

LUNCH BREAK

Ben Chafetz

Company: 12leCommerce

Industry: E-commerce
site development

Established: 2014

Employees: 50
(Argentina), 12 (US), 7
(Ukraine)

Age: 44

Offices: Cleveland, OH
and Argentina



BY NESANEL GANTZ

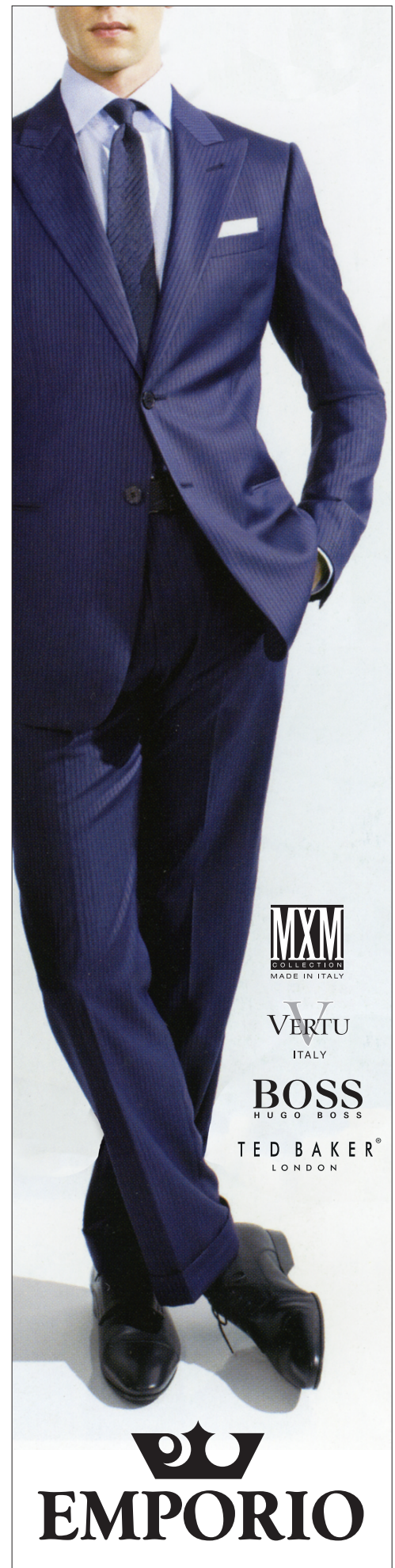


Most of my interviews for “Lunchbreak” are done over the phone; my conversation with Ben Chafetz was no exception. However, after our conversation, I was tempted to hop on a plane to meet Ben and learn more from him in person.

Ben and I spoke for several hours. I was fascinated to hear from an entrepreneur who started his own business after many years of helping others grow theirs. His company, 12leCommerce, is a juggernaut in the e-commerce industry. It has developed websites for Fortune 500 companies and many others. We spoke about practical advice to help grow e-commerce sites as well as why every Amazon seller should have its own site.

Ben is a community activist involved in *tzedakah* activities, and he encourages all his employees to do the same, matching their donations dollar for dollar. His story is one of perseverance, *hashgachah pratis* and dedication to doing the “maximum-minimum” *hishtadlus* required. Oh, and we made up to meet the next time Ben is in New York.

–Nesanel



Ben visiting Rav Chaim Kanievsky several weeks ago



“My parents were both American, but I was born in Jerusalem. My father passed away when I was an infant, and my mother moved to Providence, Rhode Island, when I was two years old. I grew up primarily in Providence and Worcester, Massachusetts, where there has been a Chabad presence since the 1940s. There were around 15 to 20 *frum* families and I never really saw a *frum Yid* outside of *shul*.”

“I remember the first time I was in New York; I was in sixth or seventh grade at the time. I was shocked to see someone on the street with a yarmulke. I yelled with excitement every time I saw someone with a yarmulke. Until then I had no clue there were other *frum* Jews in America.

“Throughout my childhood, I went to a Conservadox summer camp where some kids kept Shabbos and some did not. When I was going into eighth grade, my older brother Josh told me I should go to Dora Golding, which was an all-*frum* camp. In my naïveté, I thought to myself: *All frum kids? They probably have no clue about anything.* I thought I was going to be the coolest kid in camp because I would teach them all about baseball and other things from the outside world. Boy, was I in for a shock. I was the country bumpkin.

