

technology

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Build Business with Instant Messaging

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Improve operations, service and productivity with real-time communication.

By: MATT ALDERTON

When consumers discovered instant messaging in the mid-1990s—the world's first Internet-based IM application, [ICQ](#), debuted in 1996—they knew it would change the way they communicated with friends and family. No one thought, however, that it would also transform the way that businesses interact with their customers. And yet 10 years later, that's exactly what it's doing.



At least according to Adam Reiser, co-founder of Delray Beach, Fla.-based [Pizza.net](#), a pizza-ordering search engine that lists more than 62,000 restaurants in its vendor database. His company maintains its own unique IM server that can handle thousands of simultaneous users, which he says has enabled better, faster and more reliable communication, both among his staff and with his customers. "It says it in the name—instant," Reiser says.

Pizza.net has been using IM for years as a communication tool for its 13 employees, and is currently testing it as a customer service application, too, using it to help customers troubleshoot their pizza orders, to deliver instant coupons and order notifications to end users, and even to conduct surveys among frequent pizza patrons.

"IM is one of those tools that's going to be used whether you like it or not," says Dave Hersh, CEO of Portland, Ore.-based [Jive Software](#), creator of the [Openfire](#) IM server that [Pizza.net](#) employs. It's time for businesses to get over their hang-ups about IM in the workplace, he says, and start using it to save their companies something they almost always need more of—time and money.

Better Than E-mail?

Ajay Goel, CEO of Web-based e-mail marketing service [JangoMail](#), relies on IM to run his business. With just five employees, located in four different U.S. cities, it's critical to interoffice communication, he argues—and sometimes, it's even better than e-mail. "The 'instant' nature of IM is fabulous," he says. "With an e-mail message, I'd have to click 'Compose New Message,' put in a subject, a message, then hit the 'Send' button, and then wait for the recipient to check his or her e-mail before the message is communicated. IM takes away most of those steps."

More and more, IM is making e-mail look like snail mail to busy business owner like Goel, who argues that instant messages are faster and easier when he needs immediate answers to questions from his staff. For instance, if he's on the phone with a client who needs information, he can get that information instantaneously by sending an IM to one of his employees. "One of my goals was to build a company where we could all work together as a team regardless of location," Goel says. "IM has been an important factor in allowing me to do that."

Of course, immediate contact isn't the only benefit that IM offers small businesses. Using IM can also:

- **Save money.** Communicating with virtual employees via IM instead of phone means lower long distance bills.
- **Reduce spam.** Unlike e-mail, IM is typically spared from junk.
- **Promote teamwork.** Hosting meetings via group chat can give shy employees a voice that's equal to that of more outgoing employees.

Service with a Smiley

While IM is great for collaborating with employees, it's also ideal for communicating with customers, according to Hersh, who says that IM has enormous potential as both a customer service platform and a sales tool. He recommends making IM available from your Web site so that customers can contact you when they need you, whether for product support, sales inquiries or general feedback. Current and potential clients, as well as partners and prospects, can add your sales team to their buddy lists and make contact at any time, without having to play phone tag.

Goel recommends using a tool such as [LivePerson](#) to connect prospective customers with sales reps. "We don't [currently] use LivePerson or any other Web site chat functionality," he says, "but I have no doubt we would close more deals if we did."

"The biggest pro of IM is 'presence'—being able to see who is available and who is online," says Jon Sakoda, principal of venture capital firm New Enterprise Associates and co-founder/CTO of [IMlogic](#), an enterprise IM system that was acquired by Symantec last year. He says that over 80 percent of businesses already have employees using IM in some form or another—many of them in new, creative ways. Many, for example, are using branded, automated IM "bots" for marketing purposes, sending out coupons and product information directly to customers who request it, while others are using it to distribute news, track inventory and educate workers.

Discover the Pros, Remember the Cons

While they have a lot to gain from IM, Hersh is careful to remind companies embracing it to proceed with caution. "Interruptions [during the workday] cost the nation \$600 million per year," he says, "and I think IM has a tendency to cause a lot of those." Being always and immediately accessible, after all, can be a workplace distraction just as often as it can be a workplace enhancement.

Other potential concerns include security and liability, as IM makes it easy for employees to unintentionally leak sensitive information and to circulate inappropriate messages internally and externally. Hersh therefore recommends

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creating an IM policy and monitoring—or at least archiving—employee conversations.

Unlike consumer clients, such as [AOL Instant Messenger](#) or [Yahoo! Messenger](#), he says that enterprise IM software like [FaceTime](#) or [Openfire](#) is built specifically to help companies overcome those challenges.

However, there's still one problem that no software can solve, according to Goel: that of breached business etiquette. "No formalities are required when using IM," he says. "We can type in lowercase words and phrases when IMing, and we don't have to respond right away."

In other words, IM may prove too informal for your business. After all, if your customers don't have buddy lists, you might be better off just picking up the phone.



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