

How to build an ethical and sustainable online business...

There's a reason why there is a NASA rocket stuck on this front page, it has to do with momentum. I'm going to be touching on a couple of subjects that have got nothing to do with the actual content of tonight's event, but they're important.

Scott Adams, the creator of the Dilbert cartoons - a very famous cartoonist - only started cartooning at about the age of 40. And he raises this wonderful concept in a really delightful book about your career. And basically he says 'Each new skill you get doubles your chances of earning income.' Steve Jobs took a couple of skills and combined them into the Apple. One was great fonts that he did at University other was this insane thing about computers, and he did something different than anybody else.

Scott Adams had some cartooning capability, some drawing capability and some writing capability and combined the two. He talks about somebody leaving school and doing a University degree and learning just something like Spanish. And in California every second person speaks Spanish; it's the home language for a heck of a lot of California. And he says if you can walk into a job and say 'I speak Spanish' you've got a much better chance of getting that job than anyone else. So when we start looking at some of the stuff we will be looking at right now. Folk some of this is not easy I'm not going to make light of this it's taken me 30 years to master most of this There are people out there that are much better than I am at most of this, if I have any skill it's in knowing a little about everything and combining it all together. And that's what we're going to be talking about.

So this morning I'm driving my really old Toyota with 250 000 miles on the clock That I bought a couple of days ago from a friend (because she ended up with a car too many and we needed a second car and didn't really need a very good one), and it's got this wonderful little thingie - LED on the front that tells me how much petrol we are using. And when it's ice cold going up the hill just outside our house it's using 70litres per 100km! Now that is a staggering amount of petrol. The point is, it's cold, like you are and it's going uphill, like you're about to. And every time you put your foot on it from Stop to Go at a traffic light it jumps up and starts sucking 25l per 100km and then it winds down into idle mode, and when you're going downhill boy does it cruise And that's because you start out with no momentum. You're using all of this energy to gain momentum and that's just plain uncomfortable. That's staggeringly uncomfortable

Steven Pressfield talks about resistance. Resistance is when you are working on

this project this afternoon desperately trying to get this map sorted out, trying to work out what you're going to say - suddenly your bowels wants to evacuate. It's resistance. Or one of the kids walks in and say 'Daddy can you help me?' That's resistance. Or the the dogs start barking because somebody's at the front door. Resistance. You're going to get this. And it's uncomfortable. It always is. And that's why none of us change direction unless we are in dire straits. I'm not implying that you're in dire straits, but if you aren't you're unusual. Our goal is to start out, gain some momentum and once we've gained that momentum to keep that momentum, and eventually it will become easy. And I'm going to teach you where to find answers even when I'm not around to give you answers (or anybody else is for that matter).

Pencil and paper is a wonderful way to keep track of all the stuff we're going to be covering. Might I suggest that you do that? A couple of reasons; one, it gives you a mapping perspective like this (and I'll show you the software that we using later). It also gives you reinforcement. As you write stuff down magic things happen. Firstly, marks appear on the paper. More importantly, as you see those marks on the paper they imprint themselves on your brain and over time you come up with two or three or four really superb ideas as these things mesh together.

I was working yesterday and I've been working on a project for about six months and nothing's happened. It just hasn't gone anywhere and yesterday afternoon suddenly I filled up my entire wall with a map of how this thing is going to work. You don't have to be bright (in the sense of brighter than average), you don't have to be genius to get this right. You simply have to have a little bit of tenacity to break through the spaces. Build a little bit of routine and we're at the races.

Kevin Kelly wrote something that he calls the 1000 Fans Philosophy (and if I hit the button over here, you should be able read his original work over here), he was the editor of Wired magazine some years ago, a very prestigious magazine. He was asked about how a musician could make money online when record companies were stealing his money. And record companies have a really horrendous history in terms of the way they've looked after their artists. They've made the money off the records and the artists were supposed to make money off the live appearances. Kevin basically said something along the lines of... all you need to do is use the web to connect with 1000 people. And that's easy, that's one a day over three years. These are the people that resonate with you; these are the people that like you for whatever reason. They feel an affinity towards you. They'll buy what you sell because they like your music. They'll buy your mugs. They'll buy the T-shirts with your name on. They'll buy music on a different compilation when they've already got all of those tracks three other compilations. If these folks will give you 100 dollars a year, 1000 people at 100 dollars per year is the equivalent of \$100 000 (in South Africa About 1.5 million right now), and Kevin Kelley said 'Anywhere in the world that is an adequate income'. It's not a Rock star income, it's not Rolling Stones income or Beatles

income, but it's enough to comfortably live - which most musicians can't do.

My entire life has been based on this philosophy of looking after enough people that I can resonate with. People that I can keep going back to because I'm adding value to their lives over and over again. I don't have to keep finding new people every day and start from scratch. I don't face the beginning of each new month with no sales lined up. And it's the approach I'm going to ask you to take please.