“For high school, the rabbis in Worcester sug-

gested I go to Crown Heights, but because I couldn't fit into the mainstream *yeshivos* there, I went to a different type of *yeshivah*, where I was with difficult classmates.

“The following summer, my brother Josh got me a job as a counselor in Mishkan, and I ended up working there and at Otzar for more than eight years. I was also an in-house respite provider for Bais Ezra. When I was in Mishkan I learned about Chofetz Chaim in Rochester, where I went to learn for tenth, 11th and 12th grade.

“After high school, I went to Eretz Yisrael for one year and then I went to Sh'or Yoshuv. The second year there, I learned half a day and worked half a day.

“When I was a kid, I was labeled as learning disabled. I was placed in a school for children with severe disabilities and special needs. From first to third grade, my classmates were children with Down syndrome and severe autism. Those were really formative years, and I came out of them with no concept of how to socialize. To a certain extent, I got the hang of social norms when I was in *yeshivah*, but when I started working, it was a whole new ballgame.

“The first job I ever had was doing diamond deliveries on 47th Street when I was 18. I did that for a couple of months, and then I went to work at

“I put my fish tank in another office figuring there was room there. It turned out that it was the COO's office, and let's just say he was upset.”

Econophone, where I was a collection agent. I had never used a computer before, but I found that I had a real *cheishek* for computers.

"Because of the way I had grown up, I didn't know the correct social norms for a workplace, and it showed. In my second week at Econophone, I put a ten-gallon fish tank on my desk. I pushed my phone and computer into a small space to have enough room for it. Then I decided I wanted another tank to breed the fish, but there wasn't any more room in my office. I put my tank in another office figuring there was room there. It turned out that it was the COO's office, and let's just say he was upset.

"Doing collections, sometimes I'd be talking to *from* customers about paying their bills, and they would start crying because they hadn't been able to pay their electricity bill that month. I felt so bad that I would end up paying their Econophone bills myself. I did this for dozens of people, and it was a tremendous source of pride for me that not one person ever failed to pay me back.

"One day, I got a call from a recruiter with a job offer to be a collections manager at a law firm. It would have meant going from a salary of \$20k to \$75k. I asked the person, 'Who are you? Do you work for the law firm?' 'No,' he said. 'I'm a recruiter.' I asked him what a recruiter is, and he explained that he places people in jobs and that companies pay him to do that. I said, 'That sounds awesome. I want to do that. I'm not going to take the job at the law firm. I'd rather work for you.'

"I started working for him, but I soon found out that his recruiting agency was highly unethical. I quit after two weeks and started looking for a new job.

"I was still enamored with the idea of being a recruiter and applied for a position that I saw advertised in the newspaper. I was hired immediately. The office was in a basement in Rockefeller Center. The company was owned by two old guys, Ken and Bob. One was a retired cop and insurance salesman, and the other had been in advertising before he retired. They wanted to start a recruiting company. They offered me \$200 a week plus commission and I agreed.

"I called Econophone and managed to get the head of HR on the line. I had never met her, but ap-

parently she had heard of me from my time there and greeted me warmly. I told her that I was now a recruiter and would like to work with Econophone. She said that they were looking for DMS-250 engineers, and she would pay me 25 percent of their first-year salaries. I had no idea what a DMS-250 was. I began looking through the boxes of résumés in the office. Keep in mind that this was before online résumé databases; everything was manual. I looked until I found a résumé with the term DMS-250. I called the guy and told him I had seen his résumé and asked him to tell me what a DMS-250 was.

"He explained that all phone lines and communication for the entire East Coast are controlled from two locations: 60 Hudson Street and 4 West Street. DMS-250 is a massive phone switch that controls everything there. I created a fake entry-level résumé with my name and went to 60 Hudson Street. I walked into the building, knocked on the first suite I saw, and said, 'Hi, my name is Ben and I'm here to interview for a job.' I knocked on each door in that building asking about everyone's jobs and the equipment there. Eventually, I found the DMS-250 engineers and recruited them for Econophone. After that, I started calling other companies, finding out what kind of engineers they needed, and bringing them recruits, as well. I did that for two years, and in that time I earned about half a million dollars from commissions.

"I was doing really well, and sadly, it definitely went to my head. After I got married, I decided that I didn't want to commute to the office anymore, so they rented an office for me in Uniondale, near Far Rockaway, and I would just go to the office and sleep there. I would call in absent a lot. I really wasn't a team player.

