

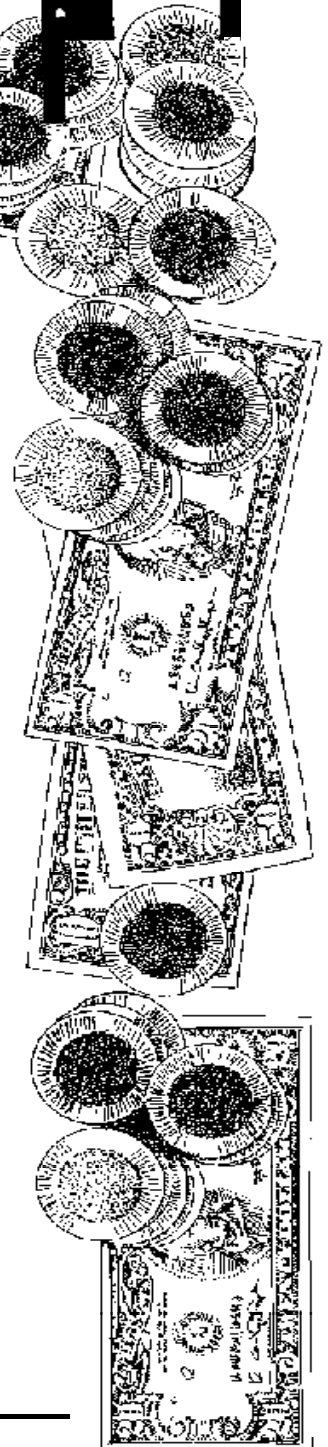
The RBS Book

How to Start and Operate
a Remote Backup Service

Eighth Edition - June, 2002

Part of The RBS Business Kit™
Everything you need to start and operate
your own Remote Backup Service

Rob Cosgrove



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Foreword

Spare me the psychological jokes. I've heard 'em...

I *love* my tractor. I mean, I *really* love it. My tractor is an old blue 1974 Ford Industrial 3400 with a front-end loader and a half-dozen implements - a big old ugly Tonka Toy. I use it to cut and bail hay, maintain the roads and levees on my horse ranch near Rossville, east of Memphis, Tennessee, and of course, I just drive it around.



Nearly every weekend I'm out here pushing some dirt around, clearing out ditches, filling in pot-holes, grating roads, or cutting horse trails through the woods. Some guys go hunting or fishing to relax. I drive a tractor.

By now, I'm pretty good at this kind of heavy construction work. However, when I first bought my used tractor three years ago, I didn't even know how to start it, much less operate the loader; nor did I have anyone to teach me. In fact, the first time I drove it I caught the engine on fire and darned-near blew myself up.

There were no Tractor Driving schools, and no study guides. So, I made a lot of mistakes. I pushed down trees I didn't intend to push down, I cut the grass way too short or too tall, and one day I made *Road Soup*.

Road Soup is easy to make. You just start grating a gravel road, filling in potholes while they're still full of water from a recent heavy rain. You'll need the box blade and the front-end loader. Make sure the ground is still wet.

As you grate the road, moving the wet dirt around, it starts to liquefy; and no matter how much new, dry gravel you add to it, it just gets soupier and soupier. When you finally realize the mess you are making, you should then try to fix it. Level the road out with the box blade and loader, driving backwards, and churning the mud up even more with those big gnarly tractor tires.

What you end up with is a nice level road with the consistency of Texas Chili. I call it Road Soup. It takes several days to dry out, and in the mean time it gets all over your cars and in your carpets.

If I had been to a Tractor Driving school, or read a book on the subject of grating roads, I probably would have saved myself all the trouble and embarrassment of making Road Soup. But I couldn't. There weren't any.

This book is all about saving you time, trouble, and money. It's a manual for the RBS Industry. It contains the latest information and experience of thousands of RBS Providers around the world. It can help you start and operate your RBS without making all the mistakes we did in the beginning.

In his book, *The Road Ahead*, Bill Gates (the founder of Microsoft) says, "Success is a lousy teacher. It seduces smart people into thinking they can't lose." He's right. You learn best from failures. Having too much success can make one complacent and inattentive. Failure is a much better teacher.

That's why I wrote this book. I guess you could say it's a course in how *not* to make RBS Soup.

Until I started my research for the first edition of this book in 1992, the dozen or so Remote Backup Service (RBS) providers in existence at the time thought they were the only ones offering such a service.

What surprised me most about these lone pioneers was their common experiences and methods. Most of them had experimented with the same techniques and software, and had finally designed very similar services.

As with any significantly new industry, there was very little "common knowledge," and even less public awareness. In short, it was hard to say what worked and what didn't because there was so little of it going on.

It's been over ten years since the first edition of *The RBS Book* defined the industry. Since then over 4000 new RBS

Providers have started businesses worldwide. We now have an extremely wide base of knowledge on the subject. I've collected most of it myself through regular in-depth contacts with these Providers.

In this book I present the best of what anyone knows about RBS. New information is being made available daily as more people try this new service. This new information is made available almost immediately on the RBS web site at <http://remote-backup.com>. I invite you to check in with our web site regularly for the latest news, conversation, and tips on RBS issues.

When the first edition of *The RBS Book* was written in 1992, there was no commercial software available to do Remote Backups. People providing the service were using a mix-and-match combination of communications programs, Shareware, and other utilities not designed for RBS use. Nobody had defined a standard protocol for communications or user interface. The microcomputer industry in general was in a great state of change.

Today, however, we have a lot of experience under our belts, and we know very well what users are used to seeing and what they are comfortable with. We now have software specifically written to address the needs of modern Remote Backup Service Providers.

Our industry-defining RBS Software is the state-of-the-art in online data storage software. It was designed and redesigned with input from thousands of RBS Providers and their customers in the field. Remote Backup is a complete RBS solution. It addresses every need you'll have in your RBS business, and new features are added often.

The RBS industry has emerged as one of the most promising new computer services in years. When I started my service in 1987 I could not have foreseen this much interest. However, I could not have foreseen \$29 modems that could send a megabyte in 1.5 minutes. There was nothing called "the Internet," and the kinds of speeds available now using Cable Modem and DSL seemed like science fiction.

With DSL, ADSL, Direct Satellite, Cable Modems, and other broadband pipes coming into homes, it's possible now to run a robust Server in a spare bedroom.

As the technology becomes better and cheaper, and public awareness increases, RBS is quickly gaining supporters and subscribers worldwide. This process is unfolding faster and faster.

RBS is a worldwide phenomenon, with RBS Providers in most countries. This documentation was written in the United States. I have tried to keep it as generic as possible; however, my examples list prices in US dollars for equipment and services available in the US.

I'd like to thank the thousands of RBS providers who have helped build the RBS industry. Learn from them while you are starting your own business. These are the people who made *RBS Soup*. Now you won't have to.

Rob Cosgrove
Memphis, Tennessee

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The RBS Book

Introduction

Your computer can produce income for you almost automatically. A *Remote Backup Service (RBS)* is one of the brightest new home-based business ideas to come along in years.

Taking full advantage of recent technological advances in telephone modems and the Internet, you can now offer offsite, automatic backups of your clients' data. This exciting new service is gaining acceptance rapidly as increasingly, small businesses rely on computers.

*Religious Backup Procedure:
Pray It Doesn't Crash*

Only a small percentage of business computers have an easy way to make backups. Of those that do, many users do not make proper backups. The result is that thousands of small businesses lose hundreds of thousands of dollars worth of data annually to

fire, theft, equipment failure, and many other common catastrophes. Even more lose data through everyday user error.

Of the businesses that do manage to perform proper backups, an even smaller percentage store their backup tapes offsite. Because of this, many businesses go broke when a fire strikes, destroying their computers and their backup tapes.

Studies show that it takes an entire day to reenter an hour's worth of lost computer data. Studies also show that businesses who lose a substantial amount of computer data will be out of business within two years.

You can now offer a service that guarantees backups are done properly, regularly, and most importantly, stored OFFSITE.

What is a Remote Backup Service?

A Remote Backup Service is a business providing regular, offsite backups over the Internet or telephone modems rather than by the more traditional onsite methods that involve copying data to diskettes, tape, and hard drives.

Remote Backup is the process of moving a copy of critical data from one computer to another to provide safe offsite data storage. It is increasingly being used as an alternative to expensive and problematic tape drives, but also to supplement their use.

Traditionally, in large companies with data centers, copies of backup data are written onto tapes and taken offsite for storage. Some companies who specialized in storing paper documents also stored computer tapes.

Then, more specialized companies were built around tape transport and storage. Because of the cost of physically moving the tapes, these companies explored data transfer by way of telephone lines.

Unfortunately, technology limited the early success of backing up data by telephone lines. It was too expensive (\$125,000 for the software), and high speed modems were not readily available and were very expensive. There was no Internet. Only large companies could afford the service.

Today millions of PCs and networks have critical data stored on them, yet rarely do users make any provision to transfer data offsite. This presents a fresh opportunity for entrepreneurs.

Cheap broadband Internet connections are everywhere. Transferring backup data electronically is now technically practicable and very cost-effective.

An informal study estimates that only 5 to 15 percent of PC users backup their data regularly. Less than one quarter of those take the data offsite.

Several factors are converging to make Remote Backup Services (RBS) one of the most exciting new business ideas to come along in a long while.

The number of small companies relying on computers is expanding geometrically. It's difficult these days to find a company that isn't using a microcomputer. Most of these companies are not doing proper backups.

High speed Internet connections are getting faster and cheaper. It's now possible to transmit data at 56,000 baud from a modem that costs \$19, and 128,000 baud from a \$99 ISDN modem. These high data transmission rates and low prices were unheard of only four years ago. Broadband Internet connections like Cable Modem, DSL and satellite cover most of the USA and developed nations.

Telephone companies are replacing many of their local and long-distance lines with fiber-optic lines capable of extremely high-speed, error-free transmission over long distances, virtually immune to interference from storms, water, and electrical disturbance. High speed digital lines are now available for about the same price as regular telephone lines.

Hard drives are getting bigger and cheaper. Many businesses, unable to afford large drives a few years ago were frugal in their conservation of disk storage space. Smaller files were easier to back up (even to diskettes) and required less backup media. With prices on large hard drives dropping fast, companies are buying larger drives and maintaining more data on-line. These bigger files require more backup media and different backup protocol. Many companies decide it's too much trouble. Unfortunately, larger files mean more data to lose.

Who can do it?

An RBS is a unique opportunity to make use of your computer's idle time. Imagine starting a computer program at the end of your regular business day, then leaving the office (or your spare bedroom if you work at home).

While you're away your computer is busy performing backups. While you are not using it your computer makes money. How much, of course, depends on how many clients you have and how much you charge.

Virtually anyone can start and operate an RBS. Independent consultants, computer programmers, accountants, lawyers, housewives, sales people, and others with computers

that go unused at night.

RBS is a perfect business to run from home or from an office. With an Internet connection, a computer, and a little marketing you can be in business. Since this is a REMOTE Backup service, it doesn't matter where you do it. At home or in an office, RBS is a GREAT business!

Planning Your Business

Starting Your Own Business

It is a common dream to start a business and become rich from your own efforts. Based upon this motivation, thousands of businesses fail each year, due primarily to not being familiar with the basics involved in running a business.

This chapter will give you a number of suggestions you can use to better guarantee your chances for success. This chapter is written with the warning that any and every business venture contains certain inherent risks, and any number of alternatives. We do not espouse that any single way is the right way or that our suggestions are the only way.

Just about the first thing you should consider before starting a business is the legal form you'll be operating under. There are basically four choices: sole proprietorship, partnership, limited partnership, and/or corporation.

Each has a number of advantages and disadvantages. We'll try to enumerate some of them for you.

As much as anything else, for many people, starting a business is a form of ego-gratification, and they form a corporation for some sort of prestige gain - just to say, "I own a corporation."

With just a little bit of observation, you'll find that one of the major causes of business failures is due to the founder wasting startup capital on frills, such as an impressive storefront office, expensive furnishings, and corporate legal costs.

One of the basic traits you must develop if you're going to be successful in business, is a tight hold on your expenditures. In fact, a good rule of thumb is that anything that does not make money for you or protect your investment should

not be purchased at this time. Very definitely, this applies to the expense of setting up your own corporation.

Unless you have a partnership and start your business as such, the only real advantage to forming a corporation would appear to be that a corporate structure will semi-protect the property you personally own. Consult a professional for specifics about your own situation.

As a sole proprietor or partner of a business you'll be paying taxes on your overall earnings, much the same as if you were holding down a salaried or hourly paid job. Whether you do or don't take out money as a salary will have no bearing on the earnings of your business and tax return.

The often advertised advantage of incorporating, that you can manipulate your salary in order to save on tax dollars, is real because of corporation laws. However, the IRS frowns on this practice. When your business is successful and making a lot of money, definitely check with your accountant on the advantages of incorporating.

As a corporation, you'll be subject to a number of other drawbacks as well: generally higher state taxes, stricter laws concerning the operation of your business, more elaborate accounting procedures, and legal papers that are required just about every time you make a major move or sign almost any contract. Thus, your legal and accounting fees will be much higher as a corporation than will those required for a sole proprietorship type of business.

As a sole proprietor or partnership, you'll find many areas require the registration of your business name. The cost however, is minimal, ranging from \$5 to \$100. About the best way to find out what laws apply in your area is to call your bank and ask if they need a fictitious name registration card or certificate in order for you to open a business account.

Selecting a name for your business is quite important to you and particularly relative to advertising. Your business name should describe the service you offer. Use the terms "*Remote Backup Service*," or another phrase that hints at what you do.

The advantage of using your full name in the title of your business, such as *Johnny Jones' Remote Backup Service*, has the advantage of making credit somewhat easier to come by - provided you pay your bills on time - but it also includes the disadvantage of confining your services to a local or at most, a regional area. However, this is not such a drawback for an RBS, since 95% of RBS Providers operate only on a local or regional level.

Should you buy, lease, or rent space for your business? Think twice before you make any decision along these lines. Most RBS businesses tend to grow quickly once they have a few customers. There are a few exceptions that tend to grow at a moderate rate.

...they form a corporation for some sort of prestige gain - just to say, "I own a corporation."

Buying a piece of property and setting up your business on or within that property, obligates you to ownership regardless of what happens to your business.

Leases are almost always very strong contracts written by attorneys to the advantage of the property-owner. When you sign an agreement to pay someone for the use of their space over any length of time, you're "nailed in" to paying for that space regardless of what happens to your business.

The vast majority of RBS Providers start out at home. This is the cheapest way to start. Your business may grow too big to work from your home, however, so you may want to consider leasing.

It's wise to either get the shortest-term lease possible, or arrange to rent with an option to lease at a later date. This does not apply to a retail business, unless your particular business happens to be an untried one.

Definitely, you should open a business bank account. In selecting a bank for your business, scout around and look for

one that can, and will help you. Determine what your banking needs will be, and then via telephone, interview the managers of the banks in your area. The important thing is to be discretionary and not select just the most convenient bank to your business location.

A point to remember: the closer you can make the relationship between you and the bank manager, the better your chances are going to be for approval on loans and/or special favors you may need at a later date.

Try to become acquainted with as many of the bank employees as possible. The better you know them, the more courtesies they'll be extending especially to you in the course of your association.

Just as a doctor is a specialist in his field, and you go to him for medical problems, your banker is a specialist in his field and you should go to him for your money problems. In business, you'll have to learn that everyone is an expert in his own line of work, and in your associations with other business people, refrain from pretending that you know exactly how everything works in someone else's specialty.

Some of the questions you should ask of your banker include the following:

- *Is it necessary to maintain a certain balance in your account before the bank will approve a loan for you?*
- *What qualifications must you have in order to obtain a line of credit with the bank?*
- *Does the bank limit the number of loans, or types of loans it will approve for small businesses?*
- *What is the bank's policy regarding the size of a check you might deposit that requires holding for collection?*
- *And what about checks less than that amount - will they be immediately credited to your account?*

In almost all types of businesses it will be to your benefit to set up with your bank a method of handling VISA, Master Card, and regional credit cards. The important thing here is to ultimately set up your account in the bank that will service all of these credit transactions for you - one stop for all your banking needs. In most instances, you'll find that having the capability to fill orders/make sales via credit card transactions, will increase your volume of sales appreciatively.

Once you've made the decision as to which bank is going to handle your account, you'll need your Social Security Number or your Federal Employer's Identification Number, your driver's license, the fictitious name certificate, and if you're requesting a VISA or Master Card merchant account, you may also need a financial statement. For corporations, you'll

also need a corporate resolution approving of the opening of your business account. Most banks have generic corporate resolution forms you can sign.

Use the terms "Remote Backup Service," or another phrase that hints at what you do.

There are different policies exercised in just about every state regarding installation and hookup charges by the telephone and utility companies. Some require a deposit, and some don't.

You'll find that a great number of city business license departments are there solely for the purpose of collecting another tax. Generally, you won't encounter any difficulties - you simply pay your fee to operate your business in that city, and the clerk types your name onto a city license certificate.

Relative to sales tax permits and licenses, each state's rules and regulations vary widely. The best thing to do is call your state offices and ask for information concerning registry and collection procedures. Many states require an advance deposit or bond, and you'll find that some wholesalers or manufacturers will not sell to you at wholesale prices until you can show them your sales tax permit or number.

You may find also that you are required to pay Federal Excise Taxes. For information along these lines, check in with your local office of the Internal Revenue Service.

Some states also require certain businesses to hold state licenses, such as those required in many states for TV Repairmen. These are known as “occupational permits” and are most often required of barbers, hair stylists, real estate people and a number of other consumer oriented businesses. To our knowledge, no state requires a permit for an RBS. If you have any doubts, check with your state offices for a list of those occupations that require licensing.

Any business doing business in any type of interstate commerce is subject to federal regulations, usually through the Federal Trade Commission. This means that any business that shops, sells or advertises in more than one state is subject to such regulation, and this includes even the smallest business.

Normally, very few business people ever have any contact with the federal regulatory agencies. The only exceptions being when there is a question of your operating your business unethically or illegally.

Without a doubt, you’ll need to check on local regulations relating to advertising display signs. Each city or township makes its own rules and then enforces those rules according to its own thinking - check before you contract to have a sign made for your business.

Some of the other things to consider before opening for business - If you intend to have one or more employees, you’ll be required to deduct Federal Income Taxes, and Social Security payments from their checks. This will involve your filing for a Federal Tax Number and necessitates contact with your local IRS Office.

Most states have “unemployment taxes” that will have to be deducted from the pay checks of any employees you hire. And there are a number of states that have income taxes - disability insurance - and any number of other taxes. Again, the best thing to do is check with your local office of the IRS. And above all else, don’t forget to ask for the rules of the minimum wage law, and comply.

