Don Lancaster's

RESOURCE BIN

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Starting your own technical venture.

Our usual reminder here that the *Resource Bin* is now a two-way column. You can get tech help, consultant referrals and off-the-wall networking on nearly any electronic, *tinaja questing*, personal publishing, money machine, or computer topic by calling me at (520) 428-4073 weekdays 8-5 Mountain Standard Time.

US callers only, please.

I'm now in the process of setting up my new *Guru's Lair* web site you will find at (where else?) *www.tinaja.com* This is the place you go for instant tech answers. Among the many files in our library, you will find complete reprint sets for all of the *Resource Bin* and other columns. Plus a brand new Synergetics Consultant's Newtwork & lots of links to unique web sites.

You will get the best results if you have both *Netscape Gold* and *Acrobat Reader 3.0* installed. This new reader does utterly amazing things online.

Your Own Technical Venture

I just got a letter from a reader who couldn't get a catalog from a supplier. Apparently because he told them he was a hobbiest instead of a CEO. Well, in the real world, *the perception is the reality.* Your simplest way to become a CEO is to call yourself one and act like one. And giving the rest of the world no reason to suspect otherwise.

His catalog request was probably written with a ball point pen on tablet paper. Or two rug rats were noisily disassembling the family cat while he was on the phone.

Had the same request been faxed, sent email from his commercial web page, phoned from what sounded like a professional environment, or else written with a laser printer generated letterhead, that catalog would have flown out to him.

Now, there are lots of good reasons for starting up your own smaller scale tech or craft venture. Because you are

up to something you'd like to make a buck out of. As a shell to be expanded if anything bad ever happens to your real job. As some independent route towards doing your things your way. As a goal to be filled. To provide an essential needed service. To promote something you believe in.

One of the biggest reasons is that your own personal tech venture gives you the credibility you will need to be treated seriously by others. On your own terms. Getting catalogs and data sheets and invites and freebie samples now becomes trivial.

Some Essentials

I like to call all these individual and smaller scale technical ventures *Secret Money Machines.* For your own secret money machine to work, you'll first have to be into a technical or craft trip on a total lifestyle basis. Second, you must want to stay in control. Third, all your income goals should be just *barely* enough to keep you going. And fourth, you have to be gentle.

It should go without saying that such frivoloties as food, clothing, or

> **NEXT MONTH: Don tells us all about his favorite world wide web sites.**

shelter will have to be set aside if you are at all serious about this. And that *any* fixed expenses are a no-no.

What is surprising is that many of the things that urban lore "knows" are essential for a business are unneeded. Or counterproductive. Or ultimately downright destructive.

For instance, a new money machine *must* studiously go out of their way to *avoid*: All adequate advance financing, solid patent protection, practicing the business of business, strong legal and financial advice, heavy use of other

people's money, superb high traffic locations, strict employee security, very aggressive marketing, total new product secrecy, or mission oriented creative management.

Getting sucked into so much as *one* of these ratholes is *guaranteed* to make your money machine fail.

Strategy and Tactics

Several core money machine rules which appear to work for me include: Having as many different sources of income as you can; always seeking out complimentary sources of income; aiming towards royalties or similarly deferred income; including as much personal value as possible;

Getting and staying in control of information flow; placing nothing between you and all your customers; using associates, not employees;

Avoiding startup front money, for it surely will be blown on the wrong things at the wrong time, leading you to even higher future expenses;

Recognizing that total cash flow is everything; aiming for a minimum of a 200% return on front end expenses; giving them something extra; and, of course, leaving them wanting more.

Tactics are lesser secrets that make your money machine more effective. Including: Knowing the differences between megabucks, j-dollars, and cold cash; separating frugality from stupidity; identifying all of your blind spots; avoiding granfalons; using the black widow effect; avoiding psychic energy sinks; suppressing ego; letting others pay you for your fun.

Getting Started

To start a tech venture, you simply get up one morning and tell yourself you are in business. Next, you go and register your new company as a trade name. Your rules differ from state to state, but you do something like this: You call the Secretary of State's office

and then inform them that you want to register a trade name. They send you some forms. Obviously, the name isn't allowed to be in use, misleading, or obscene. Then they'll charge you some fee. Such as $25 in Arizona. You also should get a state tax stamp.

And, if needed, a city one.

Next, you'll tell the Post Office you will accept mail for the new name. A Post Office box is also usually a good idea if you don't already have one.

