

How To Earn Hundreds OF Extra Dollars Weekly By Running A Home-Based Answering Service

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How To Earn Hundreds OF Extra Dollars Weekly By Running A Home-Based Answering Service

Your Best Opportunity To Turn Your Phone Skills Into Cash!

INTRODUCTION

Do you enjoy talking on the phone?

Does your voice have a friendly, cheerful tone?

Are you well-organized?

Do you need a few hundred extra dollars each week?

If you answered "yes" to each of the four questions listed above, then you are a great candidate to pursue one of the most lucrative and easy home-based businesses that exist today! It's very inexpensive to set up and, depending on your individual ambition, you'll earn thousands of dollars each year--without having to leave the comfort of your home.

Ironically, it's the advancement in technology that's creating this exciting opportunity. Fancy, complex phone answering systems have left customers talking to computer-generated voices, leaving messages on "voice mail" and pressing numerous telephone numbers to work their way through to conversing with an actual human being.

While these systems "free" people up from the phones in a business, it frequently frustrates their clients and potential customers to the financial detriment of the firm.

Unable to easily reach a human voice, many individuals simply go elsewhere for the services they need.

Fortunately for everyone, employers are recognizing this problem and solving it--by contracting people like yourself to answer the phones when they can't. That personal touch you can offer can mean the difference in obtaining or keeping a client. As a professional answering service business, you can take messages, deliver specific messages to callers, clarify the intent of calls and even arrange meetings with customers.

This booklet will illustrate how you can set up this type of home-based answering service business. It's your chance to talk -- and earn money doing it!

GETTING STARTED

Business needs for an answering service can vary considerably. A company may need a phone to be answered all day, part of the day, after hours only or 24 hours a day. You can enter this profession at any level you choose. The amount of equipment you'll need to get going will also fluctuate depending on how much time you want to devote to your home-based answering business.

Most often, businesses only need their phones covered during an "extended" work day, say 8:00 A.M. - 8:00 P.M., with an answering machine taking over the other, less likely 12 hour call period. Twelve hours can be a long day if you're going it alone, so you may wish to solicit businesses that generally are looking for the phones to be answered from 9 to 5 or 6. This makes it more likely for you to do the job yourself and work it easily into your family's schedule, too.

Once you identify your work hours, you can begin the task of soliciting businesses to contract with you. Before embarking on this important effort, you should establish a goal of how many companies you want to represent. You can certainly take on more than one company if all you're doing is answering the phone.

How many businesses you take on will dictate how you set up your service. The easiest and most inexpensive way to begin is to have a separate phone line and phone for each business you contract. You would then mark each individual phone with the company name as an identifier for you when the phones begin to ring.

This is the best route if you're going to work with ten or fewer businesses. If you intend to take on more than ten firms, then it would be more cost and space effective to lease a switchboard from your local telephone company. A switchboard can accommodate a substantial amount of business activity for you.

Installing separate phone lines should run less than \$100 each (possibly higher in some parts of the country). You will also pay basic monthly charges for the phone. This should average about \$20 - 25 per month (again, possibly higher in some parts of the country). If you are buying actual telephones, these can be acquired inexpensively at local stores.

Before buying all these phones and contracting with businesses, check with the phone company to see how many extra lines you can obtain. There may be a limit in your residential

neighborhood. How many clients you can take on will depend on your number of lines you can install, you might consider opening up an office in a nearby commercial area, where the number of lines you need can be accommodated. However, this is beyond the scope of your home-based answering service.

The amount and type of equipment you obtain will be dictated by your ambition and your budget. It can be as simple as individual phone lines or as complex as computer screens that flash messages or record instructions for you to convey.

The more sophisticated the equipment, the more money you'll have to spend. Of course, the more business you can handle the greater the financial reward. This is something you'll have to decide for yourself. If this is a low-volume, extra money kind of work, spend as little as possible and take on only one or two clients. If this is to be your new career, then consider the larger investment to handle a high volume of calls.

The key to your success does not rely solely on the equipment. Your answering business is providing important customer service for a company and as such it's your voice and congenial manner that is of equal or greater value. If you're working with small to medium sized businesses, you probably won't need the latest and greatest phone system to handle the work.

The option to numerous phones was to lease a switchboard from your local phone company. Find a convenient space in your home to set up your work area, and clear a space for the switchboard. Once set up, it's costly to move, so make your home "office" choice wisely when a switchboard is involved.

The switchboard you'll get from your local phone company is model no. 557 or TAS-100. This type of switchboard can handle up to 100 incoming lines, but you only need to activate the actual number of lines you need to use. This large number of lines gives you great flexibility in the service you can provide.

Switchboards offer a variety of extras, including room for another operator if your services demand the work of two people, and a secrecy switch to secure the phone lines for your clients.

The switchboard will come with a complete operating manual. Read it carefully! It can help you understand the variety of services you can provide. If training sessions are available through your local phone company, attend them! Knowledge is powerful -- and profitable!

TYPES OF HOME-BASED ANSWERING SERVICES

Now that you've identified the system and volume of business you are trying to acquire, let's review the type of home-based

answering services you can provide.

