

Why Web Sites Fail: Part I Cost

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This case study is the first in a three part series examining the reasons why web initiatives frequently do not meet their intended goals. While there are as many reasons for failure as there are different kinds of web sites, this series is based on experiences I have had over the past 5 years as a web site builder. The first part addresses the most pernicious issue – cost.

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OVERVIEW The easy answer to why many web sites fail is that they cost too much. In April of 2000 the median cost of a small web site project was \$130,500 and by April of 2001 the price had dropped to \$63,00 according to b2bonline.com. While the decreasing cost is due in large part to the overall devaluation and maturing of the Internet sector, many sites still cost more than they should. Here are some reasons why:

PROJECT MANAGEMENT The more people who touch a project the more it will cost. During the Internet bubble, project teams were enormous, and hourly rates grossly inflated. Even though web development has matured there are still ways to further reduce cost, including:

- ▶ Hire the smallest team possible. The more hats each individual wears the less the cost of the project.
- ▶ Streamline the approval process. Since a web site can involve different departments of a company consider creating micro-sites instead of one big site. This will reduce the need for approval from different stakeholders and limit the scope of a project.
- ▶ Phase in features: Start with a definition phase that includes everyone's ideas. Gather as much information from customers, employees and partners as possible and collect the information in one document for future reference. Then determine what ideas have the most value and leave other ideas for future releases. Also after production has begun, limit participation to only those that will create the site and those that are part of the approval process.

SCOPE Many web projects include unnecessary components and features that reduce ROI. Determining the value of a particular feature can be subjective but quantifying the cost doesn't have to be. Here are some guidelines that account for the true cost of a feature:

- ▶ How long will the feature take to develop, who will need to approve it and how many people will be required to complete it?
- ▶ How expensive will the feature be to maintain after it is launched?
- ▶ Will the feature require promotion? If so what kind and at what cost?

Understanding the total cost of ownership, including production, ongoing support and promotion is critical to assessing the value and consequently the project's scope. The key is to understand what the benefit to the audience is. Utilizing input from customers, employees and partners is critical to determining value and provides a sound foundation for determining the scope of a project.

TOOLS There are a variety of different tools necessary to build a web site. These include different kinds of technologies as well as the vendors contracted to create the site. While the right tools are dependent on each individual circumstance here are a few tips that can reduce cost.

- ▶ **Maintenance software:** While incorporating a content management system [CMS] can make the site less expensive to maintain, it isn't always cost effective. Often it is less expensive to train an employee to update pages or use an application such as [Macromedia Contribute](#) than purchase a CMS.
- ▶ **Code:** Buyers beware whenever code other than HTML, Javascript and even Flash is being written to operate a web site. First, the tools that vendors sell today will not be as good [i.e. cost effective] as those released tomorrow. Second, code that adds functionality often marries the owner of the site to the vendor who created it. Site owners often do not realize this 'marriage' has taken place and are surprised to learn that the divorce can be very expensive.

- TOOLS** ▶ Vendors: the Internet bubble attracted the usual shady characters that are drawn to easy profit. While many of the get-rich-quick opportunists have left the industry, the proportion of quality to less than reputable vendors is still large. Always check references and read the fine print of contracts whether it's buying a domain name from a hosting company or purchasing customer relationship management software.

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