

Building an Effective Web Site

7 Surefire Strategies for Failure *(and how to avoid them)*

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No penguins were harmed in the production of this booklet.

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7 Surefire Strategies for Failure *(and how to avoid them)*

- 1. Focus On The Technology, Not The Business**
- 2. Duplicate What Works Offline**
- 3. Ignore Your Existing Customers**
- 4. Don't Educate Your Entire Organization**
- 5. Demand Perfection**
- 6. Don't Encourage Customer Input**
- 7. Give It Time, You Can Start Tomorrow**

A Few Words About This Booklet. . .

In 1995, I was part of a team of three people charged with building the first national web site for AT&T Broadband (then called Continental Cablevision). We argued about the design, struggled with the content and sweated over the technology that tied it together. Finally, on November 20, 1995 - a full seven months after our first meeting - we launched the site.

It was a piece of junk. I realize now that the problem wasn't that we didn't know anything about how to be successful in the online world (although we didn't), it was that we knew too much about how to be successful in the *offline* world. Our prior experience frequently led us to the wrong conclusions.

Today, as more and more traditional business professionals struggle to build effective web sites, I see them making the same mistakes we made when we first began. Intelligent people with years of business experience, wasting precious time and money as they focus on the wrong things and run down the wrong paths.

This booklet is intended to jumpstart your efforts. My hope is that by making you aware of some of the more common pitfalls of web site development, and by offering some suggestions on how to avoid them, I can move you faster towards your goals. Best wishes for Internet success!

Michael J. Katz
Founder and Chief Penguin
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Failure Strategy # 1
Focus On The Technology, Not The Business

I drive my car every day. I take it to the grocery store, I drive it on the highway, I even know how to parallel park it in a tight space. And yet, I have virtually no idea how it works. Fortunately a detailed understanding of how a car operates is not a prerequisite for being a good driver.

It's the same with a web site. Although your success in building and managing an effective web site – one that increases revenue and reduces cost for your business – will absolutely require that you become familiar with what it can do, you do not need to become an expert in its underlying technology.

Instead, you should be trying to answer basic business questions related to your site, and developing a plan – a *business plan* – to support your objectives.

Who is the target audience for the site? What will visitors hope to accomplish at the site? What additional internal resources will you need to keep the site working properly? How will you define and measure success?

These are the types of questions that determine how useful a web site ultimately becomes to any business.

As with any new technology, the guts of it are highly visible, and therefore highly talked about at first. This has the effect of both overwhelming the technophobes, as well as of seducing the geeks (when your accountant says, “Hey man, check out my cool web site,” it's clear that something remarkable is going on).

But whether we are apprehensive about the technology or enamored of it, we need to focus on the business that the technology enables. Because as the technology fades further into the background – as it did with cars, radio and television as each became ubiquitous – the new business models are what will remain.

What matters most of all is that your site be developed and managed with specific business objectives in mind, and that the web site, once built, be logically integrated into the business that it's intended to support.

Remember, focus on the business, not the technology.

Failure Strategy # 2 ***Duplicate What Works Offline***

As human beings, we try to explain new things by comparing them to things we already know and understand. It puts things in context and helps us make sense out of the world. Unfortunately, it also keeps us from seeing new opportunities. Many web sites are living proof of this bias.

For most established businesses, the first web site built is an “electronic brochure.” The company pulls together whatever offline materials it has on hand, and mixes it all together into a site.

Although common, this approach has two shortcomings. First, it does nothing to improve upon what already exists offline. Second, it’s not a particularly good use of what makes the web so powerful.

In striking contrast, take a look at what Amazon.com does with its web site. **The site is almost entirely focused on giving visitors capabilities that are not normally found in “the real world.”** Some of these capabilities include:

Filtering. Enter in "Jimmy Carter," and you'll bring up a list of 96 different books, sprayed across the categories of politics, religion, aging and poetry. Even if you could find all 96 books in an offline store, you would have to visit at least four different parts of the store to pick them all up, based on how that particular bookstore chooses to organize its inventory.

