



DCKAP eSessions Exclusively For AHTD Members - July 09, 2020

Discussion Panel:

Watch Video Here: <https://youtu.be/KbziQnC7hww>

1) Introducing Kenneth Ott and Metacake (00:00-02:00)

Kenneth Ott (Chief Growth Rebel & Co-Founder, Metacake) :

My name is Ken Ott, and I'm the co-founder of Metacake and I'm super happy to be here. I think this can be a fun discussion. I am here in my home in Nashville and everyone in Nashville does play guitar, it's a requirement, where I live. I've spent my life helping businesses grow creatively using technology and specifically e-commerce.

And so you can feel free to connect with me at ken@metacake.com. If you have any additional questions from me after this, or I'll also be at the booth and in chat and things like that. That's ken@metacake.com. Real quick on Metacake. It's an eCommerce growth team and it's, the joke I use is, I never met a cake I didn't love so that. That's kind of how you say it. So M E T A C A K E . We do coaching, we have educational products like books and courses and things. We also do one-on-one work with businesses. We've worked with really large brands like P&G, which I think is a good example for this distribution model.

Then we also work with a lot of smaller brands as well, implementing e-commerce helping them grow in healthy ways. And so if anyone has any questions about that, feel free to go to metacake.com. You can learn more there. You can also reach out to anyone here directly, and I'm going to let him know everybody introduce themselves and kind of give their contact info too. So that, any questions that anyone has, they can kind of direct them, where appropriate, given that there's a lot of, sort of getting the people who are getting started in eCommerce, we put together a small cheat sheet of getting started resources. So if anyone is interested in that, you can go to metacake.com/get-started.

2) Diving into the discussion: (02:09-03:53)

So, let's jump into the topic. So we've got like an awesome panel of people here, all, with deep e-commerce specializations and also relationships and knowledge about the distribution and manufacturing world. So the goal here is to put some practical tips together so people can really start to implement things.

But I also want to talk a bit about the strategy of how e-commerce fits into the role of a distributor or a manufacturer. We want to dive into that a little bit as well. so, we've got about 45 minutes and only about a few more minutes with Billy. So we're going to try and break this up into like about 15 minutes talking about the strategy of how you implement e-commerce and maybe some of the challenges that are there. And then about 15 minutes talking about actions, like how do you start? Where do you start? What it costs, what should you invest?

How should you market it? And then we'll leave a few minutes at the end for questions from the group. And again, if anyone has any questions that aren't covered, you can just connect with each of us individually or at the booth which are kind of cool. It's a little virtual booth.

Um, Okay, so that sounds good. Let's go, uh, real quick. I'd love to go around and just, I have all you guys introduce yourself. What your role is a little bit about the company that you're with and, and we can just maybe start with Billy, how's that sound?

3) Introducing Billy McClennan, Gorgias (03:53-07:28)

and, uh, yeah, I'm happy to be here. So, um, Just to give you guys context on the company. And then my background first, because I'm thinking it's a little bit different, than most people here. So I work for a company called Gorgias and where we work exclusively with eCommerce brands. Um, we do have e-commerce brands that have, have an offline model, but yeah. Most of these are brands. So they're there, they're their suppliers while they're manufacturing their own product. And basically a Gorgias has a help desk. So all of the different channels that your buyers are communicating with you from. Um, and when you think online, you're thinking like, like said social Facebook, Instagram, Facebook messenger, live chat on your website.

Comments on posts, email, phone, of course, the more traditional places we bring, all of those things into one place. So most of my day to day now is with eCommerce brands. And then what I'm doing here is I manage all of our partnerships, um, in North America. So not with distributors, but with agencies, basically people like DC cap that are, are scaling these, these e-commerce brands.

Before I started with Gorgias, actually my first job out of college, after my, after grad school was with the distributor. So it was the standard distribution model where like I had, I had a territory, we had our manufacturing factories, we had a big catalog. I did that for about a year and a half.

And I did my grad school in chemistry, so I was a chemist, but I wanted to get into sales and business. So it was like a really good experience for the first year and a half. But to be honest, I didn't love the distribution model, because at least the distributor that I was with was always about margins.

It was never really about value add. And we were also selling a lot to the government. Ran labs, academic labs. So it was always tender based funding based, it wasn't privatized, so it was always about the highest margins and what discount we can give these people to get the product out versus value.

