Choosing The Right Path To The Net

Small-business owners who want to establish a presence on the World Wide Web face a host of decisions on how best to do it. Here's some guidance.

By David Noack

Barry W. Gainer wanted to expand the sales of his family's business—a company that grows, packs, and ships fruit—but he didn't want to incur the expense of advertising in national newspapers and magazines.

So Gainer, president of the Indian River Gift Fruit Co. in Titusville, Fla., decided to establish a business presence on the graphical, interactive part of the Internet known as the World Wide Web.

At the company's Web site (www.giftfruit.com), visitors can view pictures of the firm's products and place orders. Fax and phone numbers are provided for customers who do not wish to order via computer.

"What interested us in the Internet was that we could expose our business to millions and millions of customers at relatively low cost," says Gainer, 33, who was a computer novice when he decided to put his business on the Web.

Before the Indian River Gift Fruit site debuted in April 1995, Gainer did some homework. He read business and computer magazines to learn how to get a company onto the Web economically, and he sought advice from experts. He wanted to know what had been done before and, more important, what had been done right.

To get his Web site on line. Gainer contacted Catalog.Com, a service in Palo Alto, Calif. Catalog.Com sells companies and individuals space on its server computer—a service referred to as "hosting." In addition to providing Internet users with access to its customers' Web sites, Catalog.Com maintains the sites and provides security for them.

Gainer, who pays $50 a month for Catalog.Com's services, start-up costs were about $2,000, also retained a couple of Web consultants to design and create the actual Web pages and to post new prices, items, and information on a

PHOTO: BEN VANHOOK

After he put *his Indian River Gift Fruit Co. on the Internet in 1995, says Barry W. Gainer, on-line customers quickly accounted for a large part of the company's sales.*
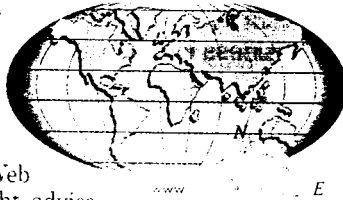
continuing basis.

The fruits of Gainer's investments: Web-site customers accounted for about 25 percent of his company's $1 million in revenues in 1995.

Goals And Expertise

Small businesses like Gainer's are flocking to the Internet to expand their customer bases, to create greater consumer awareness about their products and services, or simply to communicate better with current and potential customers.

But what do business owners who have yet to establish an on-line presence need to know about the Internet and about creating and maintaining a home page or a Web site? The answers, say experts and business people, depend on two factors: what the entrepreneur wants to accomplish on line, and the person's level of computer and telecommunications expertise.

It's easy for a newcomer to the Internet to

be intimidated and overwhelmed by terms such as URL, server, bandwidth, and browser. Nonetheless, the Internet and the World Wide Web have become much more user-friendly in recent years. With the advent of design and development tools for building Web sites, even nonexperts now can create rudimentary sites.

These tools have reduced the amount of specialized computer coding, known as hypertext markup language (HTML), that goes into building a Web site, although it still takes time and effort to learn how to use the tools well. Among the many popular programs available on the market to help the "cyber-challenged" create Web pages are Microsoft Corp.'s FrontPage, Claris Corp.'s Claris HomePage, and Adobe Inc.'s PageMill.

Building more-complex home pages, such as those with forms and with feedback and order-taking capabilities, requires relatively advanced programming and maintenance skills. Many experts say that unless you're willing to take what amounts to a crash course in computer programming

and networking, you should leave these tasks to others, at least initially.

Small-business owners who want a Web site should outsource both the design work and the hosting services at the outset, says Mary J. Cronin, a professor of management at Boston College and the author of *Doing More Business on the Internet: How the Electronic Highway Is Transforming American Companies* (Van Nostrand Reinhold, $29.95).

"It is both time-consuming and expensive," Cronin says, "to get up to speed on connectivity, hardware, software, design, access, and security issues all at once if there has not been much prior network experience."

Says David H. Dennis, owner of David's Amazing Internet Creations, a Web-design firm in Chatsworth, Calif.: "If you want to present brief information on your company and products on the Web, it can take very little technical savvy. If you don't need something glitzy and complex, you can even do a lot of it yourself." But he cautions that a small-business owner shouldn't attempt to run his or her own Web-server computer. "Running your own Web server is almost always a bad idea unless you have a significant store of expertise at your firm," he says, citing equipment purchase and maintenance costs, potential security problems, and the usual measure of computer glitches and snafus.

Denise Continisio, who owns Write NOW! Word Processing, a transcription

and word-processing business in Trenton, N.J., is among the business people who have created their own Web pages. She posted her page using her account with America Online. "I store my Web page on

AOL," she says. "I have the account—why not make use of the available [server disk] space?" Continisio notes that there's no extra charge for putting her Web page on AOL beyond the standard fee of $19.95 a

PHOTO: BART BARTHOLOMEW

Realizing that their *hot-sauce business was a good candidate for cyberspace got Perry Lopez and Monica Bosserman Lopez fired up about starting a Web site, but they have left the site's technical aspects up to others.*

Counting The Costs

Establishing a business presence on the World Wide Web requires making lots of choices. Your universe of on-line options—including whether to maintain an Internet server in-house or to contract for this service—is nearly as vast as outer space. Consequently, it's almost impossible to provide a general answer to the first question most business owners ask when evaluating whether to build a Web site: How much will it cost?

"As with most things—from automobiles to computers—how much it costs to put your business on the Web will vary significantly according to what you're trying to accomplish," says Martin Burack, executive director of the privately funded Internet Society, an international organization based in Reston, Va., that is dedicated to global cooperation and coordination for the Internet.

Here are estimates, based on discussions with experts, for some of the myr-

iad ways to establish a presence on the Web:

Commercial Services
The commercial on-line services—America Online, CompuServe, the Microsoft Network, and Prodigy, for example—provide members with 5 to 15 megabytes of server disk space and tools that are relatively easy to use for developing and posting Web pages. These are included in the basic, unlimited-use charge of $19.95 a month for America Online, the Microsoft Network, and Prodigy. CompuServe charges $24.95 for up to 20 hours a month of on-line time.