Past History. Amazon lets customers see the detail of an entire year's worth of past purchases. When returning an item, the question of when or if it was purchased at Amazon doesn't even enter into the conversation.

Personalization. Each time I visit the site, Amazon suggests products that I may be interested in buying, based on my past purchases. Imagine if an offline store could be automatically reconfigured just for me whenever I returned!

These are just a few examples of how at every turn, Amazon looks for opportunities to differentiate online from offline.

Because if all your web site does is recreate the offline world, why bother?

Failure Strategy # 3
Ignore Your Existing Customers

“Love the one you’re with”

Stephen Stills

There are two ways to grow your business:

1. Find new customers.
2. Generate more revenue from your existing customers.

For as long as anybody can remember, choice #1 has been the favorite option of marketing professionals. Chasing new people is faster, easier to measure, and – in the traditional world – often more cost effective.

Not only that, but let’s face it, developing a 30 second TV spot to reach out to new people is a lot more interesting than culling through a database of existing customers to figure out who’s buying what and how often.

Then along comes the Internet with its promise of easy and cheap access to a worldwide buying audience, and the apparent logic of choosing option #1 is only reinforced. But guess what. When you take a close look at what the Internet is good at, option #2 becomes the better choice and the logical place to focus your resources.

Here’s why. Thanks to the miracle of email, you can now interact with your customers as often as you like, for free. As long as you have something worthwhile to say, the incremental cost of saying it is nearly zero.

That means you can send monthly updates with tips on how to best use your product; send birthday greetings with special offers; involve your best customers in developing future services; and send “we’ve missed you” emails to customers who haven’t purchased recently.

You get the idea. Once you’ve got the email addresses of your customers (and permission to use them), you can think up any number of ways to keep your customers coming back to do more business with you more often.

Stop focusing so much effort on getting strangers to visit your web site. Take a fresh look at how electronic communication can help you build on the hard won relationships you’ve already got.

Failure Strategy # 4
Don't Educate Your Entire Organization

*"It's the learning speed of the slowest many,
not the learning speed of the brightest few,
that will set the pace for your company."*

Jim Haudan
President, Root Learning

If you think you're confused, imagine how your managers and front line staff must feel. They don't have the same access to external information and people that you do, and in their effort to keep your business running smoothly day after day, they have little opportunity to think about where a web site fits in.

But they are the ones who are most in need of understanding.

They make the decisions every day about how your business is run and how your customers are served. They are the ones who come in contact with your competitors and your partners. And they are the ones - not you - who will figure out practical ways to apply the power of the web to the unique needs of your business.

Your job is to give your people the tools, the training and the authority they need to manage in this medium.

Hiring a firm to build your web site, install a customer relationship management (CRM) software package or write an e-commerce strategy will only get you part of the way there. These things may move you in the right direction, but they will no more help you build an effective web site than buying an airplane will turn you into a pilot. **The real business leverage comes from having everybody in your organization learn how to use the new tools, and think about how to apply them.**

Send your people to seminars, subscribe them to magazines, bring in guest speakers, invest in in-house training sessions, and most of all, involve as many of them as possible in your new web-based projects and planning *from the beginning*.

Your entire organization needs to learn how to fly for you to realize the benefits you seek.

Failure Strategy # 5
Demand Perfection

“Don’t worry, be crappy”

Guy Kawasaki
Rules for Revolutionaries

If you’ve ever been responsible for producing a large quantity of collateral materials (brochures, promotional CDs, etc.), you know that there are two rules to live by:

Rule #1: Produce as many pieces as you think you will ever need, because the cost per piece drops significantly as the quantity goes up.

Rule #2: Proofread, proofread, proofread, because if you’ve followed Rule #1, you will be living with any mistakes for a long time.

Taken together, these two principles encourage waiting.

You want to make sure your message is perfect (so that you can produce a large quantity of materials that won’t get old), and you want to make sure there are no mistakes (so that you don’t have to throw it all in the garbage the day after it arrives).

