

Thinking of Starting an e-Business?

**An Inspire eBusiness Workshop
September 23, 2015**



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Ministry of Economic Development
Department of E-Commerce

What is an e-Business?

Definition: an e-Business is a business that leverages technology and the online environment.

Many of the requirements and elements to consider when setting up an e-business are the same as for any other business.

Do your own due diligence and seek professional assistance before making any important business decisions.



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What You Need to Start:

1. An e-Business Idea and Goals



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An e-Business Idea and Goals

- Brainstorm and identify:
 - What you would like to do with your e-business,
 - What purpose it is to fulfill, and
 - What need it responds to:
- Other decision-making points:
 - Consider your interests
 - Consider your expertise
 - Research the marketplace



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What Else You Need to Start:

2. An e-Business Plan



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An e-Business Plan

- Start with a solid and viable business plan that contains:
 - A description of your business
 - The products or services you will be offering
 - Your market and competitive analysis
 - Your planned key personnel
 - The business' financial projections



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An e-Business Plan

- Seek advice and surround yourself with subject-matter experts:
 - Legal advice for contracts, agreements, employment statements, leases, business structure, etc
 - Accounting advice for financial projections, budget-to actual tracks, variance analyses, etc
 - Marketing and communications advice for “getting the word out,” creating excitement around your business, maintaining the buzz, etc
 - General mentoring and coaching from seasoned entrepreneurs and executives: don't make it a lonely road!



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What You Also Need to Start:

3. A Legal Structure



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A Legal Structure

- **Sole Proprietorship**

- You operate as yourself
- All income and liabilities come to you personally
- You run a low-risk business with relatively little income

- **Partnership**

- You set up a business with one or more partners
- You operate as private individuals but share business profits and risks
- The legal partnership agreement spells out your respective rights and responsibilities in the business



A Legal Structure

- **Limited Liability Company**
 - A legal entity that:
 - contracts on behalf of the business
 - is separate from its owner(s)
 - assumes the risk for liabilities
 - It comes with additional operating costs (incorporation, filings, etc)



What You Need to Start:

4. Financial Statements and Compulsory Benefits



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Financial projections

- Projects how your business will be doing (financially) over the next period
 - Keep a watchful eye over that bottom line: your bank balance and net income: reconcile, reconcile, reconcile!
- Helps you raise funds
 - Shows how you plan to get started, how much you're investing, how you'll be managing overheads
- You can hire an accountant or do your own books –as long as they get done
 - DIY: many accounting software packages available (QB, Kashoo, Freshbooks, and more)



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Financial projections



CASHFLOW STATEMENT

Personal Name - Business Name

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Beginning Cash Balance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Monthly Revenue												
Loan Proceeds												
Total Cash Inflows	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Start-up Expenses												
Salaries (Net)												
Inventory												
COGS (S&H & Duty)												
Equipment Insurance												
Electricity/Utilities												
Telephone/Internet Service												
Office Supplies/Stationery												
Advertising												
Payroll Taxes												
Health Insurance												
Private Pension												
Social Insurance												
Transportation & Gas												
Cleaning												
Loan Payments												
Total Cash Outflows	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Cashflow	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



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Compulsory Employee Benefits

- Remember the four employee-related obligations
 - Payroll Tax,
 - Social Insurance,
 - Health Insurance, and
 - Private Pension
- If you run a part-time e-Business and work full-time elsewhere, remember: you may still be liable for Payroll Tax!
- Learn more on October 14th: Legal Requirements and Regulations for eBusiness



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E-Commerce:

The Implications



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Know the Law

1. The Electronic Transactions Act 1999 and accompanying Standard for Electronic Transactions
2. The Criminal Code Act 1907
3. The Proceeds of Crime Act 1997
4. The Human Rights Act 1987
5. The Obscene Publications Act 1973
6. The Companies Act 1981
7. The Sale of Goods Act 1978
8. The Arbitration Act 1986
9. The Bermuda International Conciliation and Arbitration Act 1993



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Five e-commerce standards

- ▶ An e-Business connected with Bermuda should so conduct themselves as to preserve the good name of Bermuda:
 1. Observe business integrity – no prohibited activities
 2. Know your customer – do not aid or abet
 3. Know your business – stay informed and exercise good judgment
 4. Protect personal data – respect its privacy, accuracy, and security
 5. Avoid abusive language and do not send unsolicited mail, seek unauthorised access to others' systems, or seek to interrupt their access.



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Three further standards

1. Advertise truthfully as to the nature, quality, or purposes of your goods
2. Deal fairly and openly with customers: trade and settle with them in an honest transparent manner
3. Settle complaints and disputes quickly and fairly and establish convenient ways
 1. To receive and deal with complaints, and
 2. To settle disputes in a swift, convenient, and fair way.



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What your website must show

1. The trading name and any other by which your business can be identified
2. An email address and a physical address to enable persons to contact your business
3. A statement that your business is obliged to comply with the Standard for Electronic Transactions



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Questions?

After today, you can always contact us at:

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We look forward to seeing you at the next workshop, and the following ones too!



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