Cool experience for a year but I didn't love that model. So then, basically a year and a half after that, these two guys at MIT started a company and they were building a muscle oxygen sensor. So, I jumped in with them very early before launching them, during the R and D phase.

And when we decided to launch the product we launched exclusively e-commerce. So we started with Shopify eCommerce platform. And I had not, I know what eCommerce experience, so like, you know, Setting up an eCommerce company all the way from fulfillment to marketing, to all of these different touchpoints that were talking about podcasts like blogs, email, marketing, SEO, things like that.

That was all new, but it was exciting. So, I just felt like we had a lot more control over the success of our business. And so, we started e-commerce, we actually did get into distribution as well, internationally, for logistical reasons. So we, we kind of had both models, and we scaled that pretty well for about a year and a half and came to a small exit.

And then I transitioned here. So I know that was a bit of a long introduction, so e-commerce has been most of my experience, a little bit of distribution experience at the beginning, and that was good. And, where we work, any commerce pretty much exclusively as well. Although we help people strategize between the different

channels, which also include distribution wholesale, but we use just a top and it's a really great customer service tool and customer service is so key in any experience, especially in the eCommerce experience, which is kind of what we'll get into, which is also why you're here.

4) Introducing Brian Nunes, APS Payments (07:31-08:44)

I'm Brian Nunes with APS payments. And our goal is to help manufacturers and distributors keep as much of the money they can, do that through processing, payments through a very distributor and manufacturer focused way in terms of getting them the types of discounts they can get on their transactions.

I know in today's world, You guys are probably still dealing with a lot of invoices and getting checks and things like that. But, we help you keep more of your money. We help you get it faster. And, we also understand how B2B business works. So we understand the workflows and challenges you have.

So that's, that's basically what we do as a company is we help you keep your money and get it faster. I love that.

And those are great things, especially right now.

5) William Miller III from Koganei on lead strategy (09:01-12:03)

Ken Ott:

Will Miller from Koganei, head of marketing I wanted to key off of what you just said. And so real quick, let's talk about lead strategy, B commerce as it pertains to distributors manufacturers.

First, we've seen like e-commerce comments of the status that it grew 10 years' time in three months over the last three months. Um, I've seen, I've seen something that said a few stats that say it. so typically it's about 12% of global retail and it got up to about 30%. Now it's kind of teetered back down, but it's still kind of level at a much higher level.

And clearly, it's been forcefully adopted by a new set of people and that will probably continue. And it's just important to consider for any business, how you do eCommerce, or maybe even more broadly, how you create a really healthy online channel. I think it's important to point out in the world of eCommerce that, you

know, we coach a lot of consumer brands, a lot of manufacturers, CPG is those kind of brands and well e-commerce is incredibly important.

It's only one channel in the entire sales channel strategy. I always say for a healthy business, you need to have a good balance of all the different channels, including wholesale distribution and marketplaces and other types of channels.

So each channel kind of has a pro and a con or pros and cons. But, I like to talk about this question. And we'll kind of hit it earlier traditionally. Distributors and wholesale channels has seen e-commerce as a threat in some ways for many rightly so. So, while I don't believe it's a threat, I actually think it can be an advantage.

I do think because eCommerce is available to everybody. I do think it's a threat to traditions, right? Like any type of disruptor threats. The old w threatens the old way of doing something. Um, but I don't believe it's a threat to the role and I, and the reason I know that from my perspective is we, we see continued.

Uh, in fact, we see a lot of eCommerce brands increasing the, um, uh, the, the investment in. In that distributor wholesale channel. And, um, and I think it's a really good thing when it's imbalanced. And so I don't think it's a threat to the role, but I do think it threatens some traditions.

6) Understanding Disruption and Encountering Traditions (12:03-12:46)

I think when disruption happens, it's I always like to ask this question, why is this happening for me? You know, the pressure that is created by the disruption forces you to innovate. And while that is hard, it results in a, a huge benefit often for the company and the person. It also levels the playing fields in a lot of ways and it creates opportunities.

With that in mind, I'm going to kick it first. I want to ask you this question: basically with eCommerce with the role with eCommerce coming into play, how has the role of a distributor changed? And for the sake of this discussion, let me ask you this question. Are distributors even necessary anymore in the ecosystem?

7) Importance of Distributors in the ecosystem (12:57-16:32)

Will Miller:

Yes, they are necessary. So, I don't get my butt kicked. I want to preface again, I am

a manufacturer, a supplier, so in respecting Bill his experience and here's where he can't argue. We have to take a step back and think about like, make things simple. We talk about eCommerce. It's about the fancy word is it's the transaction ,it's digital.

