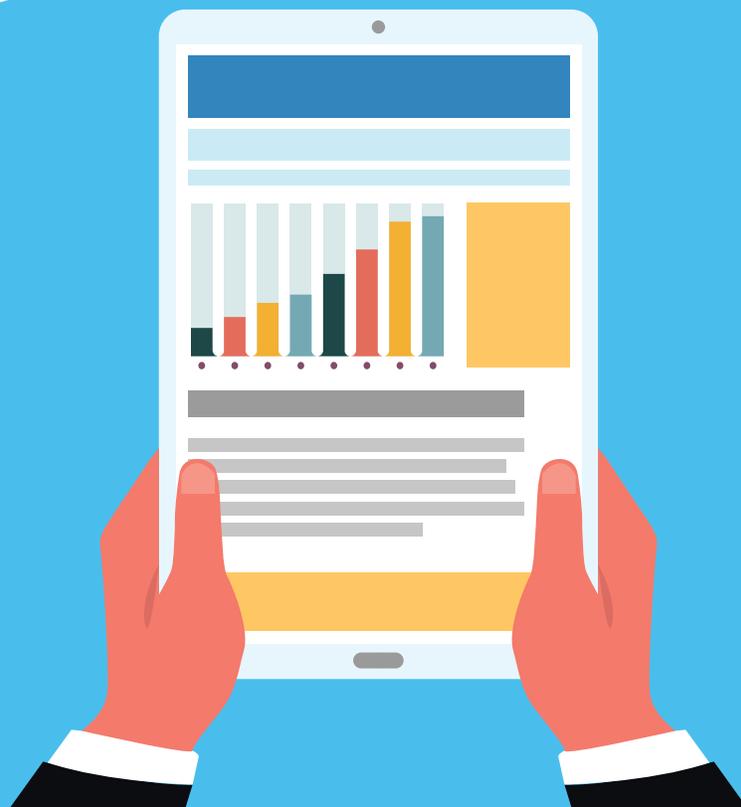


LARGE ENTERPRISE WEB PORTALS TO SERVE SMB CUSTOMERS AND PROSPECTS



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EXECUTIVE SUMMARY

Large companies are expanding their online services to become partners in their small and medium-sized business (SMB) customers' success. They are accomplishing this through online portals that provide information, tools, and services to help these small businesses start up, plan, and grow. These portals create a relationship in which the large enterprise becomes a valued partner throughout the entire lifecycle of the SMB. There are four overarching trends currently shaping this space:

COMPREHENSIVE SMB SERVICES
BEING A DESTINATION
LAND GRAB
INNOVATION, CONFUSION, AND IGNORANCE

The most successful enterprises have focused their time and resources developing these five pillars of SMB Portals:

CONTENT
TOOLS
COMMUNITY
SALES
GOODWILL

To address these five pillars, enterprise SMB portals are using a combination of internal, external, and crowdsourced resources to deliver optimum value to their SMB customers. This report includes a review of large enterprises that have created SMB portals as well as the elements they are outsourcing to vendor partners. SMB portals foster valuable interactions and relationship building between large enterprises and the SMB entrepreneurs they want as customers.

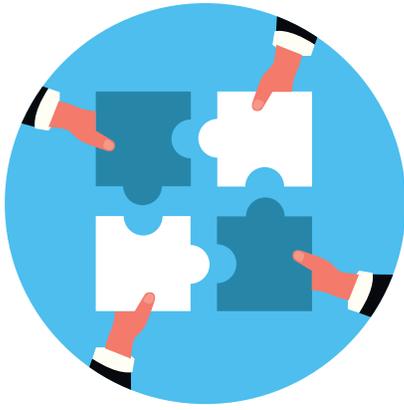
KEY TAKEAWAYS

Many executives of large companies are unaware that there is a competition for market share of SMB portals based on first-mover advantage and provision of the best services.

The free services a portal provides offer a compelling enticement to get new customers in the door.

The enterprise must determine how to best utilize its internal resources for the portal and know when to augment those with outside services.

The five pillars can be used to help determine the value and areas of contribution of potential partners.



COMPREHENSIVE SMB SERVICES

Large, opportunistic corporations are evolving to provide more than just their core services. They recognize that their products or services, although important, are often only a portion of what an SMB needs to be successful. This means that the SMB must either go to other vendors to fulfill their comprehensive needs or, for the large enterprise to retain the attention of the SMB, it can reinvent itself to become the go-to partner to help the SMB with overall assistance. In this new/reinvented model, the large enterprise becomes the center of the SMB's business growth process.

The lack of a one-stop shop to access the common needs of SMBs has formed an opportunity in which large enterprises have created, are creating, or are considering the development of SMB Portals on their websites, or as company-branded microsites.

In order to become the valued partner and central location for SMB growth, these portals provide advice, tools, services, and communities to foster the success of their SMB customers and prospects. As the SMB grows based on the support of the online services of the large enterprise, that enterprise become a valued partner/relationship for the long term.

These SMB portals educate the SMB on what they need to do to start or grow the business. Along with providing content, tools, and networks, the portals may direct the business back to the large enterprise for services, or to other companies for services the large enterprise doesn't provide.

KEY TRENDS SHAPING LARGE ENTERPRISE SMB PORTALS

BEING A DESTINATION

Large enterprises are aggressively competing with each other to win the attention of SMB customers, even when the enterprises may not have products or services that directly compete. There are an unlimited number of large companies trying to sell to SMBs, but there is a very limited attention span that SMBs can give them.