Service Providers
Once designed, Web pages can be placed on and accessed from the server computer of an Internet service provider for about $100 a month. For that amount, you should be able to get unlimited dial-up access to the Internet for yourself, 30 to 100 megabytes of storage space for your pages (which is enough for the kind

of information a business owner new to the Internet might want to post), a registered domain name (*mybiz.com*, for example), and the ability to post on line and download into your computer database basic Web forms such as mailing lists and surveys.

Professional Artists.
The cost of having basic Web pages designed by a professional graphic artist can range from $50 to $100 or more per computer page, depending on the still pictures, illustrations, audio, and video in the page.

Keeping It In-House
If you're contemplating going it alone, consider this: You can easily spend $10,000 a month or more on expenses such as the salaries of the two or more part-time or full-time employees you'll need to design and maintain a site; the cost of a dedicated, high-speed connection to the Internet; and installment-purchase payments for required hardware.

month for unlimited use. She also uses AOL to get information and to network with other on-line users. Her Web page (users.aol.com/writenowrep/main.html) has been on line for a year.

After Perry Lopez and Monica Bosserman Lopez opened their Hot Hot Hot specialty-sauce retailing business in 1993, Perry Lopez saw a version of one of the earliest Web browsers, called Mosaic. He sensed that the couple's business was a prime candidate for cyberspace, so in September 1994 the couple unveiled their Web site. "We were very interested in doing it, but we aren't computer people. So…we didn't have the know-how," says Bosserman Lopez. But Tom Soulanille, a frequent customer at the couple's Pasadena, Calif., sauce and salsa shop, was starting a Web-design and virtual-catalog business called Presence Information Design. Hot Hot Hot was quick to sign on as one of his customers.

Now the hot-sauce company's Web site (www.hothothot.com) attracts 1,000 to 1,500 visitors daily and generates about 30 percent of the company's total business volume. As for a company maintaining its own Web server, Bosserman Lopez is one entrepreneur who agrees it's a bad idea. "For us as a small business, it doesn't make [economic] sense," she says.

A middle-of-the-road path to establishing a Web page was chosen by Jeffrey F. Krieger, owner of Jeffrey F. Krieger Architects in Philadelphia. He has a $35-a-month account with a local Internet service provider (ISP), VoiceNet, and he uses his computer and modem to access VoiceNet and post his company's Web page.

Krieger notes that although he helped develop the look of the Web site, a friend and former business associate did the HTML coding to create the page. "I didn't think I had the time to learn HTML or other Web authoring tools," says Krieger, whose Web site (www.voicenet.com/jtko) debuted in October and provides information about himself, his work, and the firm.

Carl Levinson, CEO and president of America's Shirt & Tie and Genius T-Shirts, two related companies in Indianapolis, studied his options and decided the best route would be a Web hosting service.

Levinson, who works out of a downtown warehouse, says he considers his companies to be more a software business than an apparel business. His main Web site, America's Shirt Catalog (cottonshirt.com), is the first where people can buy dress

shirts of their own design, he says. The site includes a "tailor shop" with various sizes, fabrics, and styles that shoppers choose simply by clicking on them with a mouse.

In addition, Levinson has other on-line pages for ties, boxer shorts, and T-shirts.

Levinson says his Web pages, which debuted in the past two years, were designed in-house by one of his two employees, a software engineer. (His other employee is a shipper; the companies outsource manufacturing of their apparel.)

Selling custom shirts *over the World Wide Web means savings for customers, says Carl Levinson of America's Shirt & Tie.*

He notes that the relatively low cost to him of selling on the Web means savings for customers: The markup at major retailers is usually $14 to $20 per shirt, he says, but it's only $3 to $4 for his shirts.

Jim Krachenfels, marketing-programs manager at Garrett Communications, Inc., a Fremont, Calif., designer and manufacturer of networking products, says Garrett uses its Web site to keep the firm's customers informed of new products. There is no ordering on line, although customers can ask for specific product information.

"We have made all our data sheets and installation guides and application notes available so [customers] can either down-

load [them] or print the information off of the Web," Krachenfels says.

When the Web site (www.garrettcom.com) debuted in mid-1995, the company had its own on-site Web server. But keeping the server running became too much work, and last year the company outsourced the task to a Web hosting firm, Internix in Santa Clara, Calif. The Web-site design and maintenance are still handled in-house to allow Garrett strict control over the site's content.

The questions that every small-business owner must ask before taking the Internet plunge, either alone or with the help of a consultant, a service provider, or someone else, include:

■ What do I want to do with my Web site? Will it be merely a channel for wide distribution of brochure-type information about the company? Or will it also be able to take orders on line?

■ Should my company create and maintain its site in-house? How much will it cost for equipment, personnel, and access if I choose this option?

■ If I decide to design and maintain the site in-house, should I hire full-time or part-time employees to perform these tasks?

■ Should I design my own Web site and post it with an Internet service provider?

■ Should I create a basic Web page and post it on the server space that's provided by the commercial on-line services, such as America Online, CompuServe, the Microsoft Network, or Prodigy?

Keep in mind that there are pros and cons to doing all the Web work yourself and to contracting it out, according to Brian Hurley and Peter Birkwood. They are experts in telecommunications and Internet marketing in Nepean, Ontario, and the co-authors of *A Small Business Guide to Doing Big Business on the Internet* (Self-Counsel Press, $14.95).

"The primary advantage of doing your own Web-site work is that you have control over the content and look and feel of the end product," says Hurley.

But if you don't consider the Internet a strategic part of your business, the authors say, don't spend a lot of time and money developing Web expertise. "Training people in this area can be time-consuming," says Birkwood, "especially if your staff doesn't have much computer experience."   **NB**

David Noack is a free-lance writer in Beacon, N.Y., who specializes in the Internet and computer technology.

ENTREPRENEUR'S NOTEBOOK

Untangling The Web For Retail Sales

By Ann Giard-Chase

Serving up gourmet brownies and Brownie-Grams on the Internet was a sweet addition to my business, right up to the day when the company that was providing my access to the Internet went sour.

In January 1995, Joan & Annie's Brownies, the company I co-founded in 1988 with my sister, Joan Giard, went on line with a local Internet service provider (ISP) that was marketing a group of Vermont-based firms through a "virtual mall" on the World Wide Web called CyberMont.

