

## Ten Mistakes Businesses Make When Working With Online Technology

In today's global marketplace, it's essential for businesses to stay connected. With geographically dispersed customers, partners, sales reps, and telecommuters, businesses increasingly depend on fast, reliable, and secure networks. Even small businesses can afford to have a Web site and leveraging the potential of the Internet may be one of the most important strategic decisions a business makes. Internet access can help streamline communications, create access to a wealth of information, reach new customers and improve customer service.

But the speed of technological change has made even experienced technophiles vulnerable to costly strategic errors when it comes to developing successful online strategies. Businesses can't afford to make expensive mistakes with online technology - and they can't afford to get left eating the competition's "cyberdust." More than ever, businesses need to look before leaping. It is important to respond to this challenge in a thoughtful manner. Reacting too quickly, and without a sufficient strategy can result in a system that's quickly outdated, creates bottlenecks, and takes time away from core business.

While there are many documented examples of businesses that have improved their performance using online technology, there are probably more cases of online technology failing to meet expectations. When it comes to working with online technology, mistakes are easy to make – but with planning, they're also easy to avoid. Some of the ten most common ones are discussed below:

### 1 Not accepting the potential of Internet to dramatically change way you conduct business.

It's tempting to try to ignore or to dismiss the Internet as over-hyped. It's also natural to feel overwhelmed by seemingly endless flood of new technology and information.

What potential does the Internet really hold for your business? How do you separate the hype from the hard facts? Find out how your competition is using the Net and if possible, calculate benefits to costs relationship. Tap into resources available from trade group associations and the Small Business Administration, (<http://www.sbaonline.sba.gov>) and ask your employees and colleagues.

Managers already online have discovered that their businesses typically benefit from Internet access in five key areas:

**Communications.** The most common Internet business tool is e-mail. E-mail is a low-cost alternative to sending and receiving local, regional, national, international, and even inter-company communications. E-mail eliminates printing and postage and can arrive at a destination anywhere in the world within minutes rather than hours or days.

**Gathering Information.** More companies are realizing that a large portion of their business success depends on information: how to get it, and how to use it to add value and make profits. It's not an overstatement to say that the Internet is the easiest and most efficient way to gather information ever created. It provides immediate access to resources that would otherwise be accessible only with the expense of a great deal of time and effort, or not at all. Anyone with a computer and modem can access from anywhere around the globe, industry standards and databanks, news services, newspapers and magazines, libraries, and museums, and even conduct real-time e-mail interviews or a video-conference.

**Marketing.** The Internet allows small companies to create the same marketing presence as the largest of corporations without contingent marketing and advertising costs. The Internet is a flexible, immediate, and dynamic medium for disseminating information about products and services, and press releases more rapidly and at lower cost than traditional media.

**Globalization.** The Internet eliminates the normal barriers of time and distance, and erases time zones and national boundaries. Your businesses size and location are less significant and less limiting.

**Employment.** Many businesses use the Internet to post job openings and solicit resumes. The Internet provides access to a wider labor pool than would normally be reached by advertising in local papers and at a lower cost.

## **2 We can wait.**

The earlier you get involved with the Internet, the more successful you will be. Businesses already on the Web are learning about online technology and how to leverage it at an almost mind-boggling pace. If you wait until later, there will be that much more catching up to do.

If not now, when? Perhaps after your competition has already made the Internet connection with your prospective market? Businesses who are smart enough to use the Web effectively will gain valuable strategic advantages over their competition. Waiting for the "kinks" to be worked out is a futile form of patience because they may never be totally worked out. This new communication channel is going to continue to grow and change and transform at an ever accelerating rate. And as waiting for prices to come down is a false form of economy. Even a sole-proprietor home office/small office business can afford to have an Internet presence. Entry-level Internet access and Web page hosting typically costs about \$20 per month.

The only thing that may be worse than sitting on the sidelines is in leaping on the Infobahn without a roadmap. You need to determine where you're going, why, and the best route to your destination, which leads to the next common mistake:

## **3 Failing to ask, "How should we use the Internet?"**

This is a complex and multilayered issue and perhaps because of its complexity, many businesses fail to adequately address this question - before they start putting the pieces in place. Who do you want online? Employees, partners, sales people, contractors? Why? How often? It's important to take the time to identify the full array of Net opportunities and map those opportunities onto your current business practices. Once you have an effective plan, you can begin to evaluate the tools to implement it.

Net opportunities break out into three concentric levels: Intranet (your in-house network) Extranet (proprietary enterprise-to-enterprise connections between strategic partners), and the Internet (the World Wide Web and/or other networks and bulletin boards). Thoughtful in-depth planning at the outset - before any equipment or software is purchased - can erase Intranet/Internet/Extranet distinctions and result in singular Corporate online presence that communicates an integrated, uniform view to employees, customers, and partners and allows the appropriate levels of access to each constituent.