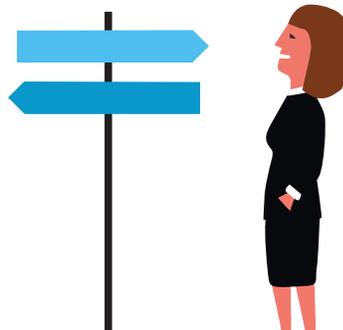
To gain more SMB competitive mind-share and stickiness to their online presence, large enterprises are reinventing their websites to become destinations where SMBs will spend more time and realize greater value so they keep coming back. When this is successful, the large enterprise's website portal becomes a technology platform and foundational ally for SMB success.

The destination portal strengthens the relationship between the SMB and the enterprise by advising the SMB and solving its problems throughout its lifecycle.

For a portal to truly succeed as a destination, it must serve businesses of varying sizes, industries, and verticals. The successful portal balances general issues with the higher value information that is specific to unique industries.

For large enterprises that specialize in serving only one industry, they may provide a specialty website focusing on the specific vertical it serves that creates value, but that will not become a comprehensive or inclusive SMB portal. A specialty website may provide valuable industry specific information, but the SMB will still need to go to an authentic SMB portal that provides the broader business assistance that all businesses need (e.g.

marketing, accounting, sales, business planning, financing, benchmarking, research etc.)



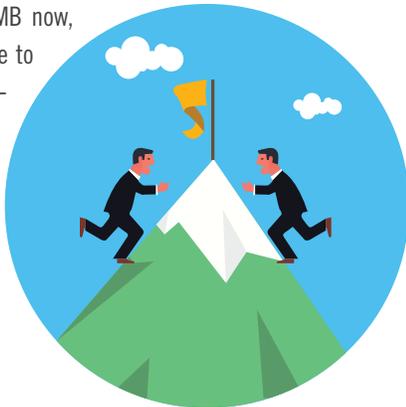
LAND GRAB

Just as gold miners rushed to acquire land in 1849, and as website address registration squatters rushed in to hoard every good domain name they could find in the 1990s, there is now a land grab in the SMB portal market because there is a lot of gold to be pocketed for the large enterprises that are first and strongest. On the Internet, being early to market has advantages, as network effects reward the successful, pioneering networks exponentially.

As such, large enterprises will engage in massive competition to be the first, biggest, and best portal with the most services to assist SMB customers.

Not every large corporation can be a winner in this competition, nor is it likely that there will be only one winner. As in any business market (industry, brick-and-mortar, ecommerce), there are likely to be multiple winners in the SMB portal space. Amongst these winners, there are likely to be uber players that become dominant through their focus on improving the individual enterprise's portal and through the acquisition of resources that power the various portals.

Dominant SMB portals will likely consolidate, as small business owners are busy and will probably only take the time to commit to one SMB portal destination. This is even more reason why gaining market share in the coming land grab is so important to future success. By adding high value to the SMB now, large enterprises will be able to lock in the destination relationship through their SMB portal so that it is inconvenient or unnecessary for the entrepreneur to use a competing SMB portal.



INNOVATION, CONFUSION, AND IGNORANCE

While SMB portals will be the next big thing for larger enterprises to attract and retain new SMB customers, today most enterprises are just getting started, experimenting with their websites, or just considering the idea of creating an SMB portal. Although many companies have dabbled in this area, a comprehensive SMB portal solution is a new idea with mostly greenfield available.

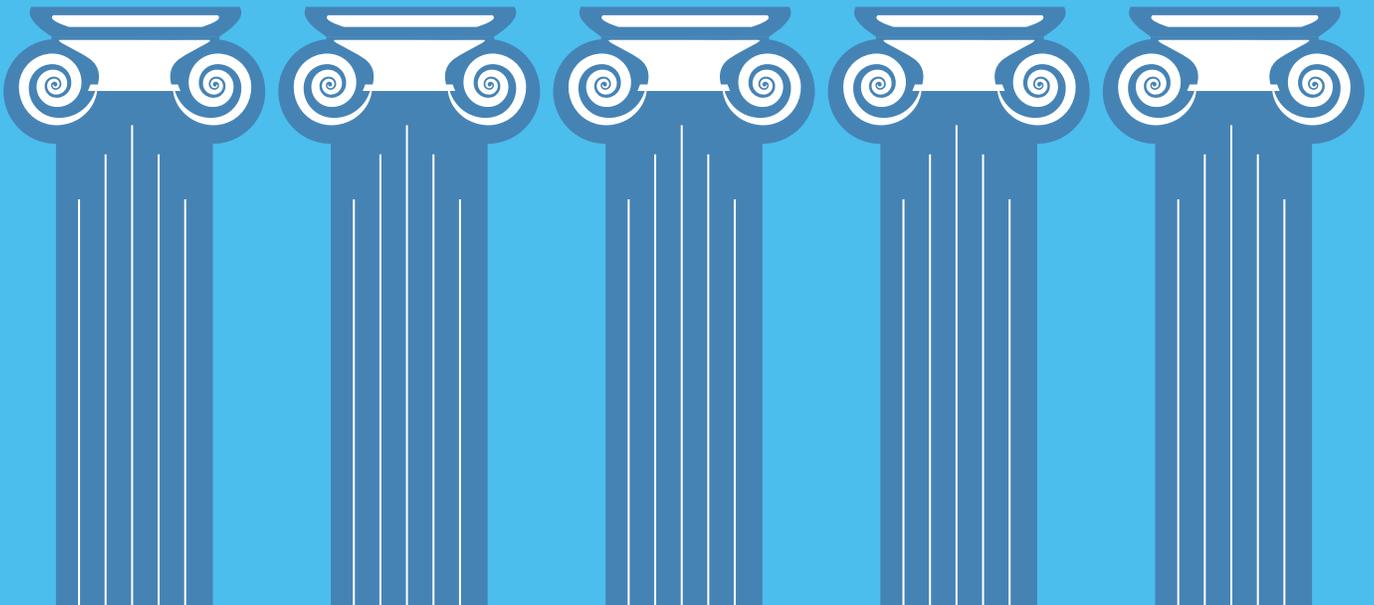
No company yet has a comprehensive approach that includes all of the key elements of a successful SMB portal. Even American Express's Open Forum, which is clearly a market leader in this space, has gaps in its service offering. Not only is there no clear winner, there are no clear frontrunners/contenters. The race is just getting started, which provides meaningful opportunities for new entrants to become significant, or even dominant, competitors.

