

Game-changing

@CecilyK, blogger

Pathfinder

My Blog as Business

8/2/2012



Agenda

This Morning (10-noon)

Introductions

10 Guiding Principles for Successful Professional Blogging

The Fundamentals:

- Organizing Your Business – structure, plans and marketing
- Copyright – protecting yours and not violating others
- Disclosure – it's not just about the FTC – your readers care too!

This Afternoon (2-4)

Deep Dive into the 10 Guiding Principles

Your Esteemed Hosts

Lauren Marie Fleming – @queeriebradshaw

Blogs at Queerie Bradshaw.

Works at Creativity Squared LLC.

Susan Getgood – @sgetgood

Blogs at Marketing Roadmaps and Snapshot Chronicles.

Works at BlogHer.

Liz Gumbinner – @mom101

Blogs at Mom-101, publishes Cool Mom Picks + Cool Mom Tech.

Works at Deutsch advertising.

Disclaimer

Susan and Liz are not lawyers, and do not play them on the interwebs or at blogging conferences.

Lauren has a law degree, but she is not YOUR lawyer.

The contents of this session are BLOGGING advice, not LEGAL advice, which would cost way more.

10 Guiding Principles for Successful Professional Blogging

1. Begin with the end
2. Why do you blog?
3. The dreaded elevator pitch – differentiating yourself
4. Paths to monetization
5. See and be seen
6. Credentials. A.K.A. What have you done for me lately?
7. SEO vs Content Cagematch
8. Business basics when going pro
9. Functioning within a community
10. Ethics, disclosure and other best [ractices

BUSINESS FUNDAMENTALS

LAUREN MARIE FLEMING

Why a Structured Business?

- You're already a business
- Structuring helps keep you on task and on budget
- Formal structures needed for loans, grants, etc.
- Business structures provide tax shelters
- Business structures provide protection from liability
- You can have a cool title like "Editor-in-Mischief"

Which Business Structure?

- Sole Proprietor
- General Partnerships
- Limited Liability Corporations
- Corporations
- Non-profit Organizations
- Others not discussed today: LP, LLP, PC, PLLC
 - Mostly for doctors, lawyers, professional group
 - Also no publicly held corporations

Sole Proprietor

Overview

- What you may be in now
- The simplest form
- Single owner entity
- May have a few other employees, but not usually
- Owner and the business are the same legally
- Including for tax purposes

Sole Proprietor

Pros

- Cheap and relatively uncomplicated
- Owner reports profit or loss on personal tax return
- Can deduct day to day biz expenses

Cons

- Owner personally liable for all biz debts and court judgments (inc. being sued)
- May have a higher tax bracket because of biz income

Sole Proprietor

How to Form:

- Obtain a biz license if needed
- Obtain a sales tax license or permit if retail oriented
- File an assumed/fictitious biz name if needed
- Start a separate bank account (can be difficult if not structured)

General Partnerships

Overview

- What you may be in now
- If two people are owning and/or operating together, they're at least this
- Owners and the business are the same legally
- Including for tax purposes
- Including for liability

General Partnerships

Pros

- Cheap and relatively uncomplicated
- Owners (partners) report profit or loss on personal tax return
- Can deduct day to day biz expenses

Cons

- Owners (partners) personally liable for all biz debts and court judgments (inc. being sued)
- May have a higher tax bracket because of biz income
- Fiduciary duties apply

General Partnerships

How to Form:

- Create (and sign) a partnership agreement
- State law automatically applies if you don't
- Most states req a partnership certificate
- File an assumed/fictitious biz name if needed
- Obtain a biz license if needed
- Obtain a sales tax license or permit if retail oriented
- Start a separate bank account (can be difficult if not structured)

Limited Liability Corp.

Overview

- Best of all worlds
- Can choose to be taxed by IRS like a sole proprietor/general partnership or as a corp.
- Most flexible option, easiest to use because of that flexibility
- Not available in every state, varies in each state

Limited Liability Corp.

