose without to much outlay for remodeling or leasehold improvements?

Is there adequate off-street parking?

Have you determined if the zoning is right?

Have you had your attorney check the small print in your lease?

How about merchandise:

Have you determined how much inventory you will need to open?

Have you found suppliers you can depend on for good merchandise, when you need it, at a favorable price?

Have you compared prices and credit terms of different suppliers?

Have you checked out your competition in every possible manner to determine pricing, good will, volume of business, etc.?

How about keeping records:

Do you know how to keep track of your income and expenses; your accounts payable and accounts receivable?

Do you know how to control your inventory so you have enough on hand for your customers buy not more than you can sell?

Can you compute payrolls, prepare tax reports, etc., or do you know a bookkeeper or accountant who will help with your accounting requirements for a reasonable fee?

Do you know what financial statements you will need in order to guide your operations?

Have you found out what licenses and permits you will need and have you had an opportunity to read up briefly on general business law?

Protecting your property:

Have you make plans for protection against theft of all kinds....shoplifting, robbery, burglar, employee control?

Have you talked to your insurance agent?

Buying a business someone else has started: Have you considered purchasing a going business rather than setting up a new operation?

Have you determined the "real" reason the owner wants to sell?

Have you compared the cost of buying the business with the cost of starting a new business?

Is the building, equipment and stock in good order and can the lease be readily transferred?

How about the suppliers of the company?

MAKING IT GO:

Advertising:

Have you decided how you will advertise?

Have you watched the ads of your competitors?

How much can you afford for advertising?

Price:

Do you know how to figure out what you should charge for each item you sell?

Do you know what other stores like yours charge?

Buying:

Do you have a plan for finding out just what your customers want?

Will your plan for keeping track of inventory tell you when it is time to order more and how much to order?

Do you plan to buy most of your stock from a few suppliers rather than a little from many so those you buy from will be more likely to help you succeed?

Selling:

Have you decided whether you will have sales clerks or run a self service operation?

Do you know how to get customers to buy?

Have you thought about why you like to purchase from some sales clerks but not others?

Your employees:

How are you going to train your help?

Do you know where and how to find good employees?

Do you know what kind of person you need?

Credit:

Have you decided whether to extend credit?

Have you checked with the bank about getting set up with Visa and MasterCard?

Can you recognize the difference between a good credit customer and a "dead-beat"?

What Else?

Could you make more money working for someone else and is for, how does the opportunity compare with future projected profits from a business of your own?

Does your family go along with your plans to start a business of your own?

Do you know where to find out about new ideas and new products?

Do you have a "work plan" for your employees, and for yourself?

Have you checked to see if there are any governmental agencies available to help you set up your new business?

IF YOU HAVE ANSWERED ALL THE ABOVE QUESTIONS, YOU HAVE DONE SOME SERIOUS THINKING. As you proceed in a business of your own don't hesitate to ask others for help. Running a business takes will power. Decide what you need then go after if full blast!

DICTIONARY OF MAIL ORDER TERMS

Includes definitions for over eighty mail order terms.

ACKNOWLEDGEMENT: A short note acknowledging receipt of an order. Used especially when a check is sent as payment, and shipment will be delayed until the check clears.

AD FRAME: A box used to frame an ad. This is usually used with display ads, but can also be used with classified ads.

AD RATES: The amount charged per word or per inch for ads.

AD SHEET: A small mail order publication printed on one or both sides of a single sheet. These usually consist solely of advertisements.

ADVERTISE: To make a public announcement about a product and/or service.

AD/ADVERTISEMENT: Ads/advertisements can take many forms, but for mail order dealers, they are primarily printed in magazines and mail order publications.

ALL PROFIT: This term is usually associated with commission circulars which pay the mailer 100% on the sale of an item-thus it is "all profit" to the mailer.

BIG MAIL: A package of mail order dealerships, ad sheets, money making opportunities, adlets, commission circulars, etc.

BI-MONTHLY: Occurring every two months. For instance, some mail order ad sheets or publications are published every two months.

BONUS: something offered as a reward to a prospective customer for sending an order.

BULK MAIL: The U.S. Postal Department delivers Bulk Mail for a lower postage fee, but there is a minimum requirement of 50 lbs. or 200 identical pieces mailed at the same time.

BULK MAILING PERMIT: Permit, issued by the USPS, which allows you to use Bulk Mail.