"Throughout all of this, Ken and Bob hammered into me a phenomenal work ethic. At some point, Ken and Bob brought in investment partners, and one of them embezzled heavily from the company. When things were getting really bad, Ken came to me and said, 'I think you should get out now. This is going to get worse, and I don't want you to get caught up in it.' Bob passed away a while ago, but I am still in touch with Ken.

"At that time—it was around 1998—the telecommunications industry went under. There was



2019 company
Simchas Beis
Hasho'eivah

a company called Global Crossing, which was the Enron of the telecommunications industry before Enron happened. Global Crossing falsified its accounting to show false earnings, and this led to the collapse of the entire industry.

"Eventually, I moved out of that area of recruiting and into fintech (financial technology). I worked for a *frum* company on lower Broadway, and I was doing pretty well, but then 9/11 happened. After that, I really lost my drive for recruiting because I lost so many clients in the attack. I had known so many of the people who were killed. I decided to start in a new field of sales.

"I ended up working for a company that sold e-commerce advertising. I had been making about \$130k, but I took this job even though the salary was just \$22k because I felt like I could sell this advertising in my sleep. They sold what was then known as contextual desktop advertising. Now it's known as adware. It was such a huge industry that the federal government had to get involved to pass legislation regulating it.

"I had no prior experience in e-commerce sales. When I went for the interview, the guy said, 'Why should I hire you? Why shouldn't I get someone who has done this before?'

"I replied, 'I'm more concerned about why I should work for *you*. You're telling me that you place more value on someone who has experience

in e-commerce, though he may be a lousy salesperson? I'm going to beat every sales record you ever had. But now I'm worried that you may not be the person I want to work for since you don't seem hungry, too.' Immediately, he said, 'You're hired.'

"One of my first clients ended up trying to hire me multiple times, mainly because I not only did a great job managing all of his ad spend with me, but I was also actively advising and managing his other ad accounts that he was not buying through me.

"After a year at this e-commerce advertising company, the atmosphere turned toxic. I called the client who had been asking me to work for him and asked him for a job. He was in California, and he hired me on the spot. We didn't even meet in person until a year after he hired me. I worked for him from New York (and then Ohio) for about 11 years, and for the last five years that I was there, I traveled to California frequently.

"When I started at the end of 2001, there were four people working there, they had a combined space of 6,000 square feet that served as both their warehouse and office, and they were bringing in about \$600,000 annually. By the time I left, there were 200 employees (40 directly under me), they were in a 125,000 square foot warehouse, and they were bringing in \$85 million a year.

"When they hired me, it was to do online mar-

"Doing collections, sometimes I'd be talking to frum customers about paying their bills, and they would start crying because their electricity bill wasn't paid. I felt so bad that I would end up paying their bills myself."



121eCommerce
Escape Room
outing
L-R, back row:
Shmuli Socco,
Daniel Gross,
Sender Radcliffe
Ben Chafetz,
Pablo Prieto.
Front row:
Chris Frigo,
David Rothstein

keting. At the time, the whole industry of online marketing was just figuring itself out. Google AdWords had just launched, and most of the marketing that I did back then doesn't exist anymore.

"In 2008, I moved from Monsey to Cleveland. During my time in Monsey, where we had lived to be near my *rebbe*, Rabbi Ben Tzion Shafier, I started The Shmuz together with Yaakov Adelman and Mosh Grossman. By the time we moved to Cleveland I was traveling to California every other week from Monday to Friday morning so I could manage my team there.

"As the company grew, I began to have clashes with the owner about the direction of the company. As a general rule, when it's owner vs. employee, the owner will win the majority of the time. I had a difficult time accepting feedback, and I also had a *beis midrash* mentality: When two people have opposing *svaros*, they discuss and argue until they

reach a conclusion, and it doesn't matter which one is right. All they care about is finding the right answer. I went into every argument with the position of 'I'm right unless you can prove me wrong,' which others naturally found very frustrating, though I didn't realize that at the time.

"Eventually, our relationship soured and I was fired. My first feeling was relief, but my second thought was that I needed a runway to be able to move on to whatever would come next. I realized this even as he was firing me, and I pushed for a severance package. We ended up hammering out an agreement right there in the office.

"Moving forward, I knew that I didn't want to be someone else's employee, but I also needed to keep my options open, so I started applying for jobs that I knew I could get, while at the same time working on creating ownership opportunities for myself.