Pros

- Limited personal liability for biz debts
- Profits and loss can be split however you want them to be (within IRS reason)

Cons

- More expensive and complicated to create
- Members' shares of profit may be subject to self-employment tax

Limited Liability Corp.

How to Form:

- File on State AG's website
- File an assumed/fictitious biz name if needed
- Start a separate bank account (can be difficult if not structured)
- Obtain a biz license if needed
- Obtain a sales tax license or permit if retail oriented

Corporation

Overview

- Very complicated, but beneficial to some
- Two main types:
 - S – liability of a corp., sole proprietor tax
 - Corp doesn't pay taxes
 - C – taxpaying entity separate from owners/operators
- Limited liability – legally separate from individuals operating
- Can give stock, which helps with investors
- Probably too complex and complicated for the average writer/writing group

C Corporation

Pros

- Limited personal liability for biz debts
- Fringe benefits can be deducted as biz expense
- Corp. profit can be split among owners and corp., can mean a lower overall tax

Cons

- More expensive and complicated to create
- Paperwork pile-up
- Separate taxable entity, can't write off loss

S Corporation

Pros

- Limited personal liability for biz debts
- Report corp.. loss on personal tax returns
- Can use corp.. loss to offset income from other sources

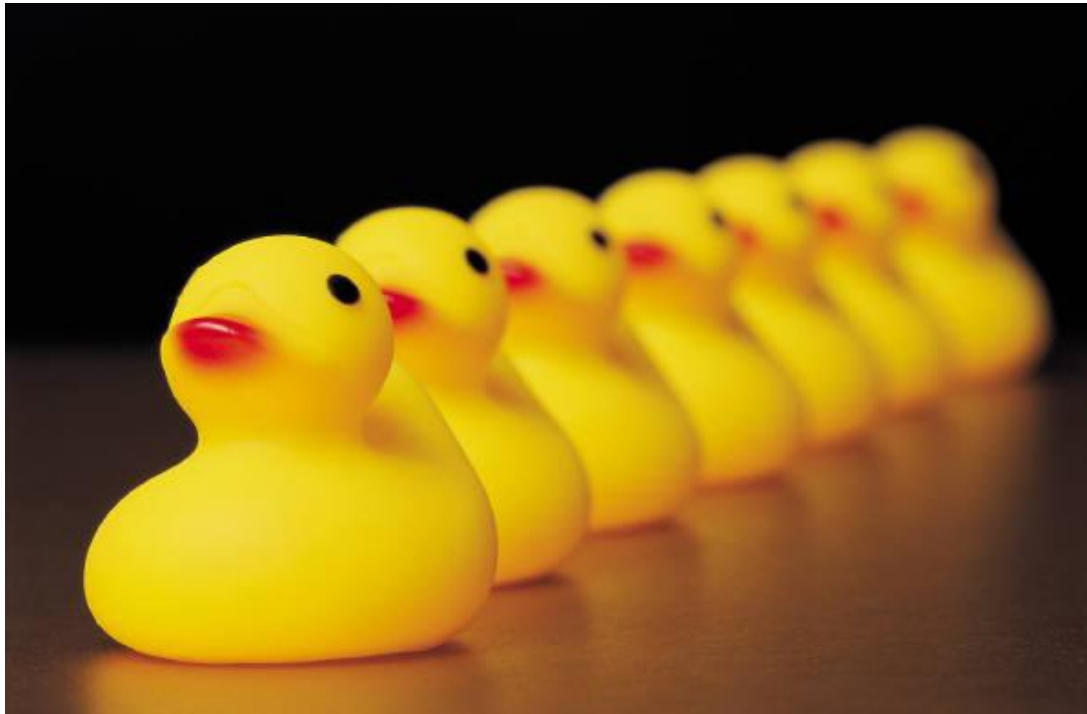
Cons

- More expensive and complicated to create
- LLC offers similar advantages with less paperwork
- Fringe benefits limited for owners
- Income must be allocated according to ownership interests

Corporation

How to Form:

- Talk to an attorney and accountant



LLC as SP/GP or Corp?

