

# Direct Selling News™

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## There Is No Such Thing as a **Soft Launch**

by Jerry Reynolds

**L**aunching a new direct selling company is one of the most exciting things you will ever do. Ironically, it is also one of the most frightening. When preparing to get things going, it is a common practice in our industry to attempt to implement the concept of a “soft” launch in the beginning.

From a typical company’s perspective, what is the definition of a *soft launch*?

A soft launch is the initial introduction of your company to the public. This is your chance to shine and give people the opportunity to get in on the ground floor. In my experience, the reality is more like this:

*We are not sure of our concept and want to “test” the waters before jumping in with both feet. We want to invest as little as possible, and if things work out, the money we raise during our soft launch can be used to finance the “real” launch later.*

The thinking behind this mentality is that a minimal implementation of everything required to launch is all that is really necessary to get things going. The expectation is that once a soft launch is achieved, the money will start rolling in, and that revenue can be used to finance the remaining tasks to bring things up to speed—minimal investment, minimal risk. The problem with this formula is that the result is almost always maximum failure!

### » Appropriate and Timely

The realities of the direct sales marketplace have changed dramatically over the last 15 years. Our industry has moved from a face-to-face experience only (the basic concept of direct selling) to a blended experience of face-to-face and online (Web) interaction. This is the exciting and fast-paced world of e-commerce, where your customers demand and expect certain standards to be met without exception. Your online presence will be compared to other online giants, like Amazon.com or Ebay.com and many others. The Internet is a great equalizer among companies, and your company will look the same

as the giants if your implementation is done correctly. The advantage is that your company looks like it is on a level playing field with much larger companies. The disadvantage is that your technology will be expected to perform at the same level as theirs.

You must ensure you have the *appropriate* technology ready for your launch that can meet the expected demands, from both online and administrative perspectives.

A typical conversation between a new company owner wanting to “soft launch” and their technology provider typically goes something like this:

*“We don’t really need the WHOLE system. We only need to be able to enroll people. Well, we also need a small member’s Web office with a full toolset for genealogy and commissions and communications, and anything else we can think of. And—oh, yeah—we also need our replicated Web sites to work!”*

*“One more thing... We already promised our field leaders it would be available next week. You can do that, right?”*

When you see this type of conversation on paper, it is easy to recognize the need for a reality check. Without realizing it, this client just described an entirely functional system that would need to be in place before the provider could meet their need. What looks simple on the surface is, in reality, built on a foundation of complex and discrete technologies that must all work together seamlessly to meet the demands of your company.

### » The Planning Phase

When planning your soft launch, ask yourself these simple questions:

#### Do you need a corporate Web site?

Yes! This is an absolutely crucial component of your online presence. Building a proper Web site takes time and requires more skill sets than you would think, including project oversight, Web developers, graphic artists and, perhaps,



Flash developers. This is the first impression a potential new member will have of your company, and spending the appropriate amount of time and money in this area can pay off in increased memberships and retention. Remember: Even Internet rookies have very sophisticated tastes and will be very critical of your Web site. Make the right impression!

#### Will you be performing enrollments?

Most soft launches are centered on enrolling as many people as possible during a short time frame, so generally the answer to this question is yes. To perform enrollments as flexibly as possible, the technology should be in place to allow online Web enrollments as well as administrative (faxed or called in) ones.

Will you have automatic shipments (autoship)?

A foundational element of many companies these days is the automatic shipment of product on a timed basis, typically monthly. If you are planning on having this feature, special steps must be taken by the technology provider to ensure proper creation and tracking of these monthly shipments. Automatic shipments will also increase the logistical demands on your company to ensure that the proper pieces are in place to meet the obligations created by these types of orders.

Your online presence will be compared to other online giants, like Amazon.com or Ebay.com.

## Will you be taking orders?

Depending on the requirements and the length of your soft launch, the answer to this question may be *yes* or *no*. During extended soft launches, it will be necessary to have the technology in place to facilitate reorders of your product. Having online order-taking capability is crucial to keeping your costs down. Consider whether your company will take call-in or faxed orders as well.

