

A Solution is not a Strategy ...Strategy is the Solution

When it comes to the web, the direct selling landscape has changed at an amazing pace over the past five or six years. Nowhere has this been more clearly visible than in multi level marketing, where DSOs and distributors alike have been sucked into a race to gain a competitive advantage online. The proliferation that the web has brought about has not been without its challenges, not just technically but also legally. At a recent DSA Legal seminar in London, the legal consequences of not devising an effective online strategy for MLM's was clearly spelt out by the DSA Code Administrator. Paul Dobson made it clear that the responsibility of what is communicated on distributor websites ultimately lies with the DSO that pays them. Clearly, DSOs have been under increasing pressure to come up with a vision and a strategy that maximises the online opportunity whilst minimising risk, so that more draconian legal restraints are not imposed by changes in the law itself.

A company that has made this challenge its core focus over the past eight years is Berkshire-based E-NABLE. With contracts in the UK and a highly skilled operations and development team based in Rotterdam, The Netherlands, the company's solutions appear on more and more Direct Sellers' shopping lists every day. E-NABLE's has developed a sophisticated piece of technology 'the E-NABLE service platform' that is simple for direct sellers and their distributors to use. It powers flexible distributor websites, lead capture, email and online marketing services. In addition, Enable are also able to offer supporting services such as searchable online distributor directories and a new online brand intelligence service that allows companies to monitor the use of their brand, intellectual property and legal exposure online.

'We have found that, although we were perhaps a touch early when we first introduced our platform in 2002, most direct sellers have since realised the importance of taking ownership of the web and are now rolling out solutions to support their network online', explains John Andrews, Marketing Director. 'We have seen many roll out so-called templated websites. Although it will often 'tick a box' at board level, the issue is that this approach is a solution to a specific problem, and not really a strategy. Because the web is such a rapidly changing environment, problems often arise when, a little bit later, companies want to respond to other requirements, such as search marketing or email marketing. To develop such solutions, or even to buy them in as stand alone solutions, can become a costly affair - and a real drain on resource and business focus'.

Beating the Credit Crunch

What Andrews alludes to, is the role his company fulfils for its clients: it becomes a flexible extended strategic IT resource at a fraction of the cost. Pointing to the fact that E-NABLE provide a managed hosted service, Andrews adds: 'We are being consulted by a number of organisations who have realised that, to future-proof a strategy, you need technology, know how and a relentless focus to plan ahead and continuously refine and extend your online capabilities. Improving and enhancing our platform is all we do, every day and all day long. This naturally creates a level of focus, flexibility and development at a speed that, perhaps only the largest DSOs can afford to maintain in-house. But even there, we can offer important cost-savings and efficiencies, especially in the long run. Why would you want re-invent the wheel?

In the current economic climate the outsourced model does appear to have real merit to it. According to Andrews, his company provides clients a 'future-proof technology insurance policy that is scalable and affordable'. There are obvious benefits to outsourcing such as time to market, flexibility and adaptability. One key factor is that the current financial climate seems to stand E-NABLE in good stead because of the company's ability to remove clients' risk by reducing up front capital expenditure as well as reducing fixed OPEX costs associated with running solutions in-house. As Andrews puts it, 'E-NABLE replaces these risks with an easy-to-understand and very manageable cost model that is based on usage, benefit and joint success'.

Search Marketing

As appealing as their business model may be, John Andrews points out that E-NABLE continues to build its reputation on more than cost savings alone. Andrews explains that 'an in depth knowledge of the direct sales industry is vital to provide the right solution... but to provide those solutions successfully, you need a very in-depth understanding of the web'. Andrews puts forward the example of search (engine) marketing, an area in which E-NABLE has its beans in a row. 'Search marketing is another example where some DSOs have tripped up, or gone through more pain than is strictly necessary. Our R&D team have strong backgrounds in search marketing and we work with an extended network of industry experts to benchmark any new ideas we develop. Our understanding of search marketing, for instance, allows DSOs and distributors to promote themselves more effectively, whilst making important savings on online spend and optimisation services, which they often end up spending money on unnecessarily'.

E-Commerce

More and more DSOs are rolling out web shops and it is fascinating to see the different approaches out there today. Some DSOs sell direct to consumers (e.g. Avon) and appear to bypass their network altogether. Andrews agrees: 'It may be a conscious decision, but equally it may also simply be because it is easier to implement ecommerce in that way'. According to E-NABLE, it is perfectly possible to involve the network in a DSO's e-commerce strategy and actively engage distributors. And no doubt, the e-commerce we will see in three to five years time will look nothing like what we experience online today. Andrews believes that the market may well see DSO's re-evaluating their current e-commerce effort in line with their overall business goals and their network in particular and decide to engage distributors more at a later stage. 'Let's face it - to do it the other way around, would have been pretty much impossible and very risky'. Leaving the e-commerce technology to specialists, E-NABLE chose a few years ago not to build an e-commerce solution of their own and instead provide integration, consultancy and solutions around third party packages. For example, the company offers recruitment tracking solutions and can also track and manage distributors' online sales and commissions.

One eye on the future

It is clear that E-NABLE are where it's at, today, but what about tomorrow? Being challenged on this point on a regular basis, John Andrews has his answer ready: 'It would be great to have a crystal ball, but failing this, we believe it is important to follow technological developments closely and to cater for generic, broad trends that we can qualify and quantify, and that can be expected to represent a significant factor to our clients'. That may sound a little broad but Andrews does put forward some of the company's thoughts on the next big changes.

'Collaboration'

'Many companies are still grappling to regain control over their brand online and whilst often that might be necessary from a legal point of view, we feel that we need to start moving towards *collaboration*. This means that, rather than telling distributors what **not** do to, we are looking for more and more ways to proactively provide them with tools and content that they **can** use. Our collaborative email solution is a great example. By driving customised email newsletters and campaigns *through* the network, rather than direct to consumers, we are giving the DSO another channel to engage the distributor and provide them with tools'.

'Closing the loop'

Andrews explains: 'When adding channels it is easy to lose sight of how the bits fit together. From a click on a distributor's website, a banner or an email link, to a purchase on the DSO's centralised web shop. Wouldn't it make sense to link all those events together to produce meaningful data?'.

'Multilevel e-Strategies'

Growing challenges around online marketing have highlighted many DSO's requirement to develop online strategies at all levels of their business. Andrews points out that it makes sense to understand how search engine strategies should be considered at all levels within the business model to understand how search engine activities at each level can benefit (or jeopardise) the other.

'Mindware'

Andrews refers to this shift as the 'validation' of his company's business model. Driven by the economic climate and the development pace and focus that is required to succeed, he believes that more and more DSOs will turn to what Andrew's calls 'mindware' - a mix of outsourced technology, know-how and flexible resource that will deliver his client's online objectives.

More information

For more information, call 0870 111 5030 or visit www.e-nable.me.uk