

“...easy to use, and vastly superior...”

Evolution + Fusion

Volusion supports online retailers with customized software solutions



PHOTO BY JAMES KAUFMAN

Founder: Volusion CEO Kevin Sproles has presided over one of the fastest growing companies in the U.S.

By MARK R. MADLER
Staff Reporter

Jim Richardson had certain criteria when looking for software to operate Cuddleworks, his online teddy bear and stuffed animal store.

The Portland, Ore. business owner wanted a single checkout page, the ability to transfer financial information to accounting software, offer coupons and easily change prices.

When a product went out of stock, Richardson wanted that information automatically displayed rather than have to edit code.

“It was exhausting to say the least,” said Richardson of the out-of-date method.

Richardson found the answer in software developed by a company started in a bedroom in a Simi Valley home and headed by a soft-spoken 25-year-old.

Volusion has long moved out of Kevin Sproles' bedroom and added an Austin, Texas sales and marketing office to its engineering and support center in Simi Valley. Its 10,000 clients include small online shops such as Richardson's and heavily visited online stores such as those operated by the Barack Obama and John McCain presidential campaigns.

Sproles keeps it together with the help of business partner Clay Olivier and a focus on listening to the needs of his customers and adapting the Volusion software to meet those needs.

“That is excellent advice for any business in any industry,” Sproles said in a slow, deliberate style in the conference room of the Simi Valley office. “We really take that to heart.”

E-commerce is just a small portion of overall retail sales but the potential to chip away at traditional brick-and-mortar stores contributes to Volusion's growth. A 1,900 percent revenue boost between 2004 and 2007 landed the firm at No. 103 on Inc. magazine's fastest growing private companies list in 2008. Volusion – a name that combines fusion and evolution – was also recognized by the Business Journal in its list of 50 fastest growing companies.

Sproles and company are on the fifth version of the software, with the sixth coming later this year.

Each version brings improvements, none more welcomed by online merchants than the one-page checkout where shoppers provide billing and shipping addresses, credit card number and confirm their order. If more than one page is needed

for that information, shoppers tend not to complete their orders, which results in fewer sales.

The software also features marketing features, inserting multiple pictures onto the product page, and inventory control that lets shoppers choose the size and color of a clothing item while alerting the shop owner what remains in stock.

“That's one example of a feature we added to our software that lets merchants have a competitive advantage with their online stores,” Sproles said of the inventory tracking.

Self-taught businessman

The skills Sproles brings to developing and marketing software are self-taught.

He took web design classes at Royal High School in Simi Valley but found the material too basic. Sproles turned to books and the Internet to bolster what he already knew.

Sales and marketing became Sproles' responsibility for about four years. He placed ads on search engines, used national search engine optimization to drive more traffic to the Volusion website and gave 14-day trials of the software, an offer the company continues to make.

Among the e-business owners using the software was Clay Olivier.

Olivier left behind closing deals in the business sales division of computer maker Dell to open an online natural products store. A search on Google led to his buying Volusion software and striking up a relationship with Sproles, who Olivier described as very intuitive and analytical.

“He has a brilliant mind for overall sales and marketing,” Olivier said. “I was impressed about how he was able to figure it out.”

Early on, for instance, Sproles put his entire marketing

budget into Google AdWords, a move that Olivier considered to be progressive for the time and a smart move because placing ads in different medium would have been less successful.

An emphasis in customer experience with the software lends itself to increasing sales.

By creating a superior experience the payback is that customers become loyal to Volusion and in turn become advocates for the software to other retailers.

“It creates a much larger salesforce,” Olivier said. Olivier so believed in the Volusion product that he went from a customer to an angel investor to part-owner of the company where he holds the titles of chief operating officer and chief marketing officer in the Austin office.

National clients

Establishing the sales and marketing in Texas has brought national clients to Volusion over the past two years.

That includes the campaigns of not only Obama and McCain but primary contenders John Edwards and Fred Thompson and Minnesota senatorial candidate Al Franken.

A political consultant was being brought together the presidential aspirants and Volusion. When the Obama campaign began using the software, their candidate still hadn't broken out as the front runner of Democrats.

In Volusion's corner was the ability of its software to meet higher demand at the online stores following major speeches or announcements by the candidates. McCain choosing Alaska Gov. Sarah Palin as his running mate resulted in a 500 percent increase in visitor volume, while Obama's site had a significant spike after his election in November.

The ability to meet requirements of federal election law as to individual contributions and monitoring compliance shows again how Volusion meets client's needs.

Back in Oregon among the teddy bears and other stuffed animals, Richardson can attribute the success of his site to using Volusion software. It makes for a pleasing shopping experience for the visitor and the backend functions ease daily administrative and financial duties.

Maintaining its roots as a web design company Volusion still makes available templates e-retailers can use in designing their websites and creating a visually unique presentation.

“We used one of the free ones to create the website and it allows the opportunity to change to better fit the presentation,” Richardson said.

Spotlight

Volusion

Year Founded: 1999

Revenues in 2005: \$1.6 million

Revenues in 2007: \$8.6 million

Employees in 2005: 19

Employees in 2009: 75