This booklet has already noted the importance of your phone "personality" as the main key to your success. The better you are at handling people on the phone, the greater the number of services you can offer, from straight message-taking to complete customer service. Your grammar must be sound, your diction easy to understand. To improve in these areas, there are many self-improvement courses available through local community colleges and other learning outlets for a nominal charge.

Businesses have a variety of phone needs, depending on their size and complexity. The phone can save them time and money in communicating with their customers. They may be looking for any of the following services which you could provide:

- Incoming Message Services, both during and after normal business hours;
- Complete Answering Service where customers believe they are calling the actual business office;
- 800 Number Service;
- Order Taking Service where customers call in to order a specific product or service they've seen advertised;
- Call Forwarding Service where the business forwards calls to you only when their personnel leave the office;
- Message Delivery Service where you not only take messages, but you also call people for your business client;
- Voice Mailboxes where you have lines that record messages, but also call people for your business client;
- Beeper Service where you take the call and then page the client via a beeper ;
- Computerized Telemarketing where you hook up a computer to a standard phone and program it to dial telephone numbers to help a business prospect for clients or advertise;
- Appointment Setting Service where you call a list of individuals furnished by a business to set up appointments for the firm's sales people;
- Phone Sales where you are calling on behalf of a business to sell a specific service; and
- Surveys where you call designated people to obtain answers to an opinion survey.

All of these services are possible via the phone. You don't have to offer every single service, simply the ones you can comfortably perform. The phone skills required differ widely depending on the service.

Once you select the services you wish to provide, you can begin looking for clients.

HOW TO OBTAIN CLIENTS

The closer you are to a large metropolitan area, the greater your potential for income in a home-based answering service. However, small towns are also in need of your services as many of the businesses may be sole proprietorships who spend the bulk of their day outside their office and away from the phone.

This is a good place to start. Virtually anyone that works away from their business might have need for an answering service. Salespeople, repair services, people on call like towing services, survey organizations and firms who might use the computer-based automatic dialing system are all potential clients you can contact to offer your phone services.

The phone book, the local newspaper, the small "Pennysaver" type publications and community bulletin boards are all places where you can find the type of business most likely to be interest in your service. This will give you a solid local list to begin your prospecting.

In addition, here is a short list of those companies that might be interested in the phone sales service which you set up on a computer basis to automatically dial a pre-set number of calls:

Amway	Mary Kay
Magazines	Auto Dealerships
Portrait Studios	Vitamin Companies
Avon	Real Estate agencies
Insurance Agencies	Coin Dealers
Remodelers	CPA firms
Roofers	Decorators
Stockbrokers	House painters
Tupperware	

The businesses that can utilize your ability to advertise for them using the phone are substantial, and include:

Retail stores	Credit agencies
Restaurants	Wedding services
Modeling schools	Furniture stores
Employment agencies	Collection agencies
Financial Services	Hotels
Dance schools	Carpet cleaners
Car washes	Video stores
Travel agencies	Pet services

You'll probably start out with a few message service contracts, requiring only a few lines, but you could easily work your way up to dozens of lines and services.

Remember to ask your early clients for referrals to others whom they may feel could use your service. Your existing clients are the best source for leads!

YOUR "HOME" OFFICE

Setting up the business in your own home is a matter of knowing how much business you intend to do. If your goal is to generate some extra cash in addition to other work you do, you'll only want a few clients and phones. Select a room in your house for you to answer these phones.

The room should be comfortable, adequate in size and able to support several phones. You may want to use an area in which you can arrange a long table to be set up with the phones arranged on top, the wires underneath.

If you take on a switchboard, you may still be able to work out of your home. The switchboard will require space and a floor strong enough to support its weight. Your phone company representative can indicate the relative strength necessary to accommodate a switchboard in your home.

If you anticipate having a vast number of clients, or your residential area won't accommodate the phone lines you need, you may wish to seek out a commercial space to rent. Generally, 350 -400 feet should be sufficient space to get started.

Current national office vacancy rates are running around 15-17%, so there should be good deals on rent out there for you. The appearance of the building isn't all that important as you're a phone business -- your clients will call, not visit!

In addition to the room for the phones or switchboard, you'll want to have some work space. Many telephone answering services also contract for other jobs to keep busy while the phones are quiet. Services like envelope stuffing, typing, order filling, addressing envelopes or bookkeeping can all be done while operating the phone lines. Maximize your time wisely!

Brightly colored walls, proper lighting, carpeting and cheery prints for the walls can make the working atmosphere one in which you (and any employees you might hire) will prosper. Employees will be a must if you are trying to operate your phone service for lengthy hours. A 24 hour service will require at least three to four employees.

Other employees will be helpful in giving you a break from the phones. In addition, you can use "down time" to your advantage by making calls to obtain more clients. It's hard to call on people if you're at the phone for twelve hours

each day.