C/R (Camera Ready): With the offset printing process, the material to be printed is first photographed. A sharp, clear copy of the material is required for the best results. This clear copy is referred to as a C/R (Camera Ready) copy.

CHAIN LETTER: A scheme whereby you mail a worthless offer to other persons (usually 100). These persons are supposed to send you a nominal amount. Then they mail the offer to another 100 persons, and so on. Chain letters are illegal. If you participate in a chain letter scheme, count on receiving a cease and desist order from a Postal Inspector.

CHECKING COPY: When your order an ad in a magazine or mail order publication, you are sent a checking copy as proof that your ad was run.

CIRCULARS/CIRCS/CIRX: A piece of paper containing a printed ad or sales letter.

CIRCULAR SIZES: Vary from a 3 by 6 page up to several 8 1/2 by 11 or larger sheets.

CIRCULATION: The actual number of copies of a publication that are distributed.

CLASSIFIED AD: Relatively inexpensive ads that usually consist only of words without borders or graphics.

CLIP ART/KLIP ART: Pictures, illustrations, cartoons, etc. that can be placed in ads and circulars to make them more attractive.

CODE: An identification placed in an ad so that you will know which publication pulled an order or inquiry. Example: Dept.

DG1 means the January issue of the Dealer's Gazette.

COLLATE: Putting the pages of a publication together in the proper sequence.

COMMISSION CIRCULARS: Circulars that pay from 50% to 100% commission. When you get an order, take out your commission. Send the order and balance of payment to the supplier.

COMMISSION MAILER: A dealer who mails commission circulars. There are some dealers who make a very good living just from commission circulars.

CO-OP COOPERATIVE: This refers to advertising where two dealers place their ads or circulars on opposite sides of a piece of paper. This reduces the printing expense, since both dealers share the cost.

COPY: Written material such as reports, manuals, ads, circulars, etc. that are ready for the printer.

COPYRIGHT: Legal protection, granted by the government, that prevent the unauthorized copying of copyrighted material.

COUPON: A certificate that can be redeemed for cash, merchandise, or services.

DEALER: Someone who sells merchandise and/or services for another person, company or organization.

DEALERSHIP: An authorized sales agency.

DIRECT MAIL: Mail sent directly to persons whose names are on a mailing list.

DIRECTORY: An organized list of names and addresses.

DISPLAY AD: An ad that is sold by the column inch. It contains a headline and is usually in a box. (See ad frame)

DISTRIBUTOR: Someone who distributes. Usually a middleman between a supplier and various dealers.

DROPSHIP: An arrangement whereby you well a product, on a commission basis, and another dealer fills the order. See commission circulars.

DROPSHIPPER: Person who fills orders that are sold by other dealers on a dropship basis.

ENVELOPE STUFFING: With a true envelope stuffing arrangement, you would mail another firm's sales material, and you would be paid for each envelope mailed. Most dealers who advertise for envelope stuffers are simply dropshippers. Many envelope stuffing schemes are illegal. Beware of these schemes!

EXCHANGE MAILER: Dealers who exchange batches of ad sheets, circulars, etc. to reach more prospective customers and to reduce the cost of mailing.

F/C: First Class postage stamp.

FOLLOW UP: A repeat mailing of sales material to persons who have requested information or bought something from you. When you fill an order, always include sales material for other products that you sell. This is free advertising that will multiply your profits!

FREE: The most powerful word in mail order advertising. It is very often misused, but it is extremely effective when used correctly.

FREEBIE: An item that is offered without charge. Be careful with Freebies. Some persons order anything that is free, but they have no intention of sending you an order. With Freebies, ask for some F/C stamps or a small amount of cash to pay for postage, especially when advertising in mail order publications.

GRAPHICS: Pictures, illustrations, cartoons, etc. that can be placed in ads and circulars to make them more attractive. See clip art.

HEADLINE: Large, bold letters at the top of an ad or circular.

IMPRINT: Your name & address, as a dealer, on circulars, order forms, & ads. Usually rubber stamped, but also printed on a master copy from which other copies are made.

INNER CIRCLE: Persons who are attempting to make money by selling through mail order. Especially refers to persons who sell money making opportunities, programs and services.

IN THE CIRCLE: Being part of the inner circle.

IRC: International Reply Coupon. IRC's are obtained from the post office. Send them to a foreign dealer who can exchange them for stamps.

KEY: Identification placed in an ad so you will know which publication pulled an order or inquiry. Example: Dept. DG1 means the January issue of the Dealer's Gazette. (See code.)