For a business started in our kitchens and marketed from pushcarts at fairs and festivals, this seemed the perfect way to expand my potential customer base without the costs associated with print, broadcast, and direct-mail advertising. It also allowed me personal contact with my customers, something both Joan and I had always enjoyed. (Joan left the company to pursue other interests in early 1991.)

For $500, the ISP designed and maintained my site and supplied Internet access for six months.

My company could now be found by querying various Internet search sites and directories—which allow Web users to search for specific content by key words or phrases—and orders and inquiries began rolling in by electronic mail. Thanks largely to the media attention the site generated, my company's eight varieties of brownies and its Brownie-Grams (a trademarked name for personalized brownie gift packages) were building an international reputation virtually overnight.

And then, just shy of the six-month mark, the ISP went out of business, taking with it my Web site and e-mail capa-

The Internet *can be part of a recipe for success, says brownie entrepreneur Ann Giard-Chase.*

PHOTO ALAN JAKUBEK

bilities. My company's Web address still appeared on search sites and directories, but there no longer was a Web site to access, and I had no means of communicating with my on-line clientele.

After three months of careful searching, I found a new provider, and my company was back on the Internet at the address *annlink.com/brownies.html.*

Customers and media inquiries returned. In fact, sales doubled in 1996, to approximately $100,000.

Having my Internet sales-and-marketing capabilities vanish for several months taught me something about dealing with ISPs. Here's what I recommend:

Ask questions; choose carefully. Ask providers how long they have been in business, how many clients they serve, and—if you will be part of a virtual mall—how quickly sales orders will be forwarded to you once they are received. Ask for a list of the company's clients,

and check references. Be sure to ask how well and how quickly the provider makes desired changes to Web pages.

Security counts. Make certain your provider encrypts data so that customers' personal information such as addresses and credit-card numbers can't be read by cyberthieves. Clearly advertise on your Web page that e-mail orders are secure.

Bigger isn't necessarily better. Advertising special sales or new products, or even creating additional Web pages, can boost sales, but access through an ISP means you need its help in changing your on-line information. Smaller providers often can serve you better, faster, and cheaper than larger ISPs, which may have many clients awaiting updates.

Marketing is up to you. Providers offer access; rarely do they promote clients, so marketing your Web address—both through traditional media outlets and on the Net—is usually up to you. Place your Web address and logo with as many search-site operators as possible. Take the time, too, to figure out what key words or phrases will put your site at or near the top of ranked listings given by search sites when Internet users seek specific, pertinent information, as people are less likely to visit sites farther down their "hit lists."

Also, try to have other sites with a similar market draw—those of gourmet food companies, in our case—include a link to your site, and return the favor.

As with other marketing avenues, an Internet presence is a tool for success, not a means to effortless sales. Building a catalog request and an e-mail form into your page allows you to develop both e-mail and traditional postal mailing lists and to interact directly with your customers. Also, as your sales volume increases, continue to give customers the level of service they expect. Word of mouth, even if it's electronic, is still the quickest and surest way to win—or lose—customers.   ■

MANAGING

Don't Get Caught In The Net's Web

By Michael Barrier

Let's say that the Internet is a big city and you're a small business, fresh from the country and new to town. You're gawking at all those gleaming skyscrapers (or World Wide Web sites, in this case). You know enough to be wary of pickpockets and sharpies. The greatest dangers, though, may be more mundane—like stepping into an open manhole.

Doing business over the Internet is sort of like that. You can easily tumble into trouble not because the Net is so exotic but because you don't realize how ordinary it is in some ways.

For all its novelty, "the Internet is not special" in terms of the legal issues it raises, says David Lange, executive director of the Center for Global Information Technologies at Duke University Law School in Durham, N.C. "The main legal principles remain the same. Their particular application changes."

Says Thomas J. Smedinghoff, a partner in the Chicago law firm of McBride Baker & Coles and counsel to the Software Publishers Association (SPA): "People who do business on the Internet need to realize that all the laws that apply to their activities in the physical or paper-based world are going to continue to apply when they get on the Internet."

Joseph M. Killeen, who specializes in intellectual-property law at the Alexandria, Va., law firm of Rogers & Killeen, agrees. "The Internet introduces very few new problems," he says, "but it brings to the forefront all sorts of old problems, sometimes in ways that people are not used to."

Here's a rundown on some of the areas where the problems are surfacing.

Intellectual Property

Copyrights

A typical home page on the Web is an introduction to a company's products or services. As far as the content of your home page is concerned, "the issues involved are just the same as if you were putting out a videotape or a newspaper advertisement," says Seth D. Linfield, an intellectual-property attorney in the South Bend, Ind., office of the Barnes & Thornburg law firm.

For example, suppose that (1) your home page is accompanied by music, (2) the music is copyrighted, and (3) your use has

not been authorized; in such a case, your use is an infringement. The same applies to materials such as film clips, photographs, and, of course, published written matter. To use them, you'll need copyright clearance, which can be difficult to get.

Beyond that, "if you have the kind of home page where you have more than a description of your product," Killeen says, "you've got to be sure that you have the right to let people download it." In other words, even if you have permission to use copyrighted material in your home page, you could run into trouble if other people make copies of what you've put there—and the odds are that they will.

Smedinghoff, author of *Online Law: The SPA's Legal Guide to Doing Business on the Internet* (Addison-Wesley, $34.95), says, "Because it's so easy to make a perfect duplicate of anything in digital form, anything you put on the Internet is very susceptible to copying and modification and massive distribution in ways that you may not want to have happen." A lot of people share the misunderstanding, he says, that "if it's on the Internet, it must be OK to take it. That is clearly not the case."

Even if you scrupulously avoid using copyrighted material, you could still get into copyright trouble, Killeen says. If you provide links to other Web pages and one of those pages is infringing on copyrights, you could face a lawsuit for contributing to that infringement. Businesses providing such links should include a disclaimer stating that they are not responsible for the linked home pages' content.

If you're hiring an outside consultant to design your Web page, says William A. Tanenbaum, an intellectual-property attorney with the New York City office of the Rogers & Wells law firm, your contract

should specify that the consultant won't use others' copyrighted material without a license. "To make that meaningful," he says, "you need to have an indemnity" so that the home-page developer will have to reimburse you for any damages you incur in a lawsuit.