TEN EASY STEPS TO ORGANIZE YOUR BUSINESS

1. Obtain the proper equipment for your business. Make sure the phones or headsets are easy to use. If you use a table and chair, make sure they are comfortable and easy to sit in. Obtain a message "rack" with slots to place your clients' messages so that when they call in you'll have them handy to read. Install a time clock so that you can punch in the time when the message was taken. Both the message rack and time clock should be within arms length so you do not have to leave your chair--and the phones! Discount office supply stores can provide these items inexpensively.
2. Make it easy to record basic message information. You can buy message slips from your discount office supply store or you can use scraps of paper that you cut up for use. Whatever the vehicle, make sure there is room to write down the customer's name, phone number and any message. You should also leave space for the date/time and to whom the message will be addressed. Have plenty of pens handy! Don't run out of ink.
3. Have an organized system for your messages. Once written, the message should be filed in the message rack to read later to your client. Once you've passed the message along, mark "SENT" on the slip and then file it in a folder marked with your client's name. Save the messages for at least a month (or longer, if the client requests).
4. Use index cards to record basic customer information about each of your business clients. This information should be kept handy and given to customers if necessary. Knowing all about your clients' business will make you more effective on the phone.
5. Price your services competitively, keeping in mind your own monthly expenses. Add your expenses up on an annual basis like the basic monthly phone charges, equipment, office supplies and divide the total by 12 to determine a monthly overhead cost. Obviously, the revenue you generate must exceed this number each month to make a profit. The average rates you can charge for your services can range from \$30 to \$50 per month, the specific price related to the basic monthly phone charges you must pay in your area. Determine a base number of calls that you can accept under your standard rate (50, 75, 100). For any calls you receive over that in a given month, bill you client on a per call basis (.25, .50, .75). You can contact competitors and find out what they charge to determine what your price range should be if your aren't sure of the rates you want to set.
6. Contract for your services formally. Put together a standard contract for both you and your client to sign. The "Business"

section of your local library will probably have some standard contract forms that you can amend for your use. You could choose to engage an attorney for this task, too. The contract should have a minimum length to it, like 6 or 12 months, with options to renew it at expiration. You need to plan on a certain amount of business and income and you can't do that without a minimum service contract length.

7. Select a business name that is descriptive but not limiting. If you are not incorporating, you can use your name in the company title if it's simple and easily pronounce-able, such as "Marge Dean's Telephone Services" or, better yet, "Marge Dean's Telemarketing Services" which encompasses more tasks in a potential client's mind. If your name is difficult to say, consider using the town name as in "Dallas Tele-marketing Services". Since that may already be taken, you can also go generic as in "Diversified Telemarketing Services" or "Associated Answering Services". Keep it simple and open.

8. Select the type of business you want to be. Incorporation carries the most prestige but it isn't always the most practical for a very small business. You can always start as a sole proprietor and work your way up as the business expands. A sole proprietor is the simplest form of business structure although you are personally liable for all business debts. A partnership will be necessary if you have someone else sharing the profits and expenses of the business with you. An accountant and/or an attorney can illustrate the advantages and disadvantages of each entity and help you determine what course to take.

9. Obtain enough supplies to launch your business. Be well-equipped with the basics: pencils, pens, note paper, index cards, paper clips, rubber bands, staplers and this type of office needs should be purchased in quantity. You achieve a savings by higher volume purchasing and also avoid possible work stoppage because you are out of supplies constantly. Don't forget a ledger notebook to record revenue and ex-penses. Also include a calendar to note important dates. Order business stationary and envelopes along with business cards. Remember, you are trying to create a positive, professional image. If you wish, hire a graphic artist to design a logo for your business. This should appear on the card, letterhead and envelope. Order blank paper of the same color as your letterhead to write letters or memos longer than one page. Shop around for printers. There are often "specials" that printers run to attract business, usually on items like business cards and stationary. Your initial order will be more costly because of set-up charges to put your information on plates to print. Once done, however, it is inexpensive to order reprints when your supplies dwindle.

10. If your business outgrows your house, shop around for a

good location. Don't consider moving out of your "home" office unless you've redone your expense calculation, divided it by 12 and seen that your new monthly expenses can be eclipsed by your revenues. If you decide to find an office, consider sharing a space with other professionals in a building, where business needs like a photocopier, fax, receptionist, etc. can be shared among the occupants. You'd still have your own private office, but it will save dollars to combine other resources. Shop for office furniture to get the best price possible. Check the newspaper for notices about bankruptcy auctions and Sheriff's sales where you can often obtain nearly new, higher quality equipment for little money. You will need a desk, table, filing cabinet, chairs, typewriters or computer, calculator, book/utility shelves and a wastebasket to get started.

THE ART OF NETWORKING

To be successful in your business, you must develop a network of contacts. These are people whom you know who can provide a favorable introduction to potential clients. The more people in your network, the better the prospects for success. With an increasing number of contacts comes numerous opportunities to offer your services to people who may well be interested in contracting for them.

You network constantly until it becomes a routine, part of your business. No matter who you are talking to at the moment, that person could be helpful to your business in some way. Most people are complimented by your faith in them as a contact person since it emphasizes the influence they can provide.

Networking is a reciprocal process. If you are seeking someone's help to obtain a lead, you must also be prepared to assist your contact in the same exact way.

Use your business card to introduce yourself where possible, perhaps at a social setting or at local meetings like Rotary or Kiwanis. Chamber of Commerce meetings also hold some potential to meet other business owners in the area. These are the people you want to meet since the idea of an answering service may be important to them.

Don't be afraid to talk about what you do. When meeting someone new, the conversation inevitably turns to the type of business you're in, so describe it with the enthusiasm you have for it. You don't need a resume. Your card and your voice are more valuable in networking.