When it comes to building a web site however, these time tested rules of thumb are flawed. Here’s why:

You can’t anticipate everything. Building an effective web site is a process, and like any process, you can’t know ahead of time how all the pieces are going to work together. You simply need to set it up, try it out, and make changes as necessary.

The price of making changes is low. Web sites can be frustrating because they are dynamic and require constant care. The flip side of this characteristic however, is that you can fix problems and add features after the site has been launched. A web site liberates you from the “let’s proof it one more time” mindset that is a necessary part of life in the offline world.

The price of waiting is high. There’s a learning curve at work here, and you can’t move down it until you get on it. Trial and error is the name of the game, and every day that you delay getting up and running is a day that you are not learning.

Stop waiting for perfection. Launch your site and get to work on improving it.

Failure Strategy # 6
Don't Encourage Customer Input

“Recognize that having a direct relationship with each of your end customers provides valuable information you can use to better manage your business.”

*Patricia Seybold
Customers.com*

In the traditional approach to building and growing a business, customer input - to the extent it's sought after at all - occurs in tightly confined spaces. Market research in the form of phone surveys, free samples, focus groups and other standard tactics pulls in customer perspective in a highly scripted, centrally led way. So tightly controlled is the process in fact, that the identity of the company doing the asking is routinely kept confidential from the research participants.

Relying solely on this kind of rigid, one-way approach will rob you of one of the greatest benefits of building a web site: uncensored, unlimited, easily distributed, nearly instantaneous input from your customers.

Never before has it been so easy and convenient for customers to send comments “upstream” back to you, and if you give them the opportunity - by asking for their electronic feedback every chance you get - your customers will happily serve as a real-time barometer for the value that your business provides. By encouraging their feedback, you will receive their praise, their venom, their suggestions, their requests and their advice, 24 hours a day, 7 days a week.

And if you take it a step further and actively solicit their input on products and services that are in development, you'll find that you can iron out nearly all the wrinkles before you launch (I am not exaggerating), *and* solidify your relationship with a segment of customers who will be thrilled to be involved. (Of course this approach was possible in the pre-Internet world too, it just wasn't as cost-effective or logistically simple as it is today.)

Find ways to encourage input from your customers. It won't be tidy, it won't be controllable, it won't be statistically significant (although neither is a focus group) and believe me it won't always be G-rated, but it will be worth its weight in gold.

Failure Strategy # 7
Give It Time, You Can Start Tomorrow

*“It takes nine months to make a baby,
no matter how many women you put on the job.”*

Unknown

As a professional in a traditional company, you don't rely on the Internet per se to conduct your business, and you still have many, many customers who don't have Internet access at home. The truth is, there really is no burning business need driving you to take action today.

Add in the fact that you are under-staffed, under-budgeted and very busy, and it's easy to conclude that the Internet is best left for another day. Reaching this conclusion is not in your best interest however, and here's why:

Many of your competitors are already up and running online. These companies are actively charging ahead and learning what works and what doesn't; every single day. They don't have all the answers, but they are getting smarter all the time. *You need to be there while the learning is happening.*

Today's relationships will define the landscape for years to come. Deals are being made, networks are being formed, partnerships are being built. Many won't last, but in the process new connections will be made between companies - some of them exclusive - that will serve to box out those companies late to the game. *You need to be there while the bonds are being created.*

The window of customer forgiveness is closing. If you wait, you will have missed the chance to learn, to experiment and to fall on your face - as many companies are doing now - *before* your customers are paying very much attention. Today there is still a tremendous amount of forgiveness for poor online execution, but this grace period will not last. *You need to stumble before online perfection is expected of you.*

You can't get there in a single step. Doing business on the Internet is iterative, it's experiential. Like moving to a new country and learning new customs, getting comfortable with it will take a little bit of time. *You need to get involved now, so that you have time to learn as you go.*

Don't wait. Get going. Jump in!

About Blue Penguin Development, Inc.

Blue Penguin Development helps professional service firms get clients,
by showing them how to strengthen relationships with the people they already know.

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