

Hiring for a Large-Scale Interactive Development Project

Twelve Questions for Successful Implementation

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The purpose of this whitepaper is to provide guidance to individuals who find themselves involved in a large-scale interactive project for the first time and recognize that they need external assistance. Today there is no shortage of consultants, firms, agencies and Web-centric entities that will claim they can fulfill companies' interactive needs. This paper focuses on the types of firms available, the questions to ask, criteria for evaluating responses and some insight into the "big" mistakes of the pioneers. It may also serve as a checklist for those who have gone through one or two large-scale projects prior as they go down their planning process once again.

The Internet is one of the fastest-growing channels for maximizing a company's brand and revenue potential. Further, it is the most powerful medium through which relationships can be developed and maintained between companies and their many constituencies. Relationships with customers can be targeted, deepened and expanded using strong consumer-oriented sites; productivity, efficiency and the flow of information within a company can be enhanced through company intranets; and great gains can be made using controlled extranets to connect business partners that are part of a corporate supply chain. Recognizing this, companies and businesses are creating and expanding current Internet initiatives to leverage the power of interactive relationships.

Typically, companies with strong IS departments may be equipped to create a freestanding Web presence on their own. However, these firms tend to lack the resources or expertise required to produce extensive interactive projects where considerations such as interface design, channel management and e-commerce support are as important as the technology itself. For this reason, nearly 50% of the top 100 Internet initiatives have been developed in part or completely out of house¹. If your organization is like tens of thousands of others around the world, you view this as an opportunity and a challenge, and have chosen to evaluate outside specialists to help you maximize your returns.

So how do you begin your search for the perfect partner? What aspects do you need to consider in evaluating different firms, and how do you choose the partner that will best support your initiatives over the long-term? This document addresses the questions you need to ask yourself and others in preparing your interactive strategy, and offers some advice on evaluating the answers. It will not attempt to answer the questions for you, as your final decisions will, of course, be based on your specific needs and preferences. It will simply give you the tools you need to consider the strengths and weaknesses of all candidates as they propose to help you achieve your objectives using this powerful interactive medium.

1 What types of firms exist, and which are most appropriate for me?

The interactive industry is coalescing around four different types of organizations, each with their own unique strengths and areas of expertise. No matter what you hope to achieve online, aligning yourself with the type of firm or firms that can best fulfill your needs is paramount to your success. Understanding the different options available to you and how each approaches the interactive medium will help you to narrow the field of hopefuls into a qualified short list of candidates.

While the point of entry in regard to your relationship may often be project-oriented, the interactive strategy you are seeking may have ultimate implications on many projects across many departments or business units throughout the long term. As a result, the company you choose to facilitate your online plans should be seen as more than providing implementation services—it should be viewed as your business partner.

WEB DESIGN SPECIALISTS

Web design specialists dominated the development space during the early days of the Internet when personalization and e-commerce technologies were in their infancy and user experience was an untested concept. Aesthetics alone gave sites leadership status online and these firms took center stage in creating award-winning sites with creative interfaces but some what limited features and functionality.

Pros: If you are looking to showcase strict design sensibilities or create a simple non-transactional marketing site to promote a low-involvement brand or product, a Web design specialist may be the best option for your needs and budget. In addition, a great number of options and companies exist, raising the likelihood of finding one with the artistic vision or exclusivity you may desire.

Cons: Although Web design specialists are extremely proficient at layout and creation, their expertise generally extends to the aesthetics of a page rather than the design of experiences. As such, they tend to lack the strong technical and interactive architecture skills as well as the branding and marketing strategy abilities that are required to develop today's market leading sites. This type of partner may deliver your project on time and within budget, but will typically lack the resources and expertise to craft your long-term interactive strategy.

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LARGE-SCALE SYSTEMS INTEGRATORS

Systems integrators are emerging as key players as the growing complexity of Website functionality accelerates the demand for technical knowledge. These firms are heavily staffed with consultants and engineers who possess a wide variety of high-end development expertise. They may work in conjunction with a traditional advertising agency or design firm to provide a complete Internet development package.

Pros: In today's increasingly complex technical market when data access and manipulation can mean the difference between success or failure of an online initiative, systems integrators are experts at deploying the solutions that can ultimately improve your ROI. Further, you can count on them to build systems that are scalable and able to support additional functionality over time.

Cons: Generally focused on internal workings rather than external user perspective, systems integrators tend to be more about business process reengineering than interactive strategy, design or relationship management. To fill in these essential skills, you may be forced to go through the process of staffing up your in-house team or hiring a second partner. This option means greater coordination is necessary on your part, and in general, a longer time to market.

TRADITIONAL ADVERTISING AGENCIES

As traditional advertising agencies watch an increasing number of their offline clients look elsewhere to meet their online needs, many have expanded their services into the interactive space. While these newly-formed groups often operate as autonomous units which are free to pursue business anywhere within the corporate realm, they often work primarily with the agency's existing client base, leveraging a familiarity with the client's offline strategies as a basis for online development.

