



## Market-making in the Digital Age

Creative upstarts are using technology to bring buyers and sellers ever closer together. What does this mean for you?



Some of the most intriguing young companies we've seen in awhile aren't the ones building sexy gadgets. Rather, they are leveraging technology to create new distribution channels, shorten supply chains, generate value for both buyers and sellers, and help niche players survive and thrive.

Sellers of products and services have always sought ways of finding the right prospective customers and marketing to them efficiently, while buyers are eager to locate special, hard-to-find products and to purchase commodity offerings at the lowest cost. Distribution channels and marketing techniques—distributors, trade shows, telemarketers, retailers, and manufacturers' reps, to name a few—grew up to put the two sides together. Then came the Internet, and suppliers invested in building web sites and in optimization and marketing techniques to pull prospects through.

Online marketplaces combine the best features of many existing channels. Via the web, they give buyers access to multiple suppliers, who compete based on offering, value-add features, and/or price. Sellers gain access to many prospective customers, often at a fraction of the cost of their existing distribution efforts. Many marketplaces also offer administrative, educational, and processing features that make the deals easier to close. Real economic value is created—and shared between sellers and buyers, with the marketplace taking a small slice.

Andrea Williamson founded Noblivity, Inc. to bring small

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### CLIENT NEWS

## “Straight Talk” Workshops Set for Chicago, Milwaukee

Have you ever thought about finding a buyer for your business or raising capital from an outside investor? Are you at a loss as to how to begin the process or whom to trust? Do you wonder how investors would evaluate your company. . .or how they would put a price on it? Are you concerned that you might not get the deal you deserve?

**Perimeter Advisors' interactive one-day workshop, “Straight Talk on Working with Acquirers”, is set to debut on January 27 in Chicago. A Milwaukee workshop will follow on February 24.** Registration is now open; attendance is limited, so participants are encouraged to sign up soon.

Inspired by conversations with dozens of business owners, the workshop is designed to arm them with tools for a strong approach to the capital markets. Participants will learn how

apparel and accessory brands together with specialty retail boutiques. For the average small brand, accessing thousands of far-flung shops is a daunting and extremely expensive undertaking; as a result, many innovative businesses are stuck serving a small local market when they could be so much more. For the boutiques, having unique products is what sets them apart. But searching hundreds of individual websites for just the right item is far too time-consuming. Noblivity provides an easy-to-search catalog listing—a virtual “showroom”—for hundreds of manufacturers from around the world, as well as administrative services such as invoicing, payment facilitation, and customs processing, that make it easy to transact.

The “dot com” era saw many B2B start-ups that raised lots of money at high prices by promising to change the buying patterns of entire industries virtually overnight—a task that, not surprisingly, proved impossible in practice. But Noblivity’s model is very different. “We realize that our boutiques have strong relationships with vendors they know; this isn’t the part of their business we serve,” says Williamson. “Rather, we target the 15% of merchandise that provides their “wow factor”—the unique and special that their customers are looking for.”

Other new entrants provide commodity service providers, especially those with strong scale economies, a way to add customers at low acquisition costs, while giving buyers an opportunity to get a great deal. FeeFighters, a Chicago-based comparison website for business services, came to life after its founders, Sean Harper and Josh Krall, found it nearly impossible to find the best price on credit card processing for their young companies. Comparing the various quotes and billing required combing through opaque fee descriptions and putting together spreadsheets, a process far too time consuming for the average entrepreneur.

So they created FeeFighters. A business owner can pull up the FeeFighters website, enter some simple information about his/her business, and run an online auction, in which several dozen credit card processors bid on the business. Bids appear as apples-to-apples dollar amounts, so the owner can easily select the best deal. Customers are saving 40% on average, and the processors are winning profitable new business with very low acquisition costs. Both sides are winners, and several new service offerings are already in the works.

We don’t see this new marketplace trend slowing down anytime soon. So, what are the implications for the rest of us? If you’re a buyer or seller, it’s great news. It will simplify business, provide more transparency, and help us grow more efficiently. Keep an eye open for marketplaces that serve your needs, and don’t be afraid to participate.

But what if you’re a middleman yourself? If you’re in the business of bringing buyer and seller together, new marketplaces are bound to pose a real challenge. Time to ask yourself some hard questions and come up with a plan to leverage the value you bring to the table and simplify your delivery model. Serious pondering around the customer experience and how to make it as easy and pleasant as

buyers think about value and what elements enable a business to command a premium price. They will also do a deep dive into their own goals and be encouraged to explore several options for achieving their objectives.

“We find that most business owners are concerned about how to approach what is generally the biggest deal of their careers,” commented Perimeter Advisors founder Karin O’Connor, “and they are often bombarded with advice from folks who may have their own agendas. We are not brokers or investment bankers and don’t charge success fees, so we are free to provide objective counsel. And, because we’ve spent decades doing deals on both sides of the table, we can translate financial “mumbo jumbo” into terms that the business owner can not only understand, but also use to his/her own advantage.”

Each participant is expected to complete a brief phone consultation prior to the day, and one-to-one follow up sessions will be available

For more information, please contact [Karin O’Connor](#) or call us at (773) 868-4188.

possible is in order, as is some thoughtful analysis as to how technology can play a role. Rest assured that some smart entrepreneur is out there seeking to disrupt your industry—it's only a matter of when.

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## Bill Stafford Elected President of PianoArts Board

Perimeter Advisors Managing Director Bill Stafford was recently elected President of PianoArts of Wisconsin, Inc.'s Board of Directors. PianoArts hosts a biennial North American piano competition, for artists between 15 and 20 years of age, which raises the bar of performance, builds confidence, awards over \$18,000 in prizes and scholarships, and prepares young pianists for further educational opportunities and careers. PianoArts is much more than a competition, however—winners are invited to provide a full range of programs that benefit audiences of all ages in Milwaukee and beyond.

Just 10 years old, PianoArts has partnered with the Milwaukee Symphony Orchestra, the Wisconsin Conservatory of Music, the Sharon Lynne Wilson Center, and school systems in and around Milwaukee to provide a unique experience for aspiring pianists. Bill says that it was PianoArts' "special sauce," this unique experience, which led him to become involved.

"PianoArts provides caring support and mentoring to all who enter its biennial competition, especially to semifinalists and finalists chosen to come to Milwaukee to take part in a truly unique competition experience," he commented recently. "Unlike many competitions, which end with the awards ceremony, PianoArts keeps its winners coming back to Milwaukee and performing in many venues, especially local schools. This unusual experience is part of PianoArts' effort to give back to its community—and to instill in the winners a desire to do the same!"

As a 10-year old not-for-profit, "PianoArts is," says Bill, "at a tipping point. This is the critical time during which the entity must mature as an on-going vital organization if it is to continue its good work into the future. I look forward to helping it reach that maturity."