When your business grows to the point of needing additional help, don’t be afraid to look for and hire the help you need. When you’re ready to hire someone, simply run an ad in your local paper and/or register your needs with the local office of your state’s employment service. Businesses either grow or die, and those that grow eventually need more

people in order to continue growing. When that time comes, hire the additional people you need, and your business will continue growing. If you don't, for whatever reason, you'll find yourself married to your business and your business growth stymied.

Regardless of how small your business is when you begin, never walk in with the thought in mind that it's "something to keep you busy." You begin and make a business successful in order to realize financial freedom. Establish your business. Put it on its feet, and then hire other people to do the work for you. And those businesses that require an operations manager, or someone to run a phase of the business you're too busy to handle, hire the person needed or the business will surely suffer.

The minute you open your doors for business you'll have to spend some time engaged in the work of bookkeeping. Exactly how, and using what forms you keep books, should be on the recommendations of a good tax counselor. The same holds true for your overall business and/or payroll accounting system. Look for an experienced advisor who knows the accounting problems of your particular kind of business.

If your business is going to involve the possible purchase or lease of operating equipment, again seek the help of your tax counselor for the most advantageous method of obtaining the needed equipment.

Arranging for your suppliers to give you materials on credit will depend upon your honesty and financial statement. The best way is usually a personal visit to the person with the power to approve or disapprove of credit at the company where you want to set up a credit account. Show him your financial statement, and explain your prospects for success. Then assure him that you've always honored all of your obligations, and that if ever there's a question or problem, you'd like for him to call you at home. And of course, give him your home phone number.

In closing, let me say that the most important ingredient of your eventual success will be the soundness of the planning you did before you started your business. Any number of bad things can really throw your business into a tailspin, but if you've done your homework well - really set up a detailed business plan before starting - your losses or setbacks will be minimal.

Success takes planning. Do your homework, and you'll be able to increase your chances of success dramatically.

Working From Home

Almost everyone needs or wants more money than they currently have, and with this desire most of these people would like to start some sort of extra income producing project. The trouble is, not many of these people seem able to fit "a second job" into their time schedules. You have decided to start a Remote Backup Service. Good choice! You'll find it works well as a home-based business.

It's true that people are very busy, but extra time for running your RBS can almost always be found. It may mean giving up or changing a few of your favorite past-times like watching TV - but if you score big with your extra income project, you will have all the time you've ever wanted for doing whatever you want to do.

The first thing to do is to sit down with pencil and paper, and list your daily schedule. What time do you wake up - then step-by-step, list everything you do each day. Most people will find that they have about 3-hours each day that can be used in a more constructive or efficient manner. As we've already noted, you may have to give up the time you waste in front of the television set, but it should be worth it in the long run.

Efficient time management boils down to planning what you're going to do, and then doing it without backtracking. Start by making a list of the things you want to do tomorrow, each evening before you jump into bed. Schedule your trips to the store or wherever to coincide with other things you have to do, and with your trips to or from work. Organize your trips to take care of as many things as possible while you're out of the house. Take stock of the time you spend standing around shooting the breeze - especially the time you spend on the telephone - and eliminate all that isn't necessary.

Whatever chores you have to do at home, set aside a specific time to do them, and a specific amount of time to devote

Businesses either grow or die, and those that grow eventually need more people...

to them. For instance, just one hour a day on yard work would probably make your property the envy of all your neighbors. Don't try to do a week's work in one big flurry. Whether it's painting your house, fixing leaky faucets, or mowing your lawn and trimming your shrubs, do a little bit or one particular job each day and you'll be amazed at your progress.

Take care of all your mail the day you receive it. Don't let those bills and letters pile up on you. If you're unable to pay a bill immediately, file it in a special place that's visible and note on the envelope the date you intend to pay it. Answer your letters and EMail the same day you get them.

The important thing is to think of your time as your most valuable asset. Organize what you have to do, and what you want to do. From there, it's just a matter of arranging your priorities.

Regardless of how small your business is when you begin, never walk in with the thought in mind that it's "something to keep you busy."

Once you start listing and planning what you want to do, and then carry out your plans, you'll find plenty of "extra time" for your RBS. People in general may not like routines or schedules, but without some sort of plan relative to what is supposed to be done, the world would be lost in mass confusion. Laws, ordi-

nances, and regulations are to guide people - we live according to an accepted plan or way of life, and the better we can organize ourselves - what we have to do, want to do, and end up doing - the more productive and happy we become.

One of the secrets of all financially successful people is simply that they are organized and do not waste time. Think about it - review your own activities - and then see if you can't find a couple of extra hours in each day for more constructive accomplishments.

When you begin planning, and then when you actually become involved in running your RBS, you should work it exactly as you've organized your regular day-to-day activities - on a time-efficient basis. Do what has to be done immediately - don't try to get done in an hour something that's going

to take a week. Plan it out on paper what you have to do, what you want to do, and when you're going to do it - then get right on each project without procrastination.

Finally, and above all else, when you're organizing your time and your business, be sure to set aside time for relaxation. Be sure to schedule time when you and your family can be together. You must not involve yourself in anything to the extent that you exclude other people - particularly your loved ones - from your life.

Almost everyone needs or wants more money than they currently have...

Taking stock of the time you waste each day, and then reorganizing your activities is what it's all about. It's a matter of becoming time-efficient in everything you do. It's really easy to do, and you'll not only accomplish a lot more, you'll become a happier person.

Writing a Business Plan

Success in business comes as a result of planning. You have to have a detailed, written plan that shows you what the ultimate goal is, the reason for the goal, and each milestone that must be passed in order to reach your goal.

A business plan is a written definition of, and an operational plan for achieving your goal. You need a complete business tool to define your basic service, income objectives and specific operating procedures. **YOU HAVE TO HAVE A BUSINESS PLAN** to attract investors, obtain financing and hold onto the confidence of your creditors, particularly in times of cash flow shortages - in this instance, the amount of money you have on hand compared with the expenses that must be met.

Aside from an overall directional policy for the production, sales efforts and profit goals of your RBS - your basic "travel guide" to business success - the most important purpose your business plan will serve will be the basis or foundation of any financial proposals you submit. Many entrepreneurs are under the mistaken impression that a business plan is

the same as a financial proposal, or that a financial proposal constitutes a business plan. This is just a misunderstanding of the uses of these two separate and different business success aids.

The **business plan** is a long range “map” to guide your business to the goal you’ve set for it. This plan details the what, why, where, how and when, of your business - the success planning of your company.

Your **financial proposal** is a request for money based upon your business plan - your business history and objectives.

Understand the differences. They are closely related, but they are not interchangeable.

Writing and putting together a “winning” business plan takes study, research and time, so don’t try to do it all in just one or two days.

The easiest way is to start with a loose leaf notebook, plenty of paper, pencils, pencil sharpener, and several erasers. Once you get you mind “in gear” and begin thinking about your business plan, “10,000 thoughts and ideas per minute” will begin racing through your mind. So, it’s a good idea when you aren’t working on your business plan, to carry a pocket notebook and jot down those business ideas as they come to you - ideas for sales promotion, recruiting distributors, and any other thoughts on how to operate and/or build your business.

Later, when you’re working on your business plan, you can take out this “idea notebook” - evaluate your ideas, rework them, refine them, and integrate them into the overall “big picture” of your business plan.

The best business plans for even the smallest businesses run 25 to 30 pages or more, so you’ll need to “title” each page and arrange the different aspects of your business plan into “chapters.” The format should pretty much run as follows:

T h e R B S B o o k

- ö Title Page*
- ö Statement of Purpose*
- ö Table of Contents*
- ö Business Description*
- ö Market Analysis*
- ö Business Location*
- ö Management*
- ö Current Financial Records*
- ö Explanation of Plans For Growth*
- ö Explanation of Financing for Growth Documentation*
- ö Summary of Business & Outlook for The Future*
- ö Listing of Business & Personal References*

This is a logical organization of the information every business plan should cover. I'll explain each of these chapter titles in greater detail, but first, let me elaborate upon the reasons for proper organization of your business plan.

Having a set of "questions to answer" about your business forces you to take an objective and critical look at your ideas. Putting it all down on paper allows you to change, erase and refine everything to function in the manner of a smoothly oiled machine. You'll be able to spot weaknesses and strengthen them before they develop into major problems. Overall, you'll be developing an operating manual for your business - a valuable tool that will keep your business on track, and guide you in the profitable management of your business.

One of the secrets of all financially successful people is simply that they are organized and do not waste time.

Because it's your idea, and your business, it's very important that YOU do the planning. This is YOUR business plan, so YOU develop it, and put it all down on paper just the way YOU want it to read. Seek out the advice of other people; talk with, listen to, and observe, other people running similar businesses; enlist the advice of your accountant and attorney - but at the bottom line, don't ever forget that it has to be *YOUR BUSINESS PLAN!*

Remember too, that statistics show the greatest causes of business failure to be poor management and lack of planning - without a plan by which to operate, no one can manage; and without a direction in which to aim its efforts, no business can attain any real success.

T h e R B S B o o k

On the very first page, which is the title page, put down the name of your business - Acme Remote Backup Service - with your business address underneath. Now, skip a couple of lines, and write in all capital letters: PRINCIPAL OWNER - followed by your name if you're the principal owner. On your finished report, you would want to center this information on the page, with the words "principal owner" offset to the left about five spaces.

Example:

```
Acme Remote Backup Service
1234 SW 5th Ave.
Anywhere, USA 00000
```

```
PRINCIPAL OWNER: Your Name
```

That's all you'll have on that page, except the page number..

Following your title page is the page for your statement of purpose. This should be a simple statement of your primary business function, such as:

```
We are a service business engaged in
providing a safe off-site automated data
storage facility for small businesses.
```

The title of the page should be in all capital letters across the top of the page, centered on your final draft - skip a few lines and write the statement of purpose. This should be direct, clear and short - never more than two (2) sentences in length.

Then you should skip a few lines, and from the left hand margin of the paper, write out a subheading in all capital letters, such as: EXPLANATION OF PURPOSE.

From, and within this subheading, you can briefly explain your statement of purpose, such as:

```
Our surveys have found most business to be
sadly lacking in the very basics of doing
```

proper data backups to ensure the safety of their valuable data. This market is estimated at more than 20,000 businesses in the Memphis area.

It is our goal to capture at least one quarter of this market with our Remote Backup Service. Our market research indicates we can achieve this goal, and realize a profit of \$300,000 per year within the next 5 years...

The above example is generally the way you should write your "explanation of purpose," and in subtle definition, why you need such an explanation. Point to remember: Keep it short. Very few business purpose explanations are justifiably more than a half page long.

Next comes your table of contents page. Don't really worry about this one until you have the entire plan completed and ready for final publishing. It's a good idea though, to list the subjects (chapter titles) as I have, and then check off each one as you complete that part of your plan. By having a list of the points you want to cover, you'll also be able to skip around and work on each phase of your business plan as the idea or the interest in organizing that particular phase, stimulates you. In other words, you won't have to make your thinking or your planning conform to the chronological order of the "chapters" of your business plan - another reason for the loose leaf notebook.

In describing your business, it's best to begin where your statement of purpose leaves off. Describe your service, the way the RBS process works, who has responsibility for what, and most importantly, what makes your service unique - what gives it an edge in your market. You can briefly summarize your business beginnings, present position and potential for future success, as well.

Next, describe the buyers you're trying to reach - why they need and want or will buy your service - and the results of any tests or surveys you may have conducted. Once you've defined your market, go on to explain how you intend to reach that market - how you'll alert these prospects to your

service and induce them to buy. You might want to break this chapter down into sections such as, **publicity and promotions, advertising plans, direct sales force, and dealer/distributor programs**. Each section would then be an outline of your plans and policies.

Moving into the chapter on competition, identify who your competitors are, if any, their weaknesses and strong points - explain how you intend to capitalize on those weaknesses and match or better the strong points. Talk to as many of your “indirect” competitors as possible - those operating in different cities and states.

Don't forget to research the national Remote Backup Services. These are easy to find information on through their web sites. Read their Press Releases, often posted in a special place on their web sites for PR. They will give you hints about their levels of funding, their partnerships, their marketing strategy, and their customer base.

Since this industry changes so quickly, be sure to check with RBS' web site at <http://remote-backup.com> for the most up-to-date information on national competition.

*00

Your chapter on management should be an elaboration on the people operating the business. Those people that run the business - their job titles, duties, responsibilities and back-filled resume's. It's important that you “paint” a strong picture of your top management people because the people coming to work for you or investing in your business, will be “investing in these people” as much as your business ideas. Individual tenacity, mature judgement under fire, and innovative problem-solving have “won over” more people than all the AAA Credit Ratings and astronomical sales figures put together.

People becoming involved with any new venture want to know that the person in charge - the guy running the business - knows what he's doing, will not lose his cool when problems arise, and has what it takes to make money for all of them. After showing the “muscle” of this person, go on to outline the other key positions within your business; who the persons are you've selected to handle those jobs and

the sources as well as availability of any other help you might need.

If you've been in business on any kind of scale, the next chapter is a picture of your financial status - a review of your operating costs and income from the business to date. Generally, this is a listing of your profit & loss statements for the past six months, plus copies of your business income tax records for each of the previous three years the business has been an entity.

The chapter on the explanation of your plans for the future growth of your business is just that - an explanation of how you plan to keep your business growing - a detailed guide of what you're going to do, and how you're going to increase your profits.

These plans should show your goals for the coming year, two years, and three years. By breaking your objectives down into annual milestones, your plans will be accepted as more realistic and, be more understandable as a part of your ultimate success.

Following this explanation, you'll need to itemize the projected cost and income figures of your three year plan. It'll take a lot of research, and undoubtedly a good deal of erasing, but it's very important that you list these figures based upon thorough investigation. You may have to adjust some of your plans downward, but once you have these two chapters on paper, your whole business plan will fall into line and begin to make sense. You'll have a precise "map" of where you're headed, how much it's going to cost, when you can expect to start making money, and how much.

Now that you know where you're going, how much it's going to cost and how long it's going to be before you begin to recoup your investment, you're ready to talk about how and where you're going to get the money to finance your journey. Unless you plan to capitalize the business yourself (as most RBS Providers do), you'll want to use this chapter to list the possibilities and alternatives.

Make a list of friends you can approach, and perhaps induce to put up some money as silent partners. Make a list of

those people you might be able to sell as stockholders in your company - in many cases you can sell up to \$300,000 worth of stock on a "private issue" basis without filing papers with the Securities and Exchange Commission. Check with a corporate or tax attorney in your area for more details. Make a list of relatives and friends that might help you with an outright loan to furnish money for the development of your business.

Q: What about competition from other RBS providers in my area?

A: Although it sounds strange, it would be best for every RBS supplier to have several competitors right in his own neighborhood. The biggest problem with this industry is that the potential clients have never heard of it. The business does not yet have the visibility and credibility to be widely accepted. If dozens of others were advertising and selling RBS, RBS would be a much easier sale.

Then search out and make a list of venture capital organizations. Visit the Small Business Administration office in your area - pick up the loan application papers they have - read them, study them, and even fill them out on a preliminary basis - and finally, check the costs, determine which business publications would be best to advertise in, if you were to advertise for a partner or investor, and write an ad you'd want to use if you did decide to advertise for monetary help. With a listing of all the options available to your needs, all that's left is the arranging of these options in the order you would want to use them when the time comes to ask for money. When you're researching these money sources, you'll save time by noting the "contact" to deal with when you want money, and whenever possible, by developing a working relationship with these people.

In your documentation section, you should have a credit report on yourself. Use the yellow pages or check at the credit department in your bank for the nearest credit reporting office. When you get your credit report, look it over and take whatever steps are necessary to eliminate any negative comments. Once these have been taken care of, ask for a revised copy of your report and include a copy of that in your business plan.

If you own any patents or copyrights, include copies of these. Include the license to use RBS' software. You should also include copies of any leases, special agreements or other legal papers that might be pertinent to your business.

In conclusion, write out a brief, overall summary of your RBS business - when the business was started, the purpose of the business, what makes your business different,

T h e R B S B o o k

how you're going to gain a profitable share of the market, and your expected success during the coming 5-years.

The last page of your business plan is a "courtesy page" listing the names, addresses and phone numbers of personal and business references - persons who have known you closely for the past five years or longer - and companies or firms you've had business or credit dealings with during the past five years.

And, that's it - your complete business plan. Before you send it to anyone, read it over once a day for a week or ten days. Take care of any changes or corrections, and then have it reviewed by an attorney and then, an accountant. It would also be a good idea to have it reviewed by a business consultant serving the business community to which your business will be related. After these reviews, and any last-minute changes you want to make, it'll be ready to publish.

Asking people if they back up their data is like a dentist asking if they floss. Everyone says they do.

Publish the entire plan on ordinary white bond paper. Use a good word processor and laser printer, and do NOT overuse typographic conventions like bold, italic, large text, and graphics.

Make sure you proofread it repeatedly. Then have someone else proofread it. Check for and correct any typographical errors then one more time - read it through for clarity and the perfection you want of it.

Bind your business plan in a nice binder. There are many to pick from at most office supply stores.

Now you're ready to distribute your plan among your partners or stockholders, as the business plan for putting together a winning financial proposal, or as a business operating manual.

Now you have a complete and detailed business plan for your RBS - a plan you can use as a basis for any financing proposal you may want to submit, and a precise road-map for the attainment of real success.

Avoiding Cashflow Problems

Any time the cash flow in a business starts to tighten up - the money management of that business has to be on the ball.

Some of the things you can do and should do, include protecting yourself from expenditures made on sudden impulse. We've all bought things or services we really didn't need, simply because we were in the mood, or perhaps due to the flamboyancy of the advertising, or even because of the persuasiveness of the sales person. Then we sort of "wake up" a couple of days later and find that we've committed business funds to hundreds of dollars for an item or service that's not really essential to the success of our own business.

If you're incorporated, you can eliminate these "impulse purchases" by including within your bylaws a clause that states: "all purchasing decisions over a certain amount are contingent upon approval by the board of directors." This will give you a chance to consider any "impulse purchases" a second time after you've had a chance to think about the need for your purchase.

If your business is a partnership, you can tell whoever it is that attempts to sell you something, that all purchase decisions are contingent upon the approval of a third party. In reality, the third party can be your partner, one of your department heads or even one of your suppliers.

Especially in times of emergency, be sure that you don't "short-change" yourself on professional services.

Any time you commit yourself and move full-speed ahead without fully investigating all the angles, and preparing yourself for all the contingencies that may arise, you're skating on thin ice. Regardless of the costs involved, it always pays off in the long run to seek out the advice or experienced professionals before embarking on a plan that could ruin you.

As an example, an experienced business consultant can fill you in on the 1244 stock or Subchapter S advantages. A very simple process, but one with tremendous monetary benefits to businesses.