So instead of me physically handing somebody an invoice and saying pain, you like when I get eggs and bacon, they're not going to do it online period. So we'll buy it. Every distributor, that's a part of the AHTD association or the, I forget the term that Leah said solution provider. We all supply an industry called manufacturing to make it real simple for me.

They are a company that makes things. You ever see a team show how it's made. It could be a crane, a razor. I don't care. They make it into a physical product. So if we think in that context, if they make a thing, why would somebody want to buy from me two or three things? One cost of good soul. The acronym tags, cost reduction.

If this microphone I can buy or partner with a distributor that helps me make this \$10 cheaper, that's more net income and profit. For me, manufacturer's happy with the product that they make, finding some ability, because this is now cheaper from buying from Billy. Delivery allows the person that makes the thing at a lower cost because ability to also make more, because the thing that Billy sold us allows us to make more things and a lower cost of goods sold and more net income.

And lastly, my distributor, Billy, I love so many. The thing that allowed me to, to reduce the cost of good school allowed me to make more increased throughput or output or production or whatever you call it. And also it lasts longer than it did when I bought the other thing from Nat Billy. So when you think about those three things, the distributor is virtually remote, I don't give a crap.

These products are not the kayak that I bought at Amazon test. You're talking about parallelism and end stroke of five thousands of millimeters. So our products. And I'll argue with any of you. E-commerce gurus are very technical. For example, whether the back from catalog companies, guess what the number one customer service measurement matrix, whatever for eCommerce platforms is what customer service technical support the value of the distributor. In my mind, isn't supplying the brands as I gave the example before, and that's not a slam to them. They re they're filling the shelves with everybody. We have every line that you want. The real value comes in to me, the maker of this thing at 1:00 AM on a Friday where I've got to deliver 12 pallets of these, the machine broke.

And my distributor in Kalamazoo, Michigan, where I'm at gets up, sends their emergency response team because I bought this from them. Versus motion or somebody else. They have 12 people there. Yeah. Fixing the machine, reducing my downtime. So I go back to making the thing, that's the value of the distributor in

my mind, the challenges as an owner, when you look at that, the financials of everything and the transactions, and Billy will attest to this many distributors will go like this.

8) Owning up to liability and role of a distributor elaborated (16:32-18:09)

You didn't buy it from me to be liable because you didn't buy it from us. It's paradigm of contributors is reactionary. I think that a distributor, the reason why I would go to a distributor versus online is that shit goes down. They've got my back. And that is the big advantage that a distributor has over these big catalog companies right now, like big catalog companies go into their P and L pull out a big pile of cash, knowing that the ROI is going to be very, very low. It's probably going to be an added operational cost and yet profitable. But if they decided to stay half people remotely, 50 miles separation coast to coast. That's going to be a problem, but the value of the distributor is supplying the parts that are needed. Knowing technically I do install them because again, it's not something that nut and bolt you put together.

Some of these things are so precise that, like I said, from an actuator standpoint, timing, I mean, you're talking about, you know, something fighting on a conveyor, every two milliseconds. I mean, it can cost thousands of dollars if done wrong. So distributors, there's a tremendous value because these products have the pendants, the knowledge and correct installation and function and operations.

Should that ever change, then we're going to have a mission, but that to me is going to be the lifeblood manufacturing as being unique.

9) Understanding unique value of a business (18:10-20:10)

Kenn Ott:

I completely agree. I would say, just trying to tee you up with a question and clearly was that going to take it the wrong way? For the sake of discussion, but, I do think I'd imagine that, that is in the mind of some people.

And so I want to address it and I think at the end of the day in any business, I think it's important to look at what do I do. What is my unique value? You know, that is, and oftentimes businesses and people end up doing a lot of things and that's okay. Some of those things are things that can easily be commoditized or taken away by something else.

But what is my unique value and how do you focus on that? And I think they will correct me if I'm wrong, but for the distributor. One of their top unique values is that they can have, they have incredible knowledge and they have relationships, right? And so that is, that is important. Maybe you can tell me if I'm wrong, more important for certain types of products than others.

Certain segments maybe than others but it's something that personal relationship is something you can't replace with technology. In fact, I just think it needs to compliment. I do think we've swung as a pendulum too far into that and we're going to feel that right now. Right. We're all isolated from each other and it's like, wow, you kind of need personal connection technology just doesn't fill every gap apparently.