Your immediate and extended family is the best initial source of networking you can do. Get in touch with your local relatives, explain what you are doing and see if they can provide leads for you.

Past business associates, college friends, church members and other individuals in organizations to which you already belong can be great sources for prospective clients.

Join organizations! Kiwanis and Rotary meet every week, with new members (and prospect!) coming in all the time. If you play golf or tennis, talk to your partners. Consider the people you see regularly: post office, hair salon, cleaners, gas station, all of the normal daily activities encompass some form of business who could use your service.

Once you've made a network of contacts, stay in touch with them. A birthday card, a newspaper article of interest, a note about a promotion, all of these are ways to communicate with you network people when you're not asking for names. You are creating the opportunity, however, for future business.

MARKETING YOU MUST DO

While networking can be an effective marketing tool for you, it is not the only way to put your name and services in front of a potential client. Further, many individuals do not like the practice of networking and would prefer to solicit prospects on another basis.

Marketing is a collection of activities that helps you to obtain business. These actions may involve advertising, direct mail, press releases, public appearances, promotional flyers or brochures. Your services will not be contracted unless people know about them. This is where marketing is useful. Marketing should create and image for you, one that is professional and encourages individuals to look further into what you have to offer.

Marketing is also about understanding who your base of potential clients is and where they are located. Narrowing down your scope of marketing to concentrate on the people most likely to contract for your answering service requires thoughtful analysis. For example, you could begin by focusing on just sole proprietors at first. These are people most likely to be working away from their business and in potential need of phone help.

There are numerous media outlets to advertise your services. It costs money to advertise in newspapers or send brochures out to targeted potential customers, so gauge your budget accordingly when selecting your marketing outlets. Radio and television advertising also carry a price, but can also be effective in reaching a broad number of people.

Your marketing pieces, whether a brochure, advertisement or commercial must list plenty of reasons for your services being important and specifically why you should provide these services.

You should decide on and then list the services you offer as some or all of this copy will become a focal point of any piece you create.

A brochure can provide a professional image for you while serving functionally to explain the services you provide. It should be simple in appearance and easy to read and absorb. Be informative without being wordy. Anticipate and answer the questions someone might have about your type of business, such as how many hours per day your service will take calls.

The brochure layout is usually a six panel, front and back 8 1/2 , 11 inch sheet of paper. The panels include:

- a cover indicating your business name, address, telephone number and logo;
- first inside panel describing your business and who a good prospect for your services would be;
- middle inside panel should list your services and a brief description of each;
- third inside panel should provide a list of testimonials from others who have used your service, or, if new, from network contacts willing to describe your phone voice, organizational skills and reliability and put their name and business next to their quote;
- middle outside panel should contain a brief biography of yourself and your credentials along with any partners or other employees you may wish to highlight; and
- final outside panel which will be designed as a self-mailer with your return address on it. You will mail the brochure using this panel as your envelope.

You should write the copy for your brochure, but get some help laying it out from either the graphic artist who designed your logo or the printer who will be printing the marketing piece. Using two colors and minimal design should keep the price of producing these mailing brochures very reasonable. The brochure can also be used as a hand-out piece. It adds credence to your business venture and lifts you above those others that don't bother investing the money in this important marketing tool.

Advertising can also put your name and service out to a variety of people. A classified advertisement offering your services may initiate some phone calls, but a larger display advertisement is more likely to draw your potential prospect's attention. Your advertisement should be written to attract the eye of the reader. The headline is the most critical part of the piece, but this will either invite the reader to keep reading or go on to the next page.

Your key service is to help a business avoid losing money by having that personal contact when someone calls their office. This concept is what your headline should incorporate, such as

"How To Make Your Business More Profitable" or a similar theme.

People buy most often for emotional reasons. You are selling a service. Thus the advertisement you create must have an emotional pull that can convince a person to call you for more information. An advertisement simply listing your services won't generate the response you want and need. But if the emotional enticement is to help a business financially, to provide that human touch in a mechanized world, you will have a better chance of attracting potential clients.

The remainder of the advertisement can list some details about you and the services you provide, but the headlines remains focused on emotion. Certainly you can continue with the emotional copy throughout the piece, mixing in some of the important details. The better story you tell, the better your response. But the headline will cause people to read the story. A poor headline will send most readers elsewhere and a good story will remain unread.

Be positive! List the benefits of working with you, not the disadvantages or passing on your services. The headline should concentrate perhaps on **SAVE THOUSANDS OF DOLLARS TODAY** rather than **AVOID LOSING THOUSANDS IN YOUR BUSINESS**. There are professional ad agencies and copywriters who can assist you in getting it right. It may be worth the price to put an ad together that generates substantial response rather than saving the money, writing the ad yourself and seeing little or no reaction to it.

The most effective ads tell us enough information, but leave the reader curious to know more and thus, inviting the person to call in. But once you have the person calling in, you have an excellent chance to turn that prospect into a client. After all, it's your phone voice and manner that you're trying to sell, isn't it? Here, the individual will get a first hand chance to see how their own clients will be handled should you strike up a deal.

Run your advertisement in your local newspaper or other smaller community publications. Try radio advertising. It's a cost-effective way to reach people you may never get to contact otherwise.