"In March 2013, I decided to approach an Indian

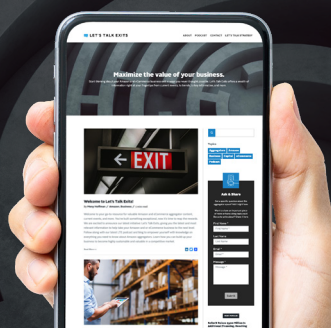
"You're telling me that you place more value on someone who has experience in e-commerce, though he may be a lousy salesperson? I'm going to beat every sales record you ever had."

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company that did e-commerce development. I had used them a few times in the past, and while the experience was not overwhelmingly good, it was not bad enough to scare me off. My approach was basically, 'You're horrible at selling, but supposedly, you're good developers. Create a company for me, pay me X salary, give me an ownership stake, and I'll develop a sales pipeline and manage communication for you.'

"In effect, I created my own company and position without having to lay out any money. I had to go to Bangalore for three weeks to meet with them and work out the details. This was a fantastic experience, largely because of Rabbi and Rebbetzin Rivkin, who were the Chabad *shluchim* there at the time. They are true *ohavei Yisrael*.

"After 15 months of working with my Indian partners, I realized it was not going to work. In November 2014, I informed them that I was breaking our contract. I had to mortgage my house to pay independent contractors to finish the projects that my Indian ex-partners had started but couldn't finish. That breakaway was the beginning of 12leCommerce.

"I came to realize that no one hires an e-commerce development company because he wants to build a nice website. The ultimate goal is to make money or save money. The way that's done depends on the mechanics of the company, but if you keep that focus, you'll deliver a better product than any of your competitors.

"I realized that there weren't any web development companies that operated with the understanding that they aren't building a website, they're building a business. That was the marketing aspect that I brought to the company—the fact that I could speak the clients' language, and they understood that I could develop their business better than anyone else.

"At that time, it was just me, Aaron Sonnenschein, Lavinia Solganik and Sender Radcliffe. We didn't have any developers. I was using independent contractors to finish the projects for my clients at a tremendous loss. I probably lost \$250,000 of my own money. The most pressing need was to hire my own developers, because you can't rely on independent contractors to build your business. I did a lot of research and after much investigation, I decided to look for developers in Argentina.

"I leveraged my recruiting experience and sent



Ben skydiving in Ohio

out cold emails to suitable candidates to fill a director of development position. This person would be responsible for building a team. I eventually connected with Pablo Prieto, and after several video interviews, I flew him to Cleveland for an in-person interview. I met with him, bought him a \$5,000 MacBook among other things, and after a week of talking loose strategy, he went back to Buenos Aires to start working.

"Aaron said to me, 'Say goodbye to your laptop and all the money you spent on him. That guy is laughing his head off all the way home.' Now eight years later, Pablo is my CTO, and he manages our 50 employees in Argentina.

"Going back to that first year, even though I was losing money, my operational philosophy was that if you do things like everyone else, you get the same results as everyone else. I knew that I needed to reach the greatest number of people, but I didn't want anyone to feel they were part of a mass outreach effort. I wanted everyone to feel I was messaging them specifically.

"I started off by building lists of companies that use Magento (an e-commerce platform) and further segmented that list in various ways—for example, site speed, ad spend, etc. I would then write out a short personalized email sequence for each potential customer. I would send out something like, '[Name], I was just on [website name], and it's

"I started calling other companies, finding out what kind of engineers they were looking for, and bringing them recruits, as well. I did that for two years, and in that time I earned about half a million dollars from commissions."



SEMA Covention
2021 Las Vegas
Left to right:
David Rothshtein,
Ben Chafetz,
a convention
mascot, Daniel
Gross and Shmuli
Socco

really slow. If it's slow for me, and I want to work with you, imagine how it feels for someone who is considering buying one of your products. Do you know how many people you're losing? If I told you that I could fix your website for \$15,000 and that you could make that money back within two months, would you be interested?"

"Over time, I grew more sophisticated in my targeting and email language. I only had conversations with companies that replied directly or booked time with me.

"I also focused on building a partner network of companies in which we all shared the same customer base but did not directly compete with one another. This extended to running joint marketing campaigns and collaborating on helpful content for our shared target demographic. The goal was to be a simple referral exchange—you send me clients and I send you clients. *Baruch Hashem*, today we have built more than 200 sites. Our clients have included Jeep, Chrysler, Harley Davidson, Just for Men, Bearpaw and many more."