Which most people would have thought before this, but now we feel it. So anyway, I just wanted to kind of dig into that for a second and say like, in my opinion, there's unique value. That's very different than eCommerce. And even from our side, like we come from the eCommerce side and we're often pulling in that element as a piece of strategy, because I do think to be healthy as a brand, you can just have any commerce channel.

10) Making things virtual and digital with eCommerce (20:19-21:16)

Will Miller:

You guys can advise me. The only thing in commerce is doing is just changing the transaction to virtual or digital. That's it like everybody in eCommerce is changing everything else. No. Everything else stays the same servicing value at assembly testing, certifying prototyping that doesn't change in the eCommerce platform.

eCommerce is just the ability to automate the transactions with those customers, but all the other work remains the same. But then, but then, like I said, you have to leverage having it because that's what, now everybody expects. But then also if nobody knows about it, Yeah. I mean, eCommerce is automating manual tasks and a lot of ways which has happened for hundreds of years.

It's just another type of doing that. But it doesn't mean, like I said, I think it threatens traditions or like any other, like any other disruptor does, but, I don't think it threatens the role.

11) Developing relationships and partnerships (21:28-24:01)

Ken Ott:

You can jump off at any time, but I'd love to ask you, you run partnerships at Gorgias. All right. So this is not really an eCommerce question. This is more incorrect from wrong. Like you're, you're in charge of basically all the partner relationships at Gorgias. Is that right?

**Billy McClennan
speaking**

That's
correct.

Ken Ott:

I think there's a connection here, which is why I wanted to ask you this question. Like, how do you see developing reciprocal value in partnerships? Because I think that partnerships are a lot, like they're those B2B go between relationships that have to have reciprocal value, and not unlike manufacturers and distributors and those person to person connections, you have to have reciprocal value created and there has to be an intention around it. So how do you do that at Gorgias? How do you create value in being a Gorgias partner? How do you keep that connection strong and how do you sell your product through your partners?

Billy McClennan:

Yeah, I mean, that's a great question. So, I mean, yeah. Our partnerships are a little bit different than your traditional distribution, supplier, and buyer partnership. So we partner with agencies, basically marketing agencies, website builders that build websites and grow an eCommerce business brand.

Yeah, we want them to send us business. We want them to take their clients and give us business, but like, they need a reason to do that. So, we spend a lot of time and allocate a lot, a lot of resources on making the agency understand where the value is for their client. But then we also have incentives for, for the agency to grow their agency. Because if we were to say, So we have a revenue share for example, but that's a very small piece. It's like, even if we said, Hey, if you send us your client, we'll give you a rev share that rev shares are so small that it's not moving the needle for their agency.

So our middleman is the agency. And so for them, for them, their biggest motivator is to provide value to their client. If they think we have the service, that's going to provide the most value. That's what they get. So there's a big education factor but the other piece for them is that yeah, they also want to grow their business.

They want to say, okay, like if we're referring to our business, like how can we get business from you? So we are basically showing them like, Hey, these are how you can get access to our clients. Hey, we're going to spend this much money, um, on, on growing our partnership, whether that be in the form of a virtual event or an in person event when they were, so it's super important to obviously show reciprocal value.

12) Technical Support for Distributors (24:02-26:02)

When it comes to distribution,, I mean, we'll set it and then just back up with Will, I, 100% don't think distribution is dead.

That was my experience with one distributor, like the in-person and the technical support, the, that, that experience isn't going anywhere. I think the distributor I worked with, like a large percentage of their revenue was from technical support.

What's from installations and maintenance. It was a huge percentage of it. I don't remember now the exact, it was like, 40 or 50%, like it was almost half. So that's not going anywhere. I think, as you said, Ken what's changing is how some distributors are going to be operating. So like when we did distribution, the value for us was, so when I worked at that startup, the value for us was a startup. No one knew what our name was. Like we were selling our own branding, but that takes years, you know, you need multiple touches, with people that need to see your brand for the purchasing seven, eight, nine times.

So we had distributors in this sports tech space. That's where I was in, that had the reputation that they had the sales channels that we did. So for us, like there was a huge value add because they did that. And we had one distributor in Spain. Who, who was it? Who was in e-commerce? They were selling stuff online as well.