The other marketing option for you is direct mail. You can generate some incredible responses here, but if you are going to undertake the expense of a direct mail operation, you should certainly secure some assistance from professional copywriters to get the most "bang for your buck". Postage costs alone are high with direct mail so you need an effective piece.

Direct mail is tricky, because you must get your message across with a minimum of words. The direct mail piece is meant to entice a prospect into calling for more information. Stay focused on this. If you try to do too much, few if any people will read your piece and respond.

The importance of immediate action must be emphasized. The piece is meant to motivate the prospect to act now, today, not tomorrow or next week or next month. Effective wording can accomplish this motivating technique.

Direct mail can help you reach thousands of people you couldn't call yourself. It expands your capacity to reach potential clients and makes the most of your limited manpower and, possibly, resources.

Look for a direct mail house that works with copywriters. There is a big difference between advertising and direct mail, so find and individual with direct mail credentials. You could write the copy yourself if it will capably produce the type of piece described.

If you intend to undertake the copywriting yourself, remember these basic principles:

- Headline! Headline! Headline! Your opening paragraph or title in your direct mail piece has to make people want to open it up and read further. Don't be coy! List a key benefit immediately! Get your prospect to turn the page!

- While listing your benefits, keep them at reality level. If something sounds too good to be true, it usually is. People are wary today of others who over-promise, so as you highlight the benefits of your business service, emphasize how you are able to offer this many benefits from your company. Utilize the word "you" to let readers know they will be on the receiving end of the benefits.

- Be as precise as you can. Give prospects tangible services and explain simply how they work. People are bottom-line today and want to make up their mind to pursue a service or not in quick fashion. Specifics give people enough data to make up their mind and will almost always help you get a response. It will also not waste time for you and those who are not interested in your services.

- Obtain some testimonials to use other people's words, other than your own, to describe your benefits and services. Use complete names to indicate authenticity behind the comments.

- Make your copy conversational, easy to read, simple. Words should be short. Sentences should be brief. Paragraphs should be concise. The copy should encourage the reader to act. If a reader understands the copy, the action you want (a response) is more likely to happen.

- Incentives often motivate people to act immediately rather than procrastinate. If, for a limited time (14 days, 30 days), your service can be obtained for less than the usual monthly rate, you've encouraged people to call in and take action. If they understand the service you offer and how it can benefit them, plus you add a feature such as an incentive to call NOW, you'll probably increase your response by a large margin. Some people

need that extra shove.

-Guarantee your work. Offer a no-risk, money back 30 day deal to try your service. If the customer isn't satisfied, offer the refund. This will reassure the potential client and, since you have great confidence in your own ability, you really aren't giving anything away since you know people will benefit from your services.

Your direct mail piece must sell you along with your services. IN a phone business, you are the most valuable asset. People buy from people. The more satisfied someone is with you, the more likely the chance of securing a contract.

Marketing is a potpourri of potential activity. Create a marketing strategy and follow it through. You can't help but generate a number of individuals interested in what you have to offer. Remember, too, that marketing is an ongoing process. You are always on the lookout for new clients. The value of continued marketing efforts is a constant stream of prospects--and financial security for you!

ADDITIONAL TIPS FOR SUCCESS

Here are a few suggestions to attract prospects, save money and generally launch a successful business venture.

During the direct mail phase of your marketing campaign, an incentive was encour-aged to bring in new clients. The lifeblood of any business is new people coming into it. What better way than to encourage them through the use of a free promotion.

When you give something away, you can expect to find someone there to take it. This will also be true in your marketing solicitation. If you offer a reduced rate for a period of time, or contract for five months and give the sixth month away free, you will entice people to take action.

The irony of this situation is that the more you give away, the more business you will attract. If you sent a direct mail response out and obtained three clients who contract with you for six months at \$50/month, you've attracted \$900 worth of business. But if a giveaway of the sixth month free doubles your response, you'll contract six people paying for five months at \$50/months, but increased your revenue. You gave away six free months, but increased your clientele and your revenue doing it. In addition, you now have clients who are potential renewers when the contracts expire.

You could also give away a free gift to new enrollees instead of the month's free service. A number of promotions companies exist who can help you select an ap-propriate gift and buy it at bulk rate. Your giveaways can sometimes amount to only \$4 or \$5 per

person, and you end up with six and twelve month contracts as a result.

With incentives, offer something tangible and relevant to your business. Don't attach any strings. Make it a straight forward offer with no fine print. People appreciate and are more likely to respond to this type of offer.

Another tip for success is to minimize your printing costs. Direct mail costs money. Brochures cost money. Business cards and stationary cost money. Take some steps to keep your printing bills within reason.

Shop for competitive quotes. There are usually a number of printers in a given area, so you should be able to find three or four to bid on your job. If you are having business cards, stationary and brochures done, do them all at once and advise the printer to quote each job both separately and combined. Often, a combined job can reduce your costs.

Be specific about the job. Get all the costs up front. If you want the printer to set the type, fold the piece, whatever, be sure you have all this priced out first.

Stick to standard sizes and colors. Avoid heavy paper stock. You don't have to use postcard stock, either. Give the printer ample time to complete the job. Rush work costs money and the costs will be passed on to you.

Printing costs can eat up a budget quickly. The more homework you do up front, the less you'll spend and the more likely the piece will be done to your satisfaction.