The large enterprises that have launched some form of SMB portal are trying, succeeding, failing, or flailing. In many cases, the large companies' executives don't know there is a competition happening or that their competitors are working hard to steal their market share away.

5

PILLARS OF A SUCCESSFUL SMB PORTAL

The five elements emerging as pillars of a successful SMB portal are content, tools, community, sales, and goodwill.



1. CONTENT

The most common element of the SMB portal is content to help the small business improve and grow. Content is present on almost all the portals and typically comes in the form of articles, video, and infographics. The content often provides advice or how-to instructions on a variety of topics relevant to a new or existing business. It comes from internal staff, outsourced/licensed content, or a combination of the two.

Because it is time-consuming and expensive to create content, the information is typically general interest (sales, operations, purchasing, marketing, etc.), although it may specialize into umbrella industry categories such as retail, restaurants, or business services. It is much less likely that the information gets as useful and industry-specific as women's apparel, Italian restaurants, or janitorial services, especially as licensed content for such specific areas of interest is not readily available.

In the near future, content will expand to include online courses and lifelong learning, and will be available in multiple languages to reach diverse audiences.



staples.com/business-hub

2. TOOLS

A newer element, available on only a few of the leading SMB portals but soon to be a requirement for success, is the provision of online tools to help entrepreneurs with their business. These tools include:

BUSINESS INTELLIGENCE

Business intelligence is a competitive advantage only recently available to SMBs. Like large corporations, small businesses can now leverage the power of big data and make data-driven decisions to make success more likely, whether they use the intelligence for researching a plan for a new business or benchmarking performance to existing competitors.

Example: [SizeUp](#), [Hoover's](#), [ANZ Business Insights](#), [MasterCard Market Vision](#)

BUSINESS PLANS

SMBs often need a business plan to get financing from a bank, let alone to achieve success. Today, business plans are living documents that owners come back to and update over time.

Example: [LivePlan](#), [BizFilings](#)

DOCUMENTS

Businesses need many types of document templates to run their business, including articles of incorporation, consultant contracts, non-disclosure agreements, employment applications, employee performance reviews, consulting agreements, and pay slips. New tools make these documents searchable and downloadable.

Example: [Docstoc](#), [BizFilings](#)

FIND CUSTOMERS

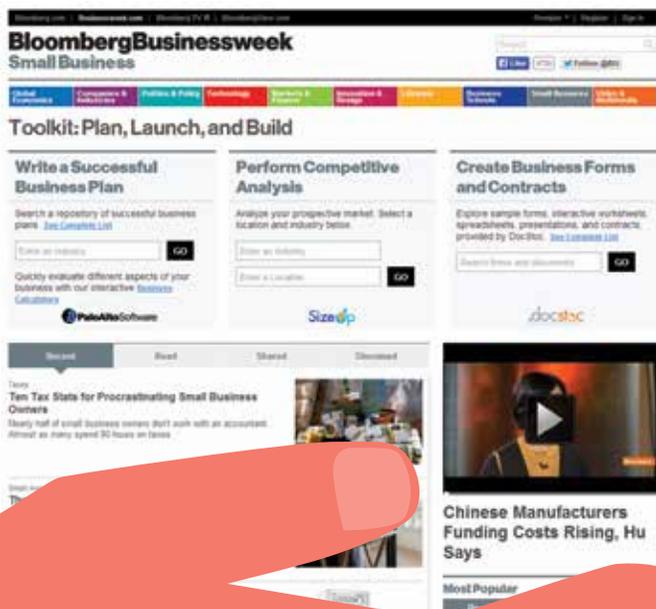
Businesses typically look to grow by attracting new customers. Online tools allow SMBs to filter third-party customer databases for optimal prospects, identify geographically where their best customers are, or download prospect lists for advertising.

Examples: [LeadFerret](#), [Radius](#), [SizeUp](#), [Infer](#), [Data.com](#)

BUYING A BUSINESS

Some entrepreneurs start by buying a business or grow their business through acquisition. Online tools enable them to search businesses for sale and franchise opportunities by location, cost, and industry.