LLC

- Relative simplicity and flexibility good for smaller biz
- Pay salaries and bonuses (tax deductible) instead of dividends (not tax deductible)
- No stock options only membership interests

Corp

- ♦ Double tax on things like property whereas LLC doesn't pay tax on income if like a SP or GP
- ♦ Fringe benefits (payment of health insurance premiums and direct medical reimbursements)
- ♦ Stock Options/Public Offerings

LLC as SP/GP or Corp?

LLC

- 15.3% self-employment tax on first \$106,800, 2.9% after for Medicare
- LLCs complicated taxation but can be taxed for profits of company if:
 - Participate in biz for more than 500 hours a year
 - Provide LLC with professional services
 - Can sign contracts for LLC

Corp

- 7.65% on first \$106,800, 1.45% after that for just Medicare but employer matches, so equal
- Pay this on salary, benefits, etc. not profits of company (unless dividends)
- This way often pay less employment tax

LLC as SP/GP or Corp?

ASK A TAX EXPERT

Differences mostly come down to taxes.

The Business Plan

Left-Brained

- Executive Summary
- Company Overview
- Competitive Analysis
- Marketing Plan
- Financial Plan
- Management & Personnel Plan
- Operational Plan
- Action Plan

Right-Brained*

- Hearty Highlights
- Business Vision & Values
- Business Landscape
- Getting the Word Out
- Managing the Moola
- Corralling your Creative Cohorts
- Smooth Sailing System
- Making Your Plan Real

*Taken from The Right-Brain Business Plan by Jennifer Lee

Executive Summary

What it is:

- Summary of the whole plan
- Like an abstract
- 1-2 pages max
- Should be done last

What it needs:

- Brief description Inc. company mission
- Why your audience should care/invest
- What sets you apart?
- What profits can be made?
 - Including how much you want them to invest

Company Overview

What it is:

- What you do and where you're headed
- Vision and Values

What it needs:

- Overview
- Mission
- Products/Services
- History
 - Of You
 - Of Company/Idea

Competitive Analysis

What it is:

- Description of where you fit in the business world/landscape
- Articulation of what makes you unique

What it needs:

- Honest and in-depth analysis of market & competition
- Data, statistics
- Clear understanding and outline of customers' and markets' needs
- Including growth opportunities

Marketing Plan

What it is:

- Outline of how you're going to promote your business
- Description of your sales process
- How you're going to pull in your ideal customers
- What infrastructure exists for sales/marketing

What it needs:

- Who/what is your target/ideal customer
- How you'll reach that customer
- Marketing mediums
- Marketing slogans/messages
- Timing of these
- Support team/plan for marketing/sales

Financial Plan

What it is:

- How much money you need
- How much money you'll spend
- How you'll bring in money
- How you'll pay back loans

What it needs:

- As precise as possible financial projections
- If possible:
 - Profits and loss statement
 - Balance sheet
 - Cash flow statement

Action Plan

What it is:

- Goals of the business and the steps needed to achieve them
- List of to-dos, both big and small, for starting, running and managing your company

What it needs:

- What you're going to achieve
- How you're going to achieve it
- Measurable and quantifiable steps to keep you on track
 - Description of how they're going to get you there

Staying on Track

Business Plan!

- A good business plan is a roadmap
- Action, Operational and Management plans all important

Advisory Board

- Different than BOD
- Friends, colleagues, impartial parties

Communities and connections

- Look around here, connect with other writers, groups
- Writing collectives
- State business websites and trainings/ community college classes

Resources

- NOLO legal guides
 - How to Form a Nonprofit Corporation
 - Don't get the legal form one – all online now
 - Legal Guide for Starting & Running a Small Business
 - Tax Savvy for Small Businesses
- The Right Brain Business Plan by Jennifer Lee
- Six-Figure Freelancing by Kelly James-Enger
- Oregon State Business Wizard and other small business aids at FilingInOregon.com (or your state)

COPYRIGHT & FTC DISCLOSURE

SUSAN GETGOOD & LIZ GUMBINNER

Copyright and Plagiarism

Copyright and Plagiarism content developed for Pathfinder 11 by Sara Hawkins (www.savingforsomeday.com) and used with permission.*

*See how we did that? Not plagiarised!