The 1244 status encourages investors to put equity capital into your business because in the event of a loss, amounts up to the entire sum of the investment can be written off in the current year. Without the “1244” classification, any losses would have to be spread over several years, and this of course, would severely lessen the attractiveness of your company’s stock. Any business owner who has not filed as a 1244 corporation has, in effect, cut himself off from 90-percent of his prospective investors.

Particularly when sales are down, you must be “hard-nosed” with people trying to sell you luxuries for your business. When your business is booming, you undoubtedly spend more time allowing different sales people to show you new models of equipment or a new line of better-looking supplies, but when your business is down, skip the entertaining frills and concentrate on the basics. Great care, however, must be taken to maintain courtesy and allow these sellers to consider you a “friend,” and call back at another time.

Whoever maintains your company’s books should reflect your way of thinking, and generate information according to your policies. Thus, you should hire an outside accountant or accounting firm to figure your return on your investment, as well as the turnover on your accounts receivable and your inventory. Such an audit or survey should focus in depth on any or every item within your financial statement that merits special attention. In this way, you’ll probably uncover any potential financial problems before they arise.

Q: What legal protection is there if something goes wrong with the backup and restoral process?

A: Because it is impossible to guarantee the results of a process that is not totally under your control, the prudent dealer will not promise ANYTHING! Use a disclaimer that promises nothing, except that you will provide the software and the resources for the client to use. Use an agreement that specifies limits of liability and exclusive remedy. In cases involving records storage companies, courts have held that data has no intrinsic value. The secret to a successful and litigation-free practice is to do business in a manner that is consistent with the welfare of your clients. If you do things that are resonable and prudent, it will be hard for a client to prove negligence.

Many small companies set up advisory boards of outside professional people. These are sometimes known as Power Circles, and once in place, the business always benefits, especially in times of short operating capital. Such an advisory board or power circle should include an attorney, a certified public accountant, civic club leaders, owner/managers or businesses similar to yours, and retired executives. Setting up such an advisory board of directors is really quite easy because most people you ask will be honored to serve.

Once your board is set up, you should meet about once a month and present material for review. Each meeting should be a discussion of your business problems and an input from your advisors relative to possible solutions.

These members of your board of advisors should offer you advice as well as alternatives, and provide you with objectivity. No formal decisions need to be made either at your board meetings nor as a result of them, but you should be able to gain a great deal from the suggestions you hear.

Most of your customers should have the money to pay at least some of what they owe you, immediately. To keep them current and the number of accounts receivable in your files to a minimum, you should call them on the phone and ask for some kind of explanation why they're falling behind. If you develop such a habit as a standard part of your operating procedure, you'll find your invoices will magically be drawn to the front of their piles of bills to pay. Do not be hesitant nor too much of a "nice guy" when it comes to collecting money.

Something else new business owners do is to methodically build a good credit rating with their local banks. Particularly when you have a good cash flow, you should borrow a little money from banks every 90-days or so. Simply borrow the money - place it in an interest-bearing account - and then pay it all back at least a month or so before it's due. By doing this, you'll increase the borrowing power of your signature, and strengthen your ability to obtain needed financing on short notice. This is a kind of business leverage that will be of great value to you if you need it.

By all means, you should join local and national trade associations. Most of these organizations have a wealth of infor-

mation available - everything from details on your competitors, to average industry sales figures, to new products, services and trends.

If they give you a membership certificate or wall plaque, you should display these conspicuously on your office wall. Your customers like to see such "seals of approval" and place additional confidence in your business when they see them.

Still another thing often overlooked - if at all possible, you should have a friend or family member work in the business with you at least 3 to 4 weeks per year. The important thing is that if, for any reason, you are not available to run the business, someone else will be familiar with certain people and situations about your business. These people should include your attorney, accountant, any consultants or advisors, your major suppliers and creditors. The long-term advantages of having someone else work four weeks per year in your business with you will greatly outweigh the short-term inconvenience.

Especially in times of emergency, be sure that you don't "short-change" yourself on professional services.

I'll tell you a sad story to illustrate the importance of NOT going it alone. Earlier I told you about a postal employee, Robert Wilson, who grew his business so dramatically. He had it all set up to run automatically, and he was running it by himself. Nobody but Robert knew anything about his business. Day and night the computers hummed away and everything was great until the day Robert had a stroke.

Weeks later, when he woke up and could finally talk, Robert asked his son to go check on his business. What his son found there were five computers humming away doing Remote Backups for Robert's clients day and night. Their hard drives were filling up, and invoices hadn't been sent for two months, but the business WAS operating.

Try as he could, Robert's son just couldn't figure out the business. After all, he was a lawyer and had his own career and family to take care of. The computers were turned off and that was the end of it.

Whenever you can, and as often as you need it, you should take advantage of whatever free business counseling is available.

The Small Business Administration has many excellent booklets, checklists and brochures available on quite a large variety of businesses. They also have management and financial assistance programs that can definitely benefit just about any small business. Most local universities and many private organizations hold seminars at very minimal costs, often without charge. You should also take advantage of free services offered by your bank and local library.

You may feel no great need for continuing education courses, but if you learn even one new bit of information that will be of ultimate benefit to you or your business, the little time spent at a seminar or in a night course, will be a wise investment.

The important thing about running a small business is to know the direction in which you're heading - to know on a day-to-day basis your progress in that direction - to be aware of what your competitors are doing - industry trends and sales figures for businesses comparable to the size of yours - to practice good money management at all times - and to prepare yourself to solve your problems before they arise.

Generally speaking, times are always tough for small businesses. In order to survive with a small business, regardless of the economic times, it is essential that you surround yourself with smart people, and practice sound business management at all times.

Charging for Your Services

Do Your Homework

The best way to establish your pricing plan is to first complete your business plan, your marketing plan, your accounting plan, and the pro forma financials for your new business.

Determine your break-even point, add the minimum profit that will make your venture worthwhile, and estimate the number of clients you can attract in the first six months.

When calculating these numbers, you can use the following statistics, which were good at the time of this writing. These statistics were taken from an informal survey of Remote Backup Service providers in the United States.

Average number of clients after three months: 30

Average number of clients after one year: 70

Average charge per month: \$55

Range of charges per month: \$34 - \$250

Average charged by the most successful providers: \$125

Average startup capital for advertizing: \$250/month

After you finish calculating your costs, you'll then know the minimum you can charge each client. Put that figure through a "reasonableness test" with several friends and associates, and adjust it to the highest figure you think your market will bear.

Be aware that statistics show that RBS providers who charge very low monthly rates (\$9 to \$15) make the least amount of money overall. The most successful RBS providers charge an average of \$125 per month, with a range of \$55 to \$180. Of course, this isn't as straightforward as it looks - you can't simply charge more and expect to make more.

Reasonableness Test

A "reasonableness test" is simply a gut-level determination of what's "reasonable" to pay for a certain product or service. It's your first emotional (note, I said emotional not rea-

sonable) reaction to a price after the product or service has been fully described.

There are two basic ways you can charge for your service. Each has its benefits for particular clients and situations. Pricing plans and specific fees are among the most volatile of information about RBS. Check with the RBS web site at <http://remote-backup.com> for the latest information on pricing.

A Set Monthly Fee

For clients whose volume of backup data doesn't expand very much from month to month, this is perhaps the best pricing option.

The most successful RBS providers use this method. Monthly rates range from \$55 to \$250, with the average being \$55. Some RBS Providers offer a variation on this method, charging around \$0.20 per megabyte plus a set monthly fee.

Some Providers give discounts for prepaying six months' or one years' fees. Some give away a high-speed modem or an Internet account for prepaying six months' fees.

This pricing plan has the benefit of being simple to understand, simple for a client to predict his costs, easy for you to predict your income, and easy to explain.

When you are marketing your service, you'll find that the easier it is to explain, and the simpler you can make it, the easier it is to sell.

On-line Time and Storage Space

For clients who prefer to control their own backup sessions, or who have an irregular schedule, or whose volume of backup data changes frequently, this may be the best plan. This plan is also good if you are offering direct modem-to-modem backups without going through the Internet, because it en-

Q: *How much money can I make?*

A: If you had 250 clients using 100 minutes each per month, and they were paying \$0.40 per minute, the gross revenue would be \$10,000 per month. You obviously would be able to afford another computer, if one was not enough to handle this amount of traffic.

courages your users to stay connected the least possible amount of time, thereby freeing your modems for other callers.

With this plan, you charge your clients a rate for every minute they are connected to your RBS Server, and a monthly fee for every megabyte of data you have in storage for them. Typical charges range from \$0.05 per minute and \$1.00 per megabyte to \$0.20 per minute and \$3.00 per megabyte.

This can be presented in any number of plans. Some might include a fee of (as an example) \$25 per month for the first 100 minutes of transfer time, plus \$0.14 per minute thereafter.

You may want to have an additional monthly charge for the total amount of data in storage. You may also charge a setup fee that includes the installation of your client's modem and RBS software, and his first backup using your portable storage unit.

Some RBS providers use a rate schedule similar to those used by cellular telephone providers. This rate schedule calls for a monthly minimum charge that covers the first block of connect time, usually 100 minutes. Thereafter, connect time is billed at a per-minute rate.

Dennis Eskow, Editor in Chief of Home Office Computing Magazine recommends adding 18 percent for the "unexpected." This is called "commission on billing" and is done regularly by many service companies. This not only covers the "unexpected," but it gives you a little room to bargain. Now you can offer discounts to your customers for prepaying without affecting your bottom line.

Restoring Data

Remote Backup allows your clients to restore their data whenever they want. If a requested file is on-line on your Server, *Remote Backup* will automatically make a call to your Server and download it (copy it back to the client's computer), then restore it.

It is the current opinion of most Service Providers that restoring data should be billed at the same rate as backing up

data. If they charge a set monthly fee for backing up, they rarely have an additional charge for restoring.

Pricing Plans

One RBS Provider in California offers his clients 3 pricing plans. Plan A costs \$65 per month, and includes 100 minutes of on-line time. A contract is not required under plan A. Clients on this plan are required to have their own modems and Internet connection.

Plan B costs \$50 per month. The Service Provider requires these clients to sign a one year, renewable contract. The \$50 per month includes 200 minutes of transmission time.

...statistics show that RBS providers who charge very low monthly rates (\$9 to \$15) make the least amount of money...

Plan C costs \$95 per month and includes 600 minutes of transmission time. A one year contract must be signed, and the modem leasing plan is available.

All plans carry a 0.20 per minute charge over the stated allotment of monthly minutes.

There's no charge for "storage" or "media." If the client is able, they may save some of the "setup" fee by doing the initial backup themselves. If they do that, they'll save \$50 off the initial setup fee.

Costs of Doing Business

The least expensive way for you to get into business is to buy no additional equipment, and sell the service yourself by phone, personal appointments, and a public relations campaign.

Tape Drives and Removable Media

Removable Media

Removable media is any data storage media that can be removed from its drive unit. This includes tapes, floppy dis-

ettes of all sizes, removable hard drives, writable CD-ROMs, and all varieties of leading-edge media.

As of this writing, removable media is one of the fastest-evolving segments of personal computer technology. Prices are dropping dramatically, and capacities are greatly increasing.

I can't predict where the market will be by the time you read this paragraph. So, I'm going to give you some general rules in selecting removable media, and suggest you check with the <http://remote-backup.com> Web site for the latest up-to-date information.

When buying any removable media, it is a good idea to follow the following general rules:

Q: How many clients can be handled with one PC?

A: A Host PC can provide about 900 minutes a night per phone line. If the average backup size is 500 KB, and all clients back up every night with 14.4 modems (at a data rate of 1 MB in 11 minutes), each client will take about 6 minutes, so 150 clients could be handled at this rate.

** Buy whatever unit is the standard format for "serious" backups. Right now, that's the DAT format which is being overtaken by DVD. Stay away from the latest high-tech gadgets. Pick a tried-and-true technology that is widely supported, robust, and is likely to have a long lifetime. Generally, if it's been on sale widely for a year, it's safe.*

** Get the fastest unit you can afford. This is important because your time is money. The faster you can back up your system and your clients' systems, the more money you can make.*

** Use media with a high capacity. The greater the capacity of your media, the less money you will spend for it. Try to use a media that can easily store all your data on one tape. DAT tapes and DVDs are good examples.*

** Get a portable unit. This suggestion is at odds with my suggestion to "get the fastest unit you can afford." Portable units are notoriously slower than their built-in counterparts, and are usually a little more expensive. However, a portable unit will let you do full backups and restores on-site if you have to, generating more income for you.*

Portable backup units connect to a computer's printer port or its USB port. These ports have limited speed, as much as half or less than that of built-in units that operate from a dedicated interface card.

** Pay attention to the cost of the media. Depending on what level of service you are offering, you might be buying a lot of removable media. When you figure your costs of doing business, this one might not be insignificant. Later in the chapter on "Backup Strategies" I'm going to suggest you keep 20 volumes on hand for your own backups.*

** Pay attention to the kind of unit your clients have. There's something to be said for compatibility. Right now, a lot of businesses still use QIK-80 tape drives. That was a great format ten years ago, but now it's completely out of date. Don't waste your money. However, if you find that many of your clients have a more reasonable format like, say, four gigabyte DAT units, consider buying one of those.*

Computer Money, subtitled **Making Serious Dollars (\$80,000+) In High-Tech Consulting** by Alan N. Canton is chock full of advice from an old pro. This book is written for computer consultants and programmers, but has many tips valuable to Remote Backup Services.

I credit **Computer Money** with an increase in RBS sales of about 20% the year I read it and took some of Canton's advice. Canton discusses the business of running a successful consultancy from a gut level. The book is by Adams-Blake Publishing at 8041 Sierra Street in Fair Oaks, California 95628.

Suggested Server Configuration

In this example, we'll price the recommended starter setup. These prices are based on quotations from United States mail order catalogs in June, 2002. Prices will get lower, and capacity will increase.

**Pentium-4 Computer, Monitor,
Windows 2000 Pro (not XP)
1 Gigabyte of RAM
CD-ROM (Read/Write), 60 Gig Hard Drive,
Ethernet Adapter,
Windows 2000,
Audio, Video, extras** **\$ 750.00**

The computer system described above is just a little more robust than the standard system being sold by many computer dealers. If you already have a computer, and you bought it within the past year, chances are it is adequate for your RBS.

Besides the equipment startup cost you will have the normal ongoing expenses of any small business. These include salaries, utilities, taxes, advertising, insurance, telephones, equipment maintenance, and supplies. These expenses are no higher than for any business of similar size.

Selling It

Nothing happens until a sale is made...

The biggest problems with marketing Remote Backup Services are apathy and ignorance.

Perhaps the real marketing challenge is persuading companies to recognize and admit that their current methods of backing up their data are inadequate.

Intelligent business people do not want to admit that they are neglecting something as basic as offsite data storage. Often the “computer person” in a small company has the responsibility for data storage, but does not want to admit to her supervisor that it just isn’t happening.

Pride may be getting in the way of sound business decisions. From a tactical point of view, it is sometimes necessary to let prospects hang onto their pride and still make the decision to buy the services of a Remote Backup Service.

Switching from emphasis on “system crashes” to the “value of offsite data storage” keeps the discussion positive. This service must be offered as a “better” way of doing business. It must be offered as “labor saving, cost-effective, easier, more secure, or more reliable.” The sales approach should “assume” that the prospect knows about the importance of daily backups and “assume” that they are being done, and show the other advantages to using an outside service provider.

As a special incentive, offer new clients a free modem for signing a six month service agreement.

The easiest sales are to existing clients - they already know and trust you. The second easiest sales are referrals from the first group.

An RBS in Silverthorne, Colorado, has come up with a unique way to make use of this client and referral process. They set up computer dealers and consultants as Dealers. Dealers sell their Remote Backup Service to their established clients and receive a royalty.

Persuading a client to buy any new technology or service can be difficult. Those who are first, before the service is commonly accepted, must have a trust relationship with the service provider.

This is why past and present clients, referrals, relatives, friends and neighbors are much easier to sign up. They already know you and have a reason to trust your judgment. Unfortunately, this is a limited group and will not allow growth to the critical point of profitability.

Computer dealers, computer consultants, insurance agents, office equipment suppliers, and records management companies are all potential sales agents for your RBS.

It is useful to offer "trial offers," low initial prices, "money back if not satisfied within 30 days," and other strong marketing offers.

In online discussions, Robert L. Simpson correctly stated: *"For a sale to occur in professional services, the prospect must:*

- * realize the need,*
- * believe the service will help address the need,*
- * trust the service provider to deliver the help, and*
- * feel the need to hurry up a commitment ahead of other items on his/her agenda."*

Simpson summarizes these points with the words, NEED, HELP, TRUST, HURRY! He also stressed: *"The point is not to talk about a computer disaster, but to talk about the IMPACT of such a disaster."*

Usually, the first objection that comes up from potential clients is: How secure is my data? Can you or anyone else access it?

The answer is, "No." The RBS software encrypts the client's data before it is transferred. That seems to be a satisfactory

Q: How large is the average backup?

A: Backups vary widely in size, depending on the client's use of the computer. You will probably get backups from 20 KB to 5 MB in size (this is the size of the compressed datafile). These files take from 1 minute to almost 400 minutes to transfer, and each phone line is available for backups about 15 hours per day (900 minutes).

answer for most. However, one lawyer asked how secure was the encryption? When he received the reply that the encryption was secure enough to protect the RBS from being sued, he signed up for the service.

The section on Security goes into more detail.

Horror stories and testimonials

These are true stories from RBS providers. Use them in your marketing material as examples of how using an RBS can literally save your prospect's business.

This kind of "negative" selling won't work well if used as your only sales technique. However, you can use these stories to punctuate your discussions with great effect.

Case Number 1

A Realtor attempted a do-it-yourself computer upgrade. His budget mother board came with poor advice, and the result was that his hard disk crashed and all his data were lost. He lost his accounting data, real estate closing information, and agent commission calculations for his three offices.

Luckily, he was a client of an RBS. After he installed a new hard disk and controller card, the RBS was able to restore all the programs from the remote backup, then decode and restore the last 60 days of incremental backups. In about two hours, everything was restored to the date of his last backup transmission.

Case Number 2

A physical therapist whose computer suffered a power surge while the customer database was being used ended up with a scrambled database. This database contained all the patient information including insurance billing, invoices, and accounts receivable.

Again, this client was an RBS customer. The incremental backups from the previous 30 days were used to bring the system back to the condition of the last backup, three days previous. The client immediately contracted for a daily backup schedule.

Case Number 3

A small plumbing company somehow “lost” the accounting files containing the December 30 payroll information, before W-2’s had been printed. When they tried to restore from the backup disk generated by the accounting system, only the previous week’s data was found.

Again, the RBS was able to restore the missing file using the December 30 incremental data transfer.

Case Number 4

When an attorney’s secretary found that she had mistakenly erased a multiple page legal document that needed to be revised and reprinted, she called her RBS. The last version of the document was located in the backups from the previous week and transferred back to her computer.

