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Sales Spider helps Canadian SMBs develop web of business opportunities

Toronto startup uses social networking to provide Canadian businesses training, access to government RFPs, online trade shows and other useful links.

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by Vawn Himmelsbach

Playing [Scrabulous](#) and throwing sheep at your "friends" doesn't have a lot of business value - and that may be the reason why so many organizations have banned or limited the use of social networks such as [Facebook](#) or MySpace.



A Toronto startup, however, called [Sales Spider](#), is addressing a somewhat neglected part of the social networking market - the [business part](#).

While not a household name like Facebook, it has 200,000 subscribers to date and is partnering with companies like Google and Microsoft to target the small and mid-sized business.

"We're about leveling the playing field," said Russell Rothstein, CEO of Sales Spider. "If you're a small company out of Laval, how are you going to partner with someone in Edmonton to go after a business opportunity in Texas? It's very expensive."

LinkedIn is great for recruiters, while MySpace is great for music and Facebook is great for networking, he said. Sales Spider, however, is aimed at small business owners (companies with 100 employees or less), and the average age of its users is between 30 to 50 years of age.

Many of the tools available on the site are directly related to business development, such as a list of government request for proposals (RFPs).

Many federal, national, provincial or state governments (in Canada, the U.S. and the European Union) have different policies when it comes to issuing public tenders, so Sales Spider gathers and confirms this information from hundreds of sites; some 1,000 to 2,000 new government opportunities come up every week.

It also offers access to [Webinars](#) and live events, such as online trade shows. "It's all free," said Rothstein. "It's all part of the system, so it's not just a social network." You're not going to join Sales Spider to find out what your friends are doing, he added, but to drive business opportunities. Some 70 per cent of the site's users run their own companies.

"If I wanted to go after a deal in the U.K. it's going to cost me travel time," he said. "It's a cost of money and time that we eliminate by instant partnering - you can do it all online."

Hoovers, a company that provides market intelligence, has been working with Sales Spider for three years, and has taken its relationship beyond advertising - now, the site has become a tool for sales and marketing. "They provide a channel we can communicate through to educate members about Hoovers," said Chris Warwick, vice-president of product management and development for Hoovers.

Hoovers does a number of live Webcasts and Webinars (typically once a month), and is also sponsoring a new business centre on Sales Spider. "We see it as a way for us to get into the networking space," said Warwick. Small business professionals can link into

Hoovers through the site and receive one-on-one attention from a company rep or get a product demo.

The Webcasts offer up a way of providing information on sales strategy in combination with Hoovers. "It's very relevant for the audience," she said, adding that users can take advantage of the site for everything from prospecting to research that can help close a deal to keeping up-to-date with what's going on in a customer's industry.

"The application is similar to a Facebook, although the benefit here is we are specifically targeting our audience.

With Facebook we're out there with everybody else," she said.

"The leads are good, they're relevant, and they're qualified."

Sales Spider is the only external social networking application that Hoovers currently uses for product promotion, although it has its own network, Hoovers Connect, for clients. Other social networking sites, said Warwick, are more about making connections or exposing personal profiles, rather than providing tools and advice for small business.

The area of Web 2.0 and, more specifically, social networking, has garnered a mixed reaction from the business world. Last year, about 50 per cent of businesses tolerated social networking applications, according to Info-Tech Research Group. And the primary application right now is screening for employment.

"That said, there is still a lot of concern about the actual use of these things," said George Goodall, senior research analyst with Info-Tech Research Group.

About 45 per cent of firms believe social networking sites are time-wasters and are concerned about worker productivity.

Forty-four per cent are concerned about security, while 42 per cent are concerned about inappropriate content. And about a quarter of firms are primarily concerned with bandwidth issues.

From a sales perspective, certain tools, such as Facebook or LinkedIn, can be good for determining contacts. But organizations struggle with how much of social networking activities need to be formalized or not - since their employees are using these tools to make contacts anyway.

From a central IT perspective, if people are already using these tools, why not make them more productive? But it can still be a tough sell to the enterprise, said Goodall.

So there's certainly some potential there for business-oriented social networks, he said. "It's going to be interesting to see how it plays out." The issue is whether it makes more sense to build off an existing platform, such as LinkedIn, rather than launch a new service. The developer platforms built into Facebook or LinkedIn could, for example, be parlayed more into a business play.

The challenge for Sales Spider will be if - and how quickly - a competitor can step in and catch up. "Have they come in far enough down that long tail?" said Goodall, adding that Sales Spider will have to be able to defend itself against any fast followers.

Sales Spider is able to offer small business services for free by selling ads and banners to large companies that are trying to reach the small business space. "We're not an eBay model," said Rothstein. "We don't take a piece of the transaction." Some 80 per cent of advertisers renew, he added.

A year ago, the company only had 20,000 subscribers; about 15 to 20 per cent of its growth over the past year has been viral.

"We took the typical Canadian approach - don't tell anyone about it, and focus on the product before announcing anything," he said.

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