But you do *not* tell the city zoning folks or the phone company that you have a business. Nor do you tell your bank you are now a business. Instead, you just find the "alias card" for your checking account and quietly add the new name to it. Finally, get yourself a "for deposit only to the account of…" big rubber stamp.

Naturally, you should start keeping accurate records. Ones that use strict *dollars-in* and *dollars-out* full cash flow accounting. The IRS allows business deductions in anything professionally conducted in which there appears to be a genuine intent to make a profit.

You're also supposed to actually make a profit two years out of five.

Deductions for home business have been a sticky point with the IRS, but the rules are easing. If your work area at home gets clearly and exclusively used *strictly* for business, then a full deduction can be justified.

Also easing is picking up *VISA* and *MasterCard* merchant status for TO (telephone order) or MO (mail order) transactions. A few years back, it was just about impossible to get yourself a Merchant account. These days, you can do it if you shop around.

Switch to answering your phone in a professional manner. I often answer mine as 4073. Besides sounding like some extension in a megacorporation, this causes any cold sale caller to lose his place in their script.

Also, of course, you *immediately* get yourself an Internet account through a local ISP. Followed up by registering your own fully professional looking web home page.

The final key is to get yourself some letterheads and business cards. Using your own PostScript speaking printer is ideal for this sort of thing. You only print what you need as you need it.

While ordinary fancy papers from *Paper Plus* can be used, attractive laser compatible letterhead blanks are sold by *Great Papers*, *Paper Access*, *On Paper*, *Paper Direct*, *Premier Papers*, and those folks at *Technique*.

Uh, I guess we could go on like this for an entire book. As you might have figgured out, the book is *The Incredible Secret Money Machine II* and is found in my nearby *Synergetics* blurb. Let us instead fast forward to…

Advertising and Promotion

We'll start off with the *wrong* way. You find a glossy computer mag and buy a one month ad for $8000. From which you might get 83 inquiries that will cost you several hundred dollars to respond to. Mostly because you've spent too much on your outsourced print catalogs. And in just a few short months, these 83 inquiries generate a stunning total of *seven* sales.

One sale is to a reverse engineering competitor. One sale will be the COD that bounces after another six weeks. Whose returned contents have gotten trashed by a speed-crazed Doberman.

One sale is a bad *VISA*.

One sale is foreign. Whose red tape, hassles, handholding, and exchange rate mixups cost you three times what it was worth. One went to a prison and got refused by the Warden.

One sale vanished without a trace in a misnumbered appartment. And your final sale demanded a refund.

Or, as just happened to me: You *United Parcel Service* a package that gets properly delivered to a Michigan doorstep. The postal delivery epsilon minus sees the package, notes there is no US postage on it, and then *returns it to Thatcher* via the Post Office.

Direct mail promotion can similarly become a total disaster. Long ago, one "campaign" of mine ended up paying buyers several dollars each to haul the books being sold away. *If* you have an exceptionally well done offer made in a timely manner sent to a *very* tightly targeted audience, then *sometimes* you *might* reach as much as a *two percent* response from direct mail.

If you really want to follow these routes, more on traditional ad prices and such are found in *Standard Rate & Data*, *Targeted Marketing*, or *Direct*.

Let us instead go back to three first principles of startup promotion: *By far your best advertising is through word of mouth.* From satisfied customers.

More importantly: *If you can't sell a few products to your friends, there is no way you will sell bunches of them to your enemies.* And finally: *Always test before you commit. Then test again..*

Initially test your products through *local* sales. At computer faires. Or at swap meets. Or club demonstrations.

Or on consignment, working closely with a *nearby* computer store.

Nuts & Volts is one of the very few sources where you can place low cost classified ads to test the marketability of your product at reasonable costs. In general, a single ad might only have a limited pull. Repeating the ad three or more times usually greatly increases the interest and response.

My five essential *Synergetics* promo tools include the *advertorial*, *editorial exchange*, a *self-published brochure*, the *review*, and the *web site*.

An *advetorial* is any technical article written for a special interest magazine or a trade journal. While purportedly offering genuinely useful content that stands alone, a well done advetorial leaves a reader with an uncontrollable urge to whip out their VISA card.

With an *editorial exchange*, you will accept a "complimentary" ad as *partial* payment for tech content that you've provided to some magazine or trade journal. This can be a good deal for both writer and publisher. But *never* trade out even.

More on advetorials and editorial exchanges in ADVETORL.PDF

The *self-published brochure* is just that. Printed (and auto-addressed) as needed on a demand basis. Lots more details in ACROCAT.PDF.

