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Essential E-Business Partners

What is E-Business, Anyway?

You may know that e-business is short form for "electronic business." But what does it really mean? Simply put, e-business can be defined as the use of the Internet to conduct business. This includes buying and selling, serving your customers, and working with business partners. For the most part, e-business is about your company's website and how you use the Internet to help operate and grow your business.

E-business can range from a simple website that helps you market your business, to an online store that enables customers to order your products 24 hours a day. E-business also includes e-mail marketing, Internet-based software to improve your business processes, and lots more. For most small businesses though, e-business means having a good website that creates a positive impression of your company and tells people who you are and what you offer.

The Role of E-Business in Your Business

E-business can help your business in many ways, and it can give you a significant competitive advantage. Here are six important goals that e-business can help you accomplish:

1. Supporting your marketing efforts and increasing your sales
2. Reaching new markets and extending your reach
3. Communicating with your target audience more cost-effectively
4. Helping you get more from your overall sales and marketing budget
5. Strengthening customer relationships and improving customer service
6. Increasing productivity and efficiency

Your E-Business Needs a Team of Partners

A wide variety of business partners is required to create and implement a successful e-business strategy. It is not recommended that you entrust this project to a "friend who knows about computers." Your e-business is important and you should outsource the job to professionals. You also need to be involved in the process.

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An Overview of Your E-Business Partners

From creative professionals to technical partners, a solid team and your personal commitment will ultimately determine the success or failure of your e-business.

Your partners may include the following:

- *Internet Service Provider (ISP)* – connects you to the Internet
- *Website host* – gives your website a home on the Internet
- *Website development team* – builds your website to meet your needs
- *Application Service Providers* – offer specialized turnkey solutions
- *Computer services firm* – set up and maintain your computers
- *Professional services team* – might include your banker, lawyer, and various consultants

Each partner brings a particular specialization or skill set to the table. It is important to recognize what each partner's potential role and limitations are. For example, an Internet Service Provider should not necessarily host your website. Connecting your computer hardware to the Internet and maintaining the technical aspects of hosting a website are different skill sets. Good partners will have a core competency – something they are focused on and are very good at doing.

Your Internet Service Provider (ISP)

An *Internet Service Provider* (commonly called an ISP) is a company that provides you with access to the Internet, allowing you to surf the web and use e-mail on your computer. Often your Internet Service Provider is a large phone or cable company.

Different Types of Internet Access

There are a number of ways to access the Internet. Some of the most common include a:

High-speed Internet access is a good option if it's available in your area. Time is money and a fast Internet connection makes good sense.

- High-speed connection through your telephone line
- High-speed connection through your cable television line
- High-speed connection through a satellite connection (useful in more remote areas)
- High-speed connection through a wireless network
- Dial-up connection through your telephone line (much slower than high-speed)

For business users in urban areas, high-speed access (also called "broadband") through a phone or cable line is the most common type of Internet access. In rural or more remote areas, dial-up access through a phone line might be your only option. New wireless Internet access options are also becoming more readily available, both in urban and rural settings.

Get High-Speed Internet Access If You Can

Business users should get a high-speed Internet connection if it's available. "High-speed" has become very affordable and makes good sense in the business world where time savings translates directly to your bottom line. Your best choice for an Internet Service Provider is likely going to be a fairly large company. Building and maintaining a reliable Internet service takes a lot of money, resources, and technical support staff.

Your Website Host

A *website host* is a company that provides space for your website and sets it up so your site can be viewed online. You're essentially renting space on the Internet so you can put your website there, much like you might rent an office. The website host will have a number of different packages available, depending on how much space you need, how many e-mail accounts you need, how many visitors your site receives, and how complex your website is.

Important Website Hosting Issues

There are a number of aspects to consider regarding website hosting:

- Get a good domain name – this is your site's address
  (e.g., www.yourcompany.com)

- Make sure the domain name is registered under your name
  (or company) so you own it. Helps if you need to switch hosts.

- Decide on the e-mail accounts you will need
  (e.g., yourname@yourcompany.com)

- Keep your site login and password information
  (commonly called FTP access) on file

- Keep in mind that you get what you pay for – a budget website
  host isn't the best idea for a business site

A good website host can help you with these issues. In fact, it may be a good idea to centralize your website, e-mail, and domain name with your website host. Hosting is a fairly specialized service. You should choose a company with a reputation for excellent customer service and a high level of technical expertise. Your best option is probably going to be a specialized mid-sized hosting company. While larger companies are often very good at providing Internet access, they usually don't offer the same level of personalized customer service and specialization as a mid-sized company.

Your Website Development Team

In order to build a successful website, you need a team of experienced professionals. The main players of your *website development team* may include the following:

- **Web Developer**
  Your website developer is responsible for the overall project. The developer will help you plan and create your website. This person is usually the project manager, taking the lead role on guiding the development team (much like a general contractor on a building project). Search engine optimization considerations should be made throughout the project.