Example: [BizBuySell](#)



businessweek.com/small-business/toolkit

FUNDING

To grow a business often requires funding to hire new staff, buy more inventory or equipment, or to lease new facilities. Banks, non-traditional lending companies, and new online funding models are providing online tools for SMBs to apply for loans.

Example: Traditional banks like Wells Fargo, emerging funding platforms like OnDeck, and crowdsourced funding like Kickstarter

FINDING A BUSINESS LOCATION

Success or failure can often be as simple as being in the right or wrong location. Businesses can change strategies and people, but it is often harder to change their location. Online tools help businesses find the optimal location for their companies based on demographics, labor, customers, real estate, and other location factors.

Example: ZoomProspector.com

WEBSITES/MARKETING/ADVERTISING

Only a minority of SMBs even have a website, so companies have developed tools to make it easy for an SMB to create a new website, post videos, write a blog, and create marketing campaigns by advertising online.

Example: GoDaddy, Google GYBO, Yahoo Small Business, Etc.



us.smetoolkit.org

Where content such as articles has to be general enough for a wide audience of companies, online tools to serve SMBs can be customized to where a company is at in its lifecycle, the size of the company, or the unique industry the company is in. Some of these tools are data-driven, enabling them to provide customized information and services based on the unique characteristics of the business.

3. COMMUNITY

Enterprises are implementing “enterprise social” to better achieve existing business goals, or establish new goals, which were previously not realizable outside of the context of community platforms. Though there are varied reasons for enterprises to implement communities, generally implementations flow into the following use case(s): customer support, ideation, targeted marketing/sales, and crowdsourced content creation.

CUSTOMER SUPPORT

Assistance for businesses in the SMB social environment can come from peers, self-help, and the enterprise.

Customer-to-customer support

Customers can respond to other SMB community members’ questions via forums, discussions, or Q&A. The answers provide value to the SMBs without requiring significant enterprise-based resources, as the other SMBs are doing the work.

Self-help

Customers are able to use communities as a pathway into existing documentation, conversations, expertise, suggestions, and solutions that have been created over the life of the online community. This existing body of community-generated content eliminates the need to solicit advice from other SMBs or company-based online community enterprise managers.

Establishing enterprise expertise

Enterprise staff can engage in the discussions to provide advice and assistance to show that enterprise staff are experts that can assist SMBs. This can include a combination of general advice and recommendations to solutions specifically offered as part of the core offering of the enterprise, including its products or services.

Whether the SMBs get help through existing community-generated content or if they get real-time responses through new questions or conversations they post, they get value to help their business grow. In addition, regardless of the channel by which customers receive support, all three options generate a history of content that helps businesses, and the community becomes more valuable the longer the conversations exist and are expanded upon.

Although there are benefits to the SMB of participating in an enterprise’s SMB portal, there are also meaningful bottom-line benefits to the enterprise from the information that comes out of the community discussions.

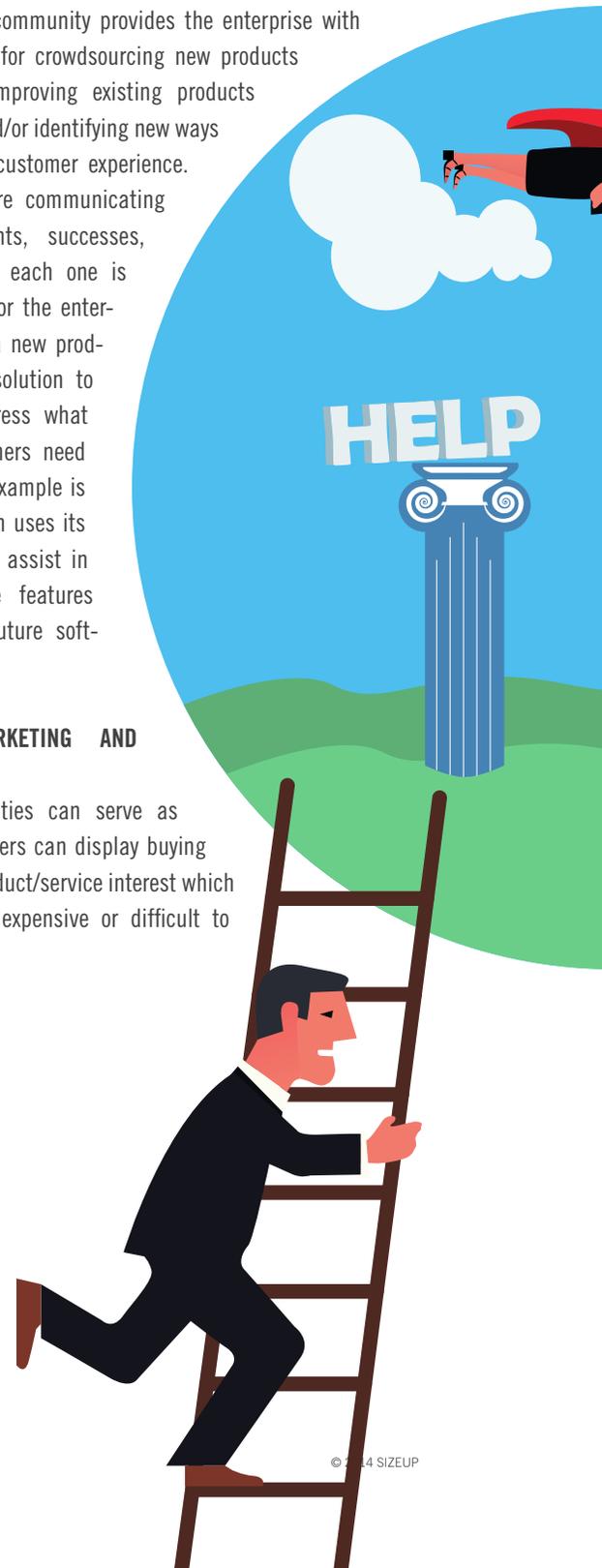
IDEATION

An online SMB community provides the enterprise with an environment for crowdsourcing new products and services, improving existing products and services, and/or identifying new ways to improve the customer experience.

