

Text Size: S M L

CRAIN'S Living and Investing IN THE D 25 Dimensions of the D
 Advertise in the issue that is referenced yearlong!
 Advertise in the issue that is referenced yearlong!
 Advertise in the issue that is referenced yearlong!
Coming Aug. 23
 25 projects, places & collaborations shaping Detroit
BONUS DISTRIBUTION at Crain's Detroit House Party



CRAIN'S DETROIT BUSINESS

Detroit and Southeast Michigan's premier local business news and information website



- Home
- News
- This Week's Issue
- Lists
- Web Features
- People
- Columns/Blogs
- Detroit Events
- Multimedia
- Detroit Jobs

Not logged in to community. [LOG IN](#) OR [REGISTER](#) | [Free E-Mail Signup](#) | [Subscriber Service](#) | [Mobile](#) | [Contacts](#) | [Advertise](#) | [Classifieds](#)

Second Stage

POSTED: 8:00 p.m., Jul. 25, 2010
 LAST MODIFIED: 8:30 p.m., Jul. 25, 2010

[Recommend](#) [Comment](#) [Email](#) [Print](#)

StageTwoStrategies: Awecomm Technologies LLC

By [Dustin Walsh](#)

Location: Troy

Description:

Awecomm Technologies provides Web design, marketing and hosting services to clients that include **United Way for Southeastern Michigan, Plante & Moran PLLC** and **MyInsuranceExpert.com**.

President and CEO: Brent Yax

Founded: 1999

Employees: 16

Revenue: \$2.8 million in 2009, with \$3 million projected for 2010

Problem to be solved: Seventy-five percent of Awecomm's business comes from server hosting; the rest comes from design and marketing, which has razor-thin margins, normally about 10 percent.

"It's a commodity-based business, and anybody who has ever built a website can come in and compete," Yax said. "It just wasn't generating the growth opportunities we were seeing in our hosting side of the business."

Yax considered eliminating the company's design and marketing services to expand elsewhere.

"The problem is that we have a lot of internal resources," he said. "We felt there had to be an opportunity to use that intelligence and expertise in a different market."

Solution: After conducting market research, Yax decided five months ago to have his Web staff build websites that Awecomm would own and operate through affiliates, similar to **LendingTree**. It launched **Carguysflooring.com** in July.

Awecomm manages and markets the site, which sells epoxy garage flooring, and the product providers pay a commission — which varies — to Awecomm for each sale.

Awecomm has created several other affiliate sites, including **farmfreshleads.com**, which generates sales leads for health care insurers, and **myfranchiselaw.com**, which connects potential franchisees with local lawyers with expertise in franchise law.

Cablestudy.com is set to launch this quarter; visitors will use it to find

Rated Not yet rated

Rate This ★★★★★

Sponsored by

Most Read

[Carlita Kilpatrick, Bernard Kilpatrick want to avoid giving depositions](#)

[Detroit Metropolitan Airport calls off plan to sell naming rights](#)

[Michigan Blues report dip in reserve fund growth compared with Blue Cross Blue Shield plans nationally](#)

[Governor's race: Questions, answers and endorsements](#)

[Report: Doctors in Southeast Michigan improve diabetes care, cancer screening and antibiotic use](#)

STAFF BLOG | Nancy Kaffer



[Detroit on the Web, and Detroit on the Web.](#) »

[More blog entries »](#)

GUEST BLOG | Ken Neuman



[Written Contracts Part 2--Do As I Say, Not As I Do](#) »

[More blog entries »](#)

Site Search

[ADVANCED SEARCH](#)

Users | RSS



RWC

Updated: 7/27/2010
12:22:36 PM



Rob Fowler

Updated: 7/27/2010
11:23:14 AM



SUSAN CONNELLY MURPHY

Updated: 7/26/2010
6:30:36 PM



bryan

Updated: 7/26/2010
2:26:09 PM

Sponsored by

How important is cash flow to you?

We can help your business with a complete range of Treasury Management solutions which expedite your deposits, manage your payments and consolidate your funds for greater control.

POSITIVE PAY

- Protects against fraudulent checks.

SWEEP

- Automatic transfers to maximize your cash flow.

REMOTE DEPOSIT

- Efficient, electronic transactions from the convenience of your desk.

BUSINESS BILL PAY

- Pay your bills online at any time, day or night, to anyone in the U.S.

LOCKBOX

- Immediate use of collected funds to improve cash flow.

LEVEL ONE Bank
 Farmington Hills
 30201 Orchard Lake Rd. Ste 250
 (248) 737-0300 • (888) 880-5663

www.levelonebank.com

cable and satellite providers in their area.

The company plans to launch 10-12 sites this year.

Awecomm invests \$70,000 to \$150,000 in staff time to launch each site, Yax said. But it's paid off, as early numbers show profit margins at 50 percent to 85 percent.

Risks and considerations: Spending money to build a site that may or may not be profitable is a big risk, Yax said.

"It's possible that we may not have a revenue source strong enough to justify the work we put into the site," he said. "We do, however, have a fairly substantial vetting process."

Yax and his team conduct market research on potential industries before developing test sites.

Expert opinion: Ren Carlton, president of Troy-based **Dynamic Advisory Solutions**, said the marketplace is evolving and finding new revenue streams is essential to success.

However, he warns business owners not to enter new markets without due diligence.

"We see a lot of businesses getting abused in advance selling," he said. "Don't run with the great idea until you've gone out and found commitments from clients."

It's also wise to not completely abandon stable business for high-risk opportunities, he said.

"The small profit margin business is probably more stable. The businesses that are most successful have a good mix of high risk, high reward and low risk, low reward. Not every strategy is a home run; you have to have some base hits."

You must be logged in to leave a comment. [Login](#) | [Register](#)

Submit

You may also like

- [Weighing the financial overhaul: Auto dealers, VC, small banks early winners](#)
- [DMC exec works to build 'new model' for physician-hospital organization](#)
- [Who will get biz's vote? Leading candidates' similar biz views make predictions a coin toss](#)
- [Governor's race: Questions, answers and endorsements](#)
- [WEB EXTRA -- Additional Q&A with candidates for governor](#)
- [Woodward paving goes ahead despite possible tear up for rail](#)
- [Breaking Detroit News](#)

GUEST BLOG | Tom Nixon



What If the Next Public Crisis is Your Own? »

[More blog entries »](#)

GUEST BLOG | Bruce McCully



Naked: Going Without Your Laptop »

[More blog entries »](#)

GUEST BLOG | Dave Haviland



Talent Management Tips from Second Stage Board Rooms »

[More blog entries »](#)

[Contact Michelle Darwish to become a Second Stage guest blogger.](#)



0/0

[Next](#)