As you solicit additional business, your base set of clients can hopefully provide some solid testimony as to the value of your services. Securing these endorsements can be the foundation for a new marketing campaign to add new clients and "grow" your business.

You'll likely have to ask for this feedback yourself. Most people don't take the time to write a letter, but most often simply comment to you personally about their pleasure in your services. So, ask them to put their thoughts down on paper. If someone has written, ask their permission to reprint it and use their name. Or you can initiate written comments by sending out a customer satisfaction form which encourages comments from your clients.

Whichever way you choose, these endorsements can help you obtain new business.

Finally, don't overlook the outlets through which you can

publicize your business--at no charge! It amounts to free advertising and you should be watchful for the opportunities this presents to tell people about your services without increasing your marketing budget.

News releases about your business can generate some publicity for you. Many smaller newspapers publish a Business section where new businesses in the area are noted and a few specifics spelled out. The newspaper won't know to print this unless you sent them a news release.

Send your release with a cover letter to the city or business editor of your local newspaper, the managing editors of business trade publications and the news directors for local radio and television stations.

The cover letter should briefly state the positive aspects of your business and why your services would interest their audience. The news release is more formal and should be typed on one sheet of paper, double-spaced, and headed "NEWS RELEASE" with the day's date. You should also list a "FOR MORE INFORMATION" header followed by your name, address and phone number. The copy itself should be short and to the point, but with the same idea as an advertisement. The first paragraph should be your "headline grabber", the idea of which is to get the reader (editor or director) to become interested enough to keep reading. Emphasize the convenience of your service to small business owners who don't have an office and generally are out working all day. Don't be long winded. Sell them on your basic idea. If they're interested in publicizing it, they'll call you for more information.

Emphasize how your business relates to current news trends, such as the age of computers taking away some of the human touch and you're trying to restore that so that a business' customers will be able to talk to a person rather than a machine. Make it newsworthy. You'll have a better chance of getting the free publicity you seek.

START-UP COSTS AND HOW TO FUND THEM

Most of the start-up costs of the phone answering service business have already been detailed in the previous text. If you do not have the money to start your business but feel certain it will be a success, try and raise money yourself to get the business off the ground.

The easiest way to obtain money fast is to talk to your friends and relatives about it. Getting them to invest in your idea will be an easier sale, perhaps, than talking to complete strangers about it. The downside is that if the business fails for any reason, that relationship may never be the same.

If family and friends are not potential investors, you must look outside this familiar circle to other candidates. There are two types of investors to seek: those who only wish to put money into the business hoping for a return and those who wish to contribute both money and talent in exchange for an equitable share of the profits.

This latter individual would be considered an active partner while the former investor would be more of a silent partner. The active partner would share the duties of the business with you, put up some money and thus own a percentage of the business equal to their time, talent and investment. The silent partner may put up the entire amount needed but gives you a share of the profits since you are doing all the work of running the business.

Partners can own whatever share of the business all parties deem fair; there are no set guidelines here. There are individuals known as venture capitalists who are constantly on the watch for potential lucrative new businesses to invest money in with an expectation of a large return. You can advertise in the paper as seeking venture capital for a phone answering service business and even list the amount of money you are seeking. Then, when contacted, the real negotiations will start.

You will be expected to provide a potential investor with information about your background and qualifications to run a phone answering service business. You should have a detailed marketing plan already worked out along with revenue and expense projections to show your potential investor(s) what they can expect for a return on investment. The more prepared you are, the better likelihood of attracting the money you need to get started.

You could also try to put up the cash yourself and be a 100% owner. Review your personal asset and liability situation to see if enough money can be raised to initially fund your start-up costs. Insurance cash value, savings, sale of goods you could do without, credit card advances, even a second mortgage are all ways to personally raise money for your business venture. You must decide if this is the right way to go. Do you believe your business can be a success financially? If so, there is money out there for you to find so you can turn your dream into a reality.

The other option for you may be a small business loan. Do you have a good credit rating? How well do you know your local banker?

Again, you must have an exceedingly high belief that your business will take off since loans have to be repaid. If you are unable to raise the money you need any other way, a small

business loan may be your best bet to acquire the capital you need to get started.

GETTING HELP FROM THE SBA

The Small Business Administration has made it easier to apply for smaller loans today. If you're seeking cash in the amount of \$50,000 or less, the paperwork required has been diminished significantly. What's more, your local community banker may be able to approve the loan personally without having to send it to the SBA. The SBA is guaranteeing the loan so local banks are more apt to lend money to new ventures as well as established ones.

You will have to put up at least 25% of the cash you need. The SBA will not under-write 100% of the venture. But, given the relatively low start-up costs for a phone answering service, you may not need more than \$50,000 and can likely raise up to \$12,500 personally to obtain the other \$37,500 from the SBA. This would give you 100% ownership in your business with only the loan to be paid back.

The SBA has several other types of financial assistance programs, too. For potential small business owners that don't have adequate credit to obtain a loan through the usual bank channels, the SBA can provide the funds through several different loan programs.

Your small, community bank(s) are the firms that generally work closely with the Small Business Administration to provide these dollars to people in their area. Women and minorities are especially considered under a number of different SBA loan programs.