What is copyright?

Copyright is a form of protection grounded in the U.S. Constitution for original works of authorship fixed in a tangible medium of expression. Copyright covers both published and unpublished works.

What is plagiarism?

Plagiarism is the wrongful appropriation or close imitation and publication of another person's language, thoughts, expressions or ideas AND representing them as your own.

Copyright Best Practices

Just because it's on the internet DOES NOT mean it's in the public domain.

Citing your source, giving a link back or mentioning the author's name or blog in YOUR post does not mean you can use their copyrighted material!

Obtain permission before using someone else's copyrighted work. Always. Every Time!

Protecting YOUR Copyright

- Put a copyright statement on your blog
- Creative Commons
- Watermarks on photos

FTC DISCLOSURE AND ITS IMPACT ON BLOGGERS

The FTC Guidelines

Help advertisers comply with Section 5 of the FTC Act, which broadly prohibits “unfair or deceptive acts or practices in commerce”

- Apply to all types of marketing, including viral, word-of-mouth, blogs, etc.
- Require disclosure of a “material connection” between a seller and an endorser
- Impose liability for false statements on both seller and endorser

Enforcement

- Guidelines were effective 12/1/2009
- The Guides don't have the force of law -- no penalties.
- FTC has publicly stated that it intends to focus investigations on companies and advertisers, not individual bloggers
- Long, confidential process

FTC Examples

- Purchase vs. Coupon vs. Marketing Network
- False Claims, Sponsored Post – “Cures eczema”
- Free Product
- Material Interest
- Celebrity Endorsement

Bloggers must:

- Disclose compensated relationships such as:
 - Product reviews
 - Paid posts or tweets
 - Post about a free trip or other benefit
 - Consulting or employment
- Follow their stated policies. Failure to do so could be considered “deceptive business practice.”
- Strive for accuracy.
- If you are compensated, you are liable for false statements.
Protect yourself:
 - Tell the truth. Don’t say you used it if you didn’t, and if you don’t like it, say so.
 - Get the information you need to be accurate
 - Read agreements carefully

The Bottom Line

Does the audience understand the relationship between the writer/speaker and the company whose products are being discussed or reviewed?

If it's not clear from the context, the connection must be disclosed.

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1. BEGIN WITH THE END

objectives, tactics, strategy



2. WHY DO YOU BLOG?



3. THE DREADED ELEVATOR PITCH: Differentiation in a sea of sameness



Exercise: About Your Blog

Your Proposition _____

Your Audience _____

Your Niche or Category _____

My blog is [what is it?] which offers [unique perspective] for [specific audience]

Exercise: About Your Blog

COOL MOM PICKS: A cheeky shopping, trend and design blog for parents, which offers indie-minded products and resources for a dedicated audience of shoppers and influencers.

MOTHERHOOD UNCENSORED: An irreverent personal blog which offers an unapologetically honest take on parenting for readers who aren't afraid of the F word.

YOUR BLOG: ?

My blog is [what is it?] which offers [unique perspective] for [specific audience]

4. Paths to Monetization

(there's more than one!)



