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## Serial portals

on 29 February 2000, 22:00



by [Niall McKay](#)

One way of attacking the wickedly fragmented small-business market is to offer a product that every company needs, like accounting software, office supplies, or, these days, Web-site creation. Another approach -- unimaginable before the Internet -- is to be all things to all businesses.

In the past six months, venture capitalists and established technology companies have pumped hundreds of millions of dollars into companies doing just that. Unlike sites that focus on large corporate markets (which tend to address narrow vertical segments), the Internet portals focusing on small businesses intend to help users streamline everything from office-supply ordering and payroll administration to bad-debt collection and Web advertising. The market for such services is certainly untapped: although more than half of all small businesses now have access to the Internet, less than 10 percent have electronic-commerce Web sites, according to most studies, and even fewer integrate the Internet into their day-to-day business beyond email and research. But now dozens of sites are vying to help them do so, with [AllBusiness.com](#), [GoTo.com](#), [DigitalWork.com](#), [Winstar'sOffice.com](#), and [Microsoft'sbCentral](#) among the most prominent.

### EXTERIOR MOTIVES

Each of these sites has a slightly different focus, but most offer the same basic pitch: concentrate on your core competency and let us simplify everything else. For example, both [AllBusiness.com](#) and [DigitalWork.com](#) allow a manager to post a new job announcement for automatic distribution to many job-listing sites. With [AllBusiness.com](#), companies can then perform background checks on potential hires. "You can just check if the prospective employee has a criminal record, or you can do in-depth FBI-type searches," says [AllBusiness.com](#)'s CEO, Teymour Boutros-Ghali (a nephew, incidentally, of the former secretary-general of the United Nations, Boutros Boutros-Ghali). Employers can download templates for offer letters and employment contracts to job applicants who make the cut.

Other typical portal features include press-release templates, the ability to place banner ads on other small businesses' sites, Web-design assistance, and tricks and tools for improving search-engine results. The features are often wrapped in content provided by staff editors and purported experts, or are licensed from other sites. For example, [AllBusiness.com](#) gives new ventures the opportunity to incorporate by partnering with [Incorporate.com](#), and it has developed more than 350 legal forms and templates for its customers. Many of the services available, like loan applications and access to templates, are free; the more elaborate ones, like a direct-mail campaign, are fee based.

### GOALISH BEHAVIOR

The big corporations' sites, naturally, have goals beyond the compass of the small-business portals themselves. [BCentral](#), for example, grew out of Microsoft's purchase of [Linkexchange](#), a free Internet-advertising network, and it emphasizes helping small businesses build and promote their Web presence. [BCentral](#) is able both to draw on and generate business for Microsoft's other properties, including Internet connectivity through the Microsoft Network, free email through [HotMail](#), and travel services through [Expedia](#). [Winstar's Office.com](#), not surprisingly, counts [Winstar Voice](#), Internet, and Data Services among its partners. But like the others, both [Office.com](#) and [bCentral](#) have content and alliances specific to small business as well. ([Office.com](#) is a well-funded but glaring exception to the trend toward portals that are general-purpose business centers. In addition to generic administrative functions, it provides services and information tailored to more than 120 narrow vertical-market segments as diverse as advertising, biotechnology, and engineering.)

Many of the portals have succeeded in racking up a respectable, if not overwhelming, number of customers in relatively short order. But, says Kneko Burney, an analyst with the [Cahners In-Stat Group](#), an IT consultancy, "the challenge is that most of them will have a hard time turning their users into paying customers. It's a well-worn model. First, acquire customers by providing free services. Second, lure those customers with the promise of more. Third, ask customers to pay for the service. Of course, it's the third part of this equation where so many Internet businesses fail."

Beyond charging for proprietary services and access to premium information, the major sources of income for the portals are commissions on transactions and referrals. Herein lies a classic problem. As with consumer portals, it is increasingly difficult in the small-business sector to know exactly how something becomes a "recommended" product on a site and how complete the vendor lists for, say, DSL service or office supplies are; editorial endorsements are often indistinguishable

## SEARCH

Google Search

## GOOGLE TRANSLATIONS FOR RED HERRING



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[Gmail BETA, See You Lata](#)

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[Bada Bing, Bada Boom?](#)

Microsoft's Bing.com gets some traction in online search, according to the numbers in from ComScore.

[Calpers to Pump up PE Stake](#)

The nation's largest pension fund is mulling a 40 percent increase in its private equity investments.

[Peripheral Madness](#)

The living room is a jungle of plastic and wires – I say enough already.

[Wii Storage Ups Strong Bad Sales](#)

One company is feeling the love because of Nintendo's Wii storage solution: Telltale's Strong Bad.

[Amazon Sells Xbox Live Games](#)


No more leftover points—buy XBLA games off Amazon.

[GDC 09 Keynote: What About Wii?](#)

Satoru Iitawa's keynote touched on both systems, but it seems like the Wii got the short end of the stick.

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Steam's added anti-piracy measure does away with DRM.

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