Some of the special circumstances loans that are available are economic opportunity loans, handicapped assistance loans and displaced business loans. These are all programs to help disadvantaged individuals obtain the money they need to get a good idea off the ground. Applications for loans will require much the same data as you would have prepared for a venture capitalist or any other potential investor in your business. Your background and qualifications, your marketing plan, revenue and expense projections and the need for the services you provide will all have to be discussed thoroughly with the loan officer before you can expect any loan approval.

A good credit rating is helpful in obtaining the loan. If you have a history of paying back what you owe, chances are you would pay this loan back, too.

There are a number of Small Business Administration locations near you. The following is a list of regional offices and development centers that can assist and direct your application

for a SBA loan:

NATIONAL OFFICE:
Small Business Administration
1-800-827-5722

REGIONAL OFFICES:
60 Battery March St. 26 Federal Plaza
Boston, MA 02110 New York, NY 10007
(617) 565-5590 (212) 972-5270

231 St. Asaphs Rd. 1375 Peachtree St., NE
Bala Cynwyd, PA 19004 Atlanta, GA 30309
(215) 962-3700 (404) 347-2441

219 S. Dearborn St. 1720 Regal Row
Chicago, IL 60604 Dallas, TX 75235
(312) 353-5000 (214) 767-7629

911 Walnut Street 1405 Curtis St.
Kansas City, MO 6416 Denver, CO 60202
(816) 426-3316 (303) 294-7186

450 Golden Gate Ave. 710 Second Ave.
San Fran., CA 94102 Seattle, WA 98104
(415) 744-6820 (206) 220-6500

SMALL BUSINESS DEVELOPMENT CENTERS

Alabama

Alabama International Trade Center
University of Alabama at Birmingham
400 North Martha Parham
Tuscaloosa, AL 35487
(205) 348-7621

California

Export Small Business Development Center
110 E. Ninth Street, Suite A761
Los Angeles, CA 90079
(213) 892-1111 or (800) 371-1110

Export Small Business Development
Center Satellite
300 Esplanade Drive, Suite 1020
Oxnard, CA 93030

Florida

Florida Atlantic University
P.O. Box 3091
Boca Raton, FL 33431
(407) 338-2273

Small Business Development Center
University of Central Florida
P.O. Box 2500 Building CEBA II
Orlando, FL 32816
(407) 823-5554

University of West Florida
College of Business, Building 8
Pensacola, FL 33251
(904) 474-2908

Georgia
International Trade Development Center
University of Georgia / Chicopee Complex
1180 E. Broad Street
Athens, GA 30602
Small Business Development Center
Kennesaw College
P.O. Box 444
Marietta, GA 30061
(404) 423-6450

Small Business Development Center
Clayton State College
P.O. Box 285
Morrow, GA 30260
(404) 961-3440

Illinois
Illinois World Trade Center Chicago
321 N. Clark Street, Suite 550
Chicago, IL 60610
(312) 467-0550

International Trade Center
Bradley University, Lovelace Hall
Peoria, IL 61625

Louisiana
Louisiana International Trade Center
University of New Orleans
368 Business Administration
New Orleans, LA 70148
(504) 286-6978

Maine
Small Business Development Center
University of Southern Maine
96 Falmouth Street
Portland, MA 04103
(207) 780-4420

Massachusetts

Small Business Development Center
University of Massachusetts
Amherst, MA 01003
(413) 545-5580

Michigan
Center for International Business Development
Michigan State University
6 Kellogg Center
East Lansing, MI 48824
(517) 353-4336

Mississippi
Small Business Development Center
International Trade Center
Millsaps College
Jackson, MS 39210
(601) 354-5201, ext. 407

New York
Small Business Development Center
State University College at Buffalo
1300 Elmwood Avenue
Buffalo, NY 14222
(716) 878-4030

Small Business Development Center
Rockland Community College
145 College Road
Suffern, NY 10901
(914) 356-0381

Ohio
Small Business Development Center
218 N, Huron Street
Toledo, OH 43604
(419) 243-8191

Small Business Development Center
Lake County Economic Develop.
Lakeland Community College
Mentor, OH 44080
(216) 951-1290

Oklahoma
Small Business Development Center
Rose State College
6420 Southeast 15th
Midwest City, OK 73110

Oregon
Small Business Development Center

Portland Community College
One World Trade Center
121 SW Salmon Street Suite 210
Portland, OR 97204

Pennsylvania
Small Business Development Center
Lehigh University
International Trade Center
301 Broadway
Bethlehem, PA 18015
(215) 758-3930

Small Business Development Center
Gannon University
Carlisle Building 3rd Floor
Erie, PA 16541
(814) 871-7714

Small Business Development Center
Pennsylvania State University at Harrisburg
Craggs Building
Route 230
Middletown, PA 17057
(717) 948-6069

Wharton School of Business
University of Pennsylvania
Vance Hall, 4th Floor
Pennsylvania, PA 19104
(215) 898-4861

Small Business Development Center
Duquesne University
Rockwell Hall, Room 10 Concourse
600 Forbes Avenue
Pittsburgh, PA 15282
(412) 434-6233

Rhode Island
Small Business Development Center
Bryant College
450 Douglas Pike
Smithfield, RI 02917
(401) 232-6407

