

## Appendix B

# Ramping Up Your eBay Business

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I must have heard this a thousand times: “I started selling on eBay just to get rid of things around the house. I started out slowly and I’ve built up a nice feedback rating. Now what?” After you’ve actually sold enough merchandise to be successful, you’re thinking that it’s time to sink or swim. You want this to be a *real* business. You probably have decided that you want to devote more time to your eBay business because you’ve begun to pull in some serious cash — and you think you could make more. It’s time to get serious. You have the beginnings of a real-live e-business, and a start as a full-time, online entrepreneur. Really and truly, you do! Yep, you may even become the next e-commerce tycoon. I don’t want to burst your bubble, but you don’t want to put the cart before the horse. You’re going to need a handle on a few things before you can take over the Internet retail world and challenge those Shooting Star PowerSellers.

So . . . in this last part of the book, I give you a few pointers to steer you in the right direction to get your eBay business started. I highly recommend that you grab a copy of one of my other books, *Starting an eBay Business For Dummies* (Wiley), which expands on all the ideas discussed in this chapter and more.

## *Professional Is as Professional Does*

Ignore those silly, get-rich-quick-on-eBay e-mails and e-books. You’re smarter than that! Yes, there is a huge group of people getting rich on the Internet — selling get-rich-quick plans to suckers who think there is a magic bullet they can ride to success. If you think a single class (daylong or otherwise) can make you an overnight success on eBay, you’re sadly mistaken. Those who succeed on eBay have one of two things in common:

- ✓ They have a background in retailing and have a solid understanding of merchandising and marketing.
- ✓ They went to the school of hard knocks by observing and studying (like most of us) and have applied what they learned — and succeeded.

In the next few sections, I profile two eBay users who have found success running eBay businesses. What do these two people have in common? They worked hard to get where they wanted to be. They didn't sit back and wait for magic flakes to fall from the sky and bless them with success. They knew what they wanted to do and pursued their goals. You can do that, too; no one is too old, too poor, or too busy. (Remember that you can run an eBay business part-time.)

## *BornToDeal*

There's nothing wrong with the school of hard knocks. Take the example of my friend Christopher Spencer, eBay user *BornToDeal*. Chris was definitely born to deal. When he was six, he was earning almost \$50 a week recycling newspapers. In high school, rather than giving apples to teachers, he sold teachers home-baked cakes and cookies, making about \$300 a month.

Chris's penchant for computers eventually led him to eBay, in 1999. He began by talking the owners of a local antiques store into letting him sell a few items on eBay on their behalf. He was quickly hooked. Christopher now runs close to 1,000 sales a week for those who want to sell items on eBay. He should be an inspiration for all Trading Assistants (see Chapter 20 on those who sell for others) on eBay.

Christopher's eBay business is big enough that he rents space in a commercial area and has employees working full time to help him. Chris is a top Trading Assistant — and he's recently written a book on the subject, *The eBay Entrepreneur: The Definitive Guide for Starting Your Own eBay Trading Assistant Business*. It's a good read if you plan on getting into that business.

## *MrsWarren*

MrsWarren (Wendy Warren) began selling on eBay in 1999, after deciding to close her 5,000-square foot brick-and-mortar antiques store and sell online. Collectibles were her specialty in the beginning — until she bought some *new* men's Hawaiian shirts to sell on the site for the holiday season. The sales were incredibly successful. Now, her business has changed for the better. Purchasing more (and more) new items, Wendy developed a new niche of only-new merchandise for her eBay store: Pretty Girlie Things.

Her store sells everything that the name implies: jewelry, hair accessories, glitz for the cellphone, handbags, and more. Her creative side took over after a while and she designed her own line of jewelry and accessories (including

very girly Swarovski crystal-embellished cellphone charms). She's expanded her enterprise and now manufactures much of what she sells.

Wendy was also one of the first eBay Ambassadors in 2000 and was one of the original instructors for eBay University. Wendy's key to success is that she follows my golden rule of thinking like a buyer when selecting her merchandise to sell. I've always said this is the key to a successful seller and Wendy is the ultimate example.

## Organization Is Key

Organization is the key word for any retail business. Yes, your part- or full-time eBay business is, in fact, an online retail business. I don't want you to think that getting organized is a huge pain, but it will definitely take some planning. You *can* compete successfully with the big guys. I do, and all serious eBay sellers can, too.



Many a Titanium PowerSeller has taken the proverbial downward spiral because they weren't organized. Follow these tips and don't find yourself in the same predicament.