Next, what is the cost of opportunity? Take time to identify what's required in terms of equipment, people, and other resources, and to develop an implementable design. In the most basic terms, online access can be achieved in one of two ways, with a modem and a dial-up connection over a normal phone line, or with a dedicated leased line.

While dial-up access is inexpensive and easy to establish, it also has limitations that make it unsuitable for all but the most shoe-string applications. Dial-up access is slow, unreliable, and is limited by how many users per site it can efficiently accommodate. While a dial-up connection to the Internet is fine for the at-home computer user primarily interested in recreational Web surfing and with one e-mail account, it will probably not meet the needs of most growing businesses.

There's the issue of "bandwidth," or capacity and speed. For all practical purposes, data transmission by modem over traditional phone lines is limited to 28.8kbps. Even if you don't know a "bps" from an "MHz," the plain fact is that dial-up connections are inadequate for transferring large amounts of data and for supporting multiple simultaneous users. Dial-up is only adequate

for small companies that only want to host email, do not have more than 2 or 3 users online at one time, and who anticipate only intermittent internet use.

For most businesses, even small to medium size businesses, dedicated lines are a much more effective way to provide Internet access. Besides being from 300% to 500% faster than a 28.8 dial-up connection, they are also more reliable, and accurate. They also permit voice, fax, and online access with one phone line. A dedicated line is a must-have for video-conferencing and/or transferring large data or graphics files. A dedicated line allows your business to have its own server and hence, its own Domain Name (i.e. yourname@yourcompany.com), everyone in your organization will have the same e-mail address, and e-mail arrives instantly, there's no need to check for it periodically, and there's never a busy signal when accessing the Internet.

Dedicated lines are a fixed budget line item since they're charged at a flat rate. Dial-up accounts are a flat rate to a pre-specified time limit, then per minute fees apply. Typically, the cost per user is lower with a dedicated line.

#### **4 Lack of commitment to development and maintenance**

If there's a failure to fully consider and justify Internet efforts, a business will end up with a patch work of network hardware and software protocols with varying degrees of reliability and compatibility. A poorly executed Web site that's just put up because it's "other businesses are doing it" will not convey the right image or information about your company and will not invite repeat visits from potential customers.

#### **5 Failing to adequately develop a Web-presence strategy**

The Web, as a marketing tool, is fundamentally different than any other medium because it's interactive. However, when creating a business Web site it's absolutely essential to address communications basics such as defining your audience and stating your objectives in advance. Professional design, writing and authoring skills are essential if you want to create a high quality and effective presentation.

Beyond the fundamental question of how to create and maintain a Web site, when someone visits your Web site, do they know what you intend to achieve? Do you want to establish an image, generate leads, enhance customer service and support, convey information about your organization, products, and services, or close sales on the spot? All these things can be accomplished effectively on the Web, but all too often businesses have failed to think through the process to its ultimate end.

Who receives and responds to leads and queries, and responds to customer support requests? If orders for products are received, who manages inventory and shipping issues? Who is responsible for maintaining your Web site content: keeping it fresh, useful and interesting to customers, so they'll want to make repeat visits? Who keeps it up-to-date? Is someone responsible for posting press releases and other time-sensitive information?

#### **6 Not knowing who's "in charge"**

Someone needs to act as the Internet facilitator or coordinator at the enterprise level, someone who's comfortable working with all the lines of business, office personnel, offsite sales force, telecommuters, and various functional divisions. Without someone acting as a coordinator, Internet efforts lack focus and priority, and quickly deteriorate. The person "in charge" needs to have a strategic perspective in order to maximize the Internet's potential within your enterprise - both in terms of networks and Web presence. This is not solely a technical position. It ideally requires a skill set that also includes marketing, networks, strategic planning, and a clear understanding of the business's mission. The position should report to all top management positions including the CEO, CFO, and CIO. In an economy increasingly dependant on information rather than materials, the importance of this position cannot be overvalued.

## **7 Failing to consider security needs, both internal and external**

What resources are being protected, from whom they are being protected, and how much is it worth to protect these assets? A business wouldn't spend thousands of dollars to protect nonessential archives, but it might be perfectly willing to spend that much to protect corporate secrets, personnel records, and accounts receivable records. Keep in mind that the security risks may be as great – or greater – from internal employees as it is from external hackers. Employees have a much more precise idea of what a business has and how to cause harm, should they wish to do so.