As the SMBs are communicating their pain points, successes, and new ideas, each one is an opportunity for the enterprise to create a new product or service solution to specifically address what the SMB customers need and want. One example is Salesforce, which uses its IdeaExchange to assist in determining the features and scope of future software releases.

TARGETED MARKETING AND SALES

Online communities can serve as venues where users can display buying indicators or product/service interest which were previously expensive or difficult to discover.



ADVERTISING

In addition to their ability to further an enterprise's own sales initiatives, communities also provide an opportunity to incorporate third-party advertising. This secondary revenue stream is often managed by an outsourced third party.

CROWDSOURCED CONTENT CREATION

Community managers can turn discussions into content for the SMB portal that skilled technical writers can then polish, reducing the cost of content creation.



4. SALES

Although there are benefits to large enterprises being seen as altruistic in helping their customers, these SMB portals also offer bottom line value to the companies as channels to attract new customers, strengthen relationships with and upsell existing customers, and increase revenue for the company that creates the SMB portal.

The enterprise can integrate sales and marketing throughout the portal, including education about the value the product or service can provide to the SMB customer. By placing the specific product/service as links or information next to relevant content, tools, or community discussions, the product/service appears as a benefit and not just an advertisement. This works in much the same way that a Google or Bing advertisement based on a keyword becomes relevant and valuable when searched for. The SMB portal is also a good customer acquisition and retention strategy because it can facilitate the movement of pros-



pects from the online environment into live discussions with enterprise staff that can turn them into customers.

There is also digital-only sales/marketing benefits to the enterprise, because in addition to the traffic generated to the corporate website, the SMB portal provides extremely valuable search engine optimization (SEO) from the extensive content, tools, and conversations that it contains.



5. GOODWILL

Although not as tangible/quantifiable a benefit to an enterprise as sales, a successful SMB portal can significantly benefit the large enterprise in how it is perceived by small businesses, thereby delivering goodwill.

This big company cares about small businesses like mine.

Big companies have the liability that their bigness makes them seem inaccessible. The portal makes the big company accessible and personable. It more easily and intimately facilitates relationship building between the big and small business.

This enterprise is our SMB partner for success. It delivers high value at no cost to us.

“Free” is a compelling loss leader to get new customers in the door, and when that free service delivers real value to the SMB’s bottom line, they will value the company that provided it as an authentic partner. That type of feeling, value, and relationship deliver long-term value to the enterprise.

This company cares about corporate responsibility, community development, and goodwill.

Although the SMB portal may be an initiative of a division like customer acquisition or marketing, there are clear benefits to the corporate responsibility division of the company, as this is a tool that helps existing small businesses in the community.

ENTERPRISES CREATING SMB PORTALS

The providers of SMB portals represent a variety of verticals, reflecting the variety of services that small businesses need in order to succeed.



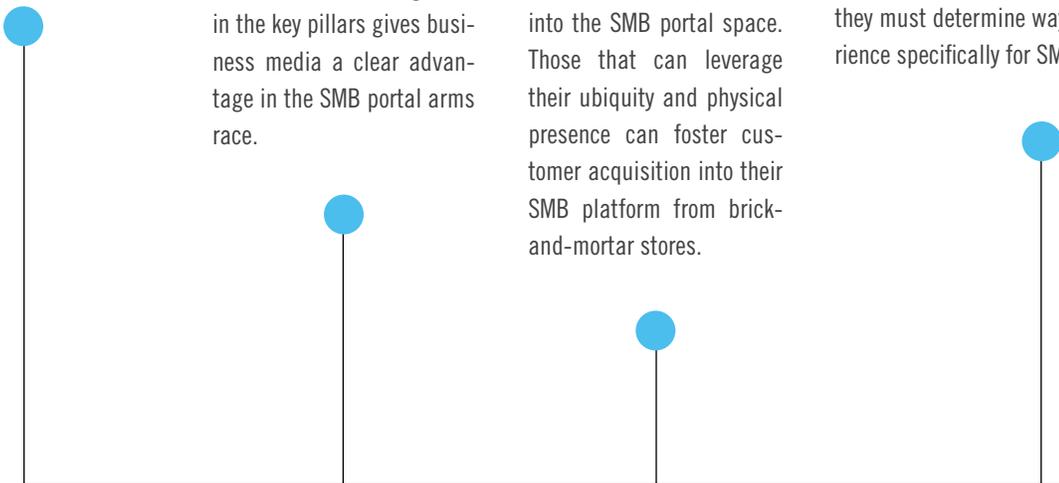
Banks Media Retail Internet Gateways

The typical SMB spends a lot of time banking online. Banks can leverage this opportunity to build relationships through the SMB portals, even if they lack experience in the key pillars.