LAY OUT SHEETS: Ruled sheets that are laid out in a grid. Used to prepare ad sheets, circulars, ads, etc.

LSASE: Large (usually a #10), self addressed, stamped envelope.

LOGO: Some type of design that is used to identify your business.

MAILER: Someone who mails material for another dealer. See commission mailer, exchange mailer, and paid mailer.

MAILING LIST: List containing names & addresses of persons to whom you send your offers. Most lists are rented for a one time use only. The best ones are lists that you create for yourself.

MANUAL: A small book that is usually printed on 8 1/2 by 11 inch sheets.

MASTER COPY: A clean, clear, sharp copy. Use your master copy to make other copies on a copy machine, or at a print shop.

MASTHEAD: The part of an ad sheet, or other mail order publication that shows the name, address, ad rates, circulation, publishing schedule, etc.

MULTI-LEVEL: A scheme whereby the Prime Source recruits dealers who recruit other dealers. These dealers then recruit other dealers, and on and on. The persons below you are in your "downline". You collect a commission on everything sold by persons in your downline. This looks like an easy way to make money, but, in reality, the promoters of these schemes are the only persons who make money.

ONE INCH (1") DISPLAY AD: The standard ad in mail order publications. It is 1 inch deep by 2 1/2 inches wide.

OUTER CIRCLE/ OUT OF THE CIRCLE: Everyone who is not in the Inner Circle. In other words, everyone who is not trying to make money in mail order.

PAGE: One side of a leaf in a book. Also one side of a sheet of paper.

PAID MAILER: Someone who receives a fee for mailing printed material. The fee is usually paid in cash, but it can be paid in services or merchandise.

P&H: Postage and handling.PIMAS: Publishers (insert my ad) I'll Mail All Sent. In other words, I'll mail all copies of your publications that you send with my ad on it.

PIM-50/PIM-100, etc.: Print (my ad free) & I'll Mail 50 (100, etc.) copies of your publication.

PISMOS: Printed Information Sheets for Mail Order Sales. This means any type of printed information that is sold through mail order.

PRIME SOURCE: The person or company that originates or publishes a book, manual, report, program, dealership, money making opportunity, etc.

PRINT AND MAIL: Some printers will print your circulars and then mail them for you. This sounds like an easy way to get your circulars mailed, but be careful with this! Some persons will take your money and then not mail any copies of your circulars. Also, some dealers advertise a print and mail service, but they are only contractors who send your order to the actual print and mail dealer. (See dropship.)

PUBLICATION/MAIL ORDER PUBLICATION: Any printed and published material. In mail order, this refers to magazines, ad sheets, and other publications which print advertising.

PYRAMID/PYRAMID SCHEME: A scheme by which the promoter recruits dealers, who recruit other dealers, who recruit other dealers, and so on, until there is no one left to recruit on this planet. These schemes will waste your money, and they are illegal. Avoid them.

REPRINT RIGHT: The right to copy and sell a copyrighted publication. This is granted or sold by the Prime Source publisher.

REPORT: A short publication from one to ten pages in length. Well written reports are easy to read, concise and to the point, with all nonsense and useless filler information eliminated. Selling reports is the easiest way to make money selling information by mail.

REVERSE ADS: Ads where white letters show on a dark background. This reverse effect is very effective for headlines, but I don't recommend using it for a complete ad.

S&H: Shipping and handling. This is similar to postage and handling.

SASE: Self Addressed Stamped Envelope. Some dealers request a SASE, in their ads, to save on postage and labor. Unfortunately, this also cuts their inquiry or order rate.

SELF-MAILER: A circular on which one part is printed like an envelope front. Sales material is placed with this circular. Then the entire package is folded and stapled or taped, and then it is mailed. This saves money on labor and envelopes.

SHEET: One single piece of paper. The standard sheet is 8 1/2 by 11 inches, but a sheet can have any dimensions. Do not confuse with page. (See Page.)

SOURCE: A supplier, especially of information. Do not confuse with Prime Source.

TIL FORBID: Use this term when you want a publisher to continue running your ad in every issue until you notify them to quit.

UPS: United Parcel Service. Do not confuse with United States Postal Service.

X-AD: Placed in ads by dealers who publish an ad sheet or other mail order publication. This tells other publishers that you will publish their ads if they publish your ads. Some publishers regard this as running two ads, and they won't allow it.