Case Number 5

A city hall in a small town in Colorado did not use an RBS. Instead, they were carefully backing up their UNIX-based system onto the tape cartridges that came with the system. When the system crashed and they needed the data, they found that the tapes were all blank, even though each day the software displayed the message “Backup Complete.” They had never tried to restore data before, and had never thought to verify the tapes. All data had to be reentered from paper copies, which took several weeks.

Case Number 6

The prenatal testing department of a large university hospital had its own departmental database on a Novell network. They stored a massive amount of data on every high-risk pregnancy that came through the hospital.

Lightning struck the building one night at 2:15 AM and damaged the file server and its hard drive, destroying four years of research data for three projects.

The RBS provider's log showed that the most recent RBS session had ended at 2:05 AM - just ten minutes before the lightning strike. The university installed a new file server the next day, and the RBS provider restored the data. Word passed through the hospital's administration, and resulted in contracts for four more departmental networks, computers, modems, software, and an RBS service for each one.

How To Sell

Most people are always striving to better themselves. For proof, check the sales figures on the number of self-improvement books sold each year. This is an indication of people's awareness that in order to better themselves, they have to continue improving their personal selling abilities.

To excel in any selling situation, you must have confidence, and confidence comes, first and foremost, from knowledge. You have to know and understand yourself and your goals. You have to recognize and accept your weaknesses as well as your special talents. This requires a kind of personal honesty that not everyone is capable of exercising.

In addition to knowing yourself, you must continue learning about people. Just as with yourself, you must be caring, forgiving and laudatory with others. In any sales effort, you must accept other people as they are, not as you would like for them to be. One of the most common faults of sales people is impatience when the prospective customer is slow to understand or make a decision. The successful salesperson handles these situations the same as he would if he were asking for a date, or applying for a new job.

Learning your service, making a clear presentation to qualified prospects, and closing more sales will take a lot less time once you know your own capabilities and failings, and understand and care about the prospects you are calling upon.

Our society is predicated upon selling, and all of us are selling something all the time. We move up or stand still in direct relation to our sales efforts. Everyone is included, whether we're attempting to be a friend to a coworker, a neighbor, or selling multimillion dollar real estate projects.

Accepting these facts will enable you to understand that there is no such thing as a born salesman. Indeed, in selling, we all begin at the same starting line, and we all have the same finish line as the goal - a successful sale.

Most assuredly, anyone can sell anything to anybody. As a qualification to this statement, let me say that some things are easier to sell than others, and some people work harder at selling than others. But regardless of what you're selling, or even how you're attempting to sell it, the odds are in your favor. If you make your presentation to enough people, you'll find a buyer. The problem with most people seems to be in making contact - getting their sales presentation seen by, read by, or heard by enough people. But this really shouldn't be a problem, as I'll explain later. There is a problem of impatience, but this too can be harnessed to work in the salesperson's favor.

Selling can be accomplished in person, by direct mail, through advertizing and public relations, or by a combination. Most people are afraid of making personal sales calls. That's why we've included so many indirect sales aids in the RBS BizKit.

*Switching from emphasis on
“system crashes” to the “value of
offsite data storage” keeps the
discussion positive.*

This chapter focuses on direct, in-person sales techniques. Even if you don't intend to make sales calls yourself, read this chapter to get an idea of how sales technique works.

We have established that we're all salespeople in one way or another. So whether we're attempting to move up from forklift driver to warehouse manager, salesman to sales manager or from mail-order dealer to president of the largest sales organization in the world, it's vitally important that we continue learning.

Getting up out of bed in the morning; doing what has to be done in order to sell more of your service; keeping records, updating your materials; planning the direction of further sales efforts; and all the while increasing your own knowledge - all this very definitely requires a great deal of personal motivation, discipline, and energy. But then the rewards can be

beyond your wildest dreams. Make no mistake about it, the selling profession is the highest paid occupation in the world!

Selling is challenging. It demands the utmost of your creativity and innovative thinking. The more success you want, and the more dedicated you are to achieving your goals, the more you'll sell. Thousands of people the world over become millionaires each month through selling. Many of them were flat broke and unable to find a "regular" job when they began their selling careers. Yet they've done it, and you can do it too!

Hundreds of people the world over become millionaires each month through selling.

Remember, it's the surest way to all the wealth you could ever want. You get paid according to your own efforts, skill, and knowledge of people.

Here are some guidelines that will definitely improve your gross sales, and quite naturally, your gross income. I like to call them the Strategic Salesmanship Commandments. Look them over; give some thought to each of them; and adapt those that you can to your own selling efforts.

1. Get something into your prospects hands as quickly as possible. In other words, get the prospect "into the act." Let him feel it, weigh it, admire it. It might be a business card, a copy of your client software CD, a well-made brochure, or the Presentation On A Disk (POAD)

2. Don't stand or sit alongside your prospect. Instead, face him while you're pointing out the important advantages using your RBS. This will enable you to watch his facial expressions and determine whether and when you should go for the close. In handling sales literature, hold it by the top of the page, at the proper angle, so that your prospect can read it as you're highlighting the important points.

Regarding your sales literature, don't release your hold on it, because you want to control the specific parts you want the prospect to read. In other words, you want the prospect to read or see only the parts of the sales material you're telling him about at a given time.

3. With prospects who won't talk with you: When you can get no feedback to your sales presentation, you must dramatize your presentation to get him involved. Stop and ask questions such as, "Now, don't you agree that our Remote Backup Service would be of benefit to you?" After you've asked a question such as this, stop talking and wait for the prospect to answer. It's a proven fact that following such a question, the one who talks first will lose, so don't say anything until after the prospect has given you some kind of answer. Wait him out!

4. Prospects who are themselves sales people, and prospects who imagine they know a lot about selling sometimes present difficult selling obstacles, especially for the novice. But believe me, these prospects can be the easiest of all to sell.

Simply give your sales presentation, and instead of trying for a close, toss out a challenge such as, "I don't know, Mr. Prospect - after watching your reactions to what I've been showing and telling you, I'm very doubtful as to how we can truthfully be of benefit to you."

Then wait a few seconds, just looking at him and waiting for him to say something. Then, start packing up your sales materials as if you are about to leave. In almost every instance, your "tough nut" will quickly ask you, "Why?"

These people are generally so filled with their own importance, that they just have to prove you wrong. When they start on this tangent, they will sell themselves. The more skeptical you are relative to their ability to make your service work to their benefit, the more they'll demand that you sell it to them.

If you find that this prospect will not rise to your challenge, then go ahead with the packing of your sales materials and leave quickly. Some people are so convinced of their own importance that it is a poor use of your valuable time to attempt to convince them.

5. Remember that in selling, time is money! Therefore, you must allocate only so much time to each prospect. The

Q: How do you deal with the "I'm not letting my data get into the hands of another firm" fear?

A: Most prospective clients understand the protection provided by encrypting data before it leaves their premise. The best RBS systems allow the clients to define and change passwords whenever they want. Passwords are known only to clients. RBS providers should NOT have access to password information.

prospect who asks you to call back next week, or wants to ramble on about similar services, prices or previous experiences, is costing you money. Learn to quickly get your prospect interested in, and wanting your service, and then systematically present your sales pitch through to the close, when he signs on the dotted line, and reaches for his check-book.

After the introductory call on your prospect, you should be selling services and collecting money. Any call backs should be only for servicing, or to sell him related services and products. In other words, you can waste an introductory call on a prospect to qualify him, but you're going to be wasting money if you continue calling on him to sell him the first unit of your service.

When faced with a reply such as, "Your service looks pretty good, but I'll have to give it some thought," you should quickly jump in and ask him what it is that he doesn't understand, or what specifically about your service does he feel he needs to give more thought. Let him explain, and that's when you go back into your sales presentation and make everything crystal clear for him. If he still balks, then you can either tell him that you think he's procrastinating, or that overall, you don't think the service will really benefit him.

You must spend as much time as possible calling on new prospects. Therefore, your first call should be a selling call with follow-up calls by mail or telephone (once every month or so in person) to sign him for reorders and other products and services.

6. Review your sales presentation, your sales materials, and your prospecting efforts. Make sure you have a "door-opener" that arouses interest and "forces" a purchase the first time around. This can be the POAD diskette, or an offer of 30 days FREE - anything that will get him to let you pitch your complete service. The important thing is to get the prospect on your "buying customer" list, and then follow up by mail or telephone with related, but more profitable products and services you have to offer.

If you accept our statement that there are no born salesmen, you can readily absorb these “commandments.” When you realize your first successes, you will truly know that “salesman are made - not born.”

Advertising

Most Remote Backup Services advertise. A few sell only to an existing client base. This section is about those who advertise. It's beyond the scope of this book to cover all the aspects of advertising, or to even scratch the surface.

There are plenty of great books available on the subject, many of them explaining how you can do it yourself. We will touch on a few of the methods that have been most effective when used by Remote Backup Services.

There are many forms of advertising that work well for an RBS. You will want to use several of them. They include:

- * **Brochures**
- * **Flyers and Inserts**
- * **Business Cards**
- * **Newsletters**
- * **Coupons**
- * **Sales Letters**
- * **Business Reply Cards**
- * **In-Store Banners**
- * **Broadcast Faxes**
- * **Computer Bulletin Boards**
- * **Newspaper Ads**
- * **Magazines Ads**
- * **Sales Receipts**
- * **Stickers**
- * **Point Of Sale Displays**
- * **Card Decks**

Free (or nearly free) Advertising

The opportunities for getting free advertising for your RBS are limited only by your own imagination and energies. There are so many proven ways of promoting your own objectives without cost that it literally boggles the mind just to think of listing them.

One way is to write an article on RBS, Data Safety, or any subject that remotely relates to RBS. Submit it to all the publications and media concerned with related information. In other words, become your own publicity and sales promotions writer. Get the word out; establish yourself as an expert in your field, and “tagalong” everything you write with a quick note listing your address for more information.

Another good way to get free advertising is by becoming a guest on as many of the radio and television talk shows or interview type programs as possible. Actually, this is much easier to do than most people realize. Write a letter to the producer of these programs, then follow up with an in-person visit or telephone call. Your initial contact should emphasize that your service would be of vital interest to the listeners or viewers of the program - perhaps saving them time, money, or even their very business!

Some of the more routine methods include having a promotional ad relative to your service printed on the front or back of your envelopes at the time you have them printed with your return address.

Be sure to check all the publications that carry the kind of advertising you need. Many mail order publications just getting started offer unusually low rates to first-time advertisers; a free-of-charge insertion of your ad when you pay for an order to run three issues or more; or special seasonal ad space at greatly reduced rates. And there are a number of publications that will give you Per Inquiry (PI) space - an arrangement where all orders come in to the publication, they take a commission from each order, and then forward the orders on to you for fulfillment.

Many publications will give you a contract for "standby" or "remnant" space. In this arrangement you send them your ad, and they hold it until they have unsold space, and then at a price that's always one third or less than the regular price for the space you need, insert your ad. Along these lines, be sure to check in with the suburban and neighborhood newspapers.

Finally, there's nothing in the world that beats the low cost and tremendous exposure you get when you advertise a free offer. Simply run an ad offering a free professional Data Loss Risk Evaluation, a report on RBS, or the POAD.

How To Write Attention-Getting Advertisements

The most important aspect of any business is selling the product or service. Without sales, no business can exist for very long.

Most sales begin with some form of advertising. To build sales, advertising must be seen or heard by potential buyers, and cause them to react to the advertising in some way. The credit for the success, or the blame for the failure of almost all ads, reverts back to the ad itself.

Generally, the "ad writer" wants the prospect to do one of the following:

- a) *Visit the store to see and judge the product or service for himself, or immediately write a check and send for the merchandise being advertised.*
- b) *Phone for an appointment to hear the full sales presentation, or write for further information (which amounts to the same thing).*

Here's a promotional idea borrowed from the airlines: Give your clients points for every dollar they spend with your service. Let them trade in their points for on-line time, modems, or special services.

The bottom line in any ad is quite simple: To make the reader buy your service. Any ad that causes the reader to only pause and think about it, to just admire your service, or to simply believe what's written about it - is not doing its job completely.

The "ad writer" must know exactly what he wants his reader to do, and any ad that does not elicit the desired action is a waste of time and money.

In order to elicit the desired action from the prospect, all ads are written according to a simple "master formula" which is:

- 1) *Attract the "attention" of your prospect.***
- 2) *"Interest" your prospect in your service***
- 3) *Cause your prospect to "desire" the service***
- 4) *Demand "action" from the prospect***

Never forget the basic rule of advertising copywriting:

If the ad is not read, it won't stimulate a sale; if it is not seen, it cannot be read; and if it does not command or grab the attention of the reader, it will not be seen!

Most successful advertising copywriters know these fundamentals backwards and forwards. Whether you know them already or you're just now being exposed to them, your knowledge and practice of these fundamentals will determine the extent of your success as an advertising copywriter.

CLASSIFIED ADS

Classified ads are the ads from which many successful home-based businesses are started. These small, relatively inexpensive ads give the beginner an opportunity to advertise his service without losing his shirt if the ad doesn't pull or the people don't break his door down with demands for his services. Classified ads are written according to all the advertising rules. What is said in a classified ad is the same that's said in a larger, more elaborate type of ad, except in condensed form.

To start learning how to write good classified ads, clip ten classified ads from ten different mail order type publications - ads that you think are pretty good. Paste each of these ads onto a separate sheet of paper.

Analyze each of these ads: How has the writer attracted your attention - what about the ads keeps your interest - are you stimulated to want to know more about the product being advertised - and finally, what action must you take? Are all of these points covered in the ad? How strongly are you "turned on" by each of these ads?

Rate these ads on a scale of one to ten, with ten being the best according to the formula I've given you. Now, just for practice, without clipping the ads, do the same thing with ten different ads from catalogs. In fact, every ad you see from now on, quickly analyze it, and rate it somewhere on your scale. If you'll practice this exercise on a regular basis, you'll

soon be able to quickly recognize the “Power Points” of any ad you see, and know within your own mind whether an ad is good, bad or otherwise, and what makes it so.

Practice for 30 minutes each day, write the ads you’ve rated 8, 9 and 10 exactly as they’ve been written. This will give you the “feel” of the fundamentals and style necessary in writing classified ads.

Your next project will be to pick out what you consider to be the ten “worst” ads you can find in the classified sections. Clip these out and paste them onto a sheet of paper so you can work on them.

Read these ads over a couple of times, and then beside each of them, write a short comment stating why you think it’s bad: Lost in the crowd, doesn’t attract attention - doesn’t hold the reader’s interest - nothing special to make the reader want to own the product - no demand for action.

You probably already know what’s coming next, and that’s right. Break out those pencils, erasers and scratch paper - and start rewriting these ads to include the missing elements.

Each day for the couple of weeks, practice writing the ten best ads for a half hour, just the way they were originally written. Pick out ten of the worst ads, analyze those ads, and then practice rewriting those until they measure up to doing the job they were intended to do.

Once you’re satisfied that the ads you’ve rewritten are perfect, go back into each ad and cross out the words that can be eliminated without detracting from the ad. Classified ads are almost always “finalized” in the style of a telegram.

EXAMPLE: *I’ll arrive at 2 o’clock tomorrow afternoon, the 15th. Meet me at Sardi’s. All my love, Jim.*

EDITED FOR SENDING: *Arrive 2pm - 15th - Sardi’s. Love, Jim.*

CLASSIFIED AD: *Save on your food bills! Reduced prices*

on every shelf in the store! Stock up now while supplies are complete! Come on in today, to Jerry's Family Supermarkets!

EDITED FOR PUBLICATION: *Save on Food! Everything bargain priced! Limited Supplies! Hurry! Jerry's Markets!*

It takes dedicated and regular practice, but you can do it. Simply recognize and understand the basic formula - practice reading and writing the good ones - and rewriting the bad ones to make them better. Practice, and keep at it, over and over, every day - until the formula, the idea, and the feel of this kind of ad writing becomes second nature to you. This is the **ONLY WAY** to gain expertise in writing good classified ads.

DISPLAY ADVERTISEMENTS

A *display* or *space* ad differs from a classified ad because it has a headline, layout, and because the style isn't telegraphic. However, the fundamentals of writing the display or space ad are exactly the same as for a classified ad. The basic difference is that you have more room in which to emphasize the "master formula."

Most successful copywriters rate the headline and/or the lead sentence of an ad as the most important part of the ad, and in reality, you should do the same. After all, when your ad is surrounded by hundreds of other ads, and information or entertainment, what makes you think anyone is going to see your particular ad?

The truth is, they're not going to see your ad unless you can "grab" their attention and entice them to read all of what you have to say. Your headline, (or lead sentence when no headline is used,) has to make it more difficult for your prospect to ignore or pass over, than to stop and read your ad. If you don't capture the attention of your reader with your headline, anything beyond is useless effort and wasted money.

Successful advertising headlines - in classified ads, your first three to five words serve as your headline - are written as promises, either implied or direct. The former promises to

show you how to save money, make money, or attain a desired goal. The latter is a warning against something undesirable.

EXAMPLE OF A PROMISE: *May we have a moment to rescue your business?*

EXAMPLE OF A WARNING: *If you lost all your computer data, could your business survive?*

The bottom line in any ad is quite simple: To make the reader buy your service.

In both of these examples, I've posed a question as the headline. Headlines that ask a question seem to attract the reader's attention almost as surely as a moth is drawn to a flame. Once he's seen the question, he just can't seem to keep himself from reading the rest of the ad to find out the answer. The best headline ques-

tions are those that challenge the reader; that involve his self esteem, and do not allow him to dismiss your question with a simple yes or no.

"*You'll be the envy of your friends*" is a classic kind of "reader appeal" line. The appeal has to do with basic psychology: everyone wants to be well thought of, and consequently, will read into the body of your ad to find out how he can gain the respect and accolades of his friends.

Wherever and whenever possible, use colloquialisms or words that are not usually found in advertisements. The idea is to shock or shake the reader out of his reverie and cause him to take notice of your ad. Most of the headlines you see day in and day out, have a certain sameness with just the words rearranged. The reader may see these headlines with his eyes, but his brain fails to focus on any of them because there's nothing different or out of the ordinary to arrest his attention.

EXAMPLE OF COLLOQUIALISM: *Are You Developing a POT BELLY?*

Whenever, and as often as you can possibly work it in, you should use the word “you” in your headline, and throughout your copy. After all, your ad should be directed to “one” person, and the person reading your ad wants to feel that you’re talking to him personally, not everyone who lives on his street.

Personalize, and be specific! You can throw the teachings of your English teachers out the window, and the rules of “third person, singular” or whatever else tends to inhibit your writing. Whenever you sit down to write advertising copy intended to pull the orders - sell the service - you should picture yourself in a one-on-one situation and “talk” to your reader just as if you were sitting across from him at your dining room table. Say what you mean, and sell HIM on your service. Be specific and ask him if these are the things that bother him - are these the things he wants - and he’s the one you want to buy your service.