Business media have never been at a loss for updated content to increase engagement, and many outlets have long provided forums for their users to give feedback and communicate with each other. This background in the key pillars gives business media a clear advantage in the SMB portal arms race.

Many service providers have been mentioned so far, but SMBs consume goods as well as services. As sellers of the goods these SMBs purchase, retailers with scale and presence can make a meaningful play into the SMB portal space. Those that can leverage their ubiquity and physical presence can foster customer acquisition into their SMB platform from brick-and-mortar stores.

Search engines and traditional web portals provide a starting place for any user to digest all of what the Internet has to offer. These companies already have some framework in place for building out SMB portals, though they must determine ways to tailor the experience specifically for SMBs.



TYPE	ENTERPRISE EXAMPLE	CONTENT
BANKS	Wells Fargo	✓
MEDIA	Bloomberg BusinessWeek	✓
RETAIL	Staples	✓
INTERNET GATEWAYS	Yahoo!	✓
SOFTWARE	Microsoft	✓
PAYMENT CARDS	American Express	✓
ONLINE SERVICES	GoDaddy	✓
TELECOM	Verizon	✓
TECHNOLOGY AND CONSULTING	IBM	✓

NOTE: A checkmark indicates the presence of this feature; quantity and quality varies.

Software

The major providers of business and productivity tools constantly compete to make their software solutions as holistic as possible to further adoption and simplify their customers' work flow. Providing SMB portals is the logical extension of this goal. Software companies have a distinct edge over the rest of the SMB portal competition regarding tools.

Payment Cards

Similar to banks, payment card companies may lack experience in the key pillars, however that has not stopped American Express from leading the way in many respects with its innovative Open Forum platform, which has outpaced competing financial institutions in its execution on the community and content elements of its SMB portal.

Online Services

As brick-and-mortar businesses expand by using the Internet, and as new companies may choose to have an Internet-only business model, the companies that power online business needs and services can position themselves for relationships with SMBs. As the largest domain registration company, GoDaddy is in the enviable position of being the first service that many businesses turn to when they create their online presence. They are leveraging this position to provide recommendations to a whole array of online resources.

TOOLS	COMMUNITY	SALES
✓		✓
✓	✓	
		✓
✓		✓
✓		✓
	✓	
✓		✓
✓		✓
✓		

All data comparisons are based on what was available to the public through the Internet the week of March 23, 2014.

HOW LARGE ENTERPRISES ARE BUILDING AND OUTSOURCING TO CREATE AN EFFECTIVE PORTAL

The largest enterprises – even those that provide a broad set of products and services to numerous industries and types of companies - recognize that it is not cost/time effective to try to create all of the content, tools, and community network services to power their SMB portal.

Instead, SMB portals are developing as a combination of partner and internal/in-house services.

IN-HOUSE:

Content, products, and tools that are core to the company's mission and/or that they provide at least as well as any other company should be included. Media portals should include their proprietary content, software portals should include their own tools, etc. Internal elements can also include white papers/research the company has created, product support documentation, and business case studies on the company's own products.

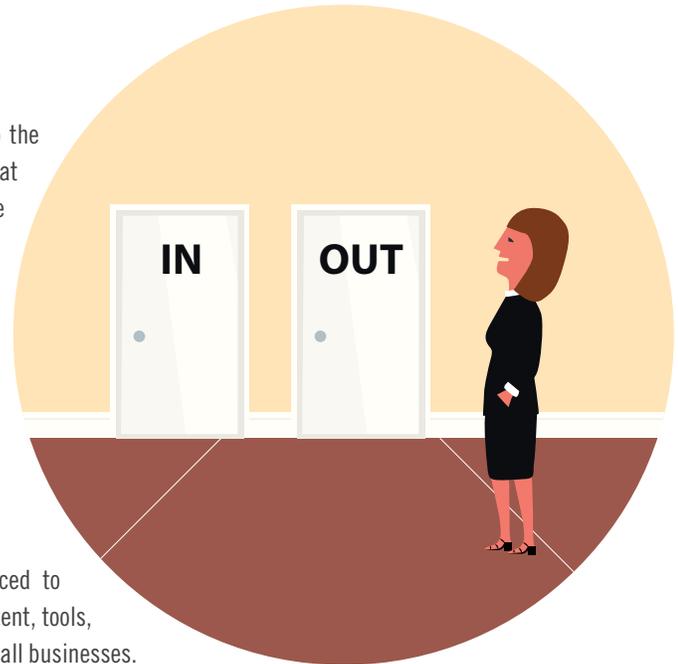
OUTSOURCED:

Everything else can and should be outsourced to other vendors that specialize in providing content, tools, and social enterprise software designed for small businesses.

CROWDSOURCED:

The additional creation of content can be crowdsourced. Also, crowdsourcing can lead to greater engagement for the use of both internal and outsourced features. Examples of this can include the community forums and social commenting on content.

The following table lists the leading service providers powering the content, tools, and community platforms for SMB portals.