(An alternative, especially if the consultant is too small to provide a meaningful indemnity, is a "repair and replace" provision, which obligates the consultant to fix immediately any infringing elements.)

Other kinds of copyright problems can arise when you farm out the design of your home page. "The business that's buying [the home page] should make sure that it gets the copyright," Killeen says, "so there's no problem with dealing with it in any way
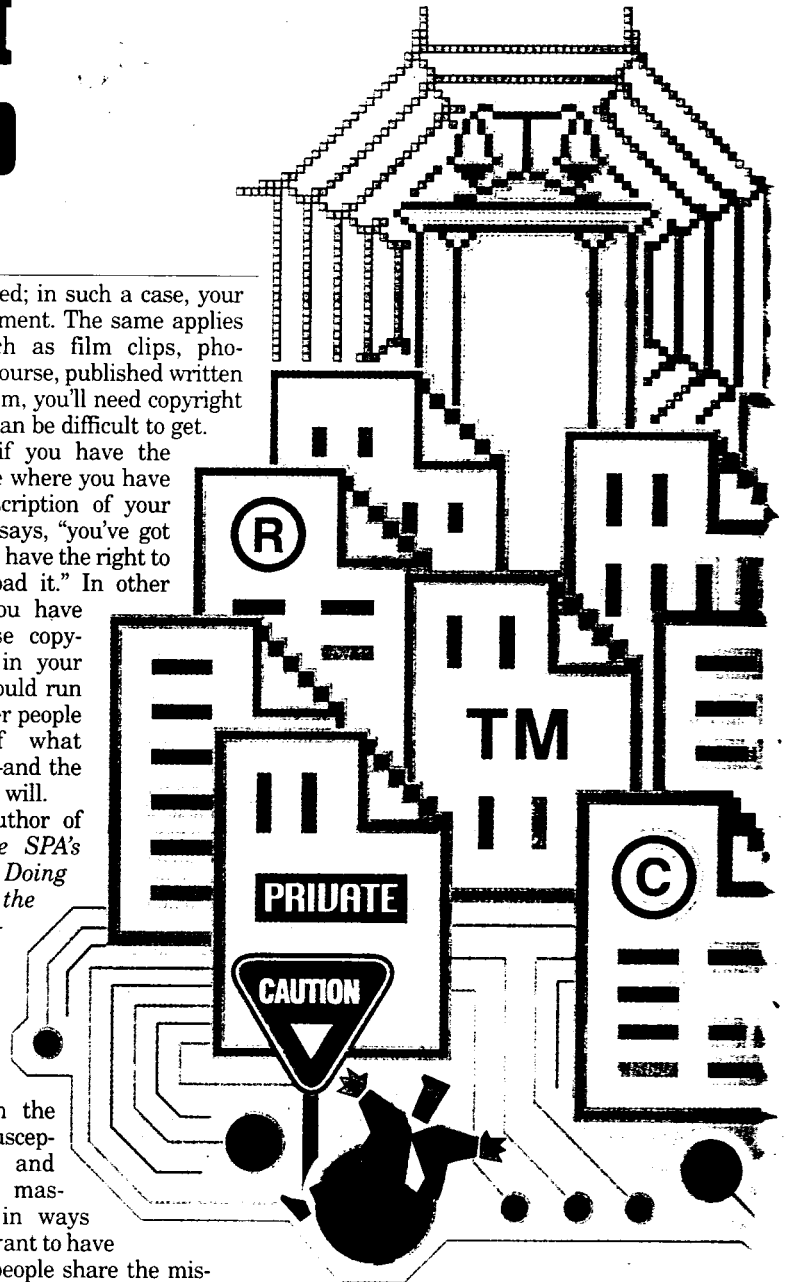
Legal hazards—involving copyrights, trademarks, privacy, and sexual harassment—can imperil companies doing business on the Internet.

you want in the future."

You can obtain a copyright in many instances by executing what is called a "work-made-for-hire" agreement, which establishes that the copyright belongs to the purchaser from the start. However, the copyright law authorizes work-made-for-hire agreements covering only nine kinds of copyrightable material. Software is excluded, for example, so even if you were to execute a work-made-for-hire agreement covering a software program, the copyright would remain with the software's author.

Even an assignment of the copyright from the developer to your business can't solve all problems, unfortunately. Some home-page developers have devised "great visual effects," as Killeen says, that they may use in one page after another—so that a home page explodes on command, for instance. Who actually owns those effects? There's no simple answer.

Tanenbaum suggests that the contract "carve out" the home-page developer's rights in the "generic" aspects of the home page. Such a provision should result in a lower price, since the developer can reuse that technology.

But what if the developer has already sold those "generic" characteristics to someone else as part of another home page? In that case, "he's basically selling you a lawsuit," Tanenbaum says. The legal activity in this area has only just begun, he

says, but the history in conceptually similar areas—multimedia products, for example—suggests that lots of it is on the way.

The safest course, Tanenbaum says, is to record the assignment of copyright immediately with the U.S. Copyright Office. "Prompt recordation of assignments or even licenses gives you certain statutory rights," he says—mainly, it will create "strong presumptions" that will work in your favor in the event of a suit.

Trademarks

A "domain name" is an Internet address, the kind that typically begins "http://www." and, in the case of business addresses, ends with ".com." You obtain a domain name from Network Solutions, Inc., a Herndon, Va., company that administers the names in the United States under a contract with the National Science Foundation.

So far, Killeen says, the courts have been holding that "domain names really fall very squarely under the law of trademarks." That means you can't call yourself something like "generalmotors.com" just because you think such a well-known name will bring a lot of traffic to your Web page. "If you're reserving a name that is associated in some strong fashion with somebody else," Killeen says, "the courts are not going to let you use it in a way that would cause confusion among customers."

That doesn't mean, though, that you have an inalienable right to use your own business's name. The domain name that instantly evokes your business or its products may not be available. The Internet is international in scope, and a trade name that has no duplicates in your local market may have a lot of them in cyberspace. As Killeen says, "The domain name you want to use may be already taken."