Pros: If you currently work with a traditional advertising agency for offline communications, you should be confident in its ability to extend your marketing messages to your online audiences. This preexisting understanding of your brand and objectives can save you considerable time developing your long-term strategy, especially during the discovery phases of project development.

Cons: Most traditional marketing techniques do not offer the one-to-one communication capabilities that can be achieved through the Internet. Traditional advertising agencies focus more on the one-way assertion of a branding message than on the relationship-building capabilities that can be achieved through two-way interaction. In addition, their lack of expertise in the technology arena may force you to look to multiple vendors for development of a strategy and its supporting projects—an approach that is neither cost-effective nor easy to manage.

INTERACTIVE SERVICES AGENCIES

Full-service interactive firms have become in high demand over the last 12 to 18 months as the development of successful interactive initiatives has come to require significant expertise, not only in technology, but in creativity, business strategy and site marketing. The quality of the enabling strategic, creative and technology departments tends to be the defining feature of interactive service agencies—meaning these partners can provide all of the essential pieces of your initiative while maintaining an intimate bond with your constituent.

Pros: Interactive services agencies are usually strong in all of the elements of a successful Internet initiative—from brand strategy to systems integration. By working with a single partner you are afforded the added advantage of seamless coordination between the different aspects of your projects, translating to faster time to market and economies of scale. As your interactive needs expand, these firms can address a multitude of needs.

Cons: While they tend to possess a wide range of skills, the strength of an interactive service agency in any one particular area may be weaker than that of firms with a single focus. Depending upon the origin of the firm, this might be marketing, technology or strategy, but rarely will it top the expertise list for all three. The interactive background of these firms also tends to limit their experience to the online arena, often leaving you to look elsewhere for extensive offline marketing needs. Finally, the demand for these types of firms and the limit in the number that supply a complete range of skills makes locating an interactive services agency that is available to implement your project increasingly difficult.

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2 How do I evaluate partners?

With more than 10,000 Internet development companies worldwide², there is no lack of potential partners for your project. But as discussed, all possess varying strengths and weaknesses. Some may have powerful design and GUI skills, yet lack technical abilities beyond HTML. Others might be wizards at integrating technology with your existing legacy systems but lack knowledge or experience in designing an intuitive user experience. To determine which partner is the best one for your initiatives, consider the following:

COMPLEMENTING CAPABILITIES

Your own company may have fully-staffed marketing and IS departments, but the skills and resources of your internal teams may not be sufficient to get your projects to market on time and with the features and functionality that you have envisioned. Whether you are seeking a development firm to develop a single project or handle every element of your initiatives from start to finish, you must hire a partner with resources that complement your own.

VERTICAL EXPERTISE

Companies seeking partners will occasionally reject candidates that currently work with other brands or client in their same industry. Fearing competitive issues, they steer their partner search toward firms with applicable rather than exact experience in their vertical market.

While “competitive” client experience may have been a drawback in traditional advertising agency partners, the opposite is true of Internet firms. If you are an airline looking to sell targeted online travel packages, a partner’s experience in devising a personalized grocery site can certainly be beneficial to you. However if the firm also has expertise in developing travel sites, it likely possess a deeper understanding of your marketplace and the demands of your constituents. This will save you time and money that would have otherwise been spent on training and education of your partner on the nuances of your industry.

FIRM FLAVOR AND VALUES

When conducting your initial evaluation of a company, it is essential that you not only feel comfortable with the individual employees you meet, but with the overall flavor of the firm for which they work. Gather as much information as possible to reach this comfort level. Ask about the company’s values and business philosophy. Speak to clients as well as other employees at the firm. Though it may not always be possible, you may request to meet the team that will be assembled for your business.

PROCESS FOR MEETING DEADLINES

A firm may have award winning design skills, the most advanced technical expertise and powerful strategic abilities, but be so overwhelmed with work that it cannot deliver results. Understand your partner’s methodology for developing schedules and reaching milestones as well as its policy on scope changes. Look to your partner to provide a plan that weighs time to market with implementation needs. If the features and functionality that you feel are essential to your site are going to take nine months, the firm should be able to accurately estimate this time as well as provide suggestions for a faster launch schedule if outside factors require you to be online in three.

SENSIBILITIES OF TRADITIONAL BRAND BUILDING

While the Internet was initially thought to be a medium that had little impact on brands, recent studies reveal that the online realm is one of the most effective vehicles for accelerated brand extension and enhancement. Look at your partner’s online experience in both launching new brands and extending existing ones. Also, be confident that your partner can work closely with your traditional advertising agencies to completely integrate Internet campaigns into your marketing mix.

ROI MEASUREMENT

In the past year the Internet has moved away from hype and experimentation and into the realm of business returns. As such, you should look for a partner that is focused on delivering a return on your investment, demonstrates the skills and strategy to maximize this return and offers ways to measure your success in its response. This includes having a sufficient understanding of your industry to help you set your expectations, as well as the technical and reporting abilities to determine whether those expectations have been met. To assess the firm’s prowess in this area, speak to past and current clients; find out the approaches used to track success and how it reports information back to the client. Most importantly, delve into the tactics it uses to shift strategy, should your returns be less than those anticipated at the outset.