And I think like, as a, as a distributor, there's a lot of value when you're doing marketing, you know, you're creating awareness for your company, which makes it easier for the distributor. We were doing the same thing, but I think, you know, there's a lot of value in the distributor that has an online presence.

If a distributor is saying, Hey, like we're spending money. Yeah. Allocating resources

to like building your brand. It's not only that they have the sales channels, they're also getting your name out there. I think there's like a huge opportunity for distributors to kind of set themselves, you know, to add that value other than just their sales channel.

13) Learning from manufacturer distributor relationships structure (26:00-28:11)

It's a pretty core philosophy in selling the thing that the higher that you need a relationship in order to sell something. So you either, so you have to either develop that yourself, which takes a lot of time, money and effort. Working with someone who has the relationship just increases that. And I think it's interesting that technology forms like yourself have invested into partnership programs, which effectively, it's similar to the manufacturer distributor relationships. You've created these partner programs and your technology, you are online first, and you've created these partner programs because these partners have access to potential clients of yours, and they have the relationships with those clients and they have the knowledge about your platform. So they're able to more effectively, or maybe, yeah, probably more efficiently selling into those. I just, I just think that's interesting because you see. Current technology, first companies creating these distributors alike, you know, it's virtual.

Billy McClennan:

Yeah. It's an online like distributor model there. It's huge for us. I mean like, like the partnership channel for us, like working with, with partners and resellers is like, you know, last quarter. It was about 50% of our, well, Q2 just ended, but it was about 50% of the company's revenue. Um, so it was, it's like the partnership side is huge for us. I think for the partner too, like it's, you know, we, as a Silicon Valley, SAAS company have like thousands and thousands of clients and like a lot of money, um, you know, that we raised to kind of like throw out that gives them good awareness and then, you know, our product is very technical at times, too. So like there's, there's some stuff that we don't do. Like sometimes, you know, they need to custom integrate or build customizations integrations with other apps to our platform that we were not, we don't do for them.

So it gives them the opportunity to say, Hey to their clients, to like, you know, this is the, this is the product you should use because we think it's the best one. And also, Hey, we're certified here and we can, we can build this into your eCommerce stack. Um, so then they're charging their clients and they're making money from it as well.

I'll stand for 15 more minutes. I was honestly excited about the conversation. And then, I'd like to get your input on, on some things in, in a few minutes here. Let's

get practical.

14) Ways to implement eCommerce into a B2B space (29:02-32:58)

Ken Ott:

So Brian, I want to kick it to you. Like I like to talk about, ways that distributors manufacturers many even more subscribers and where you can chime in here too. Like, how can they actually start to take eCommerce and implementing it into their business and utilize it for themselves.

Brian Nunes:

There's almost two ways, some ways they have to kind of consider it right. One is, how do they, uh, compliment the brands e-commerce and the other is how can they execute on their own e-commerce or online platform? Okay. Well, I'm going to play off a little bit of what. Well said earlier. I think he purposely kind of oversimplified things when it was like, it's just a transaction and now it's just in a different place.

Right. And I think there's a little, a lot with B2B ecommerce. That's different from your normal B to C type e-commerce. In the B2C space they've really. Advanced technology and functionality to a point where seem to be, even though their businesses different, they're able to utilize some of that technology, but just in a different way.

So here's an example. A lot of the things I think when you're a distributor, you need to look at how your website can become an actual customer service portal. Okay. And take a lot of those tasks that were done by a person and have it automated because I think in our normal lives, when we have our B2C transactions, we don't, we expect not to have to call someone about something as simple as. "Did it ship yet, right?" We don't want to pick up a phone or send an email about that. That all should be automated and you can automate a lot of that menial task and let your employees repurpose themselves in different ways that benefit the company more.

Here's an example of some things that are important in the B2B space when it comes to, uh, having an eCommerce presence, one.

A lot of your customers, depending on your pricing model, have specific pricing customer specific pricing. It could be standard tiers that you're offering. It could be one company which buys a million of these things from you, and that's the only

thing they buy. Right? Well, they're going to get a special price on that.

So you want to have the ability for your customers to log in. See their customer specific pricing because they don't want to have to call and figure out what that was. They also want to see availability. They may want to see an available inventory. I've even dealt with companies where they said they wanted to be able to see inventory by the warehouse.

So, that's important. Managing things like backorders returns, even being able to see their open invoices and pay their invoices online, all of these things are a little bit different than your regular B2C, because eCommerce experience and really what those are customer service, things that you are actually providing New York customers that if they don't get it from you.