Product reviews can end up useful when you do not expect too much from them. Typical magazines are continually looking for fresh content in their new products sections or review columns. I have gotten best results when staying tightly targeted, and contacting *known people*.

More in REV1001.PDF

Yeah, "net" is short for *not entirely*

true. But we are rapidly approaching the time where *"iffen it ain't on the net, it flat out don't exist"*.

The net turns marketing and sales totally inside out. You can instantly reach thousands of customers at the click of a mouse. Cheaply.

Your own commercial web site is an *absolute must*. But this only works when you offer genuinely useful sole sourced content *and* well annotated gateway links *and* give lots away to sell little. "Demand pull" is the *only* type of advertising that works.

Web site registration is done online through *Internic*. More on web sites in NUTS55.PDF, in NUTS56.PDF, and in WEAVEWEB.PDF.

Getting Ideas

Once long ago and far away, ideas were worth a dime a dozen. But these days, ideas are now worth less than ten cents a bale in ten bale lots.

Because of what is known as the *idea mortality curve*, not one scheme in 1500 ever generates a net positive cash flow. Thus, most of your time should be aimed at *ruthlessly stomping out bad ideas* that won't make the final cut.

The key secret to having one or two great ideas is to come up with several thousand lousy ones.

As always, the rules of *find a need and fill it* and *find a parade and get in front of it* all apply in spades.

At any rate, my own "primary idea generator" involves quite aggressive subscribing to free trade journals and other selected magazines. Everything from *Powder and Bulk Solids* to *Fire Engineering* to *WET- The Magazine of Gourmet Bathing*. Over five hundred at my last count.

Ulrich's Periodicals Dictionary has the keys to the kingdom. And is *by far* your single most important resource.

Be sure to check this one out.

A second source for ideas are your ongoing questions to me on my tech helpline and via email. A third source are all the *tinaja questing* contests. A fourth source is simply mulling things over on a long bicycle trip.

Your final and most important idea sources are *amplifiers with nothing to amplify*. Stuff that's just gotta be done. Just because it is there. Or could be there. And just because you want to do it. Just because.

More on my primary research tools in PRIMREST.PDF

Some Starters

If I have to tell your what ideas you are going to need for your new tech venture, then that venture is doomed to failure. Guaranteed.

But let's briefly review the obvious emerging hot areas today: *Navicubes*, *Book-on-demand Publishing*, *Santa Claus Machines*, *Magic Sinewaves*, *Community Typesetting*, *Custom Laser Products*.

Flutterwumpers, *Wavelets*, *PostScript as Language*, *Web Mastering*, *Desktop Finishing*, *Dildonics*, *Nonlinear Video*, *Aerogels*, *Water Knives*, *Direct Toner Printed Circuits*, *Magnetic Refrigeration*, *GPS*, and *Brain Parity*.

And, well, maybe just one stunning new opportunity: You already know that the *Basic Stamp* from *Parallax* and the *Scott Edwards PIC Tools* can open whole new worlds for you.

But I believe in *elegant simplicity*. I loathe to see any bloated computer system as horrendously complex and as overblown as a Basic Stamp end up

as gross overkill for those *really* low end applications. Places where smarts have never dared go before.

For this goal, *Microchip Technology* has come out with their new 12C508 microcomputer. An entire computer costing under a dollar and requiring *zero* external support. In an eight pin minidip package. And up to *seven* of those pins can be input/output.

Three to five volt supply, using as little as *fifteen* microamps of current.

Much more on exploiting this gem in MUSE108.PDF

For More Information

Midnight Engineering is one great bimonthly magazine on starting and running your own smaller scale tech venture. They also put on conferences and clan gatherings.

Yeah, I've got a column there. I've also got my *Blatant Opportunist* bound

reprint volumes. My *Incredible Secret Money Machine II* is one useful startup guide. An intro and sample chapter appears on the ISMM library shelf of *www.tinaja.com* As ISMMINTR.PDF.

This Month's Contest

Let's have us three wildly different contests this month. You can (A) tell me a story involving your own money machine, (B) write me a multitasking UNIX kernel for the 12C508, or even harder, (C) find me a clean late model VW Synchro. With a differential lock but non-Westy.

There will be a largish pile of my new *Incredible Secret Money Machine II* books going to the dozen or so better entries, plus an all-expense-paid (FOB Thatcher, AZ) *tinaja quest* for two that will go to the very best of all.

Send all your *written* entries to me here at *Synergetics*, rather than to *Nuts*

& Volts editorial.

Let's hear from you. ❖