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TARGET AUDIENCE DEFINITION

It is important that you are confident in your partner's ability to identify and understand your target audiences and design effective strategies and tactics to reach them. Look at its different approaches to audience definition and how companies will take that information to deliver a user experience that is unique to each group. Also consider the partner's methods for testing the experience with user groups and actual members of your constituency. Ask the partner how its strategy and/or research department is organized and staffed, and what role it anticipates them playing in your interactive plans.

GLOBAL REACH

The global nature of the Internet means international exposure from the moment your site goes live. Yet many companies have discovered that simple availability of their pages to a worldwide audience does not mean international success. To effectively forge relationships with your vast international audiences, it is essential to localize your efforts to communicate your brand in a manner that appeals to each distinct regional constituency. Because accomplishing effective localization requires your partner's strong expertise in devising global initiatives, be sure that it understands how to communicate your global strategy using local content, culture and language.

It is also important that you are able to distinguish between a partner simply having a presence overseas and having working relationships among its various global groups. Ask your firm to describe a global project it has worked on and then how it was staffed, where people resided and how they worked with the various business units of that firm. Fully staffed global offices are vastly different than a European sales presence, so even if your partner boasts offices abroad, do some digging to check into the precise nature of these groups.

3 How do I use my Web site to develop relationships with my audiences?

A successful site requires strategic management of online relationships with every consumer or unique customer segment. Whether your target audience is mass consumers, business partners or suppliers, the elements that will ultimately lead to the development of that bond must be an integral part of your partner's proposal. Be confident that your partner understands that effective relationship management is about better sales, better marketing, better customer service and better internal processes, and expect to receive recommendations on how these components will be integrated into your Internet initiative.

STRATEGY

After grasping a thorough understanding of your brand, your constituents and your priorities, your development partner should develop a strategy that effectively addresses your audience at every point of contact. This includes the degree of customization that is necessary for your constituents and the methods through which you can segment your users on a behavioral and demographic level. It also includes the type of information that your customers will need to receive to transform them into frequent and loyal visitors to your venue.

MARKETING

To effectively forge a relationship with your constituents, the online and offline marketing initiatives devised by your partner must deliver your message on a one-to-many, as well as one-to-one, level. In a consumer site, the most expensive piece of any Internet initiative is frequently the acquisition and retention of customers, and it is the task of your partner to provide a plan to reduce this cost and increase your overall ROI. Merging this knowledge with research conducted with your audience, it should be able to translate its findings into a completely experiential campaign that guides your users to loyalty at their own pace and quickly shift initiatives in response to the actions and reactions of your audiences. Internal sites and business-to-business extranets have similar marketing challenges. All launches require a promotional effort, so if you anticipate needing assistance with this component of your interactive initiative, be sure to inquire into your partner's media and marketing prowess and specifically its ability to address your audiences on an individual level.

CREATIVE

A quick browse around the most successful Internet sites will reveal interfaces of all shapes and sizes. The different elements of design and navigation should make these sites easy to use

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and intuitive to navigate. When users interact with a consumer site, they should seamlessly experience the brand of that company without noticing the technology used to present it. You and your partner will work together to craft a design concept that will appeal to all of your audiences and communicate the values of your online and offline brand. A useful exercise is to think about five to ten different people who will visit the site and consider what information they are seeking or why they are visiting. Then walk through the site as you anticipate they might. If your experience is like most, you'll be very amazed at problems that show up with this most basic test.

TECHNOLOGY

With multiple tools and methods available for gathering and serving personalized information—many of them with hefty price tags—your development partner's ability to advise you on the methods that are most appropriate for your audience and goals is crucial. While the instinct may be to go the full distance and target each user on an individual level, it is possible that for a fraction of the cost, you can target your desired audiences through behavioral segmentation and accomplish the same ROI objectives. Many vendors offer software solutions in the area of personalization. Some of it is mature. Much of it is not. A company's ability to implement a range of profiling techniques including intelligence tools, intelligent agents, personal bots, collaborative filtering and/or rules-based targeting is an indication of its understanding of the information that needs to be captured to effectively serve your personalized product or content offerings.

SUGGESTIVE SELLING

One of the most powerful ways to inspire a visitor's return and increase long-term sales is through profiling and content management tools that deliver site content tailored to the unique and individual needs of each user. By gathering information through a user's active involvement or behind-the-scenes tracking, you identify relevant content—whether it is invoice updates or product recommendations—and serve it up for every individual consumer. If e-commerce is one of the goals of your Internet initiative, look beyond your partner's core competencies and into its experience with suggestive selling including online profiling, content management and the integration of online and existing legacy information. While you will find that the commerce side is complex, do not overlook back end payment processing and fulfillment, as these components tends to emerge as some of the most under-estimated tasks of a commerce site.

DATA INTEGRATION

If your plans include merging information from existing structures such as sales outlets, look for a firm that can implement a solid data mining and warehousing strategy to integrate online and offline information and parcel existing legacy system data into online efforts. With the skills to deliver solutions for even the most complex situations, such a partner will be able to pull data from any number of disparate sources to best meet your specific requirements .