Monetization

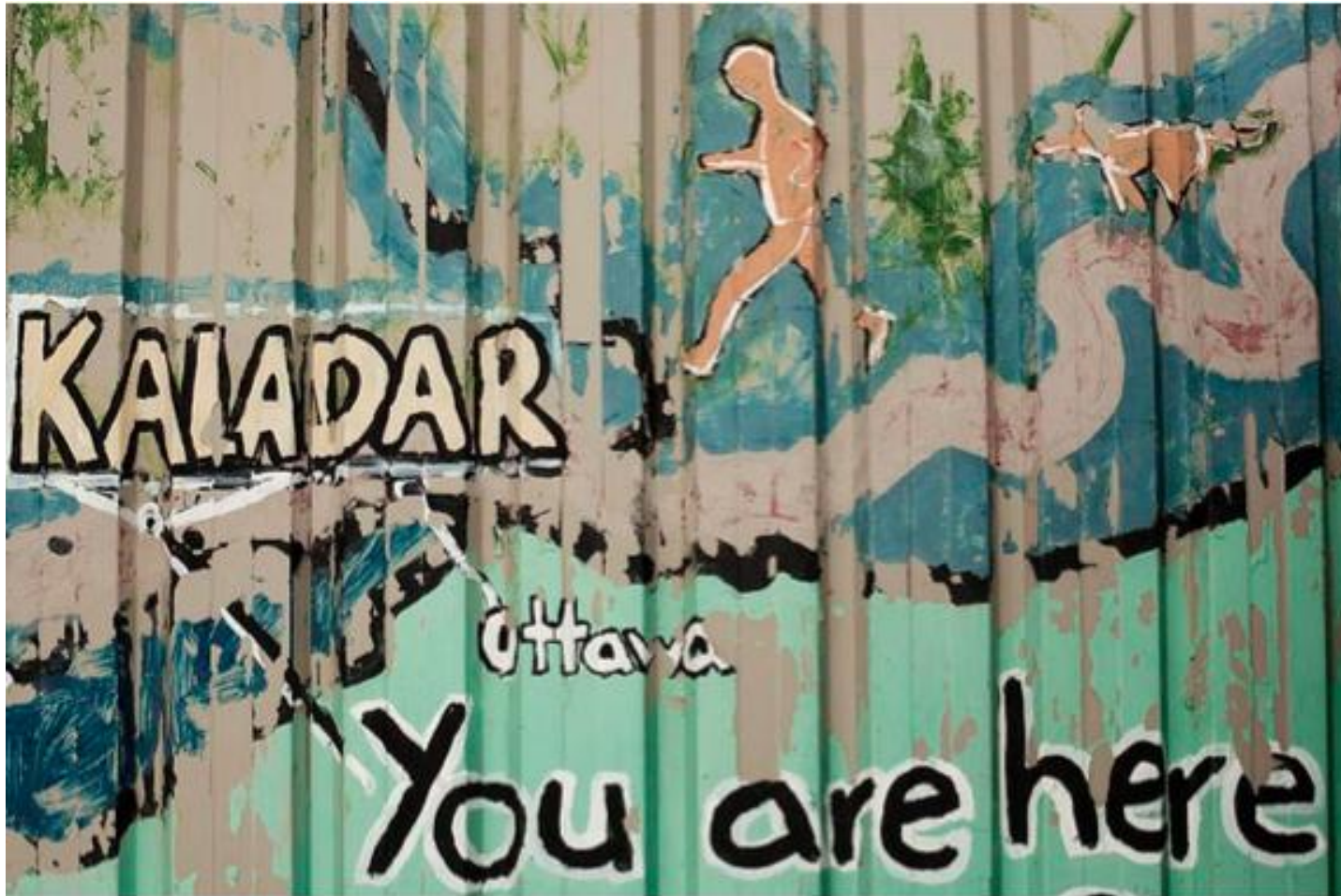
- Advertising
- Sponsored Content on your blog
- Freelance opportunities
 - On other blogs
 - For companies/media properties
- Affiliate relationships
- Your social graph (Twitter, Pinterest)
- Spokesperson
- FT Employment

Exercise: Learn From Each Other

How are you making money?

How would you like to?

5. See and be seen: Be easy to find



6. Credentials!

A.K.A. What have you done for me lately?



Exercise: One Thing About You

Share one thing with us that you think would be good to tout on your blog.

7. SEO vs Content Cagematch



Source: Fussy shirt via Rare Bird Finds <http://rarebirdfinds.typepad.com>

8. Business basics when going pro



Source: hesaidteeshed poster

9. Functioning within a community



Source: hc916 on flickr

10. Ethics, disclosure + other best practices



Source: ragtrader shop: ragtrader.etsy.com

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Go forth and prosper!

- Lauren Marie Fleming, @queeriebradshaw
- Susan Getgood, @sgetgood
- Liz Gumbinner, @mom101