You just trusted this guy to build up the company in Argentina.

I did, and that's the key. If you want to run a successful company, you have to have people you trust. I work with people who are team players,

hardworking and able to self-manage. I also invest heavily in all my employees. I pay for management courses, continuing education, certifications and more. When you're a services-based company, you have to invest in people. The employees' investment in the company is integral to its success. The goal is to create a company where the company's success doesn't conflict with the success of the employee.

You started this company without any experience building websites. Why not choose something you already knew how to do?

It's true that I didn't have previous experience, but I learned a tremendous amount about what *not* to do from the Indian company that I worked with. By the end of our relationship, I had seen everything that they did wrong, and I knew how I could do it right and make it work.

When I started 121eCommerce, I didn't say, "What's the cheapest software?" I said, "What's the best software?" When we sent out a proposal, I paid a graphic designer to make it as beautiful as possible. I never sent out simple Word docs. I would do things that made us look like a massive, professional organization. Everything had to look as though we were a company with 100 employ-

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ees, even though we were only five people. I never pinched pennies when it came to setting ourselves up for growth.

How do you get clients?

My clients come from *Hakadosh Baruch Hu*, and I have to do my *hishtadlus*. That includes outbound business emails, inbound marketing using content, and partner management—building my relationships with Adobe and other industry leaders, and most importantly, working the sales funnels.

Until last March, I was both CEO and a salesperson. As the CEO, I had to take care of my employees and deal with any issues in the company. I would come home at 11 p.m. and worry over whether I was doing things correctly and treating the employees properly. When I was working as the salesperson, the moment I did my last action, I was done, and I was able to go home and sleep like a baby. I never worried about sales because I was able to speak to 35 prospects in a month, get proposals out to 25 of them, and none of them would close. The next day, I could get a phone call with an introduction to someone and have a contract for half a million dollars signed within 24 hours.

How do you get those emails for potential clients?

We identify websites that match specific criteria, and then we go to a data augmentation company and ask for the names and email addresses of the chief marketing officer, chief revenue officer, director of e-commerce and the marketing manager at these companies. We pay about a dollar per contact.

You mentioned inbound content. Where do you host that content?

We host it on our own website. With inbound marketing, the goal is that you

build content around the sales funnel.

When you reach out to companies, what do you say that convinces them to spend something like \$100,000 on a site redesign?

The average cost per website that we build is between \$75k and \$250k, and the companies we work with are already in that mindset. We have very specific targets whom we email when we're looking for new business: CEOs, e-commerce directors, decision makers.

For example, Volusion (an e-commerce site building platform) had a major data breach. We sent out target emails to people who might have been affected and mentioned that we can build a secure site for them. My emails lead to the option of a 15-minute phone call; most people who work with us have been thinking about replatforming for a while, so if they don't reach out now, they save my email to review later.

One important technique I learned is to create a rule in my CRM (customer relationship management) that notifies me whenever someone becomes "reactivated." That means I have not done any active outreach to them in at least 90 days, but they opened one of my old emails or visited our site. The fact that they are looking at 12leCommerce now means we are at the top of their mind. After I get the alert from the CRM that someone is reactivated, I usually wait four or five hours and then send them an email saying something to the effect of "Hey, I was thinking about you. It's been a while since we connected. How is it going? I see your site still looks horrible and nothing has changed."

What makes you different from other e-commerce site creators?

We deliver what we are hired to do, usually within a ten percent variance of the timeline and price on the initial contract. It sounds crazy that a strong advantage is delivering on what we promise. Companies not delivering on their promises is so commonplace that "rescues" of such sites account for 50 percent of our business. Around 85 percent of the time, we can use the existing infrastructure to finish the project. Unfortunately, the remaining 15

percent of the time, the work they did prior to coming to us is not salvageable.

What would you say are two keys to a successful e-commerce website?

The first thing people need to learn is how to use and understand analytics. On our website, 12lecommerce.com, we have a list of analytics questions you should ask yourself. If you don't know your "Abandon Shopping Cart Rate" or your "Add to Cart" percentage, then you need to start with those.

Additionally, people make a fundamental mistake when it comes to conversion rates. People think that if one out of 1,000 people who come to their site make a purchase, that means they simply need to increase the number of people who come to their site, and they will increase their sales. That's flawed thinking. Why not work on ensuring that more than one out of 1,000 make purchases? It's easier to work with the people who are already there than it is to find new people.