CUSTOMER SUPPORT TOOLS

Customer service is a huge piece of a successful online personalized sales cycle. Regardless of whether or not your Web site is your primary method for interacting and transacting with customers or whether your customer is an individual, a supplier or an internal staff member, the same concept holds true: By quickly and efficiently responding to an inquiry you can gain a loyal customer or business partner for life. The availability of software and processes that can automate customer service allows companies to provide attentive support without having to operate huge call centers. Your partner should, therefore, be familiar with the available tools and techniques and be prepared to help you either develop a system from scratch or build upon your existing base of support. Discuss your partner's approach to email response systems, call center integration and changes your firm should be prepared to make internally.

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4 How much should I expect to pay and how long might my initiative take?

Every project comes with its own price tag. Depending upon the complexity of your plans, the features that you envision, the technologies that you would like to include, where you plan to host the site and a variety of other determinants, the cost of your development project could range from five to eight figures. According to one source, the average cost of building a basic transactional site is \$479,250³ while the addition of a system that facilitates one-to-one marketing could cost over \$1 million⁴ to implement. Each element involved—including hardware, software, labor, updates and much more—will impact the price of your initiative.

Cost is an important factor to consider when choosing a partner. As simplistic as it sounds, if you require a million-dollar site, you should look to partners that specialize in fully supported million-dollar sites. If your financial commitment is more modest and your requirements less complicated, you may be more suited to a smaller-scale company that can offer you the attention you need while forgoing some of the more substantial consultation and support costs. Regardless of partner size, should the cost you have been quoted be too high for your budget at the outset, ask your partner to break the project functionality out into phases to see if you can prioritize and do only what is necessary at that time. You may also choose to discuss the differences between fixed cost pricing vs. time and materials to be sure that you are comfortable with your set payment terms.

Equally important as how much you will pay is how long your initiatives will take. Depending as previously mentioned, on the scope of your project, your time to launch could range anywhere from 20 to 40 weeks. With both time and money a factor in your decision, be sure that you and your partner have clearly defined all of the deliverables involved to ensure that your expectations are the same before you begin. Once you have approved the size of the project, you should rely on your partner to alert you of any substantial changes in scope so that no additional cost or time is incurred.

5 What's the process to develop my site?

It is very important that you are comfortable with your partner's methodology for creating and launching your initiatives. Project development will go through a variety of phases, each requiring the participation of different bodies of knowledge and the involvement of a range of internal resources. Fast and easy access to the appropriate individuals and information during the various development tiers will be critical to the success of your initiatives, so be sure that your partner's methods are synergistic with your own approaches.

While every firm offers its own development methodology, following are the fairly typical phases through which most interactive development projects are guided to completion.

DISCOVERY

The discovery phase is perhaps the most essential of any phase in the development cycle, as insufficient attention to it can result in significant long term cost increases. Generally taking up to 25% of the overall time and cost of the project, it examines your project goals and objectives, your audiences, marketplace and a variety of other factors to create a plan for developing the best possible solution. As you complete this phase, decisions about information architecture requirements, application and functional requirements, business drivers and priorities and success measurement metrics are determined. Though you may be eager or feel pressure to start building immediately, diligently complete this stage in order to have a clear sense of the scope, schedule and prices of the project.

DESIGN

During the design phase your partner creates an interface, technical architecture and navigation scheme for your initiative that fully encompasses your brand or message in image, personality and voice. This phase includes design of the total experience—how users will navigate and immerse themselves in your site. Once established, your partner should test all elements of the site through usability labs and other research methods to ensure the quality of the experience. **PRODUCTION** During the production phase of your project, your partner will create the necessary graphics, write the copy, code the applications, document the test plan and conduct unit, integration and system testing. Heavy coordination between the development firm and your in-house IS department may be necessary to ensure that the developed systems can be integrated (if appropriate) with your existing ordering systems, return processing programs, accounts receivable interface and customer information systems or supply chain.

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At the end of the production stage, you should also have a plan for stress testing and hosting. Hosting is frequently over-looked until too late in the cycle, and it is important to understand items relative to scaling on short notice, backup, maintenance and production testing and plan for maintenance releases. Inquire about the methodology for keeping the site current, using extreme “what if” scenarios to fully understand internal processes. For example, if your firm were involved in a merger that was unexpectedly reported in the press this morning, what process would be followed internally to address that on the site in a four-hour time frame?

LAUNCH

Launching your Web site takes more than flipping a switch. Coordination of site marketing and PR initiatives are essential to the success of your investment, especially if your intention is to draw new audiences to your venue. During partner evaluation, discuss site-marketing plans and how, in terms of manpower and process, it plans to proceed. Make a list of the top ten things that can go wrong during launch and ask your proposed partner what the plan of action will be.

