

# Making the most of information technology

The purpose of this guide is to examine ways in which small and medium-sized businesses can harness IT to improve both efficiency and profitability.

## WHY INVEST IN IT?

Investing in IT can help businesses of all sizes:

- Streamline operations
- Improve productivity
- Cut costs
- Reduce human error
- Improve customer service
- Strengthen customer relations

Various external factors can also affect a business' decision to invest in IT, including:

- Changes in available/affordable technology
- Competitor activities
- Customer expectations
- Supplier requirements
- Legislation & regulation

## GETTING THE BALANCE RIGHT

Whereas some businesses under-invest in IT and miss out on the benefits it can deliver, others over-invest and commit to systems that are bigger than their needs, or where the costs of maintenance or training exceed the benefits.

It is important to make sure that any systems you invest in are aligned to your business plans, scaled to your present and future needs, and deliver real benefits over costs (see panel).

Technology is possibly the fastest changing element in today's business environment and should be reviewed on a regular basis.

## LOOK BEFORE YOU LEAP

IT can represent a significant investment that is difficult or costly to change, so check carefully before investing in new technology:

- Assess your IT needs for the next 2-5 years
- Identify products or services that best meet these needs
- Identify the skills and training staff will require
- Factor in the cost of maintenance and upgrades
- Do a cost/benefit analysis on leasing versus purchasing
- Consider the pros and cons of using cloud-based versus PC-based solutions
- Consider using open source software for some applications such as basic office software

When you have identified the optimum solutions, draw up a procurement and implementation plan that is commensurate with your overall business goals.

If you need professional advice with any of these steps we will be happy to help.

## HARNESSING IT IN YOUR BUSINESS

There are many ways in which IT can be harnessed to improve efficiency, cut costs, and deliver better service:

## BUSINESS APPLICATIONS

Some applications can considerably streamline day-to-day business activities and improve productivity, including:

- Basic office software such as word processors and spreadsheets
- Database applications
- Accounting software
- Payroll software
- Contact management systems
- CRM applications
- Supply chain management software
- Stock management software, including labelling and bar coding applications

Some of these are relatively uncomplicated and inexpensive whereas others are more sophisticated and costly. It is always wise to seek professional advice before making any major investment in business applications. Contact us if you would like help or advice.



**FEIST HEDGETHORNE**  
CHARTERED ACCOUNTANTS

## NETWORKING

Networks, both wired and wireless, are now common in the workplace. They can deliver a number of benefits including:

- A collaborative work environment
- Enhanced workflow
- Improved internal communication
- Reduced paperwork
- Reduced costs through sharing Internet access, software, and peripherals such as printers, scanners, and external drives
- Centralised network administration with correspondingly less IT support needed.

Many businesses now use intranets, which like the Internet use tools such as browsers and FTP, but which are restricted to authorised internal users. Besides enhancing workflow, document management, and internal communications, intranets are also extremely useful tools for training, sharing best practices, and improving customer service.

Extranets are private business networks that are open to authorised third parties such as trusted business partners, suppliers, and customers. They can deliver a wide range of benefits:

- A secure environment with a common interface for project development, etc with business partners
- Online ordering, order tracking, stock management etc for suppliers
- Access to catalogues, manuals, product documentation, etc for customers
- The ability for staff to work from remote locations, including home, and access required data and information at any time.

Both intranets and extranets commonly use content management systems to add and modify content and to assign and restrict user permissions.

Simple networks can be set up and maintained with relatively minimal IT skills, but more sophisticated systems need to be planned carefully and expert advice and support is essential.

## MOBILE SOLUTIONS

Laptops, netbooks, palmtops, PDAs, mobile phones and smart phones have all become part the business environment in recent years, giving staff greater mobility and flexibility. When used in conjunction with business networks they can create a 'virtual office' that can be accessed from almost anywhere at any time.

Besides the obvious benefits for staff whose jobs require mobility such as sales staff and consultants, these developments have also contributed to the emergence of new work patterns such as flexible working and home working.

Mobile devices present special security risks, and great care must be taken to protect them (see panel).

### PROTECTING YOUR MOBILE DEVICES

- Make sure all mobile devices are assigned IDs and listed in an inventory
- Keep up-to-date records of the users and locations of all devices
- Ensure users are properly trained
- Implement an acceptable use policy
- Make sure all data on or accessed by mobile devices is secure, using strong encryption and tightly controlled authentication
- Don't allow mobile devices to connect to your central system other than through an extremely secure connection such as a VPN
- Make sure all data on mobile devices is backed up regularly
- Ensure you have adequate insurance cover for all devices

## E-COMMERCE

Developments in technology have opened up many new possibilities for businesses of all sizes to engage in e-commerce. These are dealt with in a separate guide, Doing Business Online.

## TRAINING AND MANAGEMENT

The benefits of using IT systems can be quickly eroded if staff are poorly trained. Be sure to factor training into your cost assessments – and remember with technology changing as fast as it does regular refresher courses are essential.

Equally important is good IT management and support. If it is in-house, make sure there is provision for continuing professional education because this is an area in which you cannot afford to fall behind. You might find that on balance it pays to outsource this function.

### DOES YOUR IT SYSTEM PASS THE SECURITY TEST?

- Is your network protected by an adequate firewall?
- Are all the latest anti-virus, anti spy ware and e-mail scanning programmes installed and kept up-to-date throughout your network?
- Is it someone's responsibility to ensure all the latest service packs, patches and fixes are installed in all the software you run?
- Have you paid particular attention to any security issues related to your mobile devices?
- Do you have encryption, strong regularly changed passwords, and tightly controlled user permissions in place?
- Do you have controls preventing the introduction of private appliances such as portable USB sticks into your system?
- Do you control what can be downloaded from the Internet onto your system?
- Do you have an acceptable use policy in place?
- Do your IT practices comply with the Data Protection Act, and are all staff aware of its importance?

Anything other than 'Yes' to any of these questions calls for immediate attention!

## RISK MANAGEMENT & BUSINESS CONTINUITY

We strongly recommend you have a risk management procedure in place. This involves identifying potential risks, quantifying both their likelihood and their potential cost to the business, and establishing procedures to minimise them where possible.

In the event of a breakdown of your system, loss of data, or other potentially catastrophic event, make sure you have a business continuity plan to keep your business functioning until the problem is resolved.

## CONCLUSION

Harnessing IT to business is a vast subject and we have been able to cover only a few essential points in this guide. If you would like further information or advice, do contact us. We will be happy to help and advise where we can; and where we can't we will do our best to put you in touch with someone who can.