TOP-TIER INTEGRATION PARTNERS

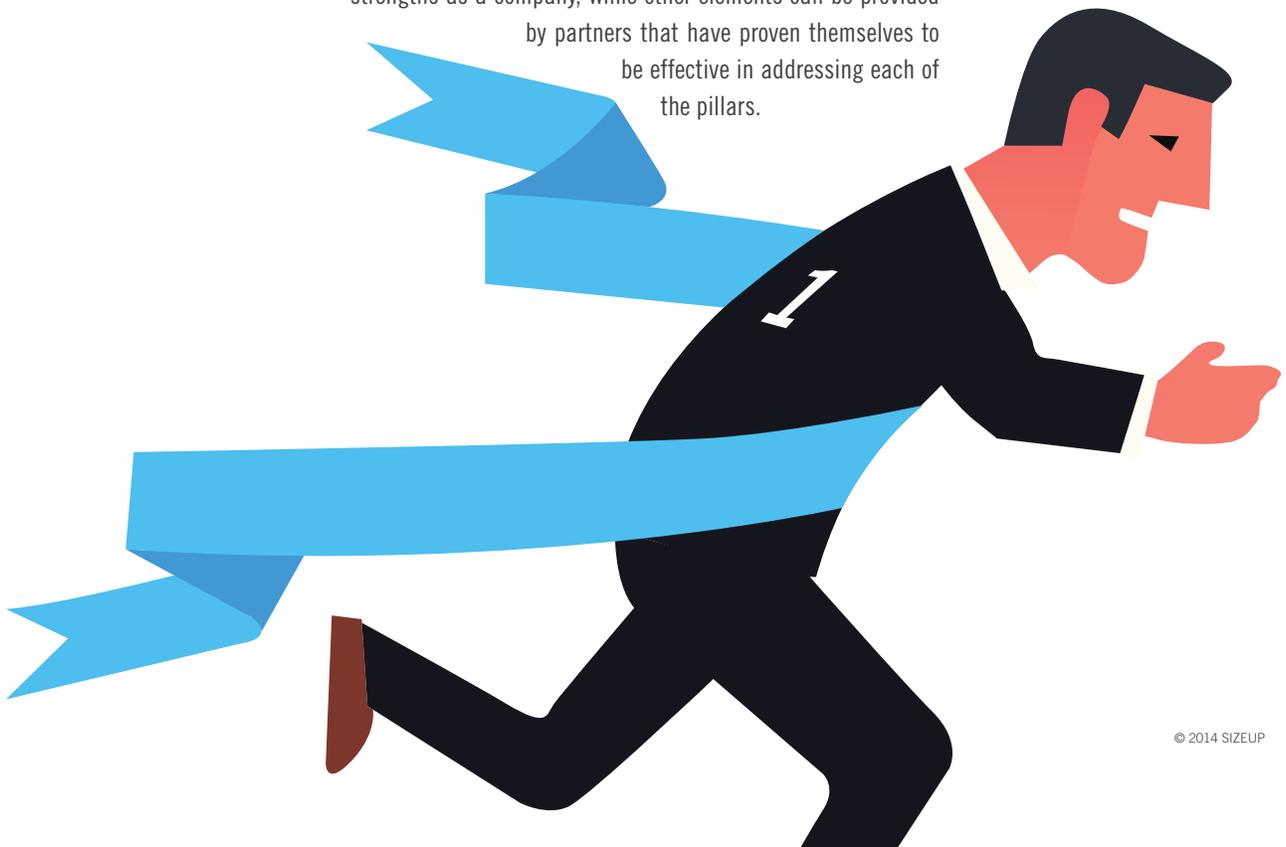
	TYPE	VENDOR	DELIVERABLE
CONTENT	General business advice and topics	Small Business Trends, Bloomberg BusinessWeek, Inc. Magazine, Entrepreneur, GrowBiz Media, Smallbiztechnology.com	Articles
	Online business learning	Universities / online learning	Articles, video, instruction
TOOLS	Business intelligence	SizeUp	Industry benchmarking, market research, find customers, best place to advertise
	Business documents	Docstoc, BizFilings	Business document search
	Business planning	LivePlan	Interactive business plans for company lifecycle
	Real estate	ZoomProspector.com	Business location analysis and real estate
	Financial funding	Banks, alternative lending platforms, crowdfunding, etc.	Business loans
	Website development	GoDaddy, Yahoo, Google, Intuit, etc.	Website templates often with marketing integration
	Customer databases	Radius, LeadFerret, Infer	Prospective customers
	Business purchase	BizBuySell	Search of businesses for sale
COMMUNITY	Enterprise community platform software	Jive, Lithium, Salesforce	Enterprise social software
	Single sign-on (SSO)	Linkedin, Facebook, OpenID	Simple sign in integration into SMB portal
	Content	Crowdsourced from the SMB community	Answers, advice, content, community, engagement

KEY TAKEAWAYS

SMB portals are just beginning to take shape, and it is yet to be determined which large enterprises will dominate the space. This is a very key moment. A fierce competition is in the works for market share of these SMB portals, even though many corporate executives are not yet conscious of it. Any large enterprise that serves the SMB market should now be evaluating whether and how to build out an SMB portal. The audience is still largely unclaimed, and those who move early and strong will be at a very distinct advantage.

The relationship-building aspect of SMB portals makes them very compelling to enterprises that want to better connect with their customers. Providing free services through a portal can attract new customers and retain existing ones, significantly benefitting the enterprise in the short and long-term.

A successful SMB portal should cover all the five aforementioned pillars, but it is not essential, or even desirable, for the enterprise to build all of them in-house. The enterprise should focus on providing the elements that come from its own core strengths as a company, while other elements can be provided by partners that have proven themselves to be effective in addressing each of the pillars.