The layout you devise for your ad, or the frame you build around it, should also command attention. Either make it so spectacular that it stands out like lobster at a chili dinner, or so uncommonly simple that it catches the reader’s eye because of its very simplicity. It’s also important that you don’t get cute with a lot of unrelated graphics and artwork.

Your ad should convey the feeling of excitement and movement, but should not tire the eyes or disrupt the flow of the message you are trying to present.

Any graphics or artwork you use should be relevant to your service, it’s use and/or the copy you have written about it. Graphics should not be used as artistic touches, or to create an atmosphere. Any illustrations with your ad should complement the selling of your service, and prove or substantiate specific points in your copy.

Once you have your reader’s attention, the only way you are going to keep it, is by quickly and emphatically telling him what your service will do for him.

At this point, your potential client doesn’t care in the least how long you have been in business, nor how much money

*are you stimulated to want to
know more about the product
being advertised*

you've invested in equipment. He wants to know specifically how he is going to benefit from your service.

Generally, his wants will fall into one of the following categories: Better health, more comfort, more money, more leisure time, more popularity, greater beauty, success and/or security.

Even though you have your reader's attention, you must follow through with an enumeration of the benefits he can gain. In essence, you must reiterate the advantages, comfort and happiness he'll enjoy - as you have implied in your headline.

Mentally picture your prospect - determine his wants and emotional needs - put yourself in his shoes, and ask yourself: If I were reading this ad, what are the things that would appeal to me? Write your copy to appeal to your reader's wants and emotional needs and ego cravings.

Remember, it's not the "safety features" that have sold cars for the past 50 years - nor has it been the need of transportation - it has been, and almost certainly always will be the advertising writer's recognition of people's wants and emotional needs and ego cravings.

Visualize your prospect, recognize his wants, and satisfy them. Writing good advertising copy is nothing more or less than knowing "who" your buyers are; recognizing what they want; and then telling them how your service will fulfill each of those wants. Remember this because it's one of the "vitally important" keys to writing advertising copy that does the job you intend for it to do.

The "desire" portion of your ad is where you present the facts of your service; create and justify your prospect's conviction, and cause him to demand "a piece of the action" for himself.

It's vitally necessary that you present "*proven facts*" about your service because survey results show that at least 80% of the people reading your ad - especially those reading it for the first time - will tend to question its authenticity.

So, the more facts you can present in the ad, the more credible your offer. As you write this part of your ad, always remember that the more facts about the service you present, the more you'll sell. People want facts as reasons, and/or excuses for buying your service - to justify to themselves and others, that they have not been "taken" by a slick copy-writer.

It's like the girl who wants to marry the guy her father calls a "no good bum." Her heart - her emotions - tell her yes, but she needs to nullify the seed of doubt lingering in her mind - to rationalize her decision to go on with the wedding.

In other words, the "desire" portion of your ad has to build belief and credibility in the mind of your prospect. It has to assure him of his good judgement in the final decision to buy - furnish evidence of the benefits you have promised - and afford him a "safety net" in case anyone should question his decision to buy.

People tend to believe the things that appeal to their individual desires, fears and other emotions. Once you have established a belief in this manner, logic and reasoning are used to support it. People believe what they "want" to believe. Your reader "wants" to believe your ad if he has read it through this far - it is up to you to support his initial desire.

...they're not going to see your ad unless you can "grab" their attention and entice them to read all of what you have to say...

Study RBS and everything about it - visualize the wants of your prospective buyers - dig up the facts from The RBS Book and RBS' web site. You'll find plenty of facts to support the buyer's reasons for buying.

Here is where you use results of tests conducted, growing sales figures to prove increasing popularity, and "user" testimonials or endorsements. It's important that you present these facts and test results in your ad.

Before you end this portion of your ad and get into your demand for action, summarize everything you've presented thus far. Draw a mental picture for your potential buyer. Let

him imagine using your service. Induce him to visualize all of the benefits you have promised. Give him the keys to seeing himself more secure, enjoying more free time, sure that his business is safe.

This can be handled in one or two sentences, or spelled out in a paragraph or more, but it is the absolute ingredient you must include prior to closing the sale. Study all the sales presentations you have ever heard - look at every winning ad - this is the element included in all of them that makes the sale for you. Remember it, use it, and don't try to sell anything without it.

As Victor Schwab puts it so succinctly in his best selling book, *How To Write A Good Advertisement*: *"Every one of the fundamentals in the "master formula" is necessary. Those sitting across from him at your dining people who are "easy" to sell may perhaps be sold even if some of these factors are left out, but it's wiser to plan your advertisement so that it will have a powerful impact upon those who are "hardest" to sell.*

"For, unlike fact-to-face selling, we cannot in printed advertising come to a 'trial close' in our sales talk - in order to see if those who are easier to sell will welcome the dotted line without further persuasion. We must assume that we are talking to the hardest ones - and that the more thoroughly our copy sells both the hard and the easy, the better chance we have against the competition for the consumer's dollar - and also the less dependent we will be upon the usual completely ineffective follow through on our advertising effort which later takes place at the sales counter itself."

Ask For Action! Show Me The Money!

Lots of ads are beautiful, almost perfectly written, and quite convincing - yet they fail to ask for or demand action from the reader. If you want the reader to use your service, then tell him so and demand that he send his money now. Unless you enjoy entertaining your prospects with your beautiful writing skills, always demand that he complete the sale now,

by taking action now - by calling a telephone number and ordering, or by writing his check and rushing it to the post office.

Once you have him on the hook, land him! Don't let him get away!

Probably, one of the most common and best methods of moving the reader to act now, is written in some form of the following:

All of this can be yours! You can start enjoying this new way of life immediately, simply by sending a check for \$XX! Don't put it off, then later wish you had gotten in on the ground floor! Make out that check now, and "be IN on the ground floor!" Act now, and as an "early-bird" buyer, we'll include a big bonus package - absolutely free, simply for acting immediately! You win all the way! We take all the risk! If you are not satisfied, simply return the product and we will quickly refund your money! Do it now! Get that check on its way to us today, and receive the big bonus package! After next week, we won't be able to include the bonus as a part of this fantastic deal, so act now! The sooner you act, you more you win!

***make it so spectacular that
it stands out like lobster at
a chili dinner***

Offering a reward of some kind will almost always stimulate the prospect to take action. However, in mentioning the reward or bonus, be very careful that you don't end up receiving primarily, requests for the bonus with mountains of requests for refunds to follow. The bonus should be mentioned only casually if you are asking for orders; and with lots of fanfare only when you are seeking inquiries.

Too often the copywriter, in his enthusiasm to pull in a record number of responses, confuses the reader by "forgetting about the service," and devoting his entire space allotted for the "demand for action" to sending for the bonus. Any reward offered should be closely related to the service, and a bonus offered only for immediate action on the part of the potential client.

Specify a time limit. Tell your prospect that he must act within a certain time limit or lose out on the bonus, face probably higher prices, or even the withdrawal of your offer. This is always a good hook to get action.

Any kind of guarantee you offer always helps you produce action from the prospect. And the more liberal you can make your guarantee, the more sales you will make. Be sure you

state the guarantee clearly and simply. Make it so easy to understand that even a child would not misinterpret what you are saying.

The action you want your prospect to take should be easy - clearly stated - and devoid of any complicated procedural steps on his part, or numerous directions for him to follow.

Picture your prospect, very comfortable in his favorite easy chair, idly flipping through a magazine while "half-watching" TV. He notices your ad, reads through it, and he is sold on your service. Now what does he do?

Remember, he's very comfortable - you have "grabbed" his attention, sparked his interest, painted a picture of him enjoying a new kind of satisfaction, and he is ready to buy.

Anything and everything you ask or cause him to do is going to disrupt this aura of comfort and contentment. Whatever he must do had better be simple, quick and easy!

Tell him without any ifs, ands or buts, what to do - fill out the coupon, include your check for the full amount, and send it in to us today; pick up the phone and call for that free Risk Evaluation! Make it as easy for him as you possibly can - simply and directly. And by all means, make sure your ad-

If your computer will last forever, don't read this ad.

Now, for those of you with a firm grasp on reality, here are some compelling statistics:

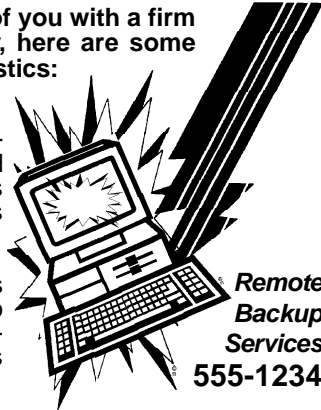
√ The average failure rate of disk and tape drives is 100%. **All** drives eventually fail.

√ It takes 19 days & costs \$17,000 to re-type 20 megabytes of sales data.

√ The same volume of accounting data takes 21 days and costs \$19,000 to retype.

√ Most small businesses don't have a backup plan that fully protects them.

Our Remote Backup Service can protect your business from a devastating loss of critical computer data. Call us today.



dress is on the order form he is supposed to complete and mail in to you - your name and address on the order form, as well as just above it. People sometimes fill out a coupon, tear it off, seal it in an envelope and don't know where to send it. The easier you make it for him to respond, the more responses you'll get!

There you have it, a complete short course on how to write ads that will pull more orders for you - sell more of your service for you. It's important to learn "why" ads are written as they are - to understand and use, the "master formula" in your own ad writing endeavors.

The ads included in the RBS Business Kit were designed using these methods. Feel free to modify them and use them.

By conscientiously studying good advertising copy, and practicing writing ads of your own, you should be able to quickly develop your copywriting abilities to produce order-pulling ads for your own service. You must never stop "noticing" how ads are written, designed and put together by other people. To stop learning would be comparable to shutting off from the rest of the world.

People tend to believe the things that appeal to their individual desires, fears and other emotions.

The best ad writers are people in touch with the world in which they live. Every time they see a good ad, they clip it out and study it. There's no school in the country that can give you the same kind of education and expertise so necessary in the field of ad writing. You must keep yourself up-to-date, aware of, and in-the-know about the other guy - his innovations, style, changes, and the methods he is using to sell his products and services. On-the-job training - study and practice - that's what it takes - and if you have that burning ambition to succeed, you can do it too!

Questions & Answers

1. WHAT'S THE MOST PROFITABLE WAY TO USE CLASSIFIEDS?

Classifieds are best used to build your mailing list of qualified prospects. Use classified to offer a free Data Loss Risk Evaluation form, POAD, or free on-site risk assessment.

2. WHAT CAN YOU SELL “DIRECTLY” FROM CLASSIFIEDS?

Generally, anything and everything, so long as it doesn't cost more than five dollars that is about the most people will pay in response to an offer in the classifieds. These types of ads are great for pulling inquiries such as: Write for further information; Send \$3 for your Risk Evaluation Kit (the form and the POAD), get one month FREE; Agents and Dealers wanted, send for product info and a real money-maker's kit!

3. WHAT ARE THE BEST MONTHS OF THE YEAR TO ADVERTISE?

All twelve months of the year! Responses to your ads during some months will be slower in accumulating, but by keying your ads according to the month they appear, and a careful tabulation of your returns from each keyed ad, you will see that steady year round advertising will continue to pull orders for you, regardless of the month it's published. I regularly receive inquiries and orders from ads placed as long as 2 years previous to the date of the response!

4. HOW CAN I DECIDE WHERE TO ADVERTISE?

First of all, you have to determine who your prospective buyers are. Then you do a little bit of market research. Talk to your friends, neighbors and people at random who might fit this profile. Ask them if they would be interested in a service such as yours, and then ask them which publications they read. Next, go to your public library for a listing of the publications of this type from the Standard Rate & Data Service catalogs.

Make a list of the addresses, circulation figures, reader demographics and advertising rates. To determine the true costs of your advertising and decide which is the better buy, divide the total audited circulation figure into the cost for a one inch ad: \$10 per inch with a publication showing 10,000 circulation would be 10,000 into \$10 or 10¢ per thousand. Looking at the advertising rates for Book Business Mart, you would take 42,500 into \$15 for an advertising rate of less than THREE TENTHS OF ONE CENT PER THOUSAND. Obviously, your best buy in this case would be Book Business Mart because

of the lower cost per thousand.

Write and ask for sample copies of the magazines you have tentatively chosen to place your advertising in. Look over their advertising - be sure that they don't or won't put your ad in the "gutter" which is the inside column next to the binding. How many other similar ads are they carrying - you want to go with a publication that's busy, not one that has only a few ads. The more ads in the publication, the better the response the advertisers are getting, or else they wouldn't be investing their money in that publication.

To "properly" test your ad, you should let it run through at least three consecutive issues of any publication. If your responses are small, try a different publication. Then, if your responses are still small, look at your ad and think about rewriting it for greater appeal, and pulling power. In a great many instances, it's the ad and not the publication's pulling power that's at fault.

Picture your prospect, very comfortable in his favorite easy chair, idly flipping through a magazine while "half-watching" TV.

Ad Layout

Anyone can lay out a good ad. Anyone. You don't need years of graphics arts or marketing instructions. All you need to do is to remember some simple tips that can turn a drab, mediocre ad into a powerful order-pulling masterpiece.

First of all, there are two ways to build an ad. Either fill it with text, or leave plenty of open space. Both ways are good, depending on the crowd you're trying to reach, and the response you want.

If you're selling your RBS directly from your ad, pack that ad full of text. This will create a block of gray text that will not stand out to the eye, so you'll need to put a strong black border around your ad.

If you're trying to solicit responses, which you'll follow up with more information, cut the text in your ad to a minimum.

The white space in your ad will draw the eye, so you won't need as strong a border. You still should put a border around the ad, but a thin double line will do, so as not to attract attention away from the message of the ad.

A few words about the wording of your ad:

Make sure it follows a logical progression. Start with a headline emphasizing the benefit the customer will get from your service. For example, "Increase your business efficiency and lower costs."

Follow up with a subheading hinting at what will follow in the body of the ad (*"What if you lost ALL your business data?"*).

The body text of your ad should tell just a bit about your service, but should concentrate on the benefits your customer will receive. Personal benefits, not features, are why people buy products and services. End with your contact information, how prospects can either contact you for more information, or how they can sign on with your RBS.

Spice up your layout with a bit of graphic art. Clip art is widely available at office supply and art stores. Don't overdo the art, though. Use only one graphic at the most. More than one looks unprofessional.

What follows is the biggest, most important tip I can give. When laying out your ad, **USE A RULER!** The worst thing you can do is use an ad that has crooked text that is off center. If you are using a computer to do your layout, you don't have to worry about this.

Remember to emphasize benefits, keep things even and straight, leave white space if applicable, and use art sparingly as a complement to your ad. If you follow these suggestions, your advertising quality will improve vastly.

How To Get Free Radio Advertizing

Every successful business is built upon, and continues to thrive, primarily, on good advertising. The top companies in the world allocate millions of dollars annually to their advertising budgets. Of course, when starting from a garage, base-

ment or kitchen table, you can't quite match their advertising efforts - at least not in the beginning. But there is a way you can approximate their maneuvers without spending their kind of money. And that's through "P.I." Advertising.

"P.I." stands for per inquiry. This is a kind of advertising most generally associated with broadcasting, where you pay only for the responses you get to your advertising message. It's very popular - somewhat akin to bartering - and is used by many more advertisers than most people realize. The advantages of PI Advertising are all in favor of the advertiser because with this kind of an advertising arrangement, you pay only for the results the advertising produces.

To get in on this "free" advertising, start with a loose leaf notebook, and about 100 sheets of filler paper. Next, either visit your public library and start poring through the Broadcast Yearbook on radio stations in the U.S., or the Standard Rate and Data Services Directory on Spot Radio. Both these publications will give you just about all the information you could ever want about licensed stations.

An easier way might be to call or visit one of your local radio stations, and ask to borrow (and take home with you) their current copy of either of these volumes. To buy them outright will cost \$50 to \$75.

Once you have a copy of either of these publications, select the state or states you want to work first. It's generally best to begin in your own state and work outward from there.

If you've contacted him by phone, and he agrees to look over your material, tell him thank you and promise to get a complete "package" in the mail to him immediately. Then do

"You lost WHAT?"

"Our data. Accounting files, customer lists, everything. The hard drive crashed. It was nobody's fault. We lost everything."

"You have backups, right?"

"Alex was supposed to be doing them. He never verified the tapes. Our last good backup is over a year old. I think we're in trouble, Bob"

"I'm sorry, Stan. You're fired."

Don't let your data, your business, or your job go up in smoke. Protect your most valuable business asset with our *Remote Backup Service*. It's automatic, secure, and affordable. Call us now for a quote.

just that. Write a short cover letter, place it on top of your “ready-to-go” PI Advertising Package, and get it in the mail to him without delay.

If you’re turned down, and he is not interested in “taking on” any PI Advertising, just tell him thanks, make a notation in your notebook by his name, and go on to your next call. Contacting these people by phone is by far the quickest, least expensive and most productive method of “exploring” for those stations willing to consider your PI proposal. In some cases though, circumstances will deem it to be less expensive to make this initial contact by letter or postcard.

In that case, simply address your card or letter to the person you are trying to contact. Your letter should be positive in tone, straightforward and complete. Present all the details in logical order on one page, perfectly typed on letterhead paper, and sent in a letterhead envelope. (Rubber-stamped letterheads just won’t get past a first glance.) Ideally, you should include a self-addressed and stamped postcard with spaces for positive or negative check marks in answer to your questions: Will you or won’t you look over my materials and consider a mutually profitable “Per Inquiry” advertising campaign on your station?

Once you have an agreement from your contact at the radio station that they will look over your materials and give serious consideration for a PI program, move quickly, getting your cover letter and package off by First Class mail, perhaps even Special Delivery.

What this means is that at the same time you organize your “radio station note book,” you’ll also want to organize your advertising package. Have it all put together and ready to mail just as soon as you have a positive response. Don’t allow time for that interest in your program to cool down.

You’ll need a follow-up letter. Make it personal, and comment on topics you discussed in your initial contact.

You’ll also need at least two thirty-second commercials and two sixty-second commercials. You could write these up, and have copies printed and organized as a part of your PI Ad-

vertising Package.

You should also have some sort of advertising contract written up, detailing everything about your program, and how everything is to be handled; how and when payment to the radio station is to be made, plus special paragraphs relative to refunds, complaints, and liabilities. All this can be very quickly written up and printed in lots of 100 or more on carbonless multipart snap-out business forms.

Finally, you should include a self-addressed and stamped postcard the radio station can use to let you know that they are going to use your PI Advertising program, when they will start running your commercials on the air, and how often, and during which time periods. Again, you simply type out the wording in the form you want to use on these "reply postcards," and have copies printed for your use in these mailings.