You may be able to get it back by bringing a trademark action; on the other hand, even if you get your name on the Internet first, you may have a trademark action brought against you. "This is probably the hottest area right now in the Internet, legally," Killeen says.

As Barnes & Thornburg's Linfield points out, two different companies can use the same name as a trademark for completely different products—for a car and for cat food, for example—but only one company

can have that trademarked name as a domain name. "The courts generally will allow the holder of the more significant trademark to ultimately claim the name," he says.

Privacy

As for electronic mail moving across the Internet, "employers are remarkably free to monitor messages to and from their employees," Smedinghoff says. Despite the Electronic Communications Privacy Act's general ban on intercepting electronic mail, he says, "there's an exception for the entity that owns the system, and in this case that's the employer.

"The problem arises," he continues, "because a lot of times the employer by the way it acts creates an expectation of privacy in the employees"—and thus exposes itself to the risk of a lawsuit for invasion of privacy.

Heather Gatley, an attorney with the Miami law firm Steel Hector & Davis LLP, says that employers can set rules governing which e-mail communications will be truly private and which will be accessible by the employer, but that "most employers are just not known for reasoning out a thoughtful balance between employee privacy rights and employer needs."

The reason for their discomfort, Linfield suggests, is that "employers don't want to tell their employees, 'We don't trust you.' There is a line that an employer doesn't want to cross; otherwise, morale may sink." Because that line is so difficult to draw, though, employers may want to tell their employees flatly that "there is no such thing as privacy" when it comes to e-mail and other Internet communications, says Robert B. Kirkpatrick, a Washington, D.C., attorney who specializes in employment law.

"The safe harbor for employers," he says, "is to have a clearly defined policy that has been disseminated to employees and is in fact [posted] on the system, and you cannot log on until you click that you have read the policy."
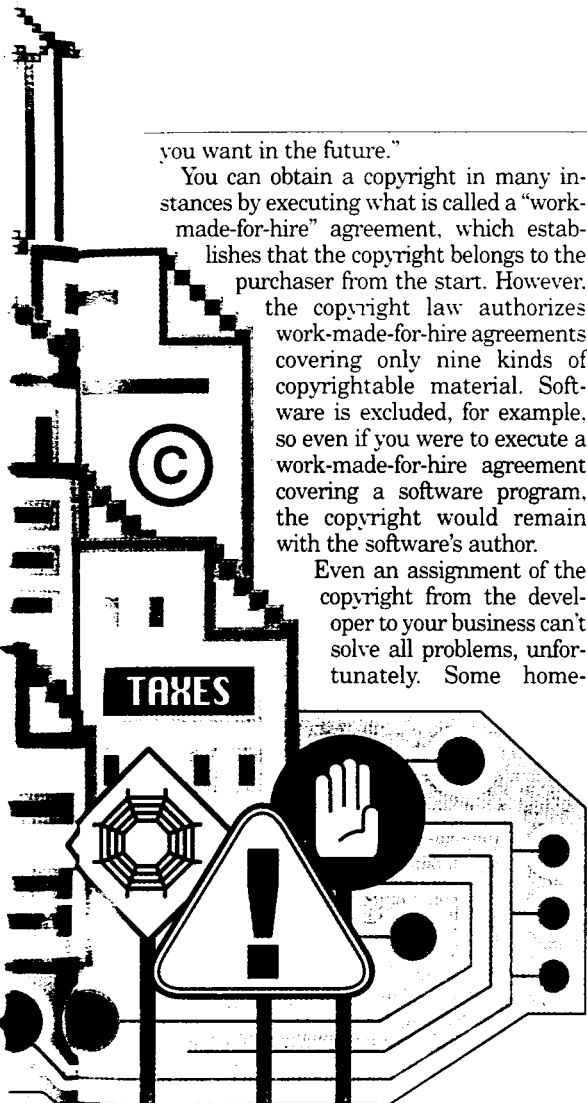
Taxation

When you do business over the Internet, you have to think about which jurisdictions can tax your transactions. The "de-

livery rule" generally applies where sales taxes are concerned: The tax applies where the goods are delivered.

"You ought to view doing business over the Internet very similarly to doing business as a mail-order seller," says Jeffrey A. Friedman, associate director for sales and transactions tax practice with the accounting firm KPMG Peat Marwick LLP in Washington. "Treat the Internet as you would the U.S. mail, as a common carrier," he says. "You really don't have any more of a presence in a state because you accept an order by the Internet than you do if you accept it by mail."

The real question is whether the states will sit still for the drain on their tax revenues that may occur as more sales take place over the Internet and thus across state lines.

"The states are going to have a reaction to it," Friedman says of the growth of elec-tronic commerce. "We just don't know what it's going to be."

Ordinarily, a company has to have a physical presence in a state for there to be what is called a nexus—that is, a connection with the state sufficient to subject that company to the state's laws.

That standard may now be eroding. Friedman cites a recent decision by South Carolina's highest court that he says subjected a firm to the state's income tax on the basis of an intangible economic presence. "Some other states have jumped on that same bandwagon," he says.

"It really boils down to jurisdiction," Smedinghoff says. "When does the state of California have jurisdiction over me, sitting here in Illinois, for purposes of requiring me to pay a tax or submit to a lawsuit or whatever it may be? I think that's one of the really big unanswered questions."

Sexual Harassment

Miami attorney Gatley says there is "a great potential" for employer liability for sexual harassment "via things people are pulling down" from the Internet.

Such liability would arise in this way:

Title VII of the Civil Rights Act of 1964 prohibits discrimination on the basis of sex, and the courts have held that such discrimination can exist through the creation of a "hostile work environment."

If an employee has Internet access and is using that access to visit sexually explicit Web sites—perhaps capturing some pornographic image and using it as a screen saver—that could be found to be creating such an environment.

"We caution employers to prohibit their employees from bringing in this material," Gatley says. Such a policy should be in writing.

Bruce J. Ennis, an attorney with the Jenner & Block law firm in Washington, suggests installing one of a number of computer programs that can block employee access to Web sites that are too sexually explicit or too violent; the addresses of the offending sites can be made part of a database, along with key words like, say, "hot and steamy sex."

