

principles of Entrepreneurship

>>>> 9. The Entrepreneur and the Internet

The Internet—a vast computer network linking smaller computer networks—has revolutionized commerce by bringing together people from all over the globe. Many of its features can be used to shape a new business.

Communications: An entrepreneur must communicate with many people—suppliers, distributors, and customers, for example. A quick and relatively inexpensive way to send letters, reports, photographs, etc. to other Internet users is with electronic mail or “e-mail.” E-mail can be used even for marketing. Various forms of computer software are available to protect documents from unauthorized access or alteration so that they can be securely shared and easily authenticated.

Research: Starting a business takes lots of research. An entrepreneur can find information on almost any subject very rapidly by using the Internet’s World Wide Web. (The Web is a collection of text and multimedia documents linked to create a huge electronic library.) Many government agencies, universities, organizations, and businesses provide information on the Internet, usually at no cost.

The easiest way to find information on the Web is by using a search engine—a data retrieval system. The user types key words for a subject on the computer, clicks the enter button, and receives a list of materials—often within seconds. The items are linked electronically to the actual documents so that Internet users can read them on their computer screens. Among the most popular search engines are Yahoo! (<http://yahoo.com>) and Google (<http://google.com>).

Promotion: Web sites, pages of print and visual information that are linked together electronically, offer an opportunity for entrepreneurs to introduce a new business and its products and/or services to a huge audience. In general, Web sites can be created and updated more quickly and inexpensively than printed promotional materials. Moreover, they run continuously!

To create a Web site for her business, the entrepreneur can hire a firm to create one or purchase computer software to create it on her own. Many universities offer courses that teach how to build a Website, also.

A Web site needs a name and an address. On the Internet, the two are usually the same. Web site names and addresses must be registered. [Http://rs.internic.net](http://rs.internic.net) is a Web site that lists registrars by country and language used. The address of the online business is expressed as a Uniform Resource Locator (URL). It usually ends in dot com (.com), which indicates a “commercial” site. Dot net (.net), an alternate ending;

is often used when a specific Web site name ending in .com has already been registered. Good business Web site names are easy to remember and evoke the firm and its products or services.

The entrepreneur also needs a piece of property in cyberspace, where her Web site will reside. Many commercial “hosting services,” called Internet service providers (ISPs), rent space on their large computers (called servers) for a small monthly or annual fee.

Web site promotion is critical. A Web site address can be put on business cards, stationery, brochures—anything having to do with the new firm. Or, an entrepreneur can pay to place a colorful advertisement on non-competitive Web sites, such as ones for complementary products. Advertising banners usually link back to the advertised firm’s Web site.

Entrepreneurs also can provide information about their Web sites to well-known Internet search engines. For a fee, most search engines will promote a Web site when a selected set of search terms is used. Online shoppers, for instance, often use search engines to find businesses that provide specific products and services.

Safe Use: Just as shopkeepers lock their storefronts, entrepreneurs who use the Internet need to take steps to keep their computer systems safe from the potential hazards of security breaches and viruses. One of the most effective steps is installing security software. Another is setting up an Internet firewall to screen and block undesired traffic between a computer network and the Internet. A technology consultant on contract can install these and other computer defenses. There is a lot of information about computer safety available, and often for free. For example, the National Cyber Security Alliance (<http://www.staysafeonline.info/>), an organization devoted to raising Internet security awareness, offers educational materials and other resources.

As Julian E. Lange, associate professor of entrepreneurship at Babson College, has said, “For creative entrepreneurs with limited resources, the Internet offers significant opportunities to build new businesses and enhance existing enterprises.” New businesses will develop solutions to enhance the Internet user’s experience. Existing businesses will take advantage of myriad Internet applications – from customer service to order processing to investor relations. Lange suggests that, for many entrepreneurs, the challenges posed by the Internet are “opportunities to delight customers and create exciting entrepreneurial ventures.”