

# Business Issues For The Small SEM Shop

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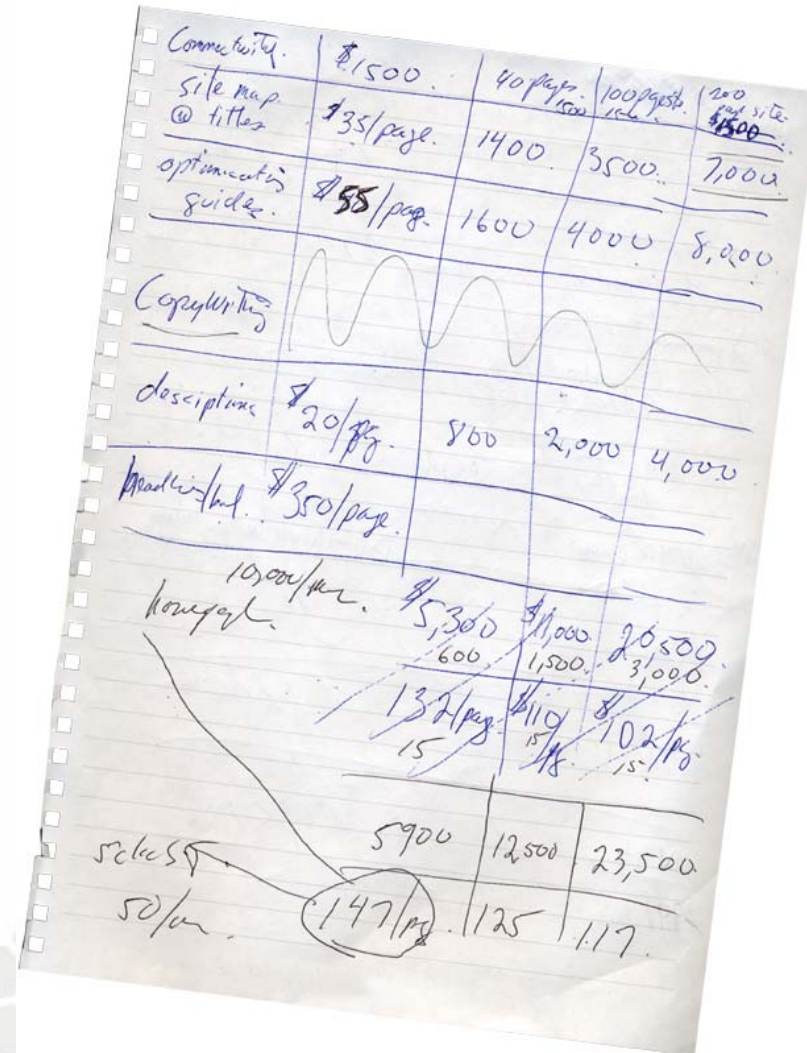
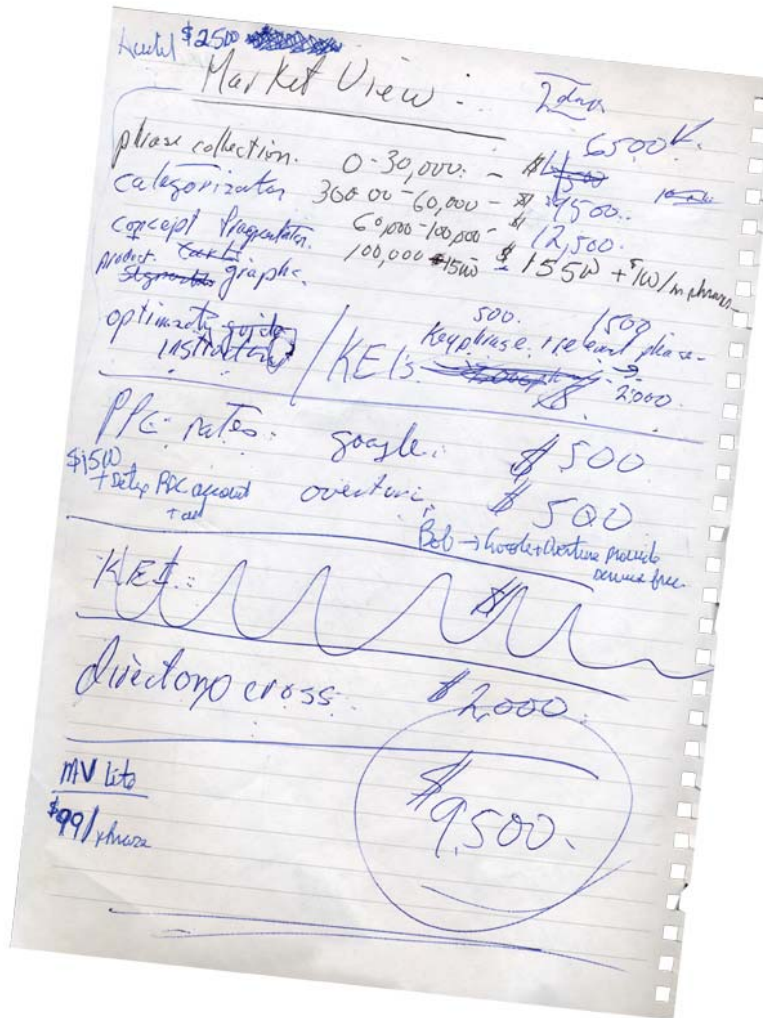