"Probably the simplest thing for employers to do," Ennis says, "is to say that employees shall not use office computers to access the Internet at any time during office hours for any purpose other than a purpose directly related to work."

Some employees may try to evade such a company policy, but there will be tip-offs to what they're doing. "Companies need to be concerned with the movement of large files that aren't business-related over their systems," says J. Jerome Bullock, a managing director in the Washington office of Decision Strategies International, an investigative consulting firm.

"Certainly that's going to be their first clue that something's not right," he says. "If you're moving pornographic images, those are fairly large files, typically, and they also come in a certain file format"—and a system administrator can tell who is moving files of that kind, without examining their content.

The danger from turning a blind eye to such activity could extend even to criminal liability, Bullock suggests. If someone inside the company is handling material that actually violates the law—child pornography, for example—"some prosecutor might want to make an example of a company that permitted this kind of thing," he says.

The shape of many such questions is becoming clear, as courts and lawyers go about the work of fitting established legal principles to the new circumstances created by the Internet.

Even when it seems reasonably clear what course the law will take in the future, wise managers will keep an eye on legal developments—and will keep their lawyer's telephone number on auto-dial.   **NB**

TRAVEL

Getting Mileage From The Internet

By Lynn Woods

On days when Diane Ballone is too busy at work to call a travel agent to book tickets for business travel. she connects after hours to the Internet and places her order on line.

Ballone. president of NOVA Group Inc.. an Atlanta management consulting firm with five employees, travels once a week. usually to Philadelphia. Using the Internet to make reservations is quick and convenient. she says, and she likes being able to choose flights on her own. "When a travel agent tells me the 5 o'clock flight isn't available, I wonder," says Ballone, who uses an Internet-based service offered by American Express.

Often, she says, she finds unexpected ways to save. Several times, for example. she has booked Delta Air Lines to Philadelphia and United Airlines back to Atlanta because the two one-way tickets added up to less than the round-trip fare on either airline.

Ballone's experience with booking reservations over the Internet makes her somewhat of a pioneer. Most businesses still don't use the Internet for travel planning. Runzheimer International. a travel-management research firm in Rochester. Wis.. found that only 6 percent of the travel managers it surveyed last summer were using on-line travel services. Nonetheless, 54 percent of the travel managers said they expected to be using their computers to research and book travel within the next five years.

Air-fare bargains available on the Internet helped travel costs for Atlanta-based [...] management consultant—and frequent flier—Diane Ballone.

Moreover, most travelers who do use the Internet to assess their travel options still call a travel agent to buy an airline ticket or reserve a hotel room. Only 15 percent actually book their reservations on line, according to a recent survey by the BBDO advertising agency in New York City.

A Host Of Options

The Internet offers a vast array of travel information and booking services. The user can make airline, cruise-ship, train, hotel. and rental-car reservations as well as tap a host of other resources: restaurant guides and street maps, for example, monetary exchange rates, updates on frequent-flier programs, subway information, even the location of specific types of retail stores nearest to your destination hotel.

Using the Internet and on-line services to make travel plans is more efficient than calling a travel agency, says Barbara Burger, information-services manager at We Love Country, a manufacturer of custom-designed woven blankets based in Bridgeport, Pa., near Philadelphia.

On any given day, five to 10 of the firm's 44 employees are traveling for the firm, attending trade shows or association meetings. Burger uses on-line services to research and book travel arrangements for them.

She says it had been difficult to find one travel agency able to meet the widely varying requirements of the firm's regular travelers, some of whom are based away from the main office. So for the past 10 months, she and Mary Jo Heckman, the company's other travel arranger, have relied exclusively on do-it-yourself airline-reservation services.

Burger and Heckman use the services offered by Preview Travel, United Connection (which can be downloaded from United Airlines' Web site), and OAG, a subscription service available on disk or through CompuServe.

Ballone recently tried out Travelers Access, a discount-travel club available through easySABRE, the grandfather of on-line reservation systems, which is on CompuServe and Prodigy. Membership in

Lynn Woods is a freelance [writer in] Kingston. N.Y.

the club entitles her to a 5 percent cash rebate on all bookings.

Most of the flight-reservation and other travel services are easy to use. They typically require that you register for free and fill out a personal profile. including preferred airlines, seat and meal preferences. and memberships in frequent-flier programs. Once entered. your personal preferences are saved for subsequent bookings.

To arrange a trip. you type in data such as your flight dates, time of day for traveling, and departure and destination cities.

Travelocity, which is owned by the SABRE Group Inc., the computer network that also owns the easySABRE reservation system, requires information for each flight segment rather than for the round trip, which can increase the time it takes to complete a reservation request.

Microsoft Corp.'s Expedia Travel Services, which debuted in October, allows you to tailor your search to find direct flights or flights that have no penalties for changes. Expedia and some of the other services also enable you to view the on-time records for each flight. the type of aircraft, fare restrictions, and whether a meal is served.

Sudden Savings

In addition to convenience, the Web offers a multitude of last-minute discounts that are posted on many airline-, hotel-, and other travel-reservation sites. Small-business owners who are flexible in their travel plans or are seeking a quick getaway at rock-bottom prices can save by taking advantage of these deals.

Some of these postings are Internet exclusives or special promotions. Several airlines and hotel chains. for example. offer bonus frequent-flier miles or frequent-stay points when you book through their Web sites.

Updates on air-fare wars. special car-rental and hotel promotions. cruise discounts. and new frequent-travel programs are listed at *www.biztravel.com*, a comprehensive site that pulls together a variety of services for frequent business travelers. such as currency-exchange rates and lists of chambers of commerce.

Travelalert. which is part of *www.biz-travel.com*, posts up-to-the-minute memos on airport delays, frequent-flier-program bonuses, and other travel-related items of interest. At *www.city.net*, there is a gold mine of information on domestic and foreign cities. such as concierge services. street maps. Yellow Pages. weather and

sports reports. and news. And *www.city.com* includes a business directory and mapping abilities. among other services.

Digging Out The Facts

While the Internet provides a wealth of travel information. don't throw away your travel agent's telephone number. Perhaps the biggest challenge in using the Internet is finding the information you need quickly.

