

Issue Eighty

LAUNCHPAD



The move to online retail

The internet is now the number one shopping destination globally, and not surprisingly. For customers, it's ideal. There's no need to get in the car and visit ten shops without finding exactly what you want. This way, it's all in one place and you needn't battle with other shoppers for the nearest and driest car park. We have all become a bit impatient too. Purchases from your phone, tablet or desktop at any hour of the day or night help satisfy the 'I want it now' impulse even if actual delivery is some way off.

If you have a product or service but do not yet offer it online, you could be losing business. In today's world, the sooner you move online, the better.

As with anything, do your research first. Look at other sites and see what works and what doesn't. Shop online, or at least pretend to, and work out which structure might best fit your needs.

Here are a few things to keep in mind if you're taking your business into cyber space.

Google AdWords

These words are a bit like keywords, which can be used to drive traffic to your site. In essence, when you move online, you want your business to appear at the top of the list in any search engine. That's where AdWords can help. If you're not au fait with AdWords, don't fret. There are specialised professionals to help. Simply Google them!

User Friendly

Ensure your site is easy to use. If it's not, those impatient customers could lose their cool and potentially head elsewhere to shop. Think about clear but attractive layouts and easy navigation. Don't overload it with too much text or too many images - just keep it simple. Once again, there are professionals who can help.

Cash or Credit

More often than not, customers will pay by credit card, so ensure you can offer a secure payment option. However it pays to remember that not everyone has a credit card, so also look into offering a direct debit option, as well as bringing in a third party like PayPal. Talk to your web designer about the options. Take into account the cost of each and remember that if you don't offer it, you could be turning business away.

Keeping up

Ensure you have someone on board with the skills to keep the site updated. This is often an integral team role and can also double as a marketing or graphic design position.

Deliver

Don't over promise and under deliver in such a fast paced environment. If your Instagram or Facebook account says you have something in store, make sure it can also be ordered online. If not, it won't be long before the backlash begins on your social media sites.

Customer Care

It's important that your customers are taken care of. Ensure your site has clear information on shipping, a concise returns policy and contact details so you can be reached.

'The secret of change is to focus all of your energy, not on fighting the old, but on building the new.'

Socrates, Greek Philosopher

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E-commerce solutions

When you start googling to find an online shopping solution to suit your business, the good news is there's a sea of choice out there: CS-Cart, Shopify, Big Commerce, 3D Cart, PrestaShop, Spiffy Stores, Shopping Cart Elite, Magento and many more.

The bad news is that the sea of choice can be hard to navigate. Review sites listing the pros and cons of e-commerce offerings can be helpful – both for what they say about the sites reviewed and the criteria they use to evaluate sites. But, as usual, buyer beware. Review sites can have agendas. They can be dated. They can also be the subject of furious online arguments as viewers contest the reviews. While these can be informative it takes time to sift through it all.

Start by thinking about whether you want a hosted or a self-hosted online shopping site.

Hosted	The provider will host your store (also known as SaaS or software as a service). Examples include Shopify, Big Commerce, Spiffy Stores
Self-Hosted	Provides you with the software, but you have to secure your own Web hosting (a whole other Google). Examples include Magento, Zencart

Never lose sight of your business as the priority: what you have to sell, your budget, the scale of your business now and your growth plans.

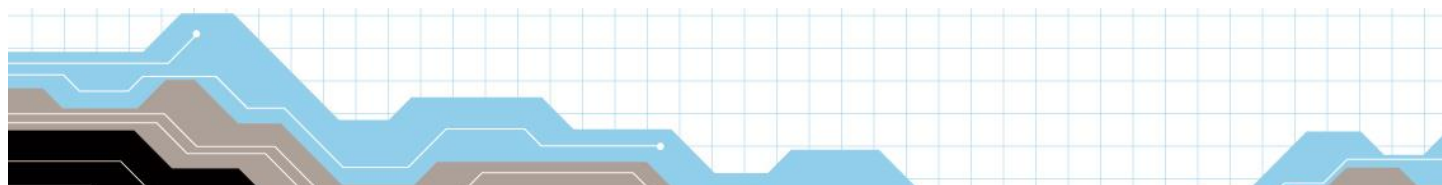
Hosted or self-hosted sites: the ups and downs