SIZEUP IS BIG DATA FOR SMALL BUSINESS

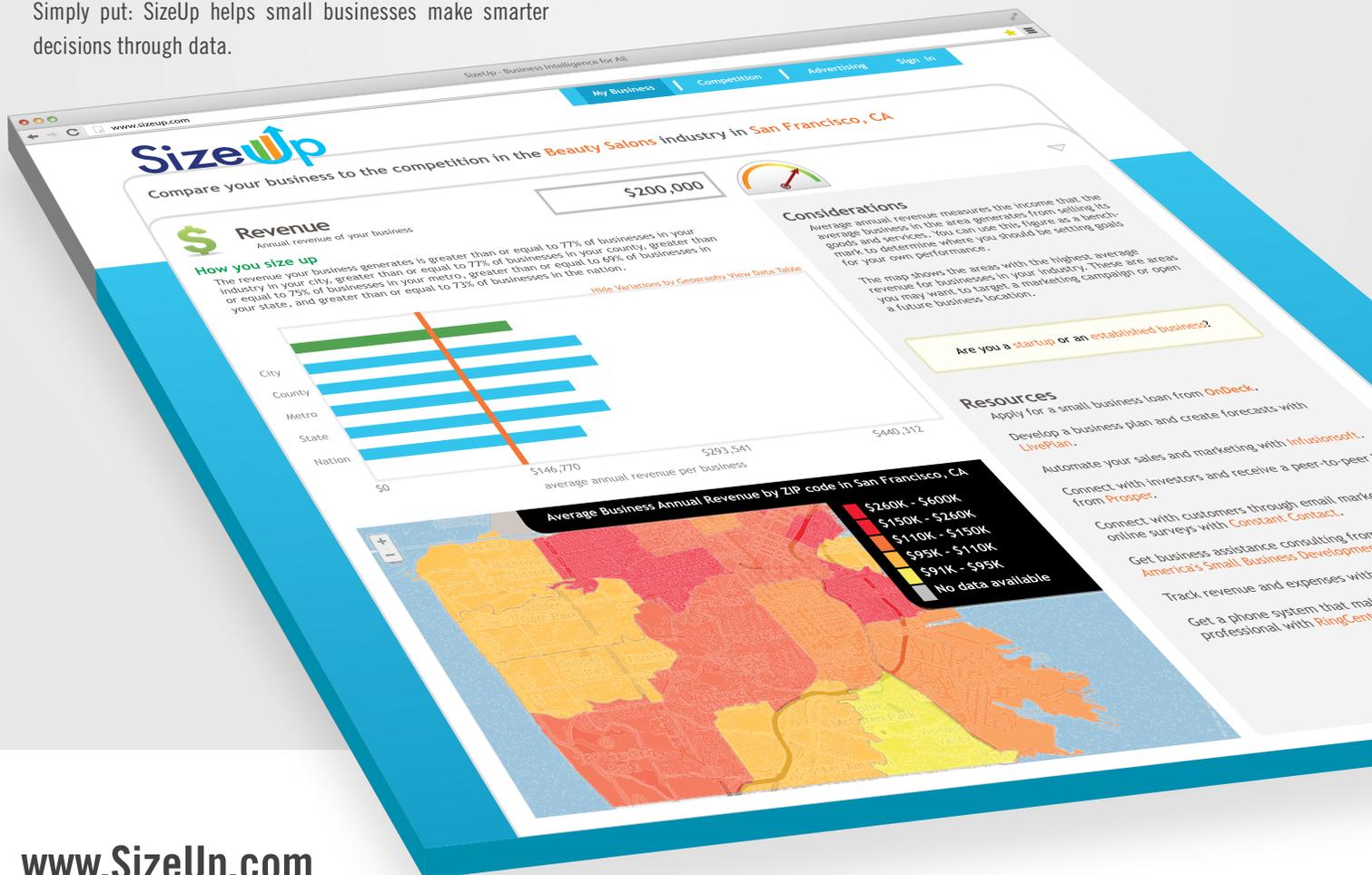
Using data synthesized from hundreds of public and private sources, small businesses can benchmark themselves against competitors, find customers and suppliers, and optimize advertising dollars via informed geographic targeting.

Simply put: SizeUp helps small businesses make smarter decisions through data.

SizeUp licenses its API to enterprises that want to dramatically increase customer engagement and interact with their customers in a genuine and impactful way.

ENTERPRISES THAT INTEGRATE THE SIZEUP API INTO THEIR SMALL BUSINESS WEB PORTALS PROVIDE VALUABLE INDIVIDUALIZED INSIGHT AND DEVELOP STRONGER RELATIONSHIPS.

SizeUp was a TechCrunch Disrupt finalist, and major brands such as Bloomberg and Staples have licensed the SizeUp API to better engage their small business customer base and help these businesses grow.



www.SizeUp.com

BUSINESS & INDUSTRY ANALYSIS

Enter your business information and gauges show how much of your competition you are outperforming.

Charts and maps show you how you compare to those businesses near you.

COMPETITIVE INTELLIGENCE

SizeUp creates geo-visual lists of your competitors, along with potential buyers and vendors.

Determine areas with many potential customers but little competition.

ADVERTISING ANALYSIS

Assess the market conditions in your area. Use advanced filters to find the best places to advertise.

info@SizeUp.com



For more information, contact the authors:

Anatalio Ubalde, CEO: aubalde@sizeup.com

Thomas Barron, VP of Business Development: tbarron@sizeup.com

Eric Simundza, Product Manager: esimundza@sizeup.com

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