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ON TOPIC

SMALL-BIZ COMPUTING

Get

FIND THE TECHNOLOGY YOUR BUSINESS NEEDS—WITHOUT GOING BROKE.

EQUIPPED

by Mary E. Shacklett

American small businesses are projected to spend more than \$2 billion on software alone in 2006 according to an AMI-partners report. And technology suppliers are lining up to serve this burgeoning market.

Despite this, the fundamental challenges for small businesses remain the same. Small-business owners want affordable, reliable and easy-to-use technology that helps them focus on the end business.

Some small-business owners are technology-savvy, but the vast majority seek out common-sense advice when it comes to technology purchasing. Let's look at the technology options open to small businesses and see if we can work out some small-biz tech equipment scenarios for an investment of \$10,000 or less—along with alternatives for businesses whose technology needs exceed \$10,000, but who still want cost containment help for their bottom lines.

WHAT DO I NEED? Small businesses are best served if they analyze their own communication needs first—before buying technology. For example, if the business has five employees in the office, but only two require a computer fulltime, the other three can likely share computing resources. If the business has two sales representatives constantly in the field and using computers to log their sales calls, some type of mobile computing will be needed.

Conversely, service technicians who only require a phone to call into the office do not need computers. Since

everyone works together as a team, there has to be a way to network communications so everyone can intercommunicate.

Most small businesses analyzing their technology needs come up with requirements in these areas:

- Computers, servers and printers
- A computer network.
- Telecommunications
- The software required to run the business.

There are several rules of thumb that small businesses should keep in mind when evaluating and purchasing technology:

Wherever possible, use industry-standard hardware and software—because they are easier to service and support—and more people are already trained in them;

Lease or purchase technology with a goal of three-years use, for reasonable return on your technology investment;

Check references, financials and capabilities of potential vendors before signing on with them.

WHAT WILL IT COST? Technology costs range widely for small businesses. A call center or an engineering firm will require more computing power than a bakery or a pet kennel. Below are several general pricing guidelines for the most common equipment.

Computers, printers, and laptops. Desktop computers begin as low as \$500 per unit, but by the time you fully accessorize them with security, office software, CD ROM drives, etc., each will

be in the \$1,200–\$3,000 range. For fulltime power users, you will want enough processing, storage and cache capability to support today's needs—with additional room for three years' expansion before you need to repurchase.

You are looking at an average of \$1,800 per computer. If you have a five-person office staff, with two fulltime users and three sharing, you might consider two "power" computers at approximately \$1,800 each, and a third computer at perhaps \$1,200 for the remaining three employees who require periodic access.

If you have field employees who require constant computer access, a notebook computer is the logical solution. Notebooks fully accessorized with office software, wireless cards (for access), security, and carrying cases will run an average of \$1,800.

The network. The next step is an economical way to interlink computer-based communications through a network. Even the smallest businesses require information access and instant communications in a secure networking environment.

Part of this strategy should include high-speed Internet access through a DSL or cable modem. To leverage this modem, other computers in the office can be connected via wireless networking. The overall network can be a Windows 2003 network with wireless access (and wired access for the host computer through the modem-router). This reduces the costs of cabling and extra routers and switches for the network. It also delays the need to purchase a central server.

In the end, many small businesses

evolve into hybrid combinations of wired and wireless networks and communications. A broadband switch or router allows all of the company computers to share DSL or cable modem high-speed Internet access and to talk to each other at speeds of up to 100Mbps. These high-speed modems can be purchased for under \$200 each.

For wired computing, cabling is done with CAT 5 cables and uses Ethernet technology (and an Ethernet port on each wired computer). For computers using wireless access to the network, the central high-speed modem must have an 802.11b wireless access point, and each computer accessing the modem in wireless fashion requires a wireless adaptor card and software (each wireless kit is available for under \$100).

The phone system. Phone service is a vital communications tool, and most small businesses want an affordable solution with a solid combination of features that can make a small business look "big" to potential customer and clients.