Anita Potter. whose Pittsburgh-based company, JetNet Media, runs two Web sites for Prodigy, says she spent an hour and a half on the Internet researching hotels in preparation for a recent trip to Paris. Using Yahoo, one of the Web's most popular

search tools. she first typed in "Paris," then further narrowed her search to the "14th District Latin Quarter." That located Escapades, a booking service operated by a small French travel company. through which she found and reserved her hotel.

Once you find what you're looking for. the information may be incomplete. For example. prices listed on many of the Web sites maintained by hotel chains and car-rental companies don't include promotional or corporate rates.

Similarly. Ballone says. while American Express' Internet reservations service is easy and quick, its schedule of flights sometimes omits the lowest fares. She discovered this by searching for on-line price quotes.

then calling a travel agent for comparison. "If I want the lowest fare. I'll call a travel agent," she says.

Indeed. when a dozen reservation services on the Internet were accessed to find the cheapest nonstop round-trip fare between New York and Atlanta for a hypothetical, three-day midweek business trip, none of them could beat the $727 fare cited by an American Automobile Association AAA travel agent. The cheapest round-trip coach fare listed on Travelocity was $1,049 on Delta.

American Express and Preview Travel each offered a fare of $781 on Delta or Continental out of Newark. N.J. Expedia bettered them with a $754 fare on Delta,

All airline reservations *for employees of We Love Country, a blanket manufacturer near Philadelphia, are made through do-it-yourself services on the Internet by the firm's Barbara Bulger, information-services manager, left, and Mary Jo Heckman, marketing manager.*

although it was still $27 more than the amount cited by the AAA travel agent. Expedia was the only service that listed Air South's bargain-basement fare of $291, which required two intermediate stops each way.)

Rough Spots

Tracking down comparative flight and reservation information can make a process designed to take five minutes drag on considerably longer. On two occasions, it took an hour for Travelocity to list a single fare.

While Expedia was fast in one instance, several days later it took 20 minutes to produce confirmation of a reservation.

Furthermore. not all the Internet travel

services produce the desired results. Consider a user's experience recently with Internet Travel Network's reservation service, which works with a selection of travel agencies to complete the booking. After requesting a flight, the user selected one of the three travel agents close by whose names were listed on the site. The on-screen instructions stated that the user would be called by the agency. The call came—a week later, from an agent who did not seem enthusiastic about booking the ticket. He said it would be better to work directly through a travel agent.

Scattered Resources

A difficulty in using the Internet for travel plans, says Burger, is that not everything can be found in one place. "For now, you have to be willing to use multiple services because each tends to specialize in one thing or another," she says.

For example, TravelWeb bills itself as

> "**F**or now, you have to be willing to use multiple [on-line travel] services because each tends to specialize in one thing or another."
>
> —Barbara Burger,
> Information Services,
> We Love Country

the Internet's largest on-line hotel-reservation system. There were 127 properties listed for Atlanta. But to check out bed-and-breakfast alternatives, you have to go to Bed & Breakfasts On-Line. Recently it had only one entry for downtown Atlanta.

A list of discounted hotel rooms in dozens of major cities can be accessed through *hoteldis count.com.* But Atlanta had not yet been included as of late January.

Travel services on the Internet can be incomplete and slow, and they are not likely to supplant the convenience and comprehensiveness of travel agents and toll-free telephone reservation systems in the near future.

Nonetheless, the best of these Internet services can make business-travel planning and booking a snap, as increasing numbers of companies are discovering. **NB**

On-Line Access To Travel Services

Following is the on-line-access information for travel-related services in the accompanying article.

americanexpress.com/travel offers air, hotel, and rental-car bookings.

www.bbonline.com is Bed & Breakfasts On-Line, which lists locations throughout the country.

www.biztravel.com has updates on airfare discounts, hotel and car-rental promotions, and frequent-flier programs.

www.city.net has street maps, weather and sports reports, news, and other services for dozens of cities worldwide.

expedia.msn.com is an air-, hotel-, and car-booking service from Microsoft Corp. It includes destination information, travel news, and a travel magazine.

hoteldiscount.com offers discounted hotel rooms in major cities throughout the world.

www.itn.net/cgi/get is the Internet Travel Network; its reservation service works with travel agencies.

OAG is a comprehensive booking service available through CompuServe for $28 an hour between 8 a.m. and 7 p.m. Central Time and for $10 an hour at other times.

reservations.com is a service from Preview Travel for airline and car-rental reservations.

Travelers Access is a discount travel club for air, hotel, and car reservations; available on CompuServe and Prodigy.

www.travelocity.com offers air, hotel, and car bookings along with last-minute deals and vacation packages.

travelweb.com is a hotel-reservation system for more than 1.7 million rooms. More than 7,000 hotels can be booked on line. Flight information and reservations are also offered.

www.ual.com includes United Connection, an air-, hotel-, and car-rental-booking service owned by United Airlines.

www.vicinity.com includes a business directory and mapping services.

Casting The Net For Job Seekers

Your next great employee may be as close as your connection to the Internet.

By Roberta Maynard

Jean E. West, recruiting manager at Salestar, a San Francisco firm that makes customized software for telephone companies, placed her first want ad on the Internet about a year ago.

She prefers hiring people who have a phone-company background. Because that pool of talent is scattered, she says, advertising reach is important. However, Salestar, with 60 employees and $6 million in revenues last year, didn't have the resources to advertise through traditional media.

West decided to pay $125 for a classified-ad listing that ran for 60 days with an Internet recruiting service. She not only found the right person to fill the job but also saved her company money—a weekend ad in her local paper would have cost three times as much.

Now she uses the Internet to advertise job openings ranging from administrative positions to software-testing engineers. And resumes have come in from as far away as Saudi Arabia.

"We've had such good success that I can't imagine going back to the old way," says West, remarking on the ease of simply filling out a one-page electronic form to place an ad.

Salestar is just one of a growing number of small firms that have discovered Internet recruiting. "What we're seeing is that small businesses are increasingly using our services," says Jeffrey C. Taylor, president and chief executive officer of The Monster Board, an Internet help-wanted service and a subsidiary of TMP Worldwide Co., a conventional recruiting firm in Framingham, Mass. "About 70 percent of the companies recruiting on The Monster Board have under 500 employees," he says.