## **8 Failing to plan for growth**

Plan for a system that can grow with your business. When did you ever hear of a business saying they needed less communication capability, less information, or less access to customers and markets? You don't need to go for the "whole enchilada" right away, but even with an incremental approach to building a network, don't lock yourself into a static system with finite capacity. Those who think small find the upgrade path is all uphill.

## **9 Failing to provide training**

Without adequate training in appropriate use of online resources and "netiquette," employees will resist new technology, fail to use or under use it, use it for the wrong purposes, and ultimately miss out on potential benefits. As with introducing new software or any new set of tools, training will facilitate implementation and help assure efficient use of Net resources. It's also important to develop a strategy of who to train and when, in order to avoid disruption of normal processes. Don't try to implement new processes just before a big deadline or during a busy time of year.

## **10 Failing to fully investigate ISP providers and services and to identify a strategic ISP relationship**

This is the mother of all mistakes that a business can make when working with online technology. Why? The ISP, or Internet Service Provider creates your physical link to the Internet in the same way your phone company creates your link to the phone system. Your network's reliability and performance depend, almost entirely, on your ISP's infrastructure.

Whether you're considering upgrading your Internet service or going online for the first time, choosing a solid ISP is the best insurance possible for avoiding many of the mistakes previously discussed. A successful Internet strategy largely flows from this one decision.

Internet access providers are a growth industry and their offerings vary wildly. Most are locally or regionally focused startups, and some are hardly more than techno-storefronts run by pony-tailed gen-Xers. They may be able to provide only a limited set of generic solutions, and they are frequently short on experience, strategic business know-how, and are unable to offer consistent service and support.

According to Bill Schallenberg, who designed Marriott International's online reservation site, "So many of these young upstarts just don't have experience dealing with corporate culture and quality customer service. They don't understand what companies seeking business-to-business services expect from their vendors. They're caught up in the technology and don't have a clue as to how to sit down and talk with you about what the compelling business reasons are for moving ahead with their services."

"Marriott was concerned about three main issues: quality of performance, security, and support. In all three cases, it made sense to let an expert do it," Schallenberg said. "Even large corporations like Marriott, with hundreds of people in Information Systems don't necessarily have the appropriate resources in-house for hosting a Web site."

It's important to bear in mind that the "S" in ISP stands for Service. When it comes to developing an Internet strategy for your business, it is essential early in the process, to ally yourself with a full

service ISP who has a solid track record, who knows how to help you define, set and meet your goals, who can offer a robust, state-of-the-art network with a full complement of connectivity solutions from a one-line dial-up account, through dedicated ISDN, T1, T3, cable, satellite, and wireless, and who can therefore grow your network as your business grows.

While you focus on your core business, a full service ISP can build and maintain your server, register your Domain Name, install hardware on your site, provide training, security, file backup and storage, provide 24 x 7 technical support, provide growth solutions, and can help you develop a Web site and keep it up to date.

Even when companies are convinced that they need to establish a Web presence, they're often hesitant to do so because they believe they need to acquire their own costly phone lines and servers. This is not the case. Putting a Web site on the ISP's server is cheaper, easier, and safer. It's not just slightly cheaper, it's MUCH cheaper. High speed phone lines, equipment to connect them to the servers, and the servers themselves cost thousands of dollars. Putting an average Web page on an ISP's server with a dedicated line can cost as little as \$100 a month. It's easier because neither you or your staff will have to deal with any of the installation, configuration, or maintenance hassles, and it's safer because it's off-site. There's no way a hacker can violate the security of your company's information system.

According to Michael Martin, CEO of Internet Resources Group, (<http://www.irg.com>) a Dallas, Texas firm that checks the security and availability of corporate Web sites, "The top two reasons for outsourcing Web sites to an ISP are bandwidth and support. You can pay \$300.00 per month versus \$2000 to \$8000 monthly to get your own T1 connection to the door. Server outsourcers (ISPs) also handle items that add considerable overhead to all but the largest companies, including round-the-clock availability, security, server maintenance, and technical staffs."

Brooklyn North Software Works, Inc, (<http://www.brooknorth.com>) is a 10 person company that depends on its Web site to take orders for its software products. "At first, we started with a small, inexpensive ISP that ultimately wasn't up to the challenge. Our customers complained that it took a long time to connect to the site and download software," said Howard Harawitz, Brooklyn North's president. "We decided to move our site to a more experienced ISP. We realized that an ISP had to provide more than some phone lines and modems. They aren't just an ISP, they're our store. I need to be able to go to sleep at night and know the site is working." Even though everyone at Brooklyn North is at home with leading edge computer technology, bringing the Web site in-house was never a consideration. Harawitz estimates the cost of replicating the ISP's bandwidth, redundancy, and service at 10 to 15 times Brooklyn North's monthly rates.