One solution for small businesses is Webpoint Communication's OfficeDigits (www.officedigits.com). For free, small businesses can obtain three OfficeDigits-provided telephone numbers—for telephone, fax and conference calling. The OfficeDigits solution combines traditional telephony with the Internet and SIP-based VoIP (session initiation protocol-based voice over Internet protocol). For a \$24.95 monthly fee, businesses in small markets can custom-design their own local phone numbers, or 800 numbers, or numbers with New York, Chicago, Los Angeles or other big market exchanges,

if they desire. They can route phone calls, faxes and emails to multiple devices, such as an office phone, cell phone, personal digital assistant (PDA) or a laptop/desktop computer. You can use your existing telephones, cell phones and computers with the technology.

Another VoIP option for small business is peer to peer technology. With peer-to-peer VoIP, all of the telephone software is within the phone set itself. You don't need to deploy a centralized server in the form of a private branch exchange (PBX) or key system equivalent. The product offers a full set of business telephony features that small businesses commonly use, such as voice mail, auto attendant, three digital dialing, dial by name and extension, and conference calling. There is an initial investment of \$200-\$400 per phone, and there may be some initial installation and licensing fees.

While VoIP is the future direction of telephony, there are still small, low-tech businesses that opt to stay with traditional key systems, a third alternative. Initial investment for a key-based system is between \$1,000-\$7,000.

Your Web site. Small businesses need Web site presence to legitimize the business. A Web site also offers a potential e-commerce channel for business that can extend your brand and your offerings to the global marketplace.

To build an effective small-business Web site, you need a budget for several key elements: Web site design and content, site domain name procurement and hosting, and ongoing site maintenance.

A basic hosting plan can be as inexpensive as \$5 per month, and securing your domain name is also very inexpensive. Managed hosting runs from \$15-\$30/month, but your Web site is guaranteed 24/7 uptime and a multitude of e-commerce features. All are must haves if you do business online.

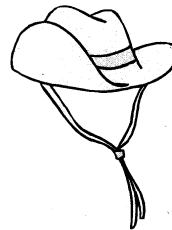
Web site design can be done inexpensively by you or your staff with the help of online authoring companies and tools. One of the most popular is www.homestead.com. Alternatively, you can choose to have someone develop your Web site at a cost of between \$50-\$120 per hour. Once the site is developed, many small businesses opt to change their site content periodically and to upload the changes for incorporation into their site by their host ISP. Others procure the services of a site host or design firm to apply changes to their sites for a cost of around \$3,000 per year.

ALL THAT FOR \$10,000?

Increasingly, the profile of most small businesses is a mix of wireless and wired computing on a central network—and a mix of desktop computers and mobile

notebooks. Via the network, these computers and notebooks are supported by printers, scanners, copiers and fax machines and capabilities. Telephone and Internet access are mandatory in today's business environment—as is a fully developed and hosted Web site. E-mail, voicemail, conferencing and unified messaging are also key applications most small businesses want.

As for a \$10,000 technology budget, you will have trouble staying within it if your computing requirements exceed three workstations. That's because you must still add technology like telephone communications, networking, a Web site, and office equipment like copiers. Technology suppliers have recognized this. They have come to the rescue with an assortment of equipment leasing and financing options.



Microsoft recently announced plans to lower its minimum financing to small business owners for technology products from \$10,000 to \$3,000. There are also companies that lease computer equipment (see the National Association of Equipment Leasing Brokers' Web site at www.naelb.com).

Leasing lets you acquire more technology for less initial cash layout, since you are only paying a relatively small down payment and then monthly payments over the period of the lease. Many leasing companies also allow you to trade up when new technology comes along—an automatic means of achieving investment protection.

DON'T FORGET TECHNICAL SUPPORT! The final element for small businesses is keeping equipment running when you don't have IT expertise on staff. Technology support and warranties should be one of the first questions on your list for prospective technology vendors.

Two popular technical support programs for small businesses are Dell Computer, which offers three-year service contracts for its equipment, and will send a technician to your business when you have a problem; and Best Buy and its Geek Squad, which also offers direct problem resolution services for its equipment. ■

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