To review this program: Your first step is the initial contact after searching through the SRDS or Broadcasting Yearbook. Actual contact with the stations is by phone or mail. When turned down, simply say thanks, and go on to the next station on your list. For those who want to know more about your proposal, you immediately get a PI Advertising Package off to them the fastest way possible. Don't let the interest wane.

Your Advertising Package should contain the following:

1. *Cover letter*
2. *Sample brochure, service literature*
3. *Thirty-second and sixty-second commercials*
4. *PI Advertising Contract*
5. *Self-addressed, stamped postcard for acceptance of your program.*

Before you ask why you need an acknowledgment postcard when you have already given them a contract, remember that everything about business changes from day to day - conditions change, people get busy, and other things come up. The station manager may sign a contract with your advertising to begin the 1st of March. The contract is signed on

Elaine Floyd wrote a book called *Advertising From The Desktop*. It's all about creating advertising material on a budget -- mostly using desktop computers and publishing software. It includes many graphic examples for all forms of print media.

I recommend it, even if you use an outside agency. I pilfered some of my layout ideas directly from her book. You can order it by calling (919) 942-0220.

the 1st of January, but when March 1 rolls around, he may have forgotten, been replaced, or even decided against running your program. A lot of paper seemingly “covering all the minute details” can be very impressive to many radio station managers, and convince them that your company is a good one to do business with.

At the bottom line, a lot is riding on the content of your commercial - the benefits you suggest to the listener, and how easy it is for him to enjoy those benefits.

Radio station managers are sales people, and sales people the world over will be sold on your idea if you put your selling package together properly. And if the responses come in to your first offer, you have set yourself up for an entire series of successes. Success has a “ripple effect,” but you have to start on that first one.

Publicity

Don't confuse "publicity" with "advertising." Advertising is where you buy ads specifically designed to sell your service and ask for immediate action - YOU control the editorial content. Publicity, on the other hand, is a discussion of your service by a third party - you do NOT necessarily control the content. But, you CAN greatly influence it.

The advantages of PI Advertising are all in favor of the advertiser because with this kind of an advertising arrangement, you pay only for the results the advertising produces.

Publicity has been called the "secret pathway" to business success everyone wants. It's often called "free advertising," but this is incorrect. It is neither "free" nor is it "advertising." And, it's not always good. Bad publicity can ruin a company, where good publicity can make it rich.

Although publicity isn't technically "free," it IS often at a very low price. In order to get publicity, you have to convince publishers, reports, producers, or others that your service is worthy of their time and their valuable editorial space.

So, in essence, you have to "sell" your service to those who might publish something about it. This can require telephone calls, personal visits, postal charges, wire service fees, and other indirect expenses. You might have to hire a professional to put together a press kit for you, or to write your press releases.

However, all of these potential costs of obtaining publicity almost always far outweigh the benefits of the right mention at the right time in the right publication. Here's an example.

RBS used to advertise in a magazine called *Home Office Computing*. We paid about \$2,000 a month for a 1/6 page black and white ad near the back of the magazine. In December of 1995 our Remote Backup Service Business Kit was favorably reviewed in an article in that same magazine.

Our sales as a direct result of that one article were three times our normal sales from our ad in the same magazine. It cost us about \$50 for long distance calls, printing for a press kit, and overnight postage to get it to the reviewer.

You should strive for as much good publicity for your business as possible. Your publicity efforts should be well thought out, and pre-planned for maximum results.

The first, and basic form of obtaining publicity is through what is known as the *press* or *news release*. This is generally a one page story about your service, or a current event related to data loss or disasters affecting business data. These publicity stories are generally “shotgunned” to all the various media: local newspapers, radio and TV, and trade publications.

Problem number one is getting the people to whom you’ve sent these publicity stories, to use them, publish or broadcast them. And this leads us back to the “right way” of writing them and sending them in.

In every case, send a short cover letter addressed to the person you want your material to be considered by. This means that you send your story to the city editor of the newspapers’ the news directors of the radio & TV stations, and the managing editors of the various trade publications.

It will do you no good whatsoever to send your material to the advertising, circulation or business managers - describing how you’re a longtime advertiser, subscriber or listener. The most important thing is that you make contact with the person who has the final say as to what is to be published or broadcast.

It’s important to note that at the bottom line of a publisher’s decision to use or not use your release are these questions:

- *Does it fit in with the publication’s theme?*
- *Is it timely - Is it related to current events?*
- *Does it support other stories and articles?*
- *Would my readers (listeners) be interested in this?*
- *Will it sell papers?*

Your cover letter should be a short note. Go to a paper supplier - tell them you want a hundred or so sheets of good bond paper - 8 1/2" by 11" preferably in a pastel color such as blue or ivory - and that you want this paper cut into quarters, giving you a grand total of 400 sheets of note paper "From the desk of..." note sheets are too elaborate until the people you're contacting get to know you - first time around, and until they use your material, don't use these semiformal note sheets.

On this note sheet, begin with the date across the top - skip a couple of spaces and then quickly tell the recipient of the note, the attached material is new and should be of real interest to his readers, viewers or listeners.

"Here's something that's new, and for a change, truly helpful, to business people who might not know they put their businesses on the line every day. Should be of real value - interest - to your readers. Please take a look - any questions, or if you need more info, give me a call at: (555) 555-5555..."

Then, of course, you skip about four spaces, type your name, your business name, and your address - sign your name above where you've typed it, and staple this note in the upper right hand corner of your news release. This note should be typed and double-spaced.

Now you need the actual publicity release, which also must be "properly" written if you expect it to be used by the media. Above all else, there's a proper form or style to use, plus the fact that it must be typed, double-spaced, and short - no more than a page in total length.

About an inch from the top of the paper, with an inch and a half margin on each side of the paper; from the left hand margin, type in all capital letters: PRESS RELEASE: Then, underline these words. Immediately following the colon, but not in all capital letters, put in the date. Always set the date forward by at least one day after the day you intend to mail the release.

On the same line, but on the right hand side of the page, and in all capital letters, write the words, FOR FURTHER INFORMATION: Underline this, and immediately below, but not in all capital letters, type - your name - your phone number - and your address.

Skip a couple of spaces, then in all capital letters - centered between the margins - type a story headline, and underline it. Skip a couple of spaces, and from the left hand margin, all in capital letters, type the words, FOR IMMEDIATE RELEASE: From there on, it's the news or publicity story itself.

Your headline, and the story you present to the editor, must sell him on the benefits of your service to his readers. Unless it specifically does this, he will not use it. You must sell the first person receiving your materials. Keep this fact uppermost in your mind as you write it. The person you send your press or publicity release to, must quickly see and understand how your service will benefit his readers, and he must be assured it will do what you promise in your headline.

Come right to the point and say your service is more convenient to use, solves a certain problem, or how it is useful to people in general. It's also a good idea to include a POAD and maybe a client diskette so he can sample your service.

Remember, the editors receiving your information are fully aware of your purposes - You want them to favorably mention you in their publication. They are not in the least interested in you or your credentials - If you've sold them on the benefits of your service to their readers, and they want background details, they'll call you. That's why you list your telephone number and address.

These are VERY busy people. They do not have the time nor the interest in reading about your trials and tribulations or plans for the future. They want only "a flag" that alerts them to something new and of probable real interest to their readers.

Sell the editor first. Convince him that you've found the better mousetrap. Show him that your service - that your business

- fills a need and/or will interest a large segment of his readers, his viewers or listeners.

There's an art to writing a press release. Do NOT write it like an advertisement - it will get roundfiled immediately. Write it like either a hard news story or a feature, in the style of the publication you are targeting.

When an editor uses your publicity release, always follow-up with a short thank you note. Never, but never send a publicity release to an editor and then call or write demanding to know why he didn't use it, use it as you wrote it, or only gave you a quick mention. Do this once, and that particular media will "round-file" any further material received from you, unopened! If your first effort is not used, then you should review the story itself, perhaps write it from a different angle; make sure you're sending it to the proper person - and try again!

As stated earlier, these people are busy, with hundreds of publicity releases passing across their desks every day -

They only have so much space or time - therefore, your material has to stand out and in some way, fit in with the information they - the editors- want to pass along to their readers, viewers or listeners. You must build your press release - write it - around that particular angle or feature

that makes it beneficial or interesting to the readers, viewers or listeners of the media you want to run your press release. Without this special ingredient, you're lost before you begin.

The timing of your press release is always important. Try to associate your press release with current events in the news. A story on a large office building burning, leaving hundreds of businesses without access to their data, should prompt you to get a publicity release out to all the media on how your service could have helped.

Look for disasters in the news. Especially ones that effect business. Storms, earthquakes, fires, chemical spills, power outages - all these are potential vehicles for a timely press release.

Our sales as a direct result of that one article were three times our normal sales from our ad in the same magazine.

There's another kind of timing also to keep in mind, publication deadlines. For best results, always try to time it so your material reaches the editor in time for the Sunday paper. This is because that's when the papers have their greatest circulation; the most space is available, and the people, the most time to read the paper.

For articles you'd like to appear in the Sunday paper, you'll generally have to get your releases in at least nine days prior to the date of publication. If you're in doubt, call and ask about the deadline date.

IN SUMMARY:

Choose the media most likely to carry your press release. Select those that carry similar write-ups on a regular basis.

Always use a cover letter of some kind. It pays to call ahead to find out the name of the person you should be sending your press release to.

Use the proper press release form, complete with a headline that will interest the man deciding whether or not to use your item.

Be sure your press release is letter perfect - no typo's nor misspelled words - and don't photocopy - always have each letter or press release individually typed or printed.

When your item is used, send a thank you note or call the editor on the phone and thank him for using your press release. DO NOT tell him how much money you made from it nor how many new customers you got.

Never, but never call or write an editor demanding to know why he didn't use your press release, why he had it rewritten or cut it short - just try, and try again!

Writing Your Own Press Releases

The word “Press Release” seems to scare most people to death. On top of that not many people take the time to even think of writing their own Press Release. This chapter will help clear up some of the mystery’s surrounding this simple form of marketing.

Reviewing: *A good press release is less than a page, and describes your new service in the style of the target publication. It can include a picture. The picture should be 4 x 5, black and white, higher contrast than normal, and on glossy paper.*

Send your press release to the editor with a short cover page saying that you are available for an interview. Real editors are every bit as busy and, yes, sometimes as grumpy as the ones you’ve seen on TV. Don’t waste their time. Just come right to the point, thank them for their time, and close.

Don’t call them on the phone, don’t beg them to run your press release, and for gosh sake, don’t send them sophomoric trash. They will toss it in the wastebasket quicker than you can say “Perry White.”

Press releases are great. You couldn’t buy the kind of exposure a good press release will get you. Your potential clients are much more likely to believe your claims if they read about them in an article in the newspaper than if they see them in a paid advertisement. And believe it or not, most publications print them verbatim, without ever checking your facts.

Press releases can be so important that some hire professional writers to write them for you. This chapter will teach you how to write your own.

The first thing you have to remember is that a Press Release is a “news” item. It needs to “inform” people, NOT sell them something. For example, you are reading this report because you want to learn something that will BENEFIT YOU. You

aren’t reading it just so you can buy something else. If money is the driving force in your business you won’t go too far. Your main goals should be in pleasing customers, providing them with a high-quality service and more than their money’s worth. The trick is to do all this while still making money. People don’t care what mountains you had to climb, what seas you had to cross or what tribe of people you had to learn the ways of just to find a secret formula. Instead they want to know WHAT the secret formula is.

The sales circulars you print and mail sell your service. A Press Release informs others about your service. Instead of

your main objective being to sell your service and have the customer send in an order immediately, a Press Release informs the customer exactly how your service will benefit their lives.

This must be conveyed in the form of a “newsworthy” Press Release. If you have a sales circular to sell your service, you can turn it into a Press Release without much difficulty. It’s just a new marketing angle of presenting your service to the public.

The following is an example of a real Press Release RBS used in January, 1994. This release, and parts of it, are STILL being quoted today.

**1 January 1994
For Immediate Release
Local Company Launches
Automated Offsite Backup Service**

The person you send your press or publicity release to, must quickly see and understand how your service will benefit his readers...

Remote Backup Systems, a developer of microcomputer software and industrial instrumentation, has announced the introduction of a service providing automated backups for PC-compatible computers and networks.

“People out there are playing Russian Roulette with their businesses,” explains Rob Cosgrove, President of RBS. “Everybody hates to do backups - many have never done one correctly and don’t even know how!”

Cosgrove continues, “So they have this massive amount of data upon which their entire business relies, and absolutely NO protection for it. With no way to recover from even a minor glitch, if the computer hiccups, business screeches to a halt. Many people don’t realize that the value of their data can easily exceed the cost of their computer itself.”

Proper backups, Cosgrove says, require the regular, scheduled removal of complete copies of data from the computer and the premises. These copies must be verified, stored offsite, and rotated regularly. Proper backups can substantially minimize losses due to computer failure. Even a total failure like a catastrophic fire that destroys the computer itself can usually be recovered

within 24 hours using new or loaner equipment and RBS' backups.

Using custom software and an Internet connection, RBS' system automatically performs unattended offsite backups at night, when most businesses are shut down. All the customer has to do is leave the computer or network turned on for the night the backup is scheduled.

Here's how it works. At a preset time late at night, the customer's computer automatically wakes up and prepares its data for backup. When the data is ready, the computer contacts RBS' computer and transmits the data. RBS' computer verifies and stores the backup. The next morning, the backup is transferred to a tape and deposited in a fireproof vault in Memphis.

Customers pay a monthly fee. The pricing plan is similar to that of cellular telephones, and ranges from \$25 a month to \$250 a month depending on usage.

Remote Backup Systems can be contacted at 901-000-0000.

Storms, earthquakes, fires, chemical spills, power outages - all these are potential vehicles for a timely press release.

Here's a great test for a real press release. Since your final sales pitch is included in the last paragraph read the Press Release aloud. Would it still be worth reading WITHOUT your sales pitch? If so, it's probably a good Press Release.

Press Releases come in many forms. However, the basic rule of thumb still applies. If you've never written one before it may be a little difficult. Don't despair. Grab the latest daily newspaper and read some of their informational articles. Notice how each article is written and pattern yours after the same format. After you do a few of them you'll be able to "get the picture."

Press Releases are usually written in the journalistic "Inverse Pyramid" style of writing. The most important information in the article is contained in the headline. Then, information decreases in importance deeper into the article. This style allows for quick newspaper reading. You can stop anywhere you like when you've read enough of an article, and be sure that you haven't missed anything more important than you've already read.

When your Press Release is written to your satisfaction, the proper way to submit it to a publisher is: Be sure and type it on a typewriter or computer. Standard format is double-spaced and not longer than two 8 1/2x11 pages.

Remember to write the note: "For Immediate Release" at the top. If you are only sending the press release to one publication tell them it's a "first run."

1 January 1999

**Perry White
Editor
Metropolis Daily Mirror
1234 Main Street
Metropolis, New York 00000**

The most important information in the article is contained in the headline. Then, information decreases in importance deeper into the article.

Mr. White:

What if your building burned, and all of your computer files with it? Would you be able to recover quickly and carry on business as usual?

Most businesses couldn't. One study reports that businesses lose two to three percent of their gross sales within eight days of a continuing computer outage. The same study reports that those who lose the use of their computers for ten days will never fully recover. Half of these will be out of business within five years.

Another study discloses that nearly half the companies that lose their data in a disaster never reopen.

These are alarming statistics, and I can change them. My company does automatic, unattended, offsite backups of critical computer data over the Internet. Our system operates at night when businesses are closed.

The enclosed press release describes my service in greater detail. If you'd like more information, please phone me at 000-000-0000.

Thank you for your time.

Letter and Brochure

When people phone for information, you will need something to send them. You will need to come up with a letter and a brochure describing your service while doing a little soft-sell.

The letter can be more involved than the cover letter to the editor. It should present enough information to snag your prospect's interest and make him curious enough to want more.

The following example is a four-page document that can be sent to people who request information. It really isn't a letter, and it isn't a brochure, but it packs a lot of information and does a reasonable job of selling.

Modify this example to fit your needs for letters and brochures.

Thank you for your interest in RBS' Remote Backup Service.

RBS' Automated Offsite Backup service allows your computer to automatically perform unattended offsite backups after business hours, ensuring that your valuable data is always safe and can be recovered quickly, even if there is a catastrophic loss.

The service is simple, inexpensive, and 100% reliable. All you have to do is leave your computer or network turned on for the night your backup is scheduled, and we do the rest while you sleep easily.

Many people don't realize that the value of their data can easily far exceed the value of their computer system itself. Suppose, for example, you have a generic Pentium microcomputer, 6.3 Gig fixed disk, VGA monitor, and laser printer, altogether worth approximately \$2,000.

If you pay someone \$7.00 per hour to enter data, say, accounts receivable, payables, payroll, etc., you spend (taxes and all) approximately \$1350 per month for that data. In two months you have spent the value of your computer for data entry alone. The actual value of your data is quite higher than this, however, because of its intrinsic value to your business.

What if you lost it, suddenly, without warning? What would be the cost to your company in lost data entry time, lost billing, and recovery time? What if some of your data simply could not be replaced?

RBS' Automated Offsite Backup Service ensures that this will never happen to you. We will maintain a fresh rotation of backup data for you, automatically, stored on computer tapes in a climate-controlled, fireproof, burglarproof, earthquake-proof vault, ready for immediate use.

Using RBS' backups, you can be back up and running, usually within 24 hours of a catastrophic loss (even if you lose your computers in a fire), or within hours of a minor loss.

What if you already do your own backups? QTI can still help. We have found that most people who do their own backups often fail in one of the following ways:

They don't have an adequate disaster plan. This is a plan designed NOW, to be implemented quickly and automatically if there is a catastrophic loss. It's designed to eliminate planning after a loss, when your time is better spent recovering.

They don't do regular backups. Regular backups are essential to a proper backup strategy. Most business people are very busy with running their business and don't seem to remember to back up regularly.

They don't take their backups offsite. People who are able to do backups on a semi-regular schedule practically always leave their backups at the office, where they can be destroyed in a fire right along with their working data.

They don't back up the right files. Many people who do regular backups don't back up enough files, or back up too many files of the wrong kind. Some files don't ever change. These only have to be backed up and verified once. Some files change regularly, and should be backed up often. As your use of your computer changes, you should also change your backup strategy.

They don't realize their backup is no good. It's easy to assume your backup has been done properly and reliably, only to find out later that your diskettes or tapes are damaged, and your backup is worthless. A proper backup strategy takes into account the possibility of damaged media, and solves the problem with redundant copies, integrity checks, and benchmark archives.