Tennessee
Small Business Development Center
International Trade Center
Memphis State University
Memphis, TN 38152
(901) 678-2500

Texas
North Texas Small Business Development Center
International Trade Resource Center
2050 Stemmons Freeway, Suite 150
Dallas, TX 75258
(214) 653-1777

Small Business Development Center
University of Houston
601 Jefferson Street Suite 2330
Houston, TX 77002
(713) 752-8404

South Texas Border Small Business
Development Center
University of Texas at San Antonio
San Antonio, TX 78285
(512) 224-0791

Washington
International Trade Institute
North Seattle Community College
9600 College Way North
Seattle, WA 98103
(206) 527-3732

FINANCIAL AND LEGAL CONSIDERATIONS

You're almost ready to start your new phone answering service business. There are some financial and legal considerations that will impact your business.

First, be sure to check with your local zoning office to be sure you can run a home-based business if you intend to start in your own home. Your answering service business is not a high customer-traffic business, so it shouldn't be a problem, but check anyway as you may need a specific permit to operate your business. It should only involve an application, but could require a hearing, too.

You may have to have your home inspected to determine if it meets business-type regulations for health, building and fire codes. If it doesn't, you will have to make the necessary modifications to operate the business out of your home. These alterations should not be major.

Check with an accountant concerning the tax-deductibility of a home-based business. The Internal Revenue Service is more careful in checking these deductions today. In general, the amount of space in your home devoted to the business is eligible for a deduction. That area must be used exclusively for

business, however.

Once you determine the space involved, divide that into the total space in the house to obtain the percentage of your home used exclusively for business. That percentage will be applied to some of your usual house bills like your electric bill.

Keep a journal of expenditures for your business along with the corresponding receipt. Record and file them by month for easy reference. Many of these expenses are deductible to your business, up to certain specified limits. New tax laws can affect their deductibility, so it's best to keep up to date through an accountant.

As a self-employed business owner, you would be filing a Schedule C (Profit or Loss for Business or Profession) along with your regular 1040 form. Your accountant can brief you on other forms you need to complete during the year, too. There is usually an estimated tax payment to be made each quarter along with FICA and Unemployment taxes.

Insurance will also be a necessary part of your business life. Some of the insurance is actually required.

Health insurance is a familiar vehicle to cover hospital and medical bills. A number of states have enacted recent health care reform legislation to aid small businesses in obtaining quality, affordable health insurance. Contact your state insurance department for more information about the programs in your area.

Workers' compensation is often required by law. This coverage provides medical, hospital and disability income benefits for on-the-job injuries or illnesses. This program is administered by each state individually and you should check with your state insurance department to see if you are required to carry this coverage. If you are the only worker, some states merely recommend rather than require the coverage be carried.

Liability coverage may also be a good investment for your business. This protects the business against liability for adverse actions which affect your client(s). If you incorrectly record a message and that error results in the loss of business to your client, there is always the possibility of a lawsuit today. Liability insurance can be purchased to cover the threat of a suit.

If you have a company car, insurance will be necessary and the car must be de-designated for business use. This may or may not be necessary in a phone answering service business, but if you call on clients or potential clients, then you are using the car for business and may be eligible for a business tax deduction

for a portion of in-surance payments on the vehicle. Your accountant can verify the deductibility of any item associated with a company-owned car.

If you are working out of your home, check your homeowners policy to be sure your property listing includes any business equipment you have such as phones or a switch-board. If you are operating the business out of an office you purchased, you will need to have hazard insurance to cover that facility separately.

Life insurance can be used to cover your life in the event of death. This money can be used to continue the business if surviving family members wish. Disability insurance should also be considered. This policy provides income to you and your family in the event you suffer an injury or illness (at any time, not just "on-the-job") and cannot work. Many insurance companies do not offer this type of coverage to business owners that work out of their own home, but check with your insurance agent to see what he or she can find.

If you have a partner, you might also consider some type of buy-sell coverage so that if one of you dies or becomes severely disabled, the healthy owner can buy the interest in the business back from the one affected. Both life and disability insurance is available to fund this need.

Finally, you should also keep an eye towards the day when you will retire from work-ing. Business owners are able to put money into various pension-type vehicles on a tax-favorable basis.

There are three common types of retirement plans for self-employed business plans: the Individual Retirement Account (IRA), the Simplified Employee Pension (SEP) and the Cough plan (often called HR-10).

The IRA is a familiar vehicle that lets you put up to \$2,000 before taxes into a retire-ment plan. For many business owners, this amount is insufficient and thus other vehicles where larger amounts can be put away for retirement are more attractive.

A Simplified Employee Pension plan is similar to an IRA except you can contribute much more to it, up to 15% of your income but not more than \$30,000. That's significantly more than the \$2,000 maximum pre-tax contribution under the IRA. The Keough plan is similar to the SEP except that the contribution percentage can be as high as 25% up to \$30,000. This type of plan is usually selected by sole pro-prietors. These retirement vehicles should be discussed with your accountant for advice on the best avenue to pursue. However, not only do these programs serve as a source for retirement funds, but they assist

the business owner with reducing current tax liability, too.
Any business owner should review one's options carefully.

You should now have all the information you need to determine
if a phone answering service is the right business start-up
idea for you.

Good luck!