SECRETS AND TOP-TIPS OF MAILORDER ADVERTISING

The Advertising Handbook for the Mailorder Industry!

Good Advertising creates more production, thus greater consumption, faster turnover and lower sales price per unit. To a great extent it determines the success or failure of the mail order operator!

When working up an advertising program remember that what is genuinely desirable to you may or may not appeal to the majority of your prospects!

Different types of merchandise or services demand completely different advertising media. Your ad must be built around the ADVANTAGES of the product and designed to APPEAL to the specific customers who will BENEFIT from your offer!

Since you MUST spend advertising dollars in order to make money in the mailorder business be sure you spend WISELY and with CONFIDENCE.

RETAIN all advertising information, brochures, sales letter, catalog, etc., you receive. USE THE IDEAS from this information as a guide in formulating your various advertising programs!

There are thousands of top mail order products to choose from, more than you can every use so choose the right ones for your programs!

If the product or service can't stand the Truth do not advertise it...Don't handle it! Truth in advertising is a must!Your FIRM NAME, preferable, should be SHORT, DESCRIPTIVE AND EASY TO REMEMBER!

When you find the item that is a mail order "HIT", repeat your ads on the product in a number of magazines and other productive advertising media in order to PYRAMID YOUR PROFITS TO THE MAXIMUM!

Advertising cost divided by inquiries = Ad cost per inquiry!

Advertising cost divided by orders = Ad cost per order!

Orders received divided by readership = percent of response!

Number of pieces mailed + by orders received = Percent of return!

Continuously use the simple formulas (above) so you will know who your advertising dollars are paying off!

Ad to find new Products:"Calling all manufacturers, importers and suppliers ... We will feature and sell your new products in our catalog .Send your information, sample products and programs to.....!"

Test the position of your ads in the various Media!

Test one ad against another on the same offer!

Make your sales letters friendly, clear, simple and to the point!

Your potential customers are more interested in themselves than in your product, consequently your ads and sales letter must be directed toward their point of view and their self-interests! Make them want your product because it will benefit them or will do the job better for them!

Powerful attention getting words include: Free, Amazing, Weird, Odd, Strong, Rare, Big, Secret, Latest, Easy, Fortune, Now, New, How-to!

You must put yourself in the place of your prospects and know how they feel, think and react to your ads! If "you" were the customer would your ads persuade "you" to buy?

Your Ad must have a strong headline! It must tell the prospect what to do, such as: Order Now! Rush $5.00! Use order form and reply envelope! Act Now! Action words that urge the prospect to order. Explain with simple words JUST WHAT THEY WILL RECEIVE FOR THEIR MONEY! What the product will do for them. Use believable testimonials. Appeal to their reason and get their confidence, then use a powerful close. You can get the order!

Repetition is one of the secrets of making a lasting impression on the memory.

Use coupons in some of your ads!

Since Suspense is a strong force in advertising, consider entering the name of your product toward the end of your ad!

Most everyone wants prestige, confidence, money, security, advancement, leisure time, good health, popularity, less worry, happiness, success, more time, recognition, improvement, business ownership, independence, more knowledge, satisfaction, savings ... Appeal to your prospects... use such appeals in your ads!

Quality, usefulness, reasonable price, up-to-date, and appealing to the sight are points to stress!

Make no misleading claims about your products.

Review the many ads presented in leading mail order sales magazines advertisers. Make note of the many attention getting words and phrases that catch your eye and cause you to read the rest of the ad! Use these same words in your own headlines!

With certain type products, consider turning the picture in your display ad upside down in order to attract attention from the ordinary ... If handled properly, curiosity will sell!

Study the operation of other firms to get New Ideas for sales letters, methods of handling promotion, nature of offers and any other details which may be helpful!

Some programs require a good deal of literature in order to present all the facts necessary to sell a product! With this type of product you should first advertise for inquiries then send the full ammunition by direct mail.Write up a list of important reasons why a person should inquire about your offer. Use the strongest of these reasons in your ad!

If you usually pay cash for your ads, why not set up your own advertising agency as a secondary part of your business? Your registered business name as an advertising agency may qualify your business for the 15% discount when advertising in many publications!

Direct Mail, mailing lists, not ads, are used to obtain business. You determine what type of person would best buy your product; then compile, rent or buy name lists and proceed from there.

Lists compiled from business listings in the Yellow Pages are good for many kinds of mailorder products; however the names and addresses contained in the white pages seldom get any reasonable response. Ads in the daily paper are also generally poor for mail order products. Stay with the successful operators and advertise in the various media they use ... stick with quality name lists in the right category for your products!