All computer users know they should back up their data. However, fully half of business computer users never back up at all. Reasons are many and varied, but here are some of the most common:

It takes too long. Yes, it does. Especially if you are using diskettes for your backup media, as most microcomputer users do. Even if you have a tape drive, it can take quite a while. It's annoying to have to swap diskettes or tapes, or remember which tape or diskette to use. It takes time away from your normal business activities, and it's just plain boring.

They don't know how. This isn't as trite as it sounds. Performing a proper backup is more than just copying groups of files to diskettes or tapes. It involves selecting which groups of files need to be backed up, and when; verifying and properly dating backups; maintaining the proper rotation of redundant backup copies; modifying the backup strategy as your use of your computer evolves; adding new file groups as you add new programs; and periodically updating your disaster recovery plan.

They forget. In the heat of business, when daily tasks must by necessity be prioritized, backups sometimes end up scheduled in importance somewhere between emptying the waste basket and sharpening pencils. Backup time is often the end of the day when you want nothing more than to just get out of there. Staying late to do a backup just isn't in the plans.

They think it'll never happen to them. Oh, yes it will. It happens to EVERYBODY, sooner or later. Do you really think your hard drive will last forever? Fixed disk errors are a fact of life with computers. Sometimes errors are minor, damaging only one file, and sometimes they are major, wiping out the entire disk. These spinning metal platters with heads floating precariously close have become deceptively reliable for

the complicated and intricate nature of the technology. It's easy to be lulled into complacency. Don't.

To use RBS' Automated Offsite Backup System, you will need an Internet connection (if you don't already have one), and our special software.

At a preset time, your computer wakes up and compresses the data scheduled for backup into a securely encrypted format, ready for backup. It then uses the Internet to contact RBS' archival computer in Memphis. After properly identifying one another, your computer transmits its backup to Memphis.

When finished, RBS' computer again verifies the data, and informs your computer that the files are secure. Your computer then drops its Internet connection and goes back to sleep.

In the morning RBS transfers your data to tape and stores it securely in the vault. That's a simplistic account of what happens, but it gets the point across. Your data is safely backed up, offsite.

When you need it you can restore your data over the Internet, too. We can even supply emergency short-term rental computers for you to use.

Following is the schedule of services and prices.

Monthly Service Fee

The monthly service fee is determined by the number of backup sessions each week.

Backups	Monthly fee
1	\$ 00.00
2	\$ 000.00
3	\$ 000.00
4	\$ 000.00
5	\$ 000.00
6	\$ 000.00

Storage Fee

The storage fee is charged per megabyte (million characters) of compressed data. Usually, data can be compressed to about 20% its original size before storing. ASCII (mainly text) files can be compressed to about 15% percent their original size. The storage fee is determined by the speed at which the data is transmitted. The faster your Internet connection, the cheaper the fee. Storage fees are charged per megabyte, per month. For example: 10 megabytes of compressed data (that's 20 or 30 megabytes of original, raw data) transmitted by a 2400 baud MNP-5 modem would incur a \$15.00 per month storage fee.

Modem Speed	Fee
2400 baud	\$ 0.00
9600 baud	\$ 0.00
14,400 baud	\$ 0.00
28,800 baud	\$ 0.00
56 KBaud	\$ 0.00
ISDN	\$ 0.00
Cable Modem	\$ 0.00
DSL	\$ 0.00

Setup Fee

RBS charges a setup fee of \$000 to cover your purchase of our automated scheduling software and the design of your backup schedule.

Additional Services

RBS provides additional services that can be performed automatically at the time of your backups. These include fixed disk verification and repairing bad sectors; disk optimization (for faster disk speed); deleting and/or moving selected files by dates; deleting files older than a preset number of days; and scheduled network maintenance.

We also offer disaster and data recovery services on a per-hour basis.

Billing

You will be billed once a month for the service fee for the next month, and the storage fee for the previous month. We require the first two months' payment in advance. Bills are sent out by the fifteenth of the month and are due by the first.

Along with your bill, you will receive a statement of work performed. It lists the dates and times of all backups, the amount of storage space required, the names and original sizes of the files backed up along with the last date of modification of each file. The statement will also include a report of any errors encountered in your data, or trouble with the backup process.

If we are performing network maintenance, disk compression, or any of our other automatic services, you will also receive a report of the outcome of those operations.

RBS' Remote Backup Service really can save your business. Call us today to discuss your needs.

Business Reply Cards

What can I say about Business Reply Cards, except that they work. Their price seems expensive, but when you get one back in the mail, you know you have an interested prospect. Would you pay less than a dollar for an actively interested prospect?

The post office can answer all of your questions about how to get set up with a Business Reply Mail account.

Direct Mail

If you are going to use Direct Mail, here are a few tricks of the trade that can help you save money on your campaign, get your envelopes opened, and let you predict the future! Direct mail may be the most pervasive approach to marketing ever. Direct mail has been used by so many companies for so long that there are a lot of data about it. In fact, a fairly

exact science has developed around it based on reliable statistics. There are tables and charts, calculators and spreadsheets designed to boil direct mail down to predictable math.

Look at your own mail from today. You have a few bills, a magazine, a letter from your mother, a newsletter from your running club, another America Online CD, an offer to change your long distance service, your official notice from Publisher's Clearing House (congratulations!) and a white business-sized envelope with a first-class stamp and a return address you don't recognize.

Right away you are going to discard the newsletter, the AOL CD, the long-distance offer, and the Publisher's Clearing House letter (Oh, you fool.) without opening them. Why? Because you already know what's in there, and you are not interested.

The pieces of mail you didn't immediately toss are going to get your valuable attention, at least for a few seconds. You'll open the white business-sized envelope with a first-class stamp first because you are curious - it's the only one who's contents you aren't sure about.

And THAT'S the one that contains a message from the Remote Backup Service provider who's going to save your business next month after a water pipe breaks and trashes your Server room.

Direct mail is all about getting the most people to read and respond to your advertising message for the least cost, and in the most predictable way. As such, direct mail has been used to test marketing concepts and products before spending money on full-scale coordinated campaigns and production schedules.

Test, Test, Test

Direct mail can also be used to test the effectiveness of your direct mail itself. Here's an example, and a few figures. The average percentage of people who respond to an offer

made through direct mail is .015. That's 1.5 percent. So, on average, 15 people will request more information or buy a product presented to them for every 1000 mailing pieces. This average is based on doing a few things right - things that most marketers know through common sense, like presenting an attractive and reasonable offer.

But, what constitutes a "reasonable" offer isn't an exact science. It can, however, be tested for. In a very simple test, you'd send out 1000 letters advertising a product for \$20, and 1000 letters advertising the same product for \$19.95. You code your response vector so you know to which offer a prospect is responding. An example of this is where you list a telephone number with an extension number. Offer "A" goes out telling people to phone 555-5555 Extension "A" while offer "B" goes out telling people to phone 555-5555 Extension "B".

After you calculate your response rate for each offer by dividing the number of responses by the number of mailing pieces (1000) you'll know which offer pulls better. Now do a mailing of 10,000 with the one that worked better.

Now you can see how doing a simple and inexpensive test can make you more money. Suppose the response rate for example "A" was 2 percent, while "B" was 4 percent. If you had just assumed the public would respond to a \$20 price adequately, you'd have missed twice your amount of sales. In this example, using the "B" mailing for the big 10,000-piece campaign made you \$7,980 instead of the measly \$4,000 you would have made with your first idea. The numbers get really high as you send more mailings.

You can test all sorts of things this way. Test the size and shape of your envelopes. Test their colors, their weight. Test days of the week, zip codes, SIC codes. Put a splash of color on a white envelope and test that. After a while you'll come up with a perfect combination of mailing piece and offer that you can use for a while.

Don't assume you can use the same mailer forever, though. They DO get stale. It's best to test, test, and retest. Most good marketers test constantly, even during their main campaigns using hundreds of thousands of mailing pieces.

Your Built-In Crystal Ball

Now, here's how to tell the future. You can calculate how many responses you are going to have halfway through your response cycle. This will save you days, even weeks deciding if a mailing worked. After you send out your mailing, it will take a few days for it to get to its targets. When you start receiving responses, count the number you get each day. Suppose you get your first two responses on Monday. Four more come in Tuesday, and fifteen on Wednesday. Thursday sees eight responses. Your mailing peaked on Wednesday, because Thursday was the first day you saw a decline in responses.

Now, count the number of responses you received up to and including the peak day. In this example, it's twenty-one. This represents half the number of total responses you are likely to get to this mailing. So, three days into your response cycle you know you will have forty-two responses to this mailing, and that you will likely get very few responses after Friday.

This example is a very short time period. Usually you can expect a response cycle to be more like two to three weeks.

Tricks To Increase Response

There are a number of things you can do to increase your response rate, and more are being discovered all the time. For the best up to date ideas, watch your own mail and pull out pieces that get your attention. Companies spend millions of dollars testing and refining their mailings. You can learn from what they do.

Add a splash of color. With an inexpensive color printer and blank labels, this is an easy thing to do. You can spruce up a number ten white envelope with a small red and yellow label placed at a jaunty angle on front.

Print a "teaser" message on the envelope or on a label. Hint at what's inside. Make your prospect curious.

Hand address the envelopes. This is tedious, but tests prove it's good for as much as a two percent increase in response rate.

Use a real stamp. Don't meter your mail. Sure, it takes a little longer to prepare, but it's good for a half-percent.

Use first-class mail instead of bulk. This is good if you want to maintain your mailing list for future mailings. First class mail is returned to you if it can't be delivered. If you intend to send more than one mailing to the same list, you'll save a lot of money by removing addresses to which your letters aren't going. You wouldn't know about these if you used bulk rates. Include a Business Reply Postcard. These are expensive, but well worth it if used properly. Contact your local post office for details.

Use ALL the ounce you have. Don't waste that postage! You're paying for a full ounce, use it. A single number ten business-sized envelope with two computer-generated labels and a stamp can usually deliver three pages of paper in just under an ounce. When you produce your mailing make sure you are consistent from beginning to end in the weight of your materials, and use a digital scale to make sure they are not heavier than one ounce.

Make it look like it came from a lawyer. That is, make it look really professional. This isn't a good idea in all cases, but you might try it. Again, look at your own mail. What do you open? What do you toss?

Point Of Sale Displays

One of the best advertising methods is to place a small plastic stand at the checkout counters in computer related stores. The display can contain business cards printed especially for the point of sale display, or brochures with business reply cards.

Code your advertising pieces so you'll know where your prospect picked up his card. Offer the store a finder's fee. Meet with computer salespeople and offer them a finder's fee for referrals.

Newsletters

People like to buy services from experts. Newsletters make you look like an expert. Like speaking engagements, newsletters get the word out very efficiently that you are the expert in your subject. People will remember your name when they need you.

If you don't have time to write your own newsletter, you can buy them in various forms ranging from text-only to the full layout and printing.

Speaking Engagements

Speaking to groups about your service is among the best things that you can do to promote your RBS. The Rotary Club, the Jaycees, and any general business group is made of members who need your service.

This is a compelling topic. People will be interested. Make the best of it and get up there with your overheads and brochures. How often do you get the opportunity to pitch a room full of captive, qualified prospects?

Schmoozing

The Chamber of Commerce is a wonderful place to get business. Do the morning breakfast meetings. Serve on committees. Volunteer for things. Pass out business cards. This will be one of your best sources of business.

Who to Sell To

Most remote backup services target the same demographic: small businesses who use computers. The most promising prospects are those whose data represents some liability.

This includes dentists, lawyers, physicians in private practice, departments of hospitals, emergency service companies, and alarm companies.

Any business that relies on its data to stay in business is a prospect.

Proper Backups

A proper backup regimen ensures that if there is a disaster like a fire that destroys a company's computers, it can recover with new computers and very little loss of data.

Most people underestimate the value of the data they enter into their computers, thinking that the most valuable part of their computer system is the hardware. It's easy to think of computers as being valuable when you have to write a check for thousands of dollars to buy them.

However, after computers have been in use for a while the data becomes very valuable indeed - much more valuable than the cost of replacing all the computer hardware. The salaries of employees who enter data, the lack of redundant paper records, and an increased reliance on the computer contribute to the increased value of the data.

Consider the cost of salaries for entering, from scratch, a single year's worth of data lost in a fire. Consider the cost in lost business due to the inability to send invoices for goods sold, or to send mailings to a computerized customer list.

Every day all around the world the presence or absence of proper backups makes the difference between saving companies and losing them to disaster. An adequate backup regimen is the cheapest insurance a computer-reliant business can buy.

During an average Remote Backup session computer files are compressed, encrypted, and transmitted to an offsite location, automatically and without user intervention. Most often, Remote Backups are scheduled during the hours when the client company is closed. This procedure solves two of the most common problems computer users have doing backups: getting backups offsite, and doing it regularly.

Most companies using computers are not in business to *use computers*. They may be in business to sell insurance, repair shoes, or forward freight; and they are experts at what

they do. But, they are not generally experts at maintaining their computerized data. Thus, their computers and data get little attention until there's trouble, when it's often too late to do anything about it.

It has been estimated that less than half of companies without a dedicated data processing department do regular backups. Other well-meaning business people, acting on incomplete advice from long ago, adhere to a backup regimen that is dangerously inadequate. Most who do regular backups, adequate or not, leave their backup tapes or diskettes at the business where they can be destroyed in the very catastrophe they are doing backups to avoid.

Backup Strategies

You will be accepting data from your clients in the form of a set of compressed files, one set for each backup session. You may have many clients' backup files on a single hard drive at your office, and on tapes stored offsite.

For around \$3,000 you can buy your own fireproof vault suitable for storing computer media. DO NOT rely on the small, inexpensive fire safes you can buy at discount office supply stores. They are not adequate for your needs.

Most popular and inexpensive fire safes are designed to offer a protection for paper documents only. They do this by releasing moisture from their insulation into the safe compartment. This raises the humidity inside the safe and lowers the flash point of the documents.

Not only is computer media destroyed by far less heat than paper documents, but it is also damaged by high humidity.

Even so-called "Media Safes" are inadequate for your needs. Locate a bank close to your place of business and rent a box in their vault if you do not own a fireproof vault.

There are two main types of backups: incremental and full.

An incremental backup (sometimes called a *modified backup*) backs up only the files that have changed since the last backup session. A full backup backs up an entire file set.

A file set is the group of files you want to back up regularly. It can be the entire disk, an entire subdirectory (or subdirectories), or individual files. Your RBS software will let you specify which files to back up in file sets.

You should use one of the following rotation methods to back up your own RBS Server. Your RBS software may also allow you to specify a similar method for backing up your clients.

In these examples we talk about "volumes." A "volume" is any removable media or set of media that holds a complete backup. A volume can be a single tape or a single DVD or CD, or it can be a series of tapes or rewriteable CDs or DVDs in case a single backup won't fit in just one.

The Grandfather rotation uses four volumes Monday through Thursday - one for each day of the week - for modified backups. Three volumes are used for full backups on Fridays. The remaining twelve volumes are used for full backups once a month.

The Grandfather/Father/Son rotation stores data for twelve weeks and requires ten volumes. It uses each volume the same number of times over a forty-week period, so it allows volumes to wear evenly.

To start this method of backup, do a full backup to volume number 10 on Monday. Then do an incremental backup to volume number 1 on the same day. This makes sure you have a four-week-old copy at the end of the first cycle.

Thereafter, use the same four volumes Monday through Thursday in a given month, and a different volume each Friday. Use the four Friday volumes for backing up Monday through Thursday the next month, and rotate the previous month's weekly volumes to Fridays.

Modems and Internet Connections

You can offer your Remote Backup Service over the Internet or by way of direct dialup telephone modems. A typical RBS Server is connected to the Internet full time through a Cable Modem or a DSL connection, and its clients contact it by using telephone modems to dial up their Internet Service Providers for an Internet Connection, which they use to contact the RBS Server. This is the preferred method because it allows a single RBS Server to handle many simultaneous backups through a single Internet connection.

Of course your Clients can use any method of connecting to the Internet - they are not required to use a telephone modem, that's just the way most do it.

The speed of the backup is determined by the slowest link in the network between your RBS Server and your client's computer. If your RBS Server is connected to the Internet at 512mbps and your Clients are dialing up their ISPs using a 56kbps modem, the speed of the backup will be 56kbps.

Some RBS Providers offer a level of service that does not use the Internet. They install modems on their RBS Server, and their Clients dial directly into the modems. This type of service is most often offered when there is not Internet connection available. It is much more troublesome and difficult to maintain.

With a 2400 baud modem, 1MB of compressed data takes 72 minutes to transfer. With a 14.4kbps modem, it takes only 11 minutes. At 28,800, it's 6 minutes. At 56K, it's 3 minutes. At 2-channel ISDN speed (128K) it's about 1.5 minutes.

It is important to understand some of the technical aspects of modems, as they apply to data transfer. The most important aspect is speed. However, modem sales literature is somewhat "loose" in its definition of speed.

Modem speed is specified several ways, and often incorrectly. Three units of measurement commonly used to describe how fast a modem can communicate are bit, byte, and baud.

A bit is the smallest unit of digital data and represents one of two digital states, OFF or ON. OFF is reflected as zero, and ON as 1. To convey complex information, it is necessary to use groups of bits called bytes.

A byte is a group of bits that usually symbolize a single printable character, like those making up the words on this page. Bytes are usually between four and eight bits long, and sometimes longer. Eight is the usual number.

There are 256 possible combinations of bits within one eight-bit byte. Therefore, there are 256 characters (some printable and some not) available for use by PCs.

The previous paragraph contains 161 printable characters (including spaces), and six non-printable characters. The two non-printable characters at the end of each line are called Carriage Returns and Line Feeds. So, the paragraph is 167 bytes long. At 2400 baud it would take .01 second to transmit the paragraph in its native form. At 14,400 baud it would take .002 second. You get the idea.

The text of this entire book could be transmitted at 28,800 baud in compressed form in about 30 seconds, and in less than three seconds with Cable modem or DSL.

The term most commonly used to describe communications speeds is baud. A *baud* is not a bit, and it is not a byte. The term originally referred to the speed a telegrapher could send Morse code. It was named after the French inventor, *J.M.E. Baudot (1845-1903)*, and specified the number of times per second a signal changed states.

A device operating at 2,400 baud changes states 2,400 times a second. 14,400 baud devices change states 14,400 times a second. So, the baud rate of a device correlates to the number of bits being transmitted per second. You'll sometimes see this specified as "bps" (Bits Per Second). Although baud rate tells you how fast a modem is communicating, it doesn't necessarily tell you how much information is being

Elements of Proper Backups

- √ **A complete backup is periodically done of all files.**
- √ **More frequent incremental backups are done on a regular basis, supplementing the complete backups in a rotation that allows several generations of modified files to be kept on file.**
- √ **Backups are verified to ensure that the proper files were copied error-free.**
- √ **Backups are removed from the computer site to insure that a catastrophe striking the onsite data doesn't affect the backups.**
- √ **The offsite backup is secure from theft and damage.**
- √ **The list of files being backed up is periodically updated.**

transmitted, or how fast. For that, you have to look at the modulation method used by the modem, the size of the bytes it transmits, and the compression protocol.

