



## PAVING THE WAY

MIVA SMALL BUSINESS CONFERENCE 2006  
AUG. 29 - SEPT. 1 • SAN DIEGO, CA.

# Build it/Buy it

***Build it or Buy it: How to get the most out of your investment.***

***There are many myths in the e-commerce world, here are my favorites:***

- I can sell online with little or no cost.
- Anyone can own an e-commerce store.
- If I don't know how much it costs, I don't know if I can afford it.
- I have to have the same features as Amazon, Drugstore, iTunes, etc.
- If I shouldn't mimic "the big sites" I can't tell what features I need.
- Anyone can build an e-commerce site.
- You know what I mean.
- I can't afford to hire people to do my work.
- I can enter products once I get my store built.
- MIVA Merchant will nickel and dime you to the poor house.



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I can sell online with little or no cost.

***Reality: The Online business world is no different from the on-street business world: your ability to profit from your business depends, to a great degree, on what you invest.***

- Business should NEVER spend money; they should only invest.
- Investment = Return. Zero investment, zero return.
- Time IS Money.



Anyone can own an e-commerce store.

***Reality: E-commerce is more than a web site. In fact, the web site should be the LAST thought. E-commerce is a business. Make sure you have a business plan BEYOND what you want your site to look like.***

- An online store IS a business.
- All business rules apply, and more.
- Fulfillment, order processing and integration into the existing business structure is initially more crucial than the web site. Work on that first.
- Why are you selling online. Differentiate your business from others.
- Plan for Growth.
- Focus on Conversions First, Traffic Second (SEO)
- If you don't know, know how to find out.



If I don't know how much it costs, I don't know if I can afford it.

***Reality: You need to determine your budget first, then, see how your budget can be applied to your needs.***

- What are your business objectives?
- How much can you afford to invest? Pick a number.
- Prioritize your needs; don't be afraid to postpone some of your perceived functionality.
- Remember to factor in on-going development, maintenance and staffing
- Remember to consider "lost opportunity" time as a cost.



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I have to have the same features as Amazon, Drugstore, Itunes, etc.

***Reality: Be Realistic. You are not building Amazon.com, nor are you competing with them. (If you are, you need to be at a venture capitol conference, not a small business conference.)***

- Look to your business goals to determine needs.
- Start with a basic site and build.
- A good solid site will sell better than a site chock-full of features poorly implemented.
- Focus on total business integration: fulfillment, order processing, customer service, getting the best price/product, etc.



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If I shouldn't mimic "the big sites" I can't tell what features I need.

***Reality: Let your business goals and needs drive the feature set.***

- Start out small...let your products drive the feature set.
- Don't forget to look at the fulfillment/order processing side of your business.
- Document your goals.
- Look at automation for best ROI.
- Evaluate your investment monthly.
- Don't fret the day to day statistics; online business is usually cyclical



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Anyone can build an e-commerce site.

***Reality: Just as one would not expect an on-street business owner to write their own accounting package, you (or your organization) might not possess the skills need to build an online store. Not even a developer alone is ideally suited to creating a complete site.***

- Photography
- Copywriting
- Marketing
- Graphics/Design
- HTML
- Integration
- Custom Development



## Modules Vs. Custom Development

- A "Killer" feature may impact other more general features in a pre-built solution.
- The more features a module provides, the harder it is to implement/maintain, even if you don't use those features.
- Modules may have less upfront costs but may have higher operating costs.
- Additional features at reduced costs.
- Custom Development usually has to be reinvested for upgrades.
- Custom Development can get you exactly what you need feature and operational wise.
- Custom Develop can also provide you with a long-term relationship with a knowledgeable expert.
- Interaction of modules is not guaranteed.
- If DIY (or working with an integrator that relies on modules) typically going the module route will yields a faster implementation schedule.



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# Implementation Time Frame

- Unless you are starting out with a relatively basic site, the learning curve can be daunting.
- Even if start with a good skill set, you will still need time to learn how to apply it to Merchant.
- Good Integrators/Developers are in short supply and may have schedules that don't coincide with yours.
- Mark February 1st on your calendar. (This is when you should start planning for the Holiday Season.)



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You know what I mean.

***Reality: No we don't. We can't see what you are looking at, and only a few of us have ESP...and that's not so reliable.***

- Describe goals and phrase requests as end results, not processes.
- Give us the context. We are not looking over your shoulder: app, screen, control labels, etc.
- Be precise. Learn the terminology of Merchant and E-commerce.
- Keep a list of modules and modifications handing...attach that list to all queries.



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I can't afford to hire people to do my work.

***Reality: Hiring help can more cost effective than doing it yourself. If you don't really know what you are doing, you are spending a LOT more money than it would take to hire help.***

- Remember, time is money.
- The effectiveness of a professionally created web site can be money in the bank.
- Farm out portions. Be your own Project Manager.
- Revise Feature set. Less is more when less is done well.



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# How to Hire Help

- Forget about hourly rates. They are meaningless.
- Forget about "competing bids" they are rather meaningless as well.
- Its how well you feel you can communicate your goals to the developer/designer/integrator that matters most.
- Put it in writing.
- Designate a Project Manager.
- The project definition phase is billable time.



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# How to Work with Others and Live to Enjoy it

- Be prepared
- Do YOUR part
- Test, Test, and Retest
- Act stupid. Your customers are.
- Remember the logical order: products, functionality, design.



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# Long Term Considerations

- Document your efforts.  
If you build a site yourself, you will either need to eventually transfer your knowledge of the site, or incur an additional cost when handing over maintenance to others. You can lessen that cost by documenting your efforts.
- Establishing a Developer resource or network of resources can help you grow the “right” way.



I can enter products once I get my store built.

***Reality: Products are the core element of your site. You can't determine what your store design needs are until you have these core elements entered.***

- Do your products need attributes, options?
- How are related/similar products going to be handled?
- How will you promote specific products?
- What logical groupings (categories) will help your customers find the products they need.
- Optimize for internal search: Module or HTML Comment trick or both.
- Create a style guide for product descriptions.



MIVA Merchant will nickel and dime you to the poor house.

***Reality: Other products have more built in features, but are not as extensible as Merchant. The true costs of owning a Merchant store over time is a lot less than competing carts.***

- Merchant features can be tailored to fit your specific needs and maximize YOUR profits.
- Features once purchased are yours...aside from hosting and other service fees, once a feature is “purchased” it is yours.
- Do the math. Monthly fees of hosted carts verses Merchant hosting. Are there additional costs for adding products? Are there bandwidth fees, processing fees, etc?
- Hosted solutions generally provide a limited ability to change performance levels. Merchant is unlimited to a large degree.



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### In Conclusion

***Don't Panic. There is an entire community out there to help. However, give up on the idea of being the next Jeff Bezos, unless you are Jeff Bezos (or where an investment banker in a former life). Amazon was not started to sell books, it was started to sell stock. Not a bad idea, but then, you need to be looking at venture capitol funding, not how to build a web site.***

***You should have at least a two year time frame in mind when planning profitability.***