Unless your ad is read you will come out in the red! Make it clean, clear, concise, simple, professional and focused to the "right market" for the type of product being offered!

Always test! test! test! before spending large sums to promote or advertise your product ... Be sure it is a hit then go all out!

Your ad must name the product, describe it, tell what it will do for the reader, how he can obtain it, and where to get it!

The best part of your advertisement is the words that can be read "between the lines"!

The direct mail packet consists of the sales letter, catalog, or brochure, order blank and the business reply envelope.

The ad must attract attention and create interest and desire before the customer will act!

Know your product well so that you can be specific, sincere and positive in writing your ads!

Enthusiastic ads properly laid out will generally get enthusiastic results!

It is simple to record test results for your ads and programs in the various media. DO IT!

If your product has distinctive features or trademarks, use them over and over again in all your ads ... Take advantage of the repeat psychology of keeping the name of your product constantly out in front of the Public Eye! If your product is familiar to the user, prove that it has better quality or price over competing items. Educate the consumer when presenting brand new items.

Prospects are usually more impressed by what others have to say about the product than by what the dealer tells them. Write to your customers, asking for their opinion on what your program or product has done for them and request permission to use their endorsement in some of your ads. Retain their letters as your authority for using their testimony.

Classified ads must have a great deal of thought and preparation! Use as few words as you can, but don't leave out image building words that tell stories, paint pictures and compel action!

One way to increase the readership of your ad is by inviting persons to send in money saving ideas. Print the best idea each week, or month, and award the winner $$$ ... They will read the ad in each issue in order to find out if they won and if not to see if the winners ideas are better than the ones they submitted!

Many products can be readily adapted to radio & TV selling. This can be arranged whereby you pay the station a percentage of only what is sold. There are publications available which explain how to present such offers to the stations and lists of stations that supposedly operate on this basis. You can locate such firms by a search at your local library or through salesmen and opportunity magazines....However; this method for selling mail order products is not readily available on a flexible basis, unless you have something really special.

You must be in a position to change your advertising approach with changing times and conditions.The First Paragraph of a sales letter must create attention and interest or the entire message will go to file 13!

The Second part, or body, of the letter must arouse desire by pointing out the advantages and describing the product, preferably in use, or in action and should state the price...or the entire message will wind up in file 13!

The Final Portion of your letter should strongly urge the prospect to act and tell him how to order or the entire message will go to file "13"!

You don't have near the space for your message with classified and small display ads, as you do with the sales letter so unless they are well presented they may make a faster trip down the tube to file 13!

Always use TOP QUALITY letterheads, mailing materials and supplies...This is your BUSINESS IMAGE in mailorder!

It could be good policy to place your ads through a legitimate advertising agency...It costs no more than if you place your own. Before doing business, get full information about the agency, its services and rates.

Since you must get your message across in top form, in order to pull inquiries and get orders, the ideal ad made just for the particular item being for sale is another great secret for mail order profits....Many times just one little word will change a dead ad to one that pulls thousands of orders!

Since you do not have a "window display" to use for mailorder advertising you must either draw pictures or use picture words to describe your product. Prepare advertising copy so that your prospects can "visualize the product" in their mind and "see" themselves using it to good advantage.

The headline of your ad must be powerful enough to catch immediate attention.

Use words that emphasize your product or service at the beginning or end of sentences!

Another gimmick for obtaining name lists for nothing...An ad such as..."BIG MAIL" Send 200 of your address labels and 50 cents. We will send to mailorder dealers, wholesalers, distributors, etc....!"

"Before and After" type ads get great response on certain products.

Test and compare with different worded ads on the same type of merchandise in the same media.

When advertising make your most important points first!

When you find a new product that has possibilities for mailorder, test it! Prepare an ad for a quick test in a magazine or in a paper with a fast closing date (time from date ad is received to date it is published). As your test prove out "HIT" that particular item hard and heavy in other publications!

Test various price levels for the same product.

Qualify your prospects with proper classified ads.

Get the prospects confidence by offering free samples, by allowing a full money-back guarantee, by building your business image without exaggeration, and by showing proof of satisfied users.

Use the P.S. in sales letters to gain added attention!

When using an illustration or picture of your product in an ad, have one that shows the product in use! Picture the merchandise in use giving the owner profit or pleasure thus generating a positive, confident "YES" attitude. Remember that a picture will often sell better than 10,000 words.