ADDITIONAL PROCESS ELEMENTS

Content management

Critical to your Internet project is managing the information that is part of your solution. With an Internet audience that is far savvier than its 1995 counterpart, it is nearly essential to keep your site fresh and continually enhance your offerings. Rather than turning to your development partner to make every content or image addition going forward, rely on it to implement content management and other tools to help you seamlessly add and update information which you expect to change frequently such as press releases, job opportunities or price changes on the site.

Knowledge transfer If you are planning an extended Internet initiative rather than a one-shot program, you may want to transfer elements of the development and upgrade work internally. In-house resources will enable you to most efficiently do regular content and feature changes without feeling as though you are at the whim of your development partner’s schedule. Most firms can provide you with assistance in hiring appropriate individuals for these tasks and the necessary training to speed these new employees through the learning curve. Inquire into this capability up-front and speak to past clients who successfully transitioned part of their initiatives to an internal work group.

Redesign

Shifts in corporate messages or products, the advancements of new technologies and the increased ability to deliver fully interactive online experiences will undoubtedly prompt the need for upgrades and enhancements to your Internet initiative. These potentially costly upgrades or redesigns can be minimized through extensive discovery at the beginning of an initiative and by working closely with your partner to examine the full range of expansion plans for the future.

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6 How do I evaluate the experience users will have at my Web site?

Every component of your Internet initiative should be about responding to the distinct needs of your constituency. When evaluating how well your site speaks to your audiences, consider the following:

DOES THE SITE EFFECTIVELY COMMUNICATE YOUR BRAND?

You may have spent years and tens of millions of dollars developing a brand that communicates the strengths and values of your company. It is equally likely that you're turning to the Internet to enhance and extend that brand. As such, your brand images and associations should be apparent in every aspect of your interactive initiatives. If you are an automobile manufacturer that emphasizes the reliability of your cars, you'll want your online ventures to communicate the solid strength of your products. If you are a toy seller, both your marketing efforts and the look and feel of your site should communicate the same playful feeling that has been an integral part of your company's successful offline initiatives.

IS THE SITE DESIGNED FOR YOUR AUDIENCE?

The design, architecture, copy and features of your site should all work together to present an experience that appeals to the sensibilities and preferences of your constituencies. For example, if your audiences are primarily coming to your site on 28/56K modems, it is a good idea to consider leaving advanced multimedia features and graphics that have longer download times off of your site's home page or gateway.

If your target or existing audiences tend to conduct extensive research prior to purchasing products, you should install a system that enables users and vendors to contribute product reviews. If you want to demonstrate your technical savvy, but your audiences prefer to cut directly to the information they need, then strike a balance between that desire and the bells and whistles that you and your partner agree will enhance the user experience.

Always keep in mind that unless you are creating an intranet or secure extranet, what you put online will be accessible to everyone—including investors, business partners and others. Be sure to balance this knowledge with your desire to serve your core constituents.

IS INFORMATION EASY TO FIND?

Clean navigation paths can mean the difference between the success or failure of any Internet initiative. You may have your design, features and functionality in place, but if a user arrives and is unable to locate the information that s/he seeks, it is unlikely that you will catch that individual browsing through your site again. Your own ability to use your site is far less indicative of its navigability than the actions of potential customers, so work with your partners to devise extensive usability tests prior to launch. Your firm should have the expertise to devise paths that will be clear and seamless, but the unique nature of each constituency means that you should also be prepared to make changes based on the results from your tests.

DO YOUR CUSTOMERS FEEL SECURE IN BROWSING AND PURCHASING AT YOUR SITE?

Providing your audience with a comfortable online experience will stem from implemented and well-stated security measures. Whether you are developing a consumer venue, a business-to-business site or a corporate intranet, visitors should always be clear about where they are within the purchasing process, and through navigational elements, understand what steps remain before the transaction is complete. Posting a secure shopping icon on every page of your site to accompany the secure server that you've installed for transactions will help ease your audience into purchasing. Placing links to a privacy statement throughout your site which outlines specifically what you will and will not do with user data will further increase a customer's confidence in releasing the data to you.

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7 How do I drive traffic to my Web site?

The development of your Web site, intranet or extranet is the first critical step in the success of your online initiatives. However, for many partners, the launch of your site will mean the end of their involvement. As mentioned earlier, the reality of an interactive project is that you don't simply flip a switch, sit back and watch your audience knock down your virtual door. Making an online initiative a true success requires an innovative promotional strategy that leverages existing outlets, targets your ideal constituency, communicates your brand and does so for the least amount of money.

Do not hesitate to ask a potential development partner about its plan for driving traffic to your site and the experience it has in doing this for other clients. If the development partner you choose lacks prowess in the marketing arena, look to another firm to provide the promotional component of your initiative and expect it to include elements of all of the following in its recommended campaign.

INTERNAL PROMOTION

Using marketing muscle to get your internal organization involved in your Internet project—whether it is there for them or for an audience outside the company—is an often over-looked part of the promotional process. Particularly in the case of intranets, you should implement an internal communications campaign that encourages individuals to use this new work tool. Yet even if your project is geared toward an external constituency, you should devise a plan of action that rallies in-house support and gears up the team for the inevitable changes that will result from the project.