Your competitor has that and it makes their life easier. They may go take a look at them. So these are things that I think B2B companies or distributors need to look at when it comes to understanding what e-commerce is. It does not just send products, buying products, it's the whole customer service piece of it.

15) Starting out in eCommerce: Practical tips (32:58-37:27)

Ken Ott:

I think that's really good. And I think it's actually a good transition to this next piece, which I love to kind of get into, which is how do we, how can we give some tips and some steps, some practical things to someone who hasn't implemented e-commerce yet. Whether you're a manufacturer or distributor you can start doing. And so Haripriya I want to, I want to kick it to you for a, for a bit here. I want to ask you for companies looking to start to add e-commerce right. What are some of the first steps like the baby steps they should be looking into? Where do they actually start?

Haripriya Muralikrishnan, DCKAP:

I work as a technical writer at DCKAP and I develop a product documentation for one of the products in DCKAP um, I have a little five years of experience in, um, tech pubs and I've worked in various fields semiconductors automobiles. And, uh, I've started working in eCommerce. I'm pretty new to e-commerce, but, um, I've been doing a lot of research, you know, especially with content research is key. So I've learned a lot of things over the past eight, nine months and yeah, I'm happy to be part of this panel right now.

Going back to your question. I think the most recent amazing part of eCommerce is the ability to impact sales and marketing efforts almost immediately. Right? So when an emergency tries to get into e-commerce, he can see sales and profitable profitability almost instantly. Another good thing is that web based sales have no geographical boundaries. So, I think the first step is for a merchant to explore, and do the groundwork that he needs to do. So, um, understand what his products are, who his target audience is going to be, what would be their geographical presence and, you know, basically do some groundwork. And once that's there and he needs to analyze why he's adding his eCommerce platform into his business, what value does it add to his business?

Is it to build a customer base? Is it to provide better customer service or, you know, for better brand awareness. So that kind of analysis is necessary. I think. Um, and the next step is, um, To actually set up the website or the eCommerce store. So, that is typically outsourced to an agency will if, depending on the size of the business.

So, what these agencies or, uh, website development companies do is they analyze the merchants requirements. They come up with a plan, right? There's a site creation plan or website creation plan. That would typically include a software or a platform to build the site upon the design and the content and other, uh, navigation details and, you know, the payment gateway and shipping options, all that.

So that is typically done by the website designing company. So, uh, after designing, we jumped into development, we go into publishing the website and then there is maintaining the website. So, uh, many of these companies, they have an annual payment plan to maintain, ECommerce stores or any website for that matter.

So, I think these are the basic steps that a merchant would have to consider before jumping into the eCommerce space. So overall I think the first step is the most important, right? So once you have that optimistic feel you jump into it, you and that's what matters the most. And once you're out there in the eCommerce space, It really opens up a world of possibilities.

Ken Ott:

I liked it, I liked that point because that's so important. It's often skipped over, right? So, uh, starting with, with the goals of what you're trying to do is important. And some might say, Oh, that's really easy. Like we want to sell more stuff. That's not really a goal. that I would say that's an indicator to a

goal.

16) Investing into eCommerce (37:28-42:04)

Ken Ott:

Figuring out what you're trying to do with this endeavor. Right. And I love how you broke it down. It could be selling, it could be increasing leads and awareness education. There could be a whole bunch of different goals, primary goals, but starting there. And then I think what's important is once you have that, like, here's what we want this endeavor to do.

I would say you need to put a value on it, like a number, because what can, what could it mean to your business? Because that will help you when you're budgeting for how much you're going to invest into this, and you may not know what this is going to cost. And I would say that's okay at the start, because what I would actually suggest that, that most brands figure out what the value is and then say, I could, for that value, if it's going to make me another a hundred thousand dollars or a million dollars this year, I could, well, if it did that, and be conservative with it, then I could invest this into it and be good with that.

You kind of have then your sort of reasonable investment. you, you can start figuring out how do you use that, that money and what are the actual prices? and my suggestion, how would you say, um, And then when you guys work with people, do they share their budgets with you? Or do you have to, how does that interaction work?

