

# Living Large

## Small Companies Yield Big Results with Web Collaboration

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Last year 671,800 small businesses opened, while 544,800 shuttered their doors, according to the U.S. Small Business Administration. Not all of these failures were due to bankruptcy, but a sizeable number likely discovered it cost more than expected to reach their revenue goals. One major culprit was travel expenses. Last June more than 85 percent of small business owners expected revenue to decline due to increased gas prices. The survey by DollarDays.com also suggested almost a third of those companies planned to lay off employees if gas prices didn't drop significantly.

Those gas hikes have forced many of the 25.8 million small businesses nationwide to find creative ways to cut costs and stay competitive with more recognized market leaders in a global economy. As such, smaller companies are discovering a secret tool: Web-based collaboration.

Virtual collaboration and online meeting technologies are advancing SMBs' reach without huge investments, thus allowing them to not only save costs and land more sales but to better educate consumers and business partners and serve a greater number of people lost by former logistical barriers. In turn, this knowledge transfer is allowing smaller companies to gain greater mindshare and reach new markets through numerous, innovative applications for traditional Web-based knowledge transfer technology.

Such programs include video conferencing, web conferencing, media streaming and webcasting — all designed to allow companies to work together in real-time or archive presentations for on-demand retrieval, be it a polished sales presentation, in-house training or thought leadership seminar. Some companies are going so far as to use these tools for IT troubleshooting, particularly by allowing remote access to ailing PCs and laptops in the field.

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communications. A key reason for the wide embrace among small businesses is cost: most can buy the tools as a service, rather than investing in expensive hardware requiring massive network renovations, time and physical space for deployments.

"I basically sign on and start collaborating," Weinstein added. Wainhouse Research conducted a 2006 independent web survey to identify popular applications and motivations driving smaller enterprise's use of web conferencing. Of the 1,562 valid responses, 75 percent reported solid to dramatic growth in usage, making web conferencing a vital part of daily business. Those users cited the ability to reach more people, save travel costs and time and increase productivity as major benefits.

### ***Accelerating Business and Increasing Sales***

Though larger organizations may view online collaboration tools primarily to improve internal communications, the SMB is leveraging its investments to pump up a normally small sales force and provide training so product pitches can be perfected. Such operational streamlining helps a company run more efficiently and at Web-based speed. Sales now can take clients through a hands-on demonstration without either leaving the office. Not only does knowledge transfer vastly cut travel costs, but it also accelerates business and provides more promise in reaching busy executives who can view demos from their office desk, rather than a meeting room or off-site location.

Small companies measure themselves closely through productivity or efficiency units. "So if I can conduct 10 sales demos in a day instead of one or two, I've made money," Weinstein said.

Among industries the analyst finds embracing web-based conferencing to expand the reach of their messaging and meeting possibilities are education through distance learning; health care through telemedicine; and legal through "telejustice." The financial industry, often an early adopter of emerging technologies, also is a big believer in the power of these communications services. "Picture that small hedge fund that needs to get the word out to their clients, and they need to get people with as much impact as possible. These tools do a great job of that," Weinstein said.

Weinstein outlined how his own company's taken advantage of virtual collaboration to create "rich media briefings." For instance, he created a webinar on high-definition video conferencing that he knew would

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—David Farmer, CEO, Ad Giants

generate strong interest in the conferencing space. He was right: within a couple of days, the recorded session had been viewed 500 times.

“If I tried to present that 500 times, I’d be losing my mind,” he explained. “I’d do nothing but present all the time. So 500 people watched me present on a technical topic, and I did other things while it was happening. What a great way to leverage your time.”

### ***Beyond Sales to Better Branding***

David Farmer is another big believer in the power of online collaboration to not only run his Dallas-based company more efficiently, but to gain ground on bigger competitors. Farmer is founder and CEO of Ad Giants, a 30-employee company that provides process management systems for marketers and advertisers. The company’s Internet-based technology lets local franchisees of clients like McDonalds and Wendy’s work with creative teams on customized marketing collateral for promotional campaigns.

There are about 50 other companies in the same space, with five or six pure players. “Of the five, we’re the smallest,” Farmer said. “But we are perceived in the marketplace as the leader in this segment, and I believe it’s using products like WebEx that’s doing that. It’s helping us level the playing field.”

Ad Giants initially created its own communications server when it started in 2001. But the program couldn’t scale and crashed when as few as four people were on a collaborative session.

That sent Farmer searching for a replacement. After researching four vendors, he settled on WebEx, a San Jose, Calif.-based provider of on-demand web meeting applications, to help cut the time his sales teams were on the street doing face-to-face meetings. The transformation was immediate and dramatic.

“Our sales curve went from eight months to a year down to about three to four weeks,” he maintained. “All of the

sudden we were out there selling things without having a ‘meeting.’”