While Internet classifieds continue to be heavy on high-technology jobs, the mix is becoming more diverse as Internet use continues to broaden. About 45 percent of

An Internet classified ad *placed by Salestar recruiting manager Jean E. West in San Francisco led to Kamran Lotfi of New York City taking a job as a product manager for the software firm.*

PHOTO: CLINDA SUE SCOTT

the 50,000 jobs listed on The Monster Board are for one sort of technician or another, according to Taylor. About 20 percent of the listings involve product management and development, and roughly 35 percent are completely nontechnical, such as marketing and retailing positions, he says.

Derek Surette, a "nontechie," got his job as an internal auditor for a manufacturer of prefabricated homes by looking at job listings on the Internet. He was working for an accounting firm in San Antonio when he decided to "poke around" on his roommate's computer, he says. He responded to several job ads, and within two months he had a

new job with Oakwood Homes Corp. in Greensboro, N.C. He's one of three people in his 10-person department who learned of openings at the firm through the Internet.

Where To Begin

Among the largest commercial sites are:

■ Career Magazine;
www.careermag.com
■ CareerMosaic;
www.careermosaic.com
■ CareerPath;
www.careerpath.com
■ CareerWeb;
www.cweb.com
■ JobCenter;
www.jobcenter.com
■ The Monster Board;
www.monster.com
■ Online Career Center;
www.occ.com

As Internet use grows, many of the large sites are starting to subdivide their listings into specialty areas. CareerMosaic, for example, last year launched its Health Care Connection, which features jobs in the burgeoning health-care fields. The Monster Board created separate sites recently for college students, for CEOs, and for those interested in franchise opportunities.

Many small sites cater to groups, such as bilingual workers or black engineers, or to professions or industries, such as dentistry or fashion. Some industry association Web sites have their own job listings.
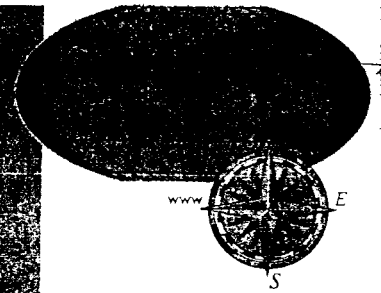
Making A Choice

With so many places available to post a help-wanted ad, how do you choose? "Deciding where to place job ads is largely a

matter of trial and error," says Jeff Hodes, senior vice president of CareerMosaic, a service launched in 1994 by Bernard Hodes Advertising of New York City. "You can err by putting ads in too many places. It depends in part on the position being advertised. The key is to choose one or two and measure results."

Though on-line services are quick to cite the numbers of jobs they list, volume shouldn't be the only factor in determining where to advertise. Other considerations are the types of ads that run there, the costs of advertising, and ancillary services.

For example, some sites offer feedback to employers, such as tracking the number of resumes that a given job listing generates, and others offer recruiting articles and tips.

The cost of advertising varies with the term of the posting and the services included. About one-third of commercial sites do not charge for listings, usually because they are trying to expand their database of listings. Those that do set fees typically charge $25 to $150 per job listing, with the duration of listings averaging four weeks. A few commercial sites charge annual fees for unlimited postings. Most do not limit the amount of text in listings.

Preparing The Text

Writing a job's description for an on-line advertisement is different from writing newspaper or magazine classifieds. Those familiar with classified advertising, says Taylor of The Monster Board, "are trained to develop recruitment ads where we pay by the line, so we tend to scale down information about the position and the company." But when the ad goes on line, he says, "successful employers are taking their time and putting in a lot of detail."

Providing more than a job description helps a small company stand out in a sea of big names, says former job hunter Surette. "If your name is not well-known, the more detail you can put in, the better."

Providing information for job hunters is so important, says Hodes of CareerMosaic, that companies planning to do a lot of Internet recruiting should consider creating their own Web sites. That will allow them to showcase their products, services, culture, and mission statement.

Another tip: Include an on-line response form so that those interested in the job opening won't have to send a separate resume by e-mail or fax. To maximize response to an ad, Hodes says, you should make it easy for job hunters to fill in a resume page and hit a submit button.

Internet Recruiting On The Rise

As use of the Internet grows, what will happen to newspaper classified ads and other recruitment media?

"The Internet is not replacing any

current tool, such as newspapers, radio, direct mail, and career fairs, but as it grows it will deplete other forms," says Gerry Crispin, vice president of Shaker Advertising in East Brunswick, N.J. Crispin, who also is chairman of the committee on employment for the Society of Human Resource Management, a professional association in Alexandria, Va., says, "The majority of our [company's ad-placement] business continues to be newspapers and trade-association publications, but 25 to 50 percent of my clients now are asking about how to put [ads] on the Internet."

Meanwhile, newspapers themselves are increasingly putting their classifieds on line. As of November, says Crispin, 150 U.S. newspapers ran ads from their classified pages on the Internet, up from 10 in 1995. And many of those newspapers, including *The Wall Street Journal*, offer free Internet listings as a bonus for buying print ads.

"Eventually, every trade journal and newspaper in the U.S. will have some content with an Internet component," Crispin says. "Electronic advertising is going to be part and parcel of how people will get jobs."

Thus, Crispin says, the Internet will become a necessity for employers. "Compa-

nies are going to need to use this tool to attract the best and brightest," he says. "No smart kid will work for a company that doesn't offer emerging technology."

Although it's difficult to find hard facts to gauge the level of actual hiring via the Internet, the practice is growing, in part because on-line job-listing services make money. "It's long been true that recruitment [advertising] is the second-largest source of income on the Internet, following pornography," says Mike Frost, manager of on-line services for the Society of Human Resource Management. "Mostly, that cost is borne by employers."

Kamran Lotfi was working in New York City when he decided to relocate to San Francisco. He went on line to visit career Web sites, and he responded to about 25 ads last summer before taking a product-manager job at Salestar in San Francisco. The Internet widened his reach, he says. "A lot of jobs I found on the Internet would not have been listed in [local] newspapers."

From a small company's perspective, says Salestar recruiting manager West, the Internet "gives you international exposure for $125. But don't take my word; try it yourself." **NB**

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