- **Web Designer**

  The designer creates the visual concept for your website. A professional designer will help you create an attractive website that is relevant to your target audience. The designer will make sure your site follows design principles, and fits well with your company's identity. A good designer will take into account accessibility and usability issues.

- **Web Programmer**

  Depending on your website needs, a programmer may be involved in the project. The developer will usually have a technical partner for programming or have a programmer on staff. A programmer takes care of any actual software development that is needed.

- **Writer**

  Your writer will help you create the content for your website, from profiles of key people to clear and concise information about your products or services. A good writer can save you a lot of time and will increase the value of your website. Incomplete site content often holds up the launch of websites. Define your content requirements and get to work on these items early in the game.

- **Photographer**

  Your photographer makes sure the photos in your website look professional. Buying royalty-free stock images may also be a viable option, although they may not be as relevant as a custom photo shoot for your company.

Your Application Service Providers (ASP)

ASPs build an online service that would be very expensive for a single business to develop.

There are many companies that offer online services or applications that can help you with all various business processes, from tracking sales leads to building an online store, and much more. These companies are commonly called ASPs, or *Application Service Providers*. ASPs build an online service that would be very expensive for a single business to develop, and they spread the cost over thousands of users and offer a per-use cost that smaller businesses can afford. An ASP is a lot like an airline. Business people fly all over the world, but very few businesses own

an airplane. It makes more economic sense to buy travel services from an airline on a per-use basis.

Examples of Application Service Providers

There are far too many online services and applications to list them all, but here are some of the more popular services that many businesses make use of:

- *eBay.ca* - online auction site that allows businesses to set up a store
- *PayPal.com* - provides online sales and credit card transaction services
- *SalesForce.com* - complete online customer relationship management
- *WebEx.com* - online meetings and video conferencing services
- *E-mailLabs.com* - email newsletters and marketing campaigns
- *eFax.com* - allows you to receive and send faxes via e-mail

The examples listed here are subject to change, but chances are sites like eBay or PayPal aren't going anywhere soon. Your website developer should have some knowledge of ASPs and be able to help you decide if a service like this is right for your company.

Your Computer Services Firm

Your *computer services firm* is the company that keeps your computer hardware working properly. Without computers you can't have much of an e-business. Your computer services firm will help you set up your computers, maintain an office network, help you install new software, and take care of pretty much anything else related to your computers. They might also provide computer hardware or recommend good vendors. Some firms may also offer related services such as website hosting or custom programming.

The Importance of Maintaining Your Computers

Computers play a vital role in your e-business. They are used for accounting, inventory tracking and sales, word processing, spreadsheet analysis, contact management, and client communications.

Some important computer issues include:

- Keeping your software updates, patches and bug fixes current
- Having a good anti-virus program and keeping it updated
- Setting up a reasonable level of security on your computers and changing passwords regularly
- Cleaning your computer regularly – getting rid of old software or files you don't use
- Backing up your files on a regular basis and storing backups in a safe place
- Setting up a rescue disk so you can restore your files if your computer crashes
- Keeping all software information and registrations on file in your office

You may want your computer services firm to handle these issues. Messing around with your computer when you don't know what you're doing is a good way to create problems. And every minute your computer is not working there is lost productivity.

Your Professional Services Team

Your e-business will benefit from the involvement of professionals such as your banker, lawyer, business or marketing consultant, and security specialist. Each of these partners can add value to your overall e-business strategy:

- **Banker**

  Your banker can help you set up an Internet merchant account to accept online credit card payments. Banks can also help you finance various aspects of your e-business (website development, buying computers). You may also need an *Internet payment gateway*, such as Caledon Card, PSIGate, Beanstream, Soltrus, Internet Secure, and E-xact to process payments.

- **Lawyer**

  You may want to contact a lawyer who specializes in Internet law to help you with your privacy policy, online sales contract and terms of use, click-wrap agreements, trademark disputes, business and partnership agreements, contracts, and other legal issues.

- **Business Consultants**

  Professional business or marketing consultants can help you shape your
  e-business strategy, to make sure it fits well with your business and your
  customers. Consultants can provide new ideas and concepts that will help your
  business grow.

- **Internet Security Specialists**

  While small businesses generally cannot afford a full-time Internet security
  specialist, they would be wise to have a computer systems engineer (P. Eng.) or
  a certified security specialist audit their network, just as they would have an
  accountant audit their books.

Selecting the Right Partners

Finding good partners is a very important part of your e-business strategy. Below
are two very important factors to consider when selecting your e-business partners.

Examples of Work

Look for companies with a
strong track record, relevant
portfolio, and glowing
recommendations.

There is no better indicator of the expertise or experience of a company than the
work done by that company. Look at their portfolio of work. A good company will
be able to provide numerous examples of work that directly relate to the services
you're looking for.

Referrals and References

Good companies will have many references and will receive good referrals from
existing clients. Just by asking others in the business community, you can get a
pretty accurate picture of how good or bad a company is at what they do.