Command attention to your ads or mailing pieces by marginal sketches, cartoons, different size and type styles of various words and/or paragraphs...Take the monotony out of the ad!

Consider greater pulling power of colored ads on many kinds of products. Test for added response and sales, as balanced against the much higher printing costs for color! The use of borders, lines, etc., can enhance your ads but be certain they are not placed in such a way that they detract from your message.

Type is expressed by "points". For example, one point equals 1/72 of an inch. A pica is 1/6 of an inch. Learn the various type styles and sizes. Use the right print in your ads to emphasize the best features of your product.

Don't bore the reader; Keep the sakes letter to one page whenever possible.

Offer something extra or something free in order to get immediate action!

Test only one factor at a time in order to determine which "change" made the difference in the number of responses received from your ad!

By the end of the first month after receipt of the first response from your ad you should receive 60% of the return you are going to get from monthly magazines, 75% from weekly newspapers, 75% from direct mail, 80% from Sunday newspapers, 90% from daily papers and 100% from Radio or TV! Within 2 weeks...From magazines 20%; Weekly magazines 40%; Direct mail and Sunday papers 60%; Daily papers 75% and Radio and TV 90%. DON'T DEPEND ON SUCH

STATISTICS!!!!! Response can vary drastically depending on many factors, including products offered, media used, season, price, economy, etc.!!!! Your ad should be repeated again and again, as long as it is bringing back a profit....After the saturation point is reached, pull the ad. Test it again in a few months. The classified ad is the best to use for testing. For fast results, newspapers can be tested periodically. Magazines with the greatest number of responses for the least cost per inquiry should have priority for your ads. Only tests can prove which are the best ads and media for your various offers!

Have a "Built-in" follow-up program when preparing your initial advertising and promotion materials!

Your ad must end with words that compel action...Ask for the order! Now! Don't let the prospect put the offer aside or it will usually end up in file 13. Notice the many ads in the

mailorder publications that close with action getting words and sentences. Use such ads to develop ideas for your own ads!

Use the personal touch in your sales letters! You must have a good mailing list for direct mail advertising. Your sales letter should be written as though you were talking in person to the reader. Read it out loud...Does it sound like talk or is it canned?

Offer mailing labels with personalized pictures, photos, or cartoon caricatures, at cost, in order to build name lists of mailorder buyers!

Choose the publications with the greatest pull for your particular ad...Determine the greatest circulation for every dollar spent...Is it better to advertise in a magazine with 10,000 readers at 20 cents per word, or pay $2.50 per word for one with 3,000,000 circulation? Even this must be tested. Perhaps the 10,000 readers are buyers of the type of offer you are promoting and will order more than the 3 million!

Determine the kind of person who reads the various publications and buy your space accordingly...Advertise ladies apparel in a media read by women, not in a science publication!

Publications which carry a large classified section generally produce good results. Be sure to advertise under the right classification for your order.

Don't be afraid to ask for the order.

Take advantage of free advertising and publicity whenever & wherever available!

If practical for a given program, include a picture of yourself, your business building, or a photo of your product...This, of course pertains basically to direct mail programs or for display ads.

Your ad will fail if: The program you choose has already been worked to death: A number of dealers had an ad approximately the same as yours in the same publication; You are advertising an out of season product; Your price is not competitive; The offer was not attractive; Your copy was poorly written, or it you advertised in the wring classification for the item being offered!

You generally get nothing but curiosity seekers with ill placed display ads.

"KEY" you ads in order to know what is the best way to spend your advertising dollars. Final sales volume, is the measurement of success or failure of your advertising programs!

Combine the best features of your product in preparing your ad. Not so much as to the physical characteristics but by the feeling and interest it generates in others!

Generally, you should $ ASK $ for the money in classified ads only when a small amount is required for the product! Do not expect to get good response from a high cost item asking for money with a small classified ad. Offer free details to get the inquiry first, then send your direct mail packet...Sell your low priced items direct from the classified or display ad!

Build and maintain your Goldmine...(Name list)!!!!

Remember....For us in the mail order industry, advertising is a must! We cannot reach success without it! We can't operate successfully with it, unless we do it right! Advertising is second in importance, only to a high demand product at a reasonable price, but neither can win without the other...The day we stop advertising is the day we give up the mailorder business and go back to punching the old worn out time clock!!!!!!!