Hosted sites

- ↑ An out of the box solution and you don't need to know that much about e-Commerce to get started
- The platform is usually stable and secure (though ask searching questions about this with every provider you look at)
- Will offer you support
- Likely to integrate with Facebook and other social media, and marketplaces such as eBay, Amazon and Google Shopping
- Can offer additional functionality with apps
- They update and improve all the time, will respond to downtime, look after SSL certificates, and update your platform
- ↓ Can be expensive. Do the sums on the monthly charges against your expected turnover. Do they charge transaction fees as well?
- May not offer you much control over site design or the checkout page. You're limited to whatever their core functionality is at the time
- Upgrades may not be in step with your business needs. Ask what the service time is for changes. At what cost? Will it be fast enough for your product?

Self-Hosted sites

- ↑ Options include free self-hosted software with a free Paypal checkout and default templates
- You can personalise your site for competitive advantage e.g. integrate and customise your site search engine, add machine learning features, change how products are filtered and discovered, how the checkout works
- You have more control over design
- ↓ You are responsible for setup (are you a web designer? Didn't think so). The software may or may not be easy to use and it can still be hard to customise
- Support may be limited or non-existent
- It's your responsibility to source your own Web hosting and payment gateway, and to make sure your platform is stable and secure
- Higher upfront expenses and a longer build time before you can launch
- Optimising your site takes revenue, vision and expertise. You might want to engage a development agency to keep moving this forward
- You need to keep on top of maintenance, e.g. software updates, security patches, SSL certificates and responding to downtime. Again, you might engage a development firm that specialises in managing e-commerce sites





View from the dashboard: Do you have the whole picture?

We have so much information literally at our fingertips these days. As individuals, our days and nights are punctuated with the ping of social media updates. Businesses receive streams of layered information from news feeds, message boards and email. As a business owner you may now view your transactions on dashboards on a daily basis.

But just because it's in front of you, are you actually taking it all in? If you're on the go the whole time you might just be hitting the highlights. In the flood of information, you may be lulled into missing things that are important for your business.

Let's say your income figures are running at an all-time high. Well done! Celebrate your wins! But before you break out the bubbly and book a holiday, here are some questions to run so you can make sure business is as good as it looks from the dashboard.

Expenses

What do the figures show when you take all your expenses into account? If your income has gone up have your expenses increased too?

What happens to the picture when you factor in operating costs such as rent and salaries?

Inventory/stock

If your income has increased, have your inventory/stock purchases increased for ongoing higher sales? Keep an eye on inventory levels. If you have a lot more than you need to run your business that's when extra costs such as holding costs and write-downs may arise.

Margins

What's your margin between revenue and cost? Has it grown, shrunk or stayed the same while your income increased?

What have you put aside?

What other costs will you need to take out of your business? You don't want to stymie your cashflow by being unprepared for a tax bill.

Debt

What are your current debt levels and projected repayment periods? Is it possible to knock back some of your business debt? You might gain some real traction here.

Growth

What are your plans to grow the business further and your time line? What's your wish list here? Sketch in what you think it will take in terms of investment.

If you're living right up to your business income, you could be trading yourself into a hole. If you're spending your income as fast as you make it, any unexpected cost or drop in sales could hit hard. And to keep your business growing, you need to fund your plans for the next step up as well as keeping business debt manageable and meeting your tax obligations.

Talk to us if you'd like another perspective. We can help you keep your business tuned up.