EXISTING OFFLINE CAMPAIGNS

The complete integration of your online and offline communications and other marketing campaigns will ultimately lead to the greatest success story. This synchronicity extends to your day-to-day PR activities, your print, television and radio campaigns, existing retail locations and any other offline outlets that are available to you. Leveraging your current promotional vehicles to promote your new initiative will lead to significant cost savings as well as a level of exposure that is almost unattainable for pure Internet brands.

Working with a development partner that offers traditional brand strategy expertise as well as the ability to seamlessly integrate your new and existing campaigns will greatly contribute to the success of your marketing initiatives. Equally important is the firm's ability to see your existing audiences as a strategic advantage and to use targeting tools and techniques that go deeply into your constituencies with your message.

ONLINE MARKETING AND PROMOTIONAL STRATEGIES

A good interactive plan makes it possible to target the most highly qualified segments of potential consumers more accurately than any advertising medium that has ever emerged. It is the responsibility of the team that devises your marketing initiatives to unearth those targeted audiences and take full advantage of the opportunities that the Internet provides. Whether you are running banner ads, sponsoring discussion forums or advertising on an e-mail newsletter, everything from the design to the copy to the offer should be focused and targeted.

Unlike the traditional broadcast world, the Internet offers almost unlimited promotional opportunities, each with their own distinct benefits. Some of these opportunities include banner advertisements that enable consumers to conduct complete transactions, integrated content sponsorships, e-mail sponsorships and lists that reach distinct communities of interest, keyword buys on search engines and directories and a host of other unique and effective promotional options.

With the cost of customer acquisition of these various outlets ranging from \$1 to \$200, use the expertise of your development partner to sift through the available options and recommend the ones that will be most effective for you. Understanding its creative process and background will help you to feel comfortable with its ability to devise creative that appeals to your audiences and communicates a message that is consistent with your site.

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8 **What are my objectives and how will measure their success?**

It is imperative that you and your partner clearly outline your objectives—whether they are to provide customer service, reduce costs, generate revenue, market products or simply enhance your brand. Your partner's expertise will be extremely helpful in determining the manner in which your return on investment will be measured against these objectives.

There are a variety of methods to help determine ROI, including profit in savings, brand impact studies, overall sales impact and on-site metrics such as page views and site visitors. It is important that a potential partner has a technical and research infrastructure in place to gather and analyze data, integrate information from your online initiatives and existing legacy systems and regularly deliver reports on the progress of your objectives.

COST REDUCTION

Many companies experience deep cost savings in many areas of their organization following the launch of their Web site, intranet or extranet. Online e-mail newsletters shutter the millions, and sometimes tens of millions of dollars normally spent on direct mail campaigns and catalogs. One customer service representative hosting four or five simultaneous one-to-one customer chats in the same time they would have spent on the phone with a single consumer will increase that individual's productivity by 400%-500%. Order taking for both business-to-business and one-off sales becomes automated. Software products that were initially sold through retail outlets or shipped through the mail can now be downloaded directly to users' desktops—decreasing mail and labor costs.

To ensure that you are maximizing your profit in savings, ask your partner to assign a dollar amount to streamline activities. For example, assume that a hard copy purchase order at a firm costs \$100-200. A purchase order conducted online may cost one tenth of that. Similar numbers are available for expense reports and other processes such as call center cost reduction, manual production costs and collateral mail costs to prospects. Get a complete analysis from your partner of all areas that are applicable to your potential cost reduction and include this in your overall ROI objectives.

INTERNET ROI METRICS

Although harder to put in dollars and cents, have your partner work with you to set up some Internet metrics for your return on investment. Today's most common online methods of measuring success include unique visitors, page views, advertising impressions served, number of discussion postings or chats, e-mail queries, transactions and downloads. Look to your partner to deliver regular reports of this information and help you understand the data, tweaking your initiatives on an as-needed basis to improve overall ROI. This ongoing information and update process will require a long-term commitment on both of your parts, so make sure to also get a solid understanding of your partner's delivery methods and how they will figure into your overall budget.

BRAND EXTENSION EFFECTIVENESS

As branding has come to play an increasingly important role in the online world, you will also want to consider pre-buy brand awareness, real-time and/or post-buy brand awareness, brand recall, brand impact and long-term online brand equity when you measure your ROI. Not surprisingly, this information will need to be gathered through traditional branding studies such as surveys and focus groups, requiring the ability of your development partner to gather this qualitative data through on and offline user testing and recommend tactics to continually enhance the effectiveness of your branding.

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9 *What internal resources will I need and what information must I share?*

Some of the most challenging issues of any project, especially those within the Fortune 1,000 space, are involving the correct internal parties, managing the process and distributing information in a manner that keeps political issues to a minimum while expediting the project. Depending upon your objectives, internal resources required for the project will vary, but certain groups and individuals are essential to involve.