How Do You Find Good Partners?

The best way to find good e-business partners is to talk with other businesses about
the companies they have used. Good referrals are worth their weight in gold. Get
recommendations from people in the business community that you respect. In any
service industry, word-of-mouth is a key indicator of how good a company is.
E-business is no different.

What to Look for in Your E-Business Partners:

- *Internet Service Provider* (ISP) - reliability and speed
- *Website host* - reliability, expertise, excellent customer service
- *Website development team* - good past work and happy clients
- *Application Service Providers* - positive reviews, pricing, and secure data
- *Computer services firm* - expertise, excellent service, happy clients
- *Professional services team* - good references and referrals

Working Effectively With Your E-Business Partners

It's important to understand that even though you are outsourcing your e-business needs to a number of different partners, you still need to be involved in the process. It is your job to take an active role and provide each e-business partner with the information they need to do their job properly. In a way, you are the project leader. It's your business, you are in charge. You must be clear about your business goals and what it is that you want to do. Knowing what you want and communicating this vision to your partners is key.

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Advantages of Working with External E-Business Partners:

- More time to focus on your business
- Highly skilled partners will deliver better quality work
- Work is done in a more timely fashion than a do-it-yourself solution
- Better overall return on investment than a do-it-yourself solution

Disadvantages of Working with External E-Business Partners:

- Higher initial costs than a do-it-yourself solution
- Poor supplier could deliver a poor quality product or rip you off

Tips for Success

Here are a few tips that will help you work more effectively with your e-business partners.

- Get everything in writing – proposals, costs, deliverables, and all project details
- Agree on the scope of work – who is responsible for what
- Talk about what happens if the partner doesn't meet his obligations

- Agree on costs and the project timeline before work begins
- Be realistic – don't expect a million-dollar website for three thousand dollars
- Communicate with your partners often and clearly

Next Steps: Advanced E-Business Features

Most small businesses don't need an advanced or complex e-business solution when they're just starting out. Features such as an online store sometimes don't even make sense for well-established businesses. For example, a high-end homebuilder is unlikely to ever sell a half-million dollar home from a website through online credit card payment. The sales process of the company simply doesn't fit with direct online payment.

When Do Advanced Features Make Sense?

A good rule of thumb is that an advanced e-business feature makes sense when it can pay for itself.

It's usually a good idea to keep your e-business strategy fairly simple to start with. But do have measurable objectives and make sure your site can accommodate growth later on. The idea is to crawl before you walk. You don't want to get into a situation where you spend thousands of dollars building an online store, and then find your customers won't buy from you online. A good rule of thumb is that an advanced e-business feature makes sense when it can pay for itself.

Some common advanced features include:
- Online store – can facilitate online payment and credit card transactions
- Content management system – allows you to update your site easily
- High-end interactive website – can provide a rich customer experience
- Online training application for employees - can increase productivity
- Business intranet – a secure internal website to increase efficiency

Your website developer will be able to explain these advanced features (and many others) in more detail and will help you determine whether they make sense for your e-business.

Resources

There are lots of resources and information available for anyone who wants to dive into the subject of e-business more deeply. The Alberta E-Future Centre is a great place to start. You can also find many good websites and books with useful information on this topic.

Websites

- Alberta E-Future Centre
  www.e-future.ca/alberta

- E-Business News from Forbes
  www.forbes.com/ebusiness

- Business 2.0 Magazine
  www.business2.com

- Fast Company Magazine
  www.fastcompany.com

- WIRED Magazine
  www.wired.com

- CNET tech news and reviews
  www.cnet.com

- ZDNET tech news, white papers
  www.zdnet.com

- ClickZ Network, trends and statistics about the Internet
  www.clickz.com/stats

Domain Name Registration

- ICANN
  www.icann.org

- CIRA
  www.cira.ca

- Network Solutions
  www.netsol.com

- Domains at Cost
  www.domainsatcost.com
  www.domainsatcost.ca

- GoDaddy.com
  www.godaddy.com

Books

- *Starting an Online Business for Dummies*
  Greg Holden

- *Selling Online: How to Become a Successful E-Commerce Merchant*
  Jim Carroll

- *The Complete E-Commerce Book*
  Janice Reynolds

- *Internet Marketing for Dummies*
  Frank Catalano

- *The Big Red Fez: How to Make Any Web Site Better*
  Seth Godin

Magazines

- Business 2.0

- Fast Company

- WIRED

- Backbone Magazine

Contact Us

The Alberta E-Future Centre, a service initiative of The Business Link, is your first stop for e-business information in Alberta. We offer free, impartial, and easy-to-understand e-business advice and information for small and medium-sized businesses. Our goal is to help entrepreneurs make more informed decisions as they adapt to technological change. If you have any questions, we are only a visit, click or a call away!

Alberta E-Future Centre

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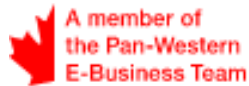
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