12 questions to ask before you select an e-commerce provider

- Is it mobile friendly?
- What are the speeds like?
- What's it like for storage and bandwidth?
- What are the security features and does it offer encryption?
- How does it handle search engine optimisation?
- How does it handle discounts, coupons and specials?
- How does it integrate with my CRM, shipping and inventory control systems? If the product is integrated with others, how tightly – is it a two-way integration? How can I fix the rare integration failures?
- Is the reporting detailed enough for my needs and easy to use? Will the reports be available not only with the information I want, but in the correct format?
- Do I want to offer shoppers a unique online experience or would a more standard (but less customisable) hosted site meet my needs just as well?
- If I'm already thinking I might start small with a hosted site then jump to something more flexible as I grow my business, am I locked-in or can I migrate to another platform?
- New systems mean we change how we do things. The team needs training and we need to execute well. Do I have the appetite to make the change now?
- How much money do I need to keep this going and how does this compare to expected revenue?

Slam the door on scammers

In our last issue we looked at some of the techniques scammers use to harvest valuable information so they can hack your systems. Some of these scams use social engineering techniques to fool business owners and employees into revealing key business data.

Just as people become alert to one technique, scammers develop another. They rely on people being friendly, helpful or simply naïve. Make sure your team are alert to scams and develop strategies to block them.



FYI... Pretexting

Pretexting is a scam where the scammer pretends to be a genuine contact to obtain sensitive data in order to hack the system:

- A caller says they're from the business' IT consultant and asks for login details because they're doing 'routine maintenance' on an issue and need remote access to the system
- An official-looking announcement appears on the bulletin board saying the number for the help desk has changed. When employees call for help, a call centre asks for their passwords and IDs, gaining access to the company's private information
- A contact might come through social media, establishing trust as a prospect interested in what the business offers, lulling you into revealing sensitive information
- The friendly new reps for one of your suppliers turn up at reception with morning tea for the team and cheerful questions about your business operations and assets

With all these approaches, take a minute. Think. Who do you call to verify the contact is genuine? Is it your in-house IT Manager, your IT consultant or your General Manager? Have procedures in place to safeguard what information is given out, when and to whom.

Putting some structure into your business

Your business and your team are growing, and you can't be everywhere at once. Sound familiar? It might be time to rethink your organisational structure.

Small businesses do well with flat structures. At their best there's a friendly, informal, 'just get on with it' feel to them as the team deals directly with the owner. With growth, some degree of hierarchy becomes inevitable. It can have negative connotations for people. Businesses described as 'hierarchical' can sound like they're oppressive to the people who work in them and frustrating to customers.

It doesn't have to be that way. Depending on your approach, it can improve morale, productivity and your overall business success. It can be a very pragmatic solution when a business is growing and suddenly the team (and you) can't keep everything in their heads any more. It's possible to create a structured environment, with individual roles and responsibilities and, at the same time, encourage employees to express ideas freely. Whether we like to admit it or not, most of us like a bit of structure.

Aim for

A guideline for employees to understand where they sit within a business model and what needs to be achieved in order to ascend the ranks or be promoted.

Better communication flow; knowing the right person in each department or area to chat with regarding particular issues.

Avoid

An environment where employees feel a lack of power, leaving a sense of being devalued.

Stifling creativity when those at the bottom of the pecking order lack the confidence to come forward with new ideas and approaches.

What should you do?

Involve your team. Let them know why you want to change the current structure. Seek their views on what works and what doesn't. Whiteboard out the major processes to identify bottlenecks and where the business would benefit from better systems e.g. a ticketing system for repairs and complaints. Talk through options and how best to achieve the right outcomes. Hold regular meetings to support innovation amongst staff members and reiterate the company culture.

An Important Message

While every effort has been made to provide valuable, useful information in this publication, this firm and any related suppliers or associated companies accept no responsibility or any form of liability from reliance upon or use of its contents. Any suggestions should be considered carefully within your own particular circumstances, as they are intended as general information only.