EXECUTIVE TEAM

While the members of your executive department likely have far too much on their plates to be involved in all of the intricacies of your project, it is essential to garner their support for your initiative at the start of the process. If winning this backing looks to be a long uphill battle, turn to your partner to provide you with the ammunition to win their support including prototypes, achievement plans for your objectives and brand impact assessment information. Leverage your partner and have it present to your executive committee to walk members through its proposed online solutions to your company's business problems.

STRATEGY REVIEW BOARD

As soon as you decide to launch an Internet initiative, assemble a cross-departmental team of individuals to work with your partner to determine the strategy and objectives for the project. Depending upon the scale of the project and the areas of your organization that it will touch, the members of this multi-disciplinary board will vary. It is important that the individuals on this temporary team have the knowledge to communicate the objectives of their respective departments and the authority to make decisions on how to best implement these objectives.

Note that you may want to review this assembled team after you select a partner to fill in holes or eliminate overlap. Rather than match the internal team, a partner should create a solution.

DEDICATED INTERACTIVE GROUP

Unless you plan to develop the entire project in-house, a dedicated interactive group of two or three employees will often suffice for all but the largest of interactive projects. As the name implies, these individuals devote 100% of their time to your Internet initiative to facilitate approvals and provide guidance in conjunction with your interactive partner. The project manager is the focal point of this group and can be any individual that is capable of understanding and managing the development process. S/he should be the primary coordinator between the various internal departments as well as with the development partner. S/he should also have the authority to make decisions about many of the less significant issues that impact your development so that every question about wording choice or color scheme does not require extensive inter-departmental routing and result in costly time setbacks. With this single point of contact, your firm will be able to access the information it needs to perform most successfully and expeditiously.

Internal expertise will be essential for the likely transition of all or parts of your project in house. Understanding the technologies and processes is one part of establishing this expertise. Having a grasp on the resources that you will require to effectively make this transition is equally important. Rely on your partner to assist you in this transition and in training your new hires once they are on board.

SALES AND MARKETING

The involvement of sales and marketing departments is critical during both the project planning and long-term strategy phases, as your Internet initiatives—especially for external sites—may likely have the greatest impact on these areas of your company. Beyond simply ensuring that the objectives of these departments are integrated into every piece of your online initiatives, be aware of the tremendous impact of synching up your online initiative with all existing communications outlets. From offering the same product discounts online as those that are provided in offline retail outlets, to including the URL of your site on every piece of direct mail and on every newspaper ad, coordinating offline and online efforts will have a tremendous impact on the success of your campaign. Your partner's ability to integrate these disparate efforts as well as its deep understanding of traditional branding will play the most significant role in integrating these activities.

CUSTOMER SERVICE

Many customer service departments are prepared to support sales through a single outlet, but they are unprepared for the volume of customer care demanded by Internet initiatives. Involving your CSR team, if appropriate, early in the process will enable you to sufficiently prepare for future needs. It will also give your development partner the opportunity to recommend appropriate staffing levels for the increased volume and to recommend technologies to ease the high volume impact that your project will likely have on this department. Define how your partner communicates to this group.

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INFORMATION SERVICES

Although many interactive initiatives are often driven by marketing, product management or operations groups, the essential role of the IS team cannot be overemphasized. Its complete involvement in development from the outset will both speed the process along and significantly decrease the possibility of future functionality conflicts. If you plan to integrate your online information with enterprise customer transaction data from existing legacy systems, the IS team plays a critical role. To make sure that your project stays on track and on time, open the lines of communication between your partner and your IS department from the start of the process and ensure that these groups work in tandem throughout development and implementation. It is not uncommon to have a member of IS as an integral part of the dedicated interactive group.

10 What information does a partner need in order to supply a meaningful response and quote?

Your Internet initiatives are about far more than your corporate colors, the number of products you want to sell or the processes you want to streamline. Your RFP should communicate the maximum information about your brand's existing situation and your objectives to enable a partner to provide a thorough and accurate response to your very distinct needs.

THE IDEAL RFP CONTAINS THE FOLLOWING INFORMATION:

- Corporate information
- Background relating to the specified initiative
- Specific goals and objectives
- Other Web or traditional advertising/brand identity/consulting agencies currently being used
- Analysis of brand identification
- Description, likes and dislikes of existing online efforts
- Summary of why you are looking for a (new) partner
- Budget allocated for the project
- Estimated timeline for the project and if that timeline is driven by outside events
- Selection process and criteria
- Current (and if applicable, new) target audiences
- Your top competitors (in general, and specifically online)
- Required proposal deliverables
- Critical business challenges
- Features you admire on other sites (competitors and in general)
- Whether you're looking for project work or a long-term relationship
- Information about the group that runs/will run your interactive efforts internally
- Internal expertise
- Success metrics and ROI targets
- Specs on pertinent existing data and transaction systems

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11 What can go wrong?

As even the most extensive planning does not completely eradicate the possibility of things going wrong during your interactive development process. Use the proposal phase to ask your partner to articulate any foreseeable complications that might arise throughout development. While every partner will likely offer its own host of potential issues based on its experiences, following is a starter list of some of the most frequently encountered problems .

