

Are You Ready to Reinvent Your Business?

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In these challenging times, you can't expect to grow if you don't embrace change. With more and more of today's business happening online, your website is a good place to start.

Remember the famous Tom Hanks line in the movie *A League of Their Own*: "There's no crying in baseball"? Apparently, entrepreneurs aren't crying in their beer either. According to a study just released by ThomasNet.com, the online site that connects buyers and sellers globally, "despite challenges that are out of their control," business owners are both optimistic about their abilities to ride out the rest of the economic storm, and also expect to grow this year.

An overwhelming 76 percent of those surveyed in the semi-annual ThomasNet Industry Market Barometer believe the economy will improve by the second quarter of 2010 or sooner. And 35 percent actually expect their businesses to grow this year.

These people are not delusional; over half saw a dip in their businesses in the first half of 2009 (most of them lost customers). But they are determined, as one survey respondent said, not to participate in the recession and to focus instead on changing the way they conduct business.

But the most interesting part of the survey was how these businesses chose to fight their way back to business growth. Most decided to essentially reinvent their sales strategies. To find out more, I spoke with Linda Rigano, executive director of strategic services at ThomasNet. Rigano says 70 percent of the businesses decided to institute new sales tactics, specifically by:

- Increasing online marketing
- Expanding into new markets, particularly internationally
- Exploring new channels of distribution

Nearly 40 percent are tackling the problem by innovating and creating new products.

There's a good lesson here for all of us. As Rigano says, in times as challenging as these, "You can't go back to your old ways." To survive, "you've got to do something different."

Perhaps the easiest way to start reinventing and reinvigorating your company is to take a good look at your website. While it's important to have a solid website with good content and navigation that's easy to use (as well as a price list, a fact I learned years ago from another ThomasNet survey), Rigano encourages entrepreneurs to develop a strategic online sales plan.

This may sound intimidating, but Rigano says you should look at your offline sales plan and replicate it. For instance, if you were hiring a new salesperson (offline), your first step would be to "identify your

business objectives." To help you do that online, ask yourself, "How can my website help me meet my business objectives?"

The next step, advises Rigano, is to consider your customers, both existing and potential. Determine where those customers are shopping, what they're looking for, and what actions they take when they find it. Rigano advises that you consider what customers are asking for and find a way to bring it online. Do your customers currently call you? Make sure you list a toll-free number on your site. Do they compare your products to the products of other vendors? Build an online comparison engine that customers can use. Engage in e-commerce? Make sure customers can get a price quote or fill out an online purchase order.

The key is to make it as easy to do business with you online as it is offline, since the more business you conduct online, the lower your overhead is likely to be. If you're selling products, it is crucial you offer an online catalogue. In the Market Barometer survey, many respondents decided not to tackle that on their own. Instead, they reported that they focused on their "core strengths" and turned to experts for help creating online catalogues or developing new sales strategies.

How much of a difference can this make? Rigano cited a client who, after posting a new interactive online catalogue, saw a 15 percent jump in sales for the year. This client reported that the new online catalogue was the single largest contributor to the increase.

Rigano says there are two common mistakes small businesses make when moving some of their business online. The first is not paying attention to metrics. You need to know how many people come to your site, how much time they spend there, what pages they're looking at, and how often they are abandoning their shopping carts. And check your metrics as often as you would check in with your salespeople. The key, according to Rigano, is "to arm your website with the same ammunition you would give a real salesperson."

Asking the wrong question may be the second big mistake you make. Too many business owners ask, "What do I want customers to do when they come to my site?" Instead, ask yourself, "What do customers want to do when they come to my site?" and design it accordingly.

This week President Obama noted the important role of small business in leading the nation out of these challenging economic times. If the optimism and strategic thinking of those answering the ThomasNet Market Barometer survey are any indication, better times may be right around the corner.