## » 4 Typical Industry Pricing Models

1. Retainer-based:
  - Monthly fees (6 to 18+ month contract).
  - “Search and peck”.
2. Pay for Performance:
  - % of gross sales, commission, pay per lead
3. Fee-for-service model:
  - Project-based, with finite scope.
4. Hourly consultation:
  - Often, a quick-fix approach and SEO suggestions.



# » Our Extensive Planning



## » Our Standard SEO Services

- 85% Fee for service with finite scope & deliverables.
- 10% Pay for performance
- 5% Customized Services
- Core service involves 3 “branded” phases:
  - Extensive keyword research (20,000-100,000+ phrases)
  - Keyword placement & site architecture.
  - Inbound link campaigning & reporting, online PR.
- Stick to your “profitable” business model
  - If necessary offer customized services.



## » Our Customized SEO Services

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- Not every client's needs are the same (new/old site?).
  - But, your customer should “fit” your pricing model whenever possible.
- Different levels of custom services available.
  - May include:
    - Web site audits (inherit the mess!)
    - Web analytics (before & after)
    - Monthly maintenance/marketing plans
    - Hourly consultation (project management)
      - 3<sup>rd</sup> party copywriters, agencies, web dev companies



## » Importance of Customer Profiling

- Find the right “bowl of porridge”:
  - Determine your target market and go after it.
- Small companies usually buy in quicker, but can’t afford the services.
- Larger companies can afford, but buy-in is not always possible across depts., or there’s a long sales cycle.
- **Mid-size is just right!**
  - Owner or C-level executive approval is easier without having to go through marketing or IT departments for initial buy-in. (Present to the decision makers!)
  - Pricing is reasonable to their budget.



## » Pricing & Perception

- Our initial pricing model was fixed. (i.e. \$25K)
  - Caused some sticker shock to occur.
  - No opportunity for client to “taste the goods”.
- Changed to phases & variable costs. (i.e. starting at \$7,500)
  - Clients could comprehend costs/phase and accept price.
- Final costs were often the same, but prospects seem more amenable to lower introductory pricing & paying over time.



## » Proposals and Contracts

- Proposals must be detailed and comprehensive:
  - But get to the point. (25pg. contract down to 5-7pgs.)
  - Shows transparency in the services we offer.
    - “This is a no-brainer”, “Why doesn’t everyone do this?”
  - Ensure that logic is evident; clients can buy in & refer when they understand the deliverables.
- Proposals & contracts are a must:
  - Outlines responsibilities & deliverables (client’s & yours).
  - Defines work without being bound to a guarantee.
  - Shows professionalism & CYA and theirs.



## » Location, Location, Location

- Pricing based on what the market can bear.
- Outside the major markets (NY/LA):
  - Premium pricing can be a hard sell.
  - More difficult to justify higher pricing.
  - Small-town companies expect big-city service at small-town prices.
- The “Made in Canada” advantage?:
  - Considerably cheaper than some US counterparts...yes.
  - But...currency exchange not what it used to be.



# » “So, Why Should We Go With You?”

- Choice between:
  - Being a “me too” organization.
  - Offering a unique value proposition.
- What are Your Competitive advantages?:
  - Competitively priced.
  - Focus more on organizational strengths.
  - Proprietary software applications.
  - Strategic alliances
  - Ensuring that customer service remains paramount.



## » In Closing...A Little Advice:

- Focus on your preferred business model and stick to it:
  - Niche, service/product.
  - Are you distracted by too many shiny objects?
- Flexible payment plans:
  - Costs are spread out over the length of the project, and can cost you as little as several thousand dollars/month.
- Focus on a strong home base then conquer the world:
  - Well-known local client brands increase your credibility.
  - Local “evangelist”; tap referral base.



## » OK, A Little More Advice:

- Finding it tough to get high SERPS in the SEO industry?
  - Traditional marketing works!
    - Be active: present, blog, training seminars, SEMPO.
    - Become a recognized expert. Awards?
    - Exhibit at not-so obvious conferences & tradeshow.
- Trademarks, copyrights – register them. (increases goodwill)
- Exit strategy...do you have one?
  - Value in your intellectual property (Software? R&D costs!)
- Your services are not a cost:
  - Instead an investment in business, future, and ROI!!!



# Thank You!

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