YOU'RE NOT PREPARED FOR THE LEVEL OF TRAFFIC

Estimating your potential online audience size and traffic numbers is a nearly insurmountable challenge. Unfortunately, if you fail to adequately anticipate the number of visitors your site will receive, you may find yourself overwhelmed with both internal organization issues and external image problems. Your corporate staff may be unable to respond to the influx of e-mail inquiries that you receive, making you seem unresponsive or unreliable. Your server may buckle and crash under the pressure, generating bad publicity and an unstable reputation that is difficult to reverse.

OVEREXTENDED YOUR DESIRED

LAUNCH FUNCTIONALITY If your goal is to have a live site in three months and the experience of your partner indicates that a particular personalization tool that you requested will take six months to implement, your partner should not only inform you of potential delays, but also help you to develop a rollout plan to enable you to meet your goals while receiving the full functionality that you desire. By forcing extensive development into a condensed timeline, you are sacrificing the quality of the project because of reduced testing and QA time. If you rush, your audience will notice the broken links or inconsistent functionality far more quickly than they will recognize the thousands or millions of dollars you spent to foster your brand. This can seriously harm your corporate image and your ability to foster positive online customer relationships.

"SIMPLE" UPGRADES INCUR HUGE EXPENSES

Elements of your site that appear to be simple images or applications can turn into sinkholes as you start to make even the smallest changes to them. One small header adjustment may have implications on every page of your site, and before you know it, you have spent thousands of dollars tweaking insignificant graphics when that money might have been better invested in longer-term strategy development. If you anticipate any upcoming happenings in your company such as the release of a new product line that will require significant revisions to your site, be sure to inform your partner of this in advance so that it can either advise you of potential costs or devise a system that enables you to easily and inexpensively update particular sections, images or features. Simple, frank discussions with your partner up front will save a great deal of money in the long run.

YOU'RE UNPREPARED INTERNALLY

Internal preparation for the launch of your Internet initiative extends from the readying of your customer service department for the new volume of sales to the integration of your online and offline sales and marketing teams around special sales and inventory issues. Your three customer service people who were fully prepared for dealing with the handful of calls that came in from your retail outlets could find themselves under piles of e-mail inquiries. Retail sales specials that are being nationally promoted could be inconsistent with the pricing on your site. To avoid post-launch blips, your development partner should prepare you for the potential impact of your initiatives in every

area of the company and provide recommendations to get each of these areas in synch and up to speed.

YOU LAUNCH BUT RECEIVE NO VISITORS

Back in the good old days (two years ago), the issuing of a single press release announcing your interactive initiative would be enough to keep your pages busy for months. Today's competitive landscape is exponentially more crowded, and it is easy to become lost or buried among the vast number of sites that share your arena and know how to position themselves so that they are prominently displayed everywhere your target audience can be found. Standing out and making your site known requires a targeted and integrated online and offline campaign to become an Internet success. Budget and resources should be allocated to the launch phase of your project and your partner should work closely with your marketing team to ensure the maximum return on your marketing investment.

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12 *What is expected of me?*

We all wish that we could simply hand over the plans to our development partner at the end of the strategic phase and see the perfect product delivered to us intact some months later. Yet the development of any Internet site—whether it is a business- to-business extranet, corporate intranet or marketing initiative—requires a deep level of client participation. Depending upon the nature of the project, the level of involvement will vary. The following is a short list of those client requirements that are almost always necessary to get a project completed on time.

INTERNAL PREPARATION

You know your own corporate policies (and politics) far better than any potential partner, so take whatever steps are necessary to minimize the potential internal hurdles that may affect your project. This might mean winning over the support of your executive team, helping your customer service team ramp up for the new customer demands or convincing your sales team that the extranet won't supplant them. It also includes the appointment of a project coordinator and the creation of full-time and strategic teams to manage approvals and content to shepherd your project to completion.

RESPONSIVENESS TO YOUR DEVELOPMENT PARTNER

Very few companies begin their Internet initiatives without a deadline. Sadly, just as few realize that delays on the client side mean hold-ups of the project launch. Understanding this is a good start. Making decisions and getting timely approvals as needed by your firm is even better. Remember that the speed with which you can keep things moving on your end will have a significant impact on the completion of your project and that your partner may not be able to accelerate its work if you have corporate delays. Partners have staffs just like you.

REVEAL THE MAXIMUM INFORMATION

Your partner wants your project to move as flawlessly as you do, and providing them with complete information will be the ideal way to avoid mistakes along the way. To reach a state in which you are completely prepared for every detail of your project, take the necessary time to fill in your partner on your complete current and future corporate goals and plans. If you expect to open six new retail outlets and have a map of store locations included on your site, tell your partner of those plans. If you envision a corporate restructuring that will require a complete overhaul of your Intranet, your partner should be prepared to make these changes. Two-way communications with your partner will ultimately keep you from finding out about the little cost and time consuming details too late to avoid them altogether. *And above all be honest. Your partner wants to succeed as badly as you do. A successful implementation is important to you both because it lives on. Choose carefully and wisely and take your time. It will be worth it in the long run.*