## Setting up your eBay office

Now is the time to move the stuff you hope to sell out of the corner of your closet (or is it all over the dining room table?) and put it up on shelves. For starters, use any old shelves, but at least get the merchandise off the furniture and get organized! Here are a few organizational tips:

- ✓ **Bag and categorize all your items.** Use plastic sandwich baggies and boxes — the white boxes they sell at office supply stores to store old file folders. These boxes have lots of white space, so you have plenty of room for labeling the contents of each box. And the cutout holes in the boxes act as handles for easy toting.  
  
If you want to get fancy (and plan for the future), use the translucent plastic bins that you can find at stores like Wal-Mart or Target. They have secure-closing tops and easy-to-lift handles.
- ✓ **Set aside a separate work area.** You'll need this for packing and wrapping your items. It will also help when you need to assemble your items to ship.

- ✔ **Designate a place for storing your packing materials.** I used to have a spare bathroom off my office. It's still somewhat of a bathroom, but now the shower has shelves loaded with different sizes of boxes and mailing envelopes.

## *Automating your shipping*

Go back to Chapter 12 and take a look at my recommendations for your shipping setup. When you start your eBay business, it's time to sign up with a shipping service. UPS, FedEx, and the United States Postal Service (through PayPal, Endicia.com, or RedRoller) all provide software that will shave considerable time off your paperwork. And don't forget the shipping insurance policy mentioned in Chapter 12 — it costs nothing until you use it.



Spring for a thermal label printer. They can be bought on eBay (of course) for a fraction of their retail price. Using one will cut an eternity off the packing time of each item. Think about what kind of gizmos the big guys have — what streamlines their business? With the advent of the Internet, all the tools available to the big guys are now available to the small and medium-size sellers, too.

## *Getting legal*

With success comes responsibility — responsibility to your local community (translation: You need a business license) and your country (your partner, Uncle Sam). Depending on where you live, you may have to get a business license — even if you work out of your house. Often the license fees are lower for home-based businesses.



When you apply for your business license, be sure to tell the nice folks at the county office that giant trucks won't be making deliveries several times a day to your home. Also, note that even though you will be doing business from home, you won't be having customers come to your residence. Your business transactions will take place online and through the mail. This really makes a big difference to the county and to your neighbors. If you get to the point where the trucks *are* coming several times a day, it might be time to move to a commercial location.

If you want to buy your merchandise wholesale — that's part of the idea: Buy low, sell high — you need to find out if your state requires a resale or vendor's license. Most do. Genuine wholesalers will require you to produce this license as proof of your business status. If they don't ask for it, they're probably not legitimate wholesalers. Buying merchandise through a buying service,

warehouse, or other middleman won't get you the lowest prices. You *need* to buy wholesale! This license also allows you to purchase items for sale without paying sales tax. When you resell the items, you will charge sales tax (assuming you live in a state with sales tax). You then have to report and pay the tax you've collected to the state within predefined time periods.

## *Keeping records like a pro*

If you're in a business, whether full-time or part-time, you have to keep some serious records. Get a good accounting program to keep your records. This isn't playtime; it's time to project a professional image. If you want to do things right, talk to the person who prepares your taxes or go to a licensed Enrolled Agent to help you set up the books. *My Starting an eBay Business For Dummies* (Wiley) book gives you more information on how you can get started at home.



Be sure you post your revenue and expenses regularly, and don't fall behind. It's a real pain to have to catch up on six months' worth of recordkeeping prior to meeting with your tax professional. (Trust me, I've been there.)

## *Considering a wireless home network*

A wireless home network really helps you keep your sanity because you don't have to be tethered to your desk all day, everyday. Wouldn't it be nice to be able to do some of your eBay business while sitting on the porch or in a hammock in the garden? Believe it or not, it can be done — without going to great expense.

I was the first on my block to buy a fax machine for my marketing business. I also had one of the first print-quality PostScript laser printers. But when it came to networks, I was stymied. I tried to set one up, but somehow, it never worked correctly.

I wondered about the new wireless Wi-Fi network. Was it as easy to set up as they said? After all, my portable phone didn't always work right, so how could a more complex computer network function correctly? I got the requisite hardware from Netgear and went into my office to set it up. I emerged a half hour later with a fully functioning wireless network! I'm writing this chapter on my laptop in my living room (with wireless built in), which is picking up a live Internet connection from my office. If I want to print something, it prints on the printer that's in another room. When I'm done, I'll beam this chapter to my editor in Indianapolis. Now, that's progress!