Part of the warm reception came from the convenience Web-based presentations provided those being pitched: the time-starved executive. Ad Giants quickly realized it was much easier to get on their crammed calendars with a 20-minute desk presentation done over the Web than to set up in-person talks bound to last longer. Callbacks multiplied exponentially.

Once the tools were firmly established in the sales division, Farmer decided it was time to extend the company’s branding and become better known as a thought leader through webinars, also created with WebEx technology. The events also proved to be a huge hit.

Creating real-time and on-demand web presentations promoted within ads placed in key business media helped connect the company as experts willing to share their knowledge. And such a distinction brings new interest - and ultimately new business. “And it’s working. I believe that all of this has placed us in a leadership position within our vertical,” the chief executive explained.

### ***Investing Wisely***

Unlike larger enterprises, SMBs can ill afford to misjudge their investments in technology. And Farmer warns that a \$2,000 monthly basic subscription cost can seem daunting to small companies with cash flow issues. That’s why it’s important to not only chose tools wisely, but consider applications beyond the ordinary. “If you’re a leader of a company and you’re really trying to scrub it down in every corner to save dollars, this tool has more applications than at first glance.”

Consider daily tasks that can be aided or enhanced using the online collaboration services. For example, Farmer’s company discovered that its IT staff could troubleshoot and remotely fix computer problems in the field by opening an online meeting session. Such remote access could prove the deal-sealer if done just prior to an important presentation.

“It really levels the playing field,” he concluded. “I know we compete with companies with 300 employees and the big brick building with their name on it. And we’re beating them.”

Wainhouse Research’s Weinstein echoed Farmer’s experiences, particularly the time savings as a value

proposition. “These tools support both live and on-demand or recorded sessions, so when you create on-demand, high-impact sessions, people can access at their leisure during their workday without you losing any impact. That’s a big value for a small company.”

He offers the following advice for those interested in online collaborative tools:

Chose a vendor *carefully*. The big battle here is user comfort level or ease of use. So do your homework. “We see a lot of organizations suffer through this. They have a couple of employees who use the first tool that comes around and suddenly they’re hooked on that, then another user group goes to another tool. Now it gets very confusing: ‘Where are we meeting and which tool are we using?’”

*Keep an eye on costs.* They can start to spiral upward if you aren’t careful. When installed on the premises, a solution has costs built in. With a service, costs increase as your usage goes up. “Now, in all fairness, the costs to use these tools are not usually out of control,” the analyst noted. They range from \$10 to \$50 per month per user, he’s found, depending on the service and usage level. “But if you’re a SMB and you have 25 sales people out there, each spending \$50 to \$200 monthly on these tools, it can add up.”

*Use the right means to deliver the right message.* Video conferencing is a wonderful face-to-face meeting tool, but it’s not necessarily the right tool to give a PowerPoint presentation. Why? Because the actual content tends to be the focus of a PowerPoint session; people want to see the slide deck, not the speaker’s face. In addition, technical topics bound to elicit numerous questions from the audience works much better for real-time presentations than prerecorded ones. “There’s a temptation to use the same tool. When all you have is a hammer, everything looks like a nail,” Weinstein said. “Make sure you don’t actually detract from the importance and impact of the message by using the wrong tool.”

Remember: the goal is to optimize sales, training, outreach and marketing. Doing more with less is a must in today’s business climate. “It’s just not possible to spend one day talking to one client only. You can’t make money that way. These tools should allow you to get past that physical, geographical barrier.”

## Resources

» Ira Weinstein, senior analyst and partner  
Wainhouse Research Inc.  
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» David Farmer, CEO  
Ad Giants Inc.  
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» WebEx Collaboration, Inc., San Jose, California.

WebEx is the world’s leading provider of on-demand web meeting applications. WebEx applications improve collaboration and increase productivity in sales, support, training, marketing, engineering and product design. WebEx delivers its suite of web meeting applications over the global WebEx MediaTone Network, a network specifically designed for secure web collaboration ([www.webex.com](http://www.webex.com)).

Do a needs assessment. Know your requirements before you start talking to vendors and make sure their products address those needs. The online collaboration market is becoming more crowded, with 150 to 200 companies currently offering solutions in this space. Be sure to go with a company that has:

- » a stable, strong client list
- » stable platform
- » feature sets that match your requirements
- » “test drives” before purchase

Following these steps will help ensure a proper product match. But SMBs also must be mindful of rogue users, namely employees that sign up for their own services without gaining corporate approval. One way to prevent such a problem is to come up with a standard.

“Not only does it save you money, but it saves you confusion,” Weinstein explained. “Instead of having four different applications operating within your organization, make it one. Make it something you can centrally organize, coordinate and negotiate.”