If I were to emphasize one more thing, it would be page load speed. A few seconds can make a difference of hundreds of thousands of dollars in sales. People quickly lose patience if they have to wait for a site to load.

Do all Amazon sellers need their own e-commerce sites? What would you suggest for someone looking to start with a small e-commerce store?

Yes, all Amazon sellers should definitely have their own e-commerce sites. Amazon can cut you off in a heartbeat; in fact, it happened to me.

Around a year ago, I started a business on Amazon and got us to \$500,000 in sales every month. Suddenly we got the strangest violation: one of our products violated an emissions law in California and Amazon shut us down. We could not get our Amazon site back up, and it took me seven months to get our money back. Have your own site. There is still money to be made on classic e-commerce sites.

If you are earning less than \$1.5 million on your e-commerce site, then you should create a Shopify site. They are very turnkey and you can easily create a decent and well-working site.

"When I started, there were four people working there and they were bringing in about \$600,000 annually. By the time I left, there were 200 employees and they were bringing in \$85 million a year."

How do you deal with stress?

If there is an action I can take, I take it. And if there isn't anything I can do...

The only time I feel anxiety is if there is something I need to do and haven't done yet. But generally, when I have something to do, I do it right away. I'm generally not a stressed-out guy. I'm a different person when it comes to work; I'm very intense and laser focused to get things done. My *chavrusa* came to work the other day and told me those exact words, that I am different at the office. I don't get distracted or search the Internet for random things.

Many people often feel stuck when they are faced with a number of tasks. What advice would you give?

Every day before I leave work, I make a list of three tasks that I need to get done the next day—only three, nothing more. The next day, I will work on only those three and not leave until they are done. Whatever gets pushed off, so be it. However, once you start working, you will find you accomplish more than those three things. It often helps to break down a task into smaller tasks.

Years ago, my *rebbe*, Rabbi Shafier, taught me about the Pomodoro technique. I got an egg timer and set it for 25 minutes. For those 25 minutes, all I focused on was the task at hand. My phone was off and people and other tasks had to wait. You can't do everything at once or you will do nothing at all. Today, I can focus without any egg timer. I'm able to shut out distractions. But like any skill, it took time and training.

What is the best business advice you ever received?

I was talking to my friend Yossi Bensoussan about how hard it is to determine when you cross the line from *hishtadlus* into working needlessly. How do you know when you are just wasting your time? In this instance, we were talking about the sales process—making a proposal, sending it and following up.

Yossi told me to clearly define what I believe are the best practices for each step of the sales process, and to write them down as a checklist. He said that once you check off everything on that list, then it is time to check out; you are done. For example, you

might say that a best practice is calling a prospect three and seven days after sending out a proposal, so don't call on any other day. Following this advice allows me to focus on growing my business. I'm not checking my email at 2 a.m. to see if the new client emailed me. I'm not worried about whether I did enough, because I clearly defined what is considered enough when I began the process.

I don't fool myself that my company's success comes from my efforts. There are many people out there who work hard and are smarter than me. I know that what I have today can be gone tomorrow. It is why I put such a huge emphasis on giving, both to *tzedakah* and to *kollelim*. The money that I give to *tzedakah* is the only wealth that comes with me to *Olam Haba*. On the *kollel* side, we have a Yissachar-Zevulun relationship with many *avreichim*. The success of the company is intertwined with the success of our partners who are learning Torah.

A major focus within our company is giving. 12leCommerce was the first corporate sponsor of Adopt-A-Kollel, and we encourage giving charity to the point that we will match every single charity donation that our employees give. It can be for any charity and for any amount. When people become givers, they automatically start caring more about others.

Tell me something about your company culture that is different from the norm.

Customers are happy when they feel you care about them, and employees will only care about your customers when they feel cared about in turn. We have always strived to create a culture in which employees feel like 12l is a place they want to be, not a place they *have* to be. We've increased benefits year over year right along with company growth, and we always make sure to give extra days off. We have a personal trainer at the office as well as fun things like ping-pong, VR, a massage chair and more. We ensure that employees have the flexibility they need when a kid is sick, when there's a *simchah*, or even just the occasional bonus or gift after a particularly grueling week. If your employees feel cared about, they feel empowered to be part of the success of the company. They know they aren't just cogs that come to work, clock in, clock out, and call it a day. ●

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