Take your business to the Net

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An old friend of mine, the best athlete in my high-school class, runs a small-town sporting goods business in eastern Oregon. He's carved out a solid niche for his business by being community-minded and a booster for youth sports.

But, he's got a problem that's going to cost him — literally. He doesn't have a Web site and shuns technology for the most part. His Luddite-like attitude may come back to haunt him, he admits, but he's not letting that bother him now. "Until it happens, I don't know that I care," he says. "I'm busy enough right now."

The rest of us can't afford such complacency. We'd not only lose customers, we might lose our entire business. The Internet continues to change the way Americans buy and sell goods, and if you're not yet on the Net, your competitors are taking money right out of your hands.

That's why less than 20% of all small businesses in the United States still don't have at least one PC, according to a Dun and Bradstreet survey.

And why most small-business owners today are more like Bill Griffin, who runs a Bellevue, Wash.-based environmental specialty products company. His workers have Internet access, and he plans to have a company Web site at some point. Why? He'd like to make it easier for fire departments, government agencies and other customers worldwide to order his products, which treat air pollution, diesel spills and the like.

"We'd like to expand," Griffin says, adding, "but we've been procrastinating (on getting a Web site)."

Small businesses throughout the country are confronting this very issue of making best use of the World Wide Web. Many are just getting started on the Web; many others recognize they are underutilizing it. But an increasing number see the potential to increase revenues and cut costs. They also know that if they don't take the Internet seriously, their competitors will.

Need proof?

Although the rate of Internet growth slowed in 2001 from the previous year, consider these statistics:

- About 5 million U.S. small businesses had Internet access by the end of 2000, up 13.7% from the previous year, according to International Data Corp. (IDC).
- More than 2 million U.S. small businesses had Web site or home pages, up 33.8% from the previous year, according to IDC.
- About 85% of U.S. small-business owners have Internet access in 2001, and more than half of these have Web sites, according to a Dun & Bradstreet survey.
- The number of small businesses engaging in e-commerce increased by 34.6% in 2001 to 725,000 small companies, according to IDC. Two-thirds of all small businesses are at least buying goods online, with fewer selling online.
- The number of small businesses with Internet access via a wireless device has more than doubled in the last year, according to Cyber Dialogue. Some 101,000 small companies now

use wireless devices to go online, up from 44,000 in 2000.

- Some 60% of small businesses with Internet access plan to increase their online use in the near future, with most still having dial-up modems but increasing numbers investing in broadband, according to Dun & Bradstreet.
- Seven in 10 small-business owners say the amount they spend on their Web sites is justified in terms of sales and customer service.

To fall behind or not to fall behind

Industry analysts say the message is clear: You need a Web site for your business, and you need to use it for more than just providing your address and phone number. If you haven't considered using your site for business, now is the time.

"The way I view it, virtually all commerce is going to someday be e-commerce," says Mark Anderson, a technology consultant and founder of Strategic News Service, a business newsletter. "That doesn't mean that brick-and-mortar stores will go away. It just means that a majority of transactions will someday be technology-based.

"As we develop these technologies, both wireless and wired, companies without a Web presence will fall further and further behind."

If you don't have a Web site at all, you're already missing out on customers. People routinely go to a Web site just like they do the phone book, and type in www.nameofmybusiness.com to get a phone number or to check out a company and its products. If your business isn't there, they'll type in some competitor's name.

Even more serious is the fact that if you don't have your company's name registered as an Internet domain name by now, you may never get it as a "dot-com" name. (Yes, it is probably still available through ".cc," ".inc" or one of those other funky new endings.)

"I've had a few customers come to me in the last few months, and say, 'I've been looking for your Web site,'" Griffin admits. "It'd be much more cost-effective for us to have one."

But just getting a Web site is no longer enough in today's changing times, he and others agree.

"You not only need to be on the Web; you need to benefit from the Web," says Jesse Berst, a technology pundit and former editorial director of ZDNet AnchorDesk, a technology news site. "Putting up a Web site just gets you into the game. If you want to win the game, you've got to invest more time and effort to take advantage of the business opportunities the Web offers."

Kim Boyer, whose ornamental iron fencing company does have a Web site, seconds that. He plans to use his two-year-old Web site for more than just describing his company and its product line.

If Boyer could auction his company's security fences, railings and other products on the Web, it could help sales during the cold-weather months when the seasonal construction business slows, he says.

"I'd love to be able to purchase (online) from my suppliers," he adds.

If you have a Web site, says Michael Murphy, editor of the California Technology Stock Letter, you need to be thinking about these three things:

1. What can you do over the Web to increase your revenues?
2. What can you do to reduce your production costs?
3. What can you do to reduce your internal costs, such as your employee costs, office-supply costs and so on?

"For all three, you need to be thinking outside the box," says Murphy. "But there is just a lot you can do."

"It takes some real thought," analyst Anderson agrees. "But the key question is: How can you use the Internet to better serve your customers, whether they're local or national?"

At the very minimum, most companies could save some money by posting frequently asked questions, or FAQs, about their business, Murphy says. The savings will come in reduced time on the telephone — you can refer callers to the Web site for answers to the same old questions.

The Web's effectiveness as a local medium

Certainly, many small businesses may not be interested or financially able to develop fulfillment and credit card payment systems allowing them to sell goods to customers worldwide. Doing business on the Web doesn't mean transforming your entire selling process. How about allowing your *local* customers to order online? How about using the Web to order your supplies?

How about providing helpful information over the Web that will deepen the relationship between your business and your customers?

Maybe you're a dentist. Obviously, you're not going to clean people's teeth through the Internet. But you could make it easy for your customers to make appointments using the Web, Berst notes.

Likewise, a foot doctor can't examine feet over the Internet, but he can educate people about foot ailments and how to treat them. My friend the sporting goods dealer could provide information about the running shoes he sells or soccer clubs in the eastern Oregon area, or schedules of the local high-school sports teams.

"These are the kind of services that get people to take notice of your business and want to come and visit," Murphy says. "In other words, you're offering something beyond your service or product line. You're developing a community among your customers."

While the World Wide Web has gained its stature by connecting people worldwide, the "great untold story" is its local impact, says Anderson. "You are seeing political candidates and political activists making great use of the Net to raise money," he says. "Small businesses are using it the same way to generate business."

Murphy seconds that, saying he knows of an island restaurant off the coast of Maine that posts its menu on its Web site and e-mails daily specials to those who sign up. Despite its remote location, the restaurant thrives, with the Web helping give it an image of sophistication.

"You can use the Web to compete globally," he says, "but you can also use it very effectively locally."

But if you aren't using it much, or not at all, the time is now to start — unless, of course, you're not interested in new customers.