How can you locate a qualified ISP? Besides getting referrals from colleagues and employees, the Internet is also a good resource. Visit ISP Web sites to get a feel for what level of service they provide. Most ISP Web sites clearly describe rates, services, and technical support availability. "The List," published by iWorld online magazine (<http://www.internet.com/>) has over 3000 user reviews of ISPs sortable by area code and country code. The Ultimate Web Host List! (<http://www.webhostlist.com>), an independent rating service of ISPs, maintains an online catalog of over 6000 ISPs sorted into five categories: Free, Budget, Personal, Small Business, and Corporate. In addition, they publish a monthly Top Five award that rates ISPs on Value, Quality, Support, Flexibility and Miscellaneous Factors. The Ultimate Web Host List!'s October 1997 Top Five ISPs were:

1. Hiway Technologies (<http://www.hway.net>)
2. Netcom On-line Communications Services, Inc. (<http://www.netcom.com>)
3. ValueWeb (<http://www.valuweb.net>)
4. DataRealm Internet Services, LLC (<http://www.serve.com>)
5. Turnpike Web Host Services (<http://www.turnpike.net>)

According to the information provided by The Ultimate Web Host List!:

A Web host company's value has nothing to do with the absolute dollar cost of its services. Rather, value is an indication of how much the Web host company provides for the cost of those services. Simply said: value is how much bang you get for your buck.

Example: A very-sparsely featured free web host provider could score a 20, while a expensive corporate provider that offers above-and-beyond amount of services could score a 92.

Quality has no bearing on what the site costs, but is rather a measure of how much did you get of what you paid for. Do the pages load fast and regularly? How often does the Web host provider's servers go down? Is there any bounced or lost email? Is there any difficulty connecting to the Web host provider's servers?

Example: An high-cost provider that offers many features but is hard to connect to and some of their features do not work all of the time could score under 50, whereas a budget page that is fast and every service that was purchased works on a consistent basis could score in the 90s.

Support is the aftermath of quality. After a problem occurs, how well does the Web host provider deal with the situation? Do they give quick e-mail responses to your questions? Do they have quality phone support? Is the provider's staff knowledgeable and courteous? Is the provider proactive in notifying you of problems? Are the same problems repeated over and over? When a problem is being solved, are you "kept in the loop"?

Example: A Web host provider that does not respond quickly to e-mails from clients and does not warn you in advance of server downtime could rate below 50, while a provider who has 24-hour toll-free phone support and who solves problems before you even realized they occurred could rate over 75.

Flexibility refers to how easy it is to construct and manipulate your Web site. Does the host offer a lot of different plans? Can you mix and match features? How easy is it to add or subtract features? Are the changes immediate or is there a time lapse, if so how long? Do you have to sign long-term contracts or do you pay month-to-month? How easy is it to set up your Web site i.e. FTP uploads and downloads, ease of use of Microsoft FrontPage, detailed readable FAQs, posting of helpful downloads, etc.

Example: If it is difficult for you to make changes to your site, or if it is hard to change the types of services you desire, this provider would rank below 50. If modifying your site is almost effortless, and you can change features immediately, then such a site could rank above 75.

Miscellaneous items are basically anything about the Web provider that is not listed in any of the other four categories. Is the Web provider's homepage informative about the services they offer? Is their Web site professionally done? Are the provider's e-mails professional or are they filled with a bunch of typos? Would you recommend this hosting service to a friend?

Here are some questions you many want to ask an ISP before signing up:

- How long have you been supplying service to businesses?
- How many other business customers do you have?
- Do you offer toll-free 24 x 7 technical support?
- How reliable is your connection?
- What percentage of your connection is dial-up?
- What is the back-up plan incase access is interrupted?
- What kind of security system is provided?

Finally, once you've identified a short list of ISPs ask them to provide references from among their customers preferably in the same line of business. Contact them for to learn what their

experience with the ISP has been, and if possible, pay an on-site visit to get first hand impressions.

**Summary:** Has the internet really begun to change the way businesses do business? Absolutely. Companies are learning to use the internet just as they once had to learn to use phones, copiers, faxes, and desktop computers. Early adopters of online technology have already begun to reap the rewards - but not without hitting some speed bumps on the Infobann. For others, the hard lessons are still ahead. The implications?: Businesses that view the internet as part of their core business strategy will prosper. Those merely carried along will benefit too but not as much, those that resist will experience erosion and be forced to play catch up. One key strategy for businesses to optimize their online experience is to get connected – with a first rate Internet Service Provider.