

## Leveraging Technology

Investing in new technology by itself is not likely to achieve the intended competitive edge unless that technology can be aligned to meet your goals for growth. Rather than buy equipment simply because it is new, or introduce technological applications only because they are now possible, consider how such new technology fits your business goals:

### What value is added?

Introducing new technology should improve the value of the end product for your customer or client. Would they value being able to send orders faster or without traveling? Can technology make the product faster, cheaper, stronger, or longer-lasting?

### Are the advantages relevant?

Review your market research about your products and services. Are the features that technology offers actually improvements that your customers would want? What evidence do you have that the value-added is relevant to your target market? Be sure to survey your market before spending money on automation.

### What is the cost-benefit ratio?

Investments in new technology are unwise if the benefits offered are small compared with the costs of re-tooling current processes, installing new equipment, training everyone on how to use it and paying service contracts to keep it operation. Remember to include all of these hidden costs when considering a change-over to new systems. And calculate the life-expectancy of the new equipment, since it will probably need replacement within four to five years.

### Twenty reasons to use the Internet as a growth tool

1. Reach a worldwide audience
2. Do business with an affluent market
3. No barrier of time zones, you are open 24 hours/day
4. Reach consumers when they are ready to buy
5. Open a new channel of distribution for your company
6. Or sell products only on the internet
7. Offer low costs to consumers and beat the competition
8. Beat competition to new markets because they are not online
9. Make additional sales more easily
10. Create cost efficient catalogues that are long on details.
11. Low cost of doing business
12. Low cost of entry
13. No or low rent
14. Interact with customers
15. Engage the senses by using audio, video, and multimedia to create relationships and sell products
16. Conduct market research online
17. Find out competitive information
18. Provide quick customer support
19. Decrease cost of printing and distributing marketing materials
20. Reduce warehousing costs

In most cases, the leverage that new technologies offer is most likely to occur when the technologies extend the small business owner's ability to access new sales, not simply cut costs.

### Exploring E-commerce opportunities

As technological innovations continue to advance, the possibilities expand for small business owners seeking to leverage advantages. But the tremendous capital costs associated with

automation and the cutting-edge technical expertise needed to keep pace with new developments can be dizzying. Not surprisingly, many owners feel insecure about investing in expensive technical solutions – yet worry about being left behind if they don't. So concentrate on moving forward but don't push the envelope too far outside your comfort zone. Remember: technology is simply a tool.

If you are ready to venture onto the Information Highway, enhance your chances of surviving when you go digital by learning from IBM's consultants. Here's their wisdom gained from helping create over 18,000 E-commerce operations in the past few years.

**Seek technical expertise** — E-commerce is as much about business vision as technology. The most successful e-businesses are partnerships between business owners and information technology experts. Companies that make e-business central to their business do much better in the long run than those that make it an afterthought or treat it as a peripheral.

**Link to your strategic plan** — For most organisations, the key to a successful e-business transition is making their e-business priorities the same as their other business priorities. This makes e-business an investment instead of a bet.

**Move swiftly and deliberately** — When you move to e-business, it pays to move quickly and completely. In many industries, business cycles already reflect e-business efficiencies and speed. Waiting for internet technology to "mature" will probably mean ceding advantages to bolder competitors.

**Fully integrate the technology** — It pays to integrate e-business with your core operations from the start. This approach leverages business-proven systems you already have and ensures that customer service and accounting are consistent across all sales channels.

**Ensure systems are dependable** — Scalability, availability and security are not optional. Extending business-critical applications to the Web doesn't make them any less critical. In a system that is only available 95% of the time, 5% of sales transactions are lost.

**Satisfy customer needs** — Customer knowledge is everything on the Web. The company that knows its customers best and uses what it knows to serve them better has a huge advantage in this one-to-one environment where competitors are only a click away.

**Focus on the big picture** — The key to transforming any major process is to identify all of the sub-processes that are a part of it. This sounds obvious until you consider that most business processes span multiple operating environments and customers. It pays to focus on the whole – rather than at the systems designed to serve just pieces of the business.

**Allow for future expansion** — Plan to overbuild for traffic you don't expect to get initially. Triple-digit growth is the norm in e-business and unpredictable 1,000% demand spikes are common. Early overcapacity is less expensive than starting again if your site crashes and customers move on.

**Build in compatibility** — A vital component of e-business is a way to manage the performance of all your systems, networks and applications – as a single enterprise.

**Plan for change** — An "ideal solution" that is platform centric or uses proprietary technology may not be as bankable in an e-business world as a more flexible standards-based solution.