## Do you need replicating Web sites?

This type of tool has rapidly become an expected part of a distributor's tool box, and not having this capability is not really an option if your company will be doing business online. This part of your technology must work perfectly! Your distributors have a right to expect perfection here, as their Web site will be the primary way they will funnel business into your company. Professional appearance, ease of use and expert marketing and communication of your core message are vital for your company as well as your distributors.



## Do you need customer service?

With no exceptions, the answer to this question is *yes*. A customer service representative must be able to help your distributors and customers. Any e-commerce company must have a customer service department with immediate access to the company's system to provide any service that a customer may need.

Congratulations! If you answered 2 or more of these questions in the affirmative, your "soft launch" will require a completely functional system. There is no such thing as a "soft launch" to your technology provider!

## » Implementation Considerations

Once you have selected your software vendor (or other technology provider), you might want to consider the sizable task you have undertaken as you prepare for soft launch.

When your compensation plan was designed, you added all the latest and greatest ideas that you could think of. You built a plan unique to your company and in your opinion it is the best one in the marketplace. The key word to notice in the prior sentence is *unique*. While there are configurable software platforms currently available, the more unique your compensation plan the more likely some aspect of it will require custom programming to implement it in the manner in which you originally envisioned. Be prepared to invest the time and money required to get it done right.

Getting a merchant account is also an overwhelming subject. In the e-commerce world, it is a vital part of your business from the perspective of maintaining the cash flow required for success. When a company is caught up in the frenzy of a soft launch, this piece of the puzzle frequently gets overlooked. If you have the ability, it is highly recommended that you engage one of the many talented consultants in the art of navigating the merchant account seas. The time and effort you invest in this area will be repaid in flawless credit card processing.

Another decision is whether to have your software systems hosted by your vendor or take them in-house. Pros and cons exist with both approaches, but in a soft launch, you need to have the best talent available to you. Because of the rapid response required in the event of some type of technology failure, having the systems directly in the hands of the company that created it is the best way to go initially. It could be very frustrating and embarrassing for you to spend tens of thousands of dollars ramping up for your launch only to find out that the Web server your site is on cannot handle the load.

Active distributors talk to each other about the experiences that they have at a given company. It's called networking for a reason!

Training is also an issue. Make sure that your staff has been trained and is thoroughly familiar with the basics of using the software to assist your customers, especially your customer service representatives. If someone calls in with a question about enrolling or checking on an order, you want your customer service staff to be able to answer questions effectively and efficiently.

Don't forget to train your staff on your compensation plan! Remember that during the initial launch of a company, your staff *will* get questions about your comp plan. You must have procedures in place to handle these questions. Even if your procedure is nothing more than referring the questions to that person's upline sponsor, you must establish a consistent policy to ensure that this type of question is handled properly.

Once your technology provider has completed all the tasks and informs you that the system is ready to go, you have one final task to accomplish. *Test the system!* Perform several enrollments. Place several orders. Use live credit cards to place sample orders. Go to several replicated Web sites, and make sure the proper information is displayed. It cannot be said enough: test, test, test!

Take the time to talk to your software provider. Communicate the things you must have. Let them know your wants—functionalities you would like to have—that could wait until later. When you get a response, listen carefully to what is being said. Even if you do not like what you are hearing, listen to their advice carefully. Good providers know their job and will have years of experience to back up what they tell you. Remember that it takes time and money to properly implement the complex technologies involved in launching a company.

Respect the time estimates you are given. Most providers will give you an accurate assessment of the effort required to deliver what you are asking for. When you make last-minute changes, you can expect cost increases and delays in delivery timelines. Weigh the benefits of the changes against the additional cost and delay; don't expect changes to come for free.

Always plan for the worst-case scenario when you are given a time range for your systems. If you are told four to six weeks to get everything ready, plan on eight! Give your technology provider a chance to succeed by having realistic expectations and timeframes for your launch. Your technology is the foundation of your business—treat it that way.

## » Formula for Success

There is really no such thing as a soft launch from a technology provider's perspective! Carefully plan your launch by making the proper technology selections well in advance of the time they will be needed. Avoid the pitfalls discussed here, and give the tools that technology provides a chance to work for you and your company.

The right technology + appropriate investment + adequate time = success!

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