I'm going to talk about off-line verses online in a couple of moments. And there's not really a great deal of difference between the two. The first thing I'm going to ask you to do before we start talking about income streams - which is going to be the focus of this evening - the first thing I'm going to ask you to do is please install as many browsers on your PC as you can. Doesn't matter if you've Windows or Mac or even if you're using Linux, go and install each one of these please: Firefox (if you're not already using it) - Firefox is a derivative of the very, very first browser, way back in the early 90's, that was called the Netscape Navigator. So Firefox is number one. If you're using an Apple I shouldn't have to tell you to install Safari but please install it - you don't have to use it, just install it. Same thing applies to Windows with Internet Explorer. And then you probably know about Chrome - it's the most widely used browser in the world right now (at least on PCs), it's Google's offering and it really is quite superb. And, finally, Oprah, which you possibly don't know about - very useful to have, it's easy. And why am I asking you to do this? Despite everything that you hear, the network is a heck of lot flimsier than you might think. Each browser operates in a slightly different way, so if you're designing something, you want to be able to test it in each browser. But that's not the key issue; if you're using something and it doesn't want to work... it persistently does something weird...just switch to a different browser. That's all you need to do, and it'll probably resolve.

My job, over the next 12 weeks, is to make you feel more and more comfortable with the technology of the web so that if something does go wrong you don't throw up your hands in panic - you know where to go to get an answer. And the quickest solution to almost every problem you're likely to bump into is ... just change browser. If you log into my site and you keep getting an error message, go to a different browser and I'm banking on the fact that you'll get in. I'm not going to explain the technical reason for that but sometimes a bit of data gets stuck in the pipe between wherever it is and your house - a little bit like a piece of onion blocking the drain and the water just fills up (probably not the right analogy). So, when we're finished, go and install them, there's not a whole pile of work to be done there. What I'd like to do is give you a rapid overview of how money flows from our perspective. And specifically I'm going to look at the things that you can do, the things that you can monetize to make money. Some of them hide in the strangest of places.

Let me just talk briefly about online verses offline because online business and offline business need the same business concepts. You need to make a profit,

which means you need to know how to calculate that. I was chatting to a dentist in South Africa, the best dentist I've ever used by the way, about a month ago while I was in Cape Town; and he'd just done this incredible job on my teeth. I'd thought I had a major problem and booked two hours with him and he ended up charging me R1500 for two hours which I thought was quite spectacular. On the good side that is! And we got chatting and I said 'So, you're so good, I want to tell the world about you' and he said 'Thank you, that's wonderful. I'd love to be able to operate this practice by myself.' And I said 'Well how much money do you need to do that?' and he said 'I need R8000 per day in turnover.' Which is quite reasonable I thought. And then I did a quick calculation, he had just charged me somewhere in the order of R750 per hour. And that means on a ten hour day the best he could do was R7500 – and that included VAT. And I said to him 'You'll never make it' and I explained why. And I said you must rather increase your rates' he says 'No, I couldn't do that'. The problem with this, he was looking at from a dental ethical perspective (he was charging medical aid rates), I was looking at it from a business perspective.

Whatever we do online suffers from the same challenges that any other business faces, it needs to make a profit. That's the whole point of this exercise. Ultimately you want to walk away with money in your pocket and a system that operates in background. So why online versus offline? What's the difference? Well the difference is in reach, number one. Your offline business typically has some kind of physical component that reaches into your local neighbourhood, or your local city or your local province, or maybe even South Africa. But you've got to be pretty darn big to be reaching beyond the borders of South Africa. That involves lots and lots of people etc.etc. My business reaches across the world, I've got clients in Australia, New Zealand and Canada and I'm a one-man business. So the first advantage that you have is that your reach is not into White River or into Durban. Your reach is as easy into White River as it is into White Rock in Canada. There is no difference. And it's taken me years to actually understand that. So that's the first thing that's different. The second thing that's different is the costs are non-existent. In the offline world when you pick up the phone to phone somebody, you are bound by the rates that for example, Telkom, charges. When I pick up the phone, I'm bound by whatever the internet will give me on the day. If I'm using Skype, typically it's a free call to almost any number in Europe or in the United States, and I can talk for pretty much as long as I want. Try doing that ten years ago.

Then in terms of your office, you don't need one. Your website is your office. And a pretty website, a beautiful website actually doesn't cost any more than a crappy website. Believe it or not. We're attuned to look at a great website and think 'Hey that's great! These people must be doing well.' We don't need staff because we can automate everything. We don't need banks because we've got payment gateways that don't demand that we are credible. Hell, you can be bankrupt and you can go and set up a payment gateway to take credit cards for you. In other words it's a completely new game in that respect. We still need the

same facilities, we need to accept payment, but for the most part we are not bound by the costs of a physical business. And we're not bound by the risks of a physical business, because for you to test out an idea... Sue decides that's she's into stamps and she wants to set up a philately store. To set up a philately store online costs almost nothing –you don't even need stock. But if you happen to set it up on a corner in Pietermaritzburg? You need stock. In fact in a couple of moments we'll talk about setting up a stall where you never have to worry about stock and you never have to finance anything and you don't even have to ship the stuff!