Haripriya Muralikrishnan:

I think it's both ways. Uh, one, they share a budget with us and also we give them numbers. So when we talk about cost, right, there is no set cost. It really depends on how much sales and what the traffic is going to be and what features they need in their website. So there is actually no set number to how much a website design could cost, uh, again, it depends on the size of the business. It depends on what functionalities they need. Like you said, a million dollar company. Might spend about \$50,000 a year just for the website maintenance. Right. But a small size business would, would be ready to spend only, yeah. About say 10 grand. So it really depends on the traffic, the traffic that they will have once the store is up. And also, again, what features. They need it for their website.

Ken Ott:

So, then it's really good. So would you mind just answering, one more here and then we've got a couple of minutes, I'd like to give people a little bit an idea of what costs look like. And so you mentioned a million dollar company often invests about 50 grand.

A year what are some ballparks? Like some good investments? What are some costs for, say starting a new website? Yeah. So I would say, for a small business, I think about 1,520 grand annually, that includes the website that designed development, hosting maintenance, SEO, and, uh, maybe we could include a few integrations as well.

Haripriya Muralikrishnan : That would be for a small business. for the midsize business, something around, we're looking at 60 to 80 grand annually. And if you are looking at an enterprise-level business again, um, anywhere over \$200,000, I think that is the ballpark number.

Ken Ott:

Yeah. Yeah. That's good. I would say I would, I would agree with that.

I generally tell people, if you're starting, if you're building a new eCommerce store, you probably want to spend ideally somewhere between 30 and 75 is sort of like the middle, middle ground, 75 K. You could obviously spend hundreds of thousands and millions on that kind of stuff.

But you can probably get away with it for less. You just have to, you may be simpler. I normally tell people though, like you've got legitimately only. You know, under \$10,000 or something like that, you're probably best spending a lot of that on educating yourself or just a small portion of that on educating yourself, maybe doing some things yourself, and then proving the model because maybe the money's not there, or maybe the model's not there.

You might as well use that to prove the model. And once the model is there, then you can work with someone. Because it's going to cost a bit more to actually use a scale that jumps in.

16) Pre-requisites and key takeaways

(42:07-45:52)

Brian Nunes:

So you could spend 30 to \$75,000 and get nothing for it. So that's a very big thing to think about. Right? So one of your key factors in working with a company that has done it before. You don't want to be a company's guinea pig. Okay. Especially when it comes to a B2B website, you want to make sure that the company understands how B2B business works. And how your company works because we're probably all a little bit different, you know, you're a B2B company. There are some things that are the same with yours as other companies and some things that are not so understanding having that company understand your workflow. You have to have that company not have you as their Guinea pig as their first B2B business is important because it's going to save you a lot of time and money because a lot of times they'll have functionality already built out that they can use that they're not starting from scratch.

And so if you, if you're working with someone that's starting from scratch and they're doing everything from scratch. It'll probably cost you more than if you're working with someone who has that experience already.

Ken ott:

I think that's a good point. I mean, the experience is key. Um, and, uh, whether it's a, B to B or B to C site like that, even that's key, um, uh, speed Tim jumping on.

I think we're coming up on time. We just mentioned the fact that if you build something. It's not going to do anything for you unless you have the ability to get it out there and start marketing. Those can be small things. Those can be free, grassroots things and activities. And, they're also obviously a lot of paid marketing and that's. That's a lot of what we do and a lot, a lot of what the industry does, but, and typically people might be like, Oh, I'm not, how do we actually do that? I just want to kind of give some people some pointers on that. So, for when it comes to digitally market, getting often suggested.

You know, meet, identify your customers and where they are going to be, and then be there. So don't just be on social channels. Don't be on Tik-Tok because someone told you to be on Tik-Tok because of your customers there ever, whatever it is and only be there and then invest appropriately therewith, with really good content.

And that's kinda what, distributors are highly knowledgeable. Manufacturers are

highly, highly knowledgeable about their products, about their clients, about the products they sell, use that and create really great, valuable content with that. That's that that would be, I think, a really smart thing.

Typically we like to say, you want to spend up to 30% of revenue on marketing activities. Now that's not marketing with no return that would be marketing with. An ROI with a return on ad spend, but that's kind of a ballpark. and if you want to see some movement, just trying to give people all the, all the nuts, bricks that we can.

And, um, if you want to see some movement, yeah. Suggestion is don't start with just a couple of hundred dollars, try and get to where you can start with a few thousand dollars a month and, and really want to be scaling that as you see the return. But, I do think it's important to say, like, don't, don't expect, wouldn't spend all your money on a weapon site and then not be able to market it because you're not gonna get anyone there.

And so make sure your budget is split across those.