

Managing the Web in a Recession
Lisa Welchman, Founding Partner

WelchmanPierpoint LLC
www.welchmanpierpoint.com

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On December 1, 2008, the National Bureau of Economic Research¹ indicated that a recession began in the United States in December of 2007. While many economic experts and pundits had been speaking of recession for over a year, the official pronouncement, coming on the heels of one of the worst economic downturns in U.S. history, has left many organizations vulnerable and, in some cases, fundamentally at risk or irreparably damaged. Whether an organization is for-profit, non-profit, or governmental, it is now bracing itself for the possibility of being forced to meet or exceed its business goals and objectives with fewer human and financial resources.

What This Reduction Means for Organizational Web Managers and Web Sites

Traditional business wisdom recommends that organizations either maintain or increase investments in their marketing and sales efforts during a recession.² Doing so, the recommendation asserts, helps maintain or increase brand recognition. In addition, it maintains or increases market share for products and services, or otherwise supports other organization objectives. In short, investing in Marketing and Sales helps an organization sharpen its competitive advantage. However, the same camps that offer this “spend more on marketing” advice also indicate that it’s important to examine an organization’s core operational expenses and reduce costs.³ This aim can be accomplished by cutting out unnecessary and ineffective programs and staff and by optimizing the efficiency of internal business processes.

Consider Web sites, which are functionally diverse tools, under the umbrella of this advice. While they are usually a key marketing and sales tool for the organization, Web sites can also be leveraged to support an organization’s key transactional and operational functions. What’s more, the Web site itself has an operational component. For example, an organization’s Web site may be the first point of sales prospecting contact with an organization. Furthermore, an organization’s intranet Web site may be used to house the employee directory, provide access to benefits information, and act as a document repository, just to name a few of its functions. In addition, the Web may serve various B-to-B functions, thereby enabling e-commerce and optimizing information exchange. And the list goes on.

So, paradoxically, conventional business wisdom advises organizations to spend both more and less on their Web sites during a recession.

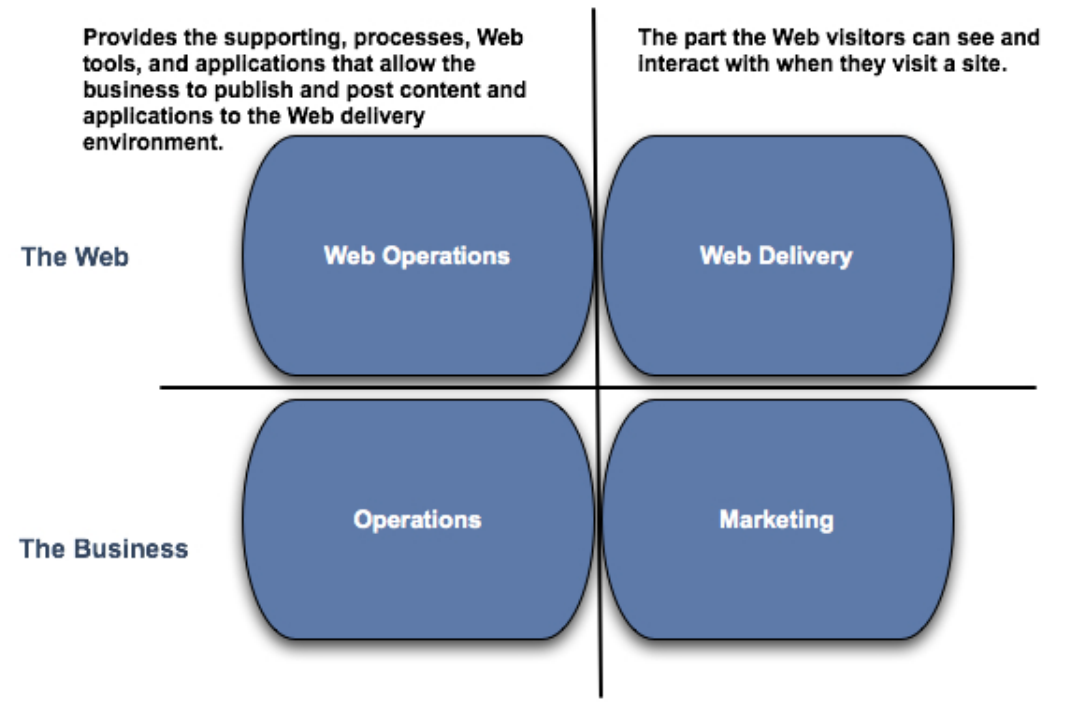
The Web and Traditional Business Functions

Just as businesses have their more outward-facing functions (such as Sales and Marketing and Customer Support) and their inward, more operationally focused functions (such as Human Resources, Finance, Information Technology (or Helpdesk), and employee collaboration), the Web also has both inward- and outward-facing functions:

¹ <http://wwwdev.nber.org/cycles/dec2008.html>

² <http://hbswk.hbs.edu/item/5878.html>

³ http://www.nytimes.com/allbusiness/AB11725579_primary.html?ref=smallbusiness



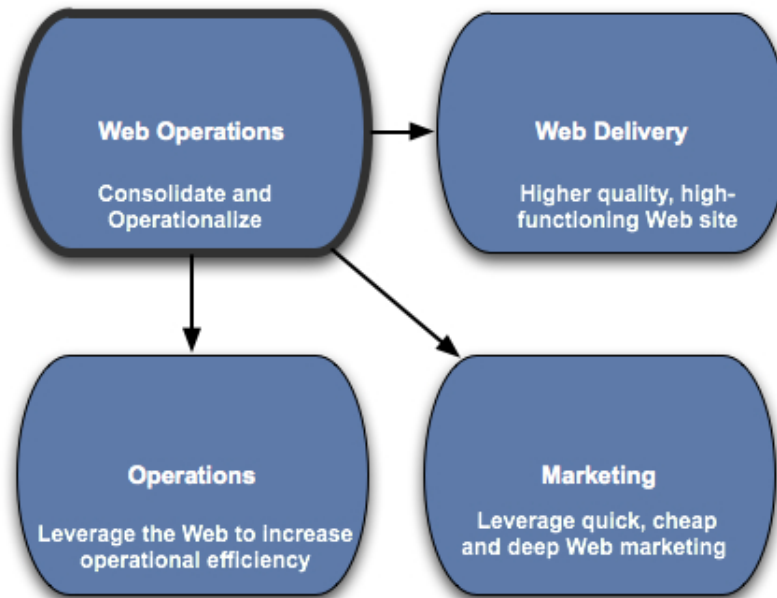
Organizations may conclude that a correct tactic would be to reduce Web Operation expenditures along with reducing more traditional business operational expenses. And while waste and inefficiencies are not good in any case, Web Operations represents a special case.

Web Infrastructure, the Weak Link

While many sites, on the surface, are functional, their associated technical infrastructures, content and application development processes, budgeting strategies, and success measurement mechanisms are immature. This immaturity is evidenced by multiple and redundant Web infrastructure tools, organizational infighting, and power struggles regarding ownership of the Web, the site content, and the application and content ROT (redundant, outdated, trivial) on Web servers. In short, most organizations have low-quality, low-functioning Web sites that are operating with no accountability on increasing budgets.

Ideally, organizations would have mature Web operational paradigms in place that would position them to leverage the Web for marketing and sales immediately. As a result, they would be able to take advantage of the fast, cheap, and deep Web marketing channel and explore the power of the Web to optimize internal business processes. But most organizations do not have a mature approach to Web operations. Therefore, they are unable to immediately leverage the cost-saving capabilities Web-based technologies could provide.

The potential power of the Web as a way of streamlining operational costs and cheaply marketing outweighs the short-term impact of investments in Web infrastructure maturation. In the midst of today's recession, businesses should invest in optimizing their Web infrastructure environment. Such optimization would enable the organization to take advantage of more advanced and powerful Web-based technologies and tactics. In that way, they could automate their core business functions, streamline their internal and B-to-B communications and transactions, and reduce the cost of marketing to their customers.



Specific Benefits of Investment in Web Infrastructure

Given these dynamics, investing in Web infrastructure enhancements (both administrative and technical) during this recession could provide organizations with a competitive advantage:

Web Infrastructure Enhancement	Impact on Delivery, Operations, and Marketing
Formalize authority for the Web by establishing clear Web-guiding principles and administrative and budgetary authority for the Web.	<p>Eliminates internal Web ownership and “direction” debates and sets the stage for a mission-supporting and objective-supporting Web site.</p> <p>Consolidates administration of the Web, which can lead to cost savings.</p>
Establish mature Web governance mechanisms by creating Web policy and standards as well as accountability and enforcement mechanisms.	<p>Ensures working toward common goals in a choreographed manner, thus breaking down business unit silos, streamlining work, and decreasing costs of effort duplication.</p> <p>Emplaces Web policy and standards as well as the mechanisms to enforce them throughout the organization, thereby leading to a single, unified approach to Web development that results in higher-quality Web sites.</p> <p>Puts into place the protective policies and constraints for organizations, thereby reducing the organization’s risk and legal liability and enabling Marketing resources to confidently utilize Web 2.0 collaborative technologies and social media.</p> <p>Establishes an organization-wide set of shared standards, thereby unifying the outward appearance of the Web site.</p>

Web Infrastructure Enhancement	Impact on Delivery, Operations, and Marketing
<p>Eliminate redundant Web development efforts by consolidating and normalizing Web technical infrastructure processes and systems (such as Web content management, portals, and search engines), where warranted.</p> <p>Establish a central Web team that is responsible for planning and executing the Web vision and for creating the processes and mechanisms to support distributed content authoring and application development for the Web.</p>	<p>Enables the utilization of Web 2.0 marketing tactics by providing the structured content authoring mechanisms.</p> <p>Enables a zero-waste approach to information development by enabling multi-channel information delivery, whereby a single piece of content can be seamlessly reused via multiple channels such as Web, print, and mobile.</p> <p>Provides infrastructure to take advantage of more advanced Search Engine Optimization techniques, thus driving traffic to the site and increasing sales or mission completion.</p>
<p>Establish success metrics for the Web and for correlating Web Analytics and Web Usability programs for Web measurement.</p>	<p>Allows the organization to analyze the value of the Web by understanding user satisfaction, Web usage patterns, and costs associated with Web Operations.</p>

What’s good for traditional business infrastructure is not good for Web infrastructure. Now is not the time to cut back on spending for Web infrastructure development. A strong and mature Web infrastructure environment enables the business to seek greater operational efficiencies and to enhance the Web delivery environment for more effective and cost-efficient marketing and service delivery. Historically, weak Web governance and a lack of mature administrative Web management have led to loose and wasteful Web operational models. These models need to be revised and enhanced so that organizations can begin to tap the operational efficiencies to be gained by leveraging the Web and optimizing Marketing and Sales efforts.

If organizations reduce Web infrastructure budgets in an effort to save during the current recession, they will be cutting costs now to realize only a fraction of the benefit. Instead, they should invest in maturing and streamlining Web operations, which will reduce operational inefficiencies and provide the platform for realizing more strategic, longer-term financial savings and business optimization.