

MONROE STREET

# TECHNOLOGY

## *Inside the Internet: Who Creates Those Fantastic Web Pages?*

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This is the first of a series of articles that will focus on the Business of the Internet. Who is building the Internet? Who is maintaining it? Who is building the applications that are constantly adding functionality to the Internet? How are companies using it for a competitive advantage? These and other questions will be raised and answered during this series. This first article will give details on who is creating those fantastic web sites.

The language of the Internet is HTML, hyper text mark up language. This is the native format for all those web sites that you have browsed. HTML is a fairly simple language to learn and implement. That is one reason why so many people have gotten into the act of producing web pages. HTML is so straight forward that a typical MBA can learn its basics one day, and build their own web site the next. However, building a super-fantastic web site requires not only HTML knowledge, but artistic and programming expertise as well.

So, who builds super-fantastic web sites? The answer is everyone from one-person web-design companies to virtual organizations composed of graphic artists, writers, programmers, and Internet experts. In Ann Arbor, there are a large number of one person operations that are building great web sites for small retail businesses, individuals, and student organizations. The main limitation of these operations is ser-

vice and maintenance after delivery. Some of these one person operations come and go so quickly that when a change or update needs to be made to the web page, the original creator is no longer around. However, these one person operations are usually inexpensive. There are many college students making a decent amount of extra money creating web pages for their friends.

The larger, professionally run businesses offer an advantage that most one person operations cannot offer. They can maintain a web site and update it as new web technologies arrive. They will also help you to design, lay out, strategize, and market the web site. Professional web design companies target businesses that have a need or desire for a presence on the Internet. Two Ann Arbor based business that design web sites are Northgate Associates and Web Elite (started by a recent BBA graduate of the B-School). There are many others. Fortunately, in the Detroit metropolitan area there are a large number of businesses that need web design services. Usually, the professional web design firms provide a greater level of service than just web design. Some like, Web Elite, will actually work with a professional graphics design firm to create sharp and attractive graphics that look great on a web site.

One area in which web site design companies add a lot of value is in creating programs (CGI, JAVA, etc.) that add functionality to the static web page. A significant portion of the time it takes to build a web site is spent on designing and

implementing these programs. The skill required to perform CGI or JAVA programming is not being taught in most universities. Many of the best programmers are self taught.

A professionally designed web page is not an inexpensive proposition. Typical costs for a web site with all the bells and whistles can range from \$5,000 to \$20,000 in development costs. For the most part, the cost depends upon the type and length of service being contracted. Maintenance of the web site adds additional costs. So, it is not surprising that most web site design firms are not targeting individuals or small retailers. Like Northgate and Web Elite, they are targeting medium to large size businesses that want to leverage the Internet for marketing purposes and/or transaction related services.

The Web site design business is profitable. Many of the professional firms operate as a virtual organization. This means they have low overhead costs since there is no office location to maintain. As a result, web design firms see 35-50%. However, scale still comes into play in that even the professional web design firms still only have a handful of clients at any one time.

The two companies mentioned in this article offer a full suite of web page design services. Their web sites are; Northgate Associates- [www.northgate.com](http://www.northgate.com) and Web-Elite- [www.webelite.com](http://www.webelite.com)