Most PC communications devices use a modulation method that adds two bits to each byte, transmitting 10-bit bytes. The additional bits are called a stop bit and a check bit. They are used by the devices to make sure data gets transmitted accurately.

To calculate the time in minutes required to transmit a file, divide its size by the speed of the modem, then divide the result by 6.

$$\text{(File size / modem speed) / 6 = transmit time}$$

Transmitting a one megabyte file at 56,000 baud takes 2.97 minutes.

$$(1,000,000 / 56,600) / 6 = 2.97 \text{ minutes}$$

Transmitting a one megabyte file at 1,000,000 baud (1mbps - typical DSL speed) takes 2.97 minutes.

$$(1,000,000 / 1,000,000) / 6 = 0.16 \text{ minutes (9.6 seconds)}$$

Data Lines and ISDN

While most present telephone systems are limited to the speed of modems, switched data lines are available in many areas. Instead of a modem, a synchronous serial port and *Customer Service Unit/Data Coupler Unit (CSU/DCU)* or *ISDN Terminal Adapter* will be needed. ISDN is capable of transmitting data at a rate of 128KBaud. At this rate, 1MB of compressed data will transfer in less than 1.5 minutes.

Check with your local telephone company on the availability of these advanced services.

Cable Modems and DSL

Cable Modems operate over the same lines as Cable Television, and are often supplied by the Cable TV operator. If

your Remote Backup Server operates on the Internet, you can accept backups from customers who have Cable Modems. Your Server can even be connected to a Cable Modem. Speeds can be very high and reliability very good. Cable Modems are "always on," which means you don't have to dial a telephone number to gain access to the Internet.

DSL (Digital Subscriber Line) is a high-speed data service usually provided by your telephone company. It comes into your home over copper wires similar to your telephone lines. DSL speeds are comparable to Cable Modem, and reliability is much higher. The operational difference is that with Cable Modems you are sharing bandwidth with others in your neighborhood. With DSL the bandwidth is all yours. So, if you have a choice, DSL is much better.

Data Restoration

Restoring data to a clients' hard drive is usually very easy. Usually, a client wants to restore a single file that has been accidentally erased, or a subdirectory, or the latest version of a file set.

In this case, he can do it himself with no help from the Service Provider. The Remote Backup Client software has a built-in Restore option that lets your client pick files he wants to restore. Then, Remote Backup Client restores them automatically, downloading files from your Server as needed.

In the case of a complete system crash - where your client's hard drive is unusable, he will need to call in a computer consultant or hardware expert to repair the damage. When a new drive is installed, or the old one fixed, he can download the files he wants to restore using Remote Backup Client's Restore option.

Disaster Planning

Entire volumes are written and courses taught on disaster planning. The topic is well beyond the scope of this book, but a few points are worth mentioning.

Companies that have a disaster plan are much more likely to survive a catastrophe. Any good disaster plan will include offsite data storage for physical records and computer data. A Remote Backup Service should be a part of that.

All businesses need disaster plans to protect their computers and data from fires and theft. In addition, those located in earthquake zones need a special plan to deal with tremors. An earthquake plan can save computers and data, and make it possible to continue to work during periods of frequent aftershocks.

Turn off all computers, and leave them off. This is to protect their hard disk data. Move these computers to a safe location in the building that could be accessed more easily than other places in case the building collapses.

Use only computers in tower cases located under tables or desks.

There must be a single switch to shut off the computer and monitor, so that the computer can be shut down instantly in case of a big aftershock.

Keep fresh backup tapes (and diskette backups) in a briefcase by the door, ready to be grabbed on the way out.

Make diskette backups before you leave the building for lunch, and again at the day's end. Back up any important items that are not on the tape backup.

Do not run the network. This is to prevent the loss of data on the server.

When you are working in an important document or file, save your work often. Activate the program's autosave

feature if it has one.

Install surge protectors on all modems.

Shut off the computer immediately when a big aftershock occurs. When the aftershock is over, restart the computer and run a diagnostic utility to be sure the disk wasn't damaged.

Use a low-level format program (like Norton Calibrate or SpinRite) after all the quake activity is over. You can optionally back up the hard disk to tape and use the DOS reformat program, then restore from the tape backup.

Place computers located on the first story on one inch of shock-absorbing, closed cell foam.

Disaster Prevention - Protecting Your Business

by *Miriam Kahn - MBK CONSULTING*

Consultants specializing in Disaster Preparedness and Response.

Proper protection of any business, big or small, requires forethought, planning and testing. It is essential to be able to get the business up and running as quickly as possible. Surveys show that only 19% of companies have a disaster response or business resumption plan. A plan is important, no matter whether the company is technology based or paper based. Restoring data and the database architecture is a key element in a disaster response plan, but it is not the entire plan, nor will the business recover just by recovering data!

Chances are that the disaster will strike at the least opportune moment, during a three-day weekend or just before the head of MIS goes on vacation. Planning is essential for swift resumption of business and operations. Examine all the functions of the business and determine what is essential to keep the business going. Planning does not stop when the computer data is restored. It will take days, weeks or months to get all functions back to normal, depending upon the extent of damage. In extreme cases, the resumption of functions and replacement of contents may stretch for years.

PLANNING

Set up a Disaster Response Team and designate one person to act as leader for the team. Select an alternate for each team member. Assign recovery duties to each member and his alternate. The team will have to lead the recovery of that specific area or function. Preassign responsibilities and authority to team members and administrators:

Chief Executive Officer: *make overall decisions, direct actions!*

Chief Financial Officer: *allocate financial resources, insurance*

Management Information Systems: *get data and computers up and running*

Team Leader and members: *oversee details of response actions, carry out physical recovery efforts, train staff as needed in recovery efforts.*

Public Information Officer: *communicate with media, customers, facilitate internal communications*

Consultants: *help set priorities, secure assistance and resources.*

PREPARATIONS

1 Make up floor plans. Draw a simple map of each floor. Indicate where each office function is performed, including payroll, personnel, computers, etc. Include the location of fire and smoke alarms, fire extinguishers and emergency exits. Locate the internal water, electricity and gas shut off valves.

Have the Fire Marshall and the Police tour the facility and offices to familiarize themselves with the layout. The Fire Marshall should point out all potential fire hazards and code violations.

2 Select an alternative site to operate from in case the building is inaccessible, due to fire, flood or hazardous waste. This alternative location is also important if electricity or telecommunications are unavailable for more than a few hours. This location should be large enough to hold essential staff, operate computers and perform all primary functions to keep the business alive and healthy. Make certain that telecommunications can be available within three hours of declaring a disaster.

3 Allocate funds to cover the insurance deductible, incidental expenses and some rental expenses. Insurance reimburses most expenditures. Maintain a positive relationship with the bank and the company's CPA firm. This will help speed up loans and tight credit situations that will occur after a disaster.

COMPUTERS

1 Establish regular and appropriate backup routines of data and software. This is particularly important if the software and operating system is obsolete or modified to perform unique functions.

2 Store backup copies offsite. Select a safe location that is near the business, take the copies home, or send them by Remote Backup to a remote location. Offsite storage is essential to prevent loss of original and backup files. Planning does not stop with backing up the database and data.

3 Protect hardware from damage. Do not place computer equipment under water or heating pipes. Do not store computers in the basement. Regular maintenance is important for complicated computer systems and LANs. Good surge suppressors are essential for computer equipment. An Uninterruptible Power Supply (UPS) is important for a controlled shut down during a power failure. Keep a list of all hardware and the configurations that are essential to get critical computer systems up and running.

4 Include PCs in the MIS contingency plan. PCs are such common pieces of equipment in offices that they are often overlooked in the planning process. Planning does not stop at the mainframe or minicomputer. Ask everyone who works with a PC, and they will confirm that their most important data, contacts and papers are stored on the PC or on diskette. Establish a backup routine for the PC to prevent loss of local and personal data. This aspect of contingency planning is vital for offices using LANs or networked systems.

5 Prepare for loss of access to on-line information by setting up a contingency plan for telecommunications access and searching from a remote location. Keep a list of account numbers, phone numbers, passwords and technical support. Write out the logon protocol with simple instructions so anyone can access the on-line services. The same type of instructions should be developed for operating the routers, modems, switches and communications software. Store an extra copy of these instructions at the remote location.

VITAL RECORDS

1 Back up vital records and store them offsite. Vital records include Contracts, Incorporation Certificate or papers, Titles and Deeds, and Stock Records. All By Laws, Resolutions, Ownership and Lease Papers, and Board of Director's Minutes should also be stored offsite. Photocopies or microfilm are not always acceptable alternatives for lost or damaged originals.

2 Store duplicate accounts receivable and accounts payable records offsite, together with key elements of personnel files (emergency contact information and phone numbers) and payroll information. Never assume that the service performs backups and duplication. ASK.

3 Keep a current inventory of equipment, contents and valuable records with the insurance contracts in an offsite location.

4 Establish a records retention schedule for paper and computer documents. Store these items offsite and destroy records when they are no longer covered under the records retention schedule. Laws for retention of business records vary by state, so check with local government agencies or records management consultants.

5 Duplicate essential files, projects and information and then store offsite. If records and documents are transferred to microfilm or microfiche, store the Master copy offsite and use the Use or Duplicate copy on a regular basis. Make copies from the Master copy only when the Use copy is not longer readable. If the company uses jacketed fiche (strips of film that fit into pockets of sleeves), make Use copies and store the originals.

6 Compile abbreviated contact lists or Rolodexes for operation from a remote location. This is the lifeline of sales, customer service and information specialists.

INSURANCE

Purchase adequate insurance to cover the business. Insurance should include: coverage for the structure, if the business owns the building, or renters' insurance for the areas rented; coverage for replacement of lost or damaged contents; and business interruption insurance.

There are different types of replacement policies and coverage. Select the right type for the business. Replacement Cost replaces lost or damaged items with like kind at the current cost. Actual Cash Value provides the depreciated value of the lost or damaged items (usually less than what it costs to replace an item). Functional Replacement Cost replaces items with like kind to perform same functions. This is important for computers and equipment.

Remember, business interruption insurance will help you rent a new location, equipment and hire temporary help. It will not get the clients or business back.

TEST

Test the plan, have fire drills, and make certain all the hardware and backups work in the alternative location. Include the alternate team members in the testing process. Include maintenance and security departments in the planning and testing phases. Ask for their input and include relevant suggestions. Swift notification and response is dependent upon security and maintenance staff.

Revise the plan based upon problems encountered during testing. Practice at least once a year. Revise the plan yearly. Update floor plans and phone numbers. Include new departments and functions. Ask for outside assistance in planning, testing and revising plans. Store a copy of the plan offsite, one at the remote site, one in a car and in team members' homes.

Gather essential supplies for responding to a disaster including plastic sheeting to protect computers, files and records from water; scissors to cut the plastic; flashlights with batteries; and a camera with film to document damage and recovery efforts after a disaster.

RESPONSE

When the plan is activated:

- √ Contact the team leaders and members.
- √ Determine the scope of the disaster and determine if the MIS department should declare a disaster.
- √ Call for help from disaster recovery firms, insurance, hot or cold site, consultants, freezer warehouse. Contact firms to board up broken windows and cover roofs IMMEDIATELY. Additional damaged due to delay in action, is the company's fault and may not be covered by insurance.
- √ Collect the basic in-house supplies; start to collect "additional" supplies, including: 1 cu. ft. boxes, wet vacuum, boots, more plastic sheeting to protect undamaged and dry items for water, waterproof markers, tape, office supplies, cellular or portable phones and pagers for team members.
- √ Enter the offices as soon as the fire and police permit, and as soon as possible after the disaster. It is not necessary to wait for the insurance adjuster. Merely photograph and document any discards, movement and activities. Activate the disaster plan even if the building and offices will be inaccessible for days. This is when preparedness and pre-planning is essential.

ACTIONS

- 1.** Send MIS team to alternate site to get computer systems running.

Transfer essential functions to the alternate site. These should be prioritized in the planning stage, keeping in mind what functions are essential to the business' survival. Bear in mind that the first to go into alternate sites are often the last to come out after the building or offices are restored. It may take months to bring all functions back.

The most essential departments may be; data for critical areas of business; payroll (accounts payable and accounts

receivable); customer relations and sales; factory line or production; and the rest of MIS functions.

2. Remove damaged materials for treatment; store undamaged materials in environmentally controlled warehouse if the building is not intact or secure.

a. Box up all water damaged materials. Send to disaster recovery firm, or freezer.

b. Send computer and mechanical equipment to be dried, cleaned and recertified. This is usually less expensive than replacing the equipment.

c. Remove all optical discs, magnetic tape and floppy disks from water ASAP. Send to be dried and cleaned.

d. Have all paper dried and cleaned.

e. Have soot-damaged equipment and materials dried, cleaned and recertified.

3. Contact suppliers and customers. Keep in active contact with them as to when you will be in business, where accepting or receiving orders, new location and phone numbers. Solid and visible customer contact is essential if business is to survive.

4. Designate one communications contact or spokesman, if there is no PIO. All press releases, interviews and information should go through that one person. Maintain active communication with employees, suppliers, customers, and the media.

RETURN TO NORMAL

As business returns to normal, keep the company's name and activities in the news with current, interesting "we survived" articles. Run some promotions for loyal customers and suppliers. Continue the renewed sales efforts and active cultivation of customers. These steps are very important for recovery from a disaster.

Planning and prevention may seem like a lot of work and

expense, but when the disaster strikes, it will mean the difference between failure and survival.

MBK CONSULTING was founded by Miriam Kahn, in 1991, to provide Disaster Preparedness and Recovery to businesses, corporations and cultural institutions throughout North America.

Miriam Kahn specializes disaster preparedness and recovery planning, training and response. MBK CONSULTING assists all sizes of business and all types of libraries, archives, historical societies, and museums. Miriam has a background in librarianship and has specialized in disaster recovery planning since 1989, working 2-1/2 years as Preservation Officer for the State Library of Ohio and the cultural institutions in the state, before establishing MBK CONSULTING in September 1991.

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Software

Most people looking into starting a Remote Backup Service ask a lot of questions about the technical aspects of the business. They seem to be expecting some new scientific breakthrough that has suddenly led to RBS. They sometimes expect to be told that they will need special hardware and advanced software.

The equipment and software that make up an RBS system have been around as long as microcomputers. They are, some would say, low-tech. There's nothing special about the equipment or the software.

You could toss a basic RBS system together from spare parts and public domain software. After all, all you have to do is transfer a file from one computer to another over the Internet.

However, using the right software can go a long way toward making your RBS profitable. Here are the major concerns that RBS software must address.

Security

Data transmitted to an RBS must be secure. It must be encrypted before transmission from the client's site, and it must be impossible for the RBS provider to decode. This is for the protection of both the client and the RBS provider.

Clients want to know that their data are safe from view by competitors and everyone else. The RBS provider can limit his exposure to liability by making it impossible for anyone, including himself, to decode the data.

In the unlikely event that a client accuses an RBS provider of disclosing or using his data, the RBS provider will have a good defense if he can show that it is impossible for him to do so.

Files should be encrypted with a password known only to the client and changed regularly.

Data security is a major concern to RBS Providers and their clients. QTI has addressed the issue of protecting

data by using a very sophisticated compression and encryption system. Using two distinct layers of protection, each with its own encryption technology, RBackup's archives are virtually impenetrable.

RBackup compresses and encrypts data before it is transmitted from the Client's office. Only the client knows the encryption "key." The key is not transmitted with the archive. RBackup archives cannot be viewed, decrypted, or used in any way without the key.

RBackup (North American edition) supports these encryption standards and bit lengths. The multi-encryption feature makes RBackup the most secure backup software available. Plugin encryption modules are available for most countries.

DES 56 bits

TDES (Triple DES) 168 bits

Rijndael AES (new US Federal Standard) 128 bits

Rijndael AES 192 bits

Rijndael AES 256 bits (most secure)

Blowfish variable key length to 448 bits

Theoretically, it is possible to "crack" any encryption scheme, but the expense in time and computing power may be prohibitive. In 1997 a small Netscape message encrypted with an old version of DES that is much less secure than Remote Backup's lowest level of encryption was decoded using two banks of 120 extremely high-speed 32-bit Sparc workstations connected to two supercomputers running 24 hours a day for eight days.

We know security is a major concern to you and your clients. That's why we've expended such a huge effort to make sure you don't have to worry about it.

Speed

The faster you can receive data at your RBS, the more clients you can handle, and the more money you can make. Data transmission speed is not just a function of Internet speed. If you can manage to reduce the size of the data being transmitted, you can send more data in the same amount of time.

RBackup reduces the disk space (and transmission time) of data by as much as 80% to 90%. If you transmit a one megabyte file at 33.6 kbps it will take five minutes. The same file, compressed to 20% of its original size, will take only 1 minute.

This substantial time savings isn't the only benefit of compression. The file that takes up one megabyte on your client's computer only takes up 0.2 megabyte on your own computer. You can save a considerable amount of space on your storage drive.

Reliability

One of the main selling points for any RBS is its reliability. You must be able to accurately and repeatedly receive and store your clients' data.

Transmission protocol has a lot to do with the reliable data transmission. Remote Backup's data transmission protocol is the most secure and reliable method known.

Protocol defines the way data are transmitted from one computer to another. Each protocol specifies a way for the computers to send blocks of data and verify the proper transmission of these blocks.

Afterword

RBS has just now left the driveway, and already many are asking, *“Are we there yet?”*

No, we are not there yet. There is still plenty to do. Technology is changing every day. The most rapid changes have to do with telecommunications, data transfer, and mass storage - issues that directly affect RBS.

If things go as they have, though, I can make a few predictions with a degree of certainty.

RBS will continue to grow, and very rapidly now.

Existing RBS-specific technologies and methods will be refined. RBS Service Providers will offer service in all major cities. New threats to business data will drive virtually all businesses to consider Remote Backup.

RBS Providers will find the service much easier to sell.

We are now seeing an incredible increase in the public acceptance of RBS, and a geometric growth in its subscribers. This increase is fueled by news reports and magazine articles discussing business continuity issues. Disaster Recovery is becoming something that even the smallest businesses need to consider. Those who start and stick with Remote Backup Services now will reap the biggest benefits.

Sharing information will make all of this happen. One of the interesting characteristics of RBS is that it is difficult to compete. The more RBS providers there are, the greater the public awareness, and the more RBS clients.

That's why I wrote this book, and that's why I provide the <http://remote-backup.com> web site for exchanging information about the latest RBS techniques and ideas.

At this stage of the industry none of us are in competition - we are all on the same team, all playing the same game. Continuing this philosophy will make us all winners.