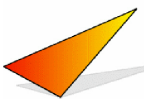


Getting the best from your IT investment.



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No matter the industry or sector your business is in and no matter the size of your organisation, IT (or ICT -Information and Communications Technology) will play an important part in making your business profitable and a great place to work. That is the vision - but alas, not everyone's experience. Instead, it is more often a tale of hype, overselling and unmet expectations; resulting in general suspicion and wariness of vendors.

There are of course many instances of how IT has enabled a business to move ahead - although a single success is not a guarantee that it will continue. It seems that you are always in need of that latest piece of hardware or software or some "bolt-on" technology that will solve your alleged problems and improve business performance. The biggest challenge facing SMEs as far as IT is concerned, is in keeping up with the constant technological change - or the perception of it created in the media. Increasing complexity is another, as vendors add functionality simply because they can.

If you are reading this, the chances are that you have made a reasonable investment in IT, generally satisfied with the benefits - and indeed can't manage some aspects of the business without it. But you may want to know if there aren't more benefits to be wrung from your existing systems or how you can to continue see improvements without adding significantly to your costs. The good news is that improving IT in your business doesn't always mean investing in new technology. Looking at what you do and changing business practices where necessary is equally if not more important.

So here are 7 points to bear in mind in getting the best from your investment in IT.

1. Periodically review your business processes and the role played by IT. This need not be a lengthy or expensive exercise; but should be done systematically. Get a trusted external view if possible because no matter how capable the business owner or manager is they cannot be objective and bad practices that have crept in over the years will be hidden and continue to impair progress. Try and look ahead as far as you can, but note that apart from the basics, any IT routemap or forecast will only be good for the next 18 months as technology changes continue to drive industry. Your business model itself may need to change as a result, and knowing what to change - your business or your IT infrastructure could be a critical call. Rather than just ask how IT can benefit your existing operations, see if new or emerging technologies can open up new possibilities and help you compete more effectively in the market. Keep the focus on the business objectives and ensure that processes and technology are working to the same end. Very often the introduction of the computer has meant that inefficient manual processes have just been automated.
2. Protect what you have. The security of your business information must always be a very high priority. But you must assess the real risks facing your business: the kinds of information that needs to be protected, the likelihood of particular events happening and their impact on the business. Protecting everything is a costly exercise and not to be recommended. Having carried out a risk analysis to identify the most serious threats to your business IT (physical, electronic, people, etc.) you can then make sure your resources are used wisely. Again, this must be done on a regular basis as the nature of the threats will change.
3. Have an IT management plan. Whether you have three computers or thirty or three hundred, they need to be managed. That means and having a systematic approach to knowing what you have and making sure it is maintained. Remember that having and using IT is in itself no longer sufficient to give you competitive edge. Most likely your competitors will have the same or better - especially those in newly industrialised countries as they

started with a clean sheet while you may be nursing legacy systems. The difference now is how well you manage and use the systems. A well managed system or network will have fewer problems (with less expensive downtime and call outs), will perform better and can easily be improved or corrected when failure occurs. Many businesses are wary of introducing a change in case it produces unwanted side-effects; or indeed make a change and find that there are costly ramifications that could have been avoided if they had managed their IT better. To avoid this you must have upto date information on what's on your network and systems and how they fit together. Don't rely on your external suppliers to do this for you.

4. Take a staged approach to any planned improvement.
Don't make large-scale changes if it can be avoided. Small, sustained improvements generally work out better. If you haven't done so already, first document what you have - both the systems and the processes that use them. The level of detail need not be great but it is very important to have a good understanding of what your systems and processes are before you can move forward. This is where having an external viewpoint can help. Documenting everything also helps avoid the situation where there is over-reliance on key persons - either within your organisation or outside - and when they leave or are off sick, your business becomes very vulnerable.
5. Focus on people and process as well as Technology.
Unfortunately rapid changes and industry's obsession with developing new technical solutions to solve every problem, whether real or imagined, has led to a situation where the "I" in IT has been playing poor second to the "T". In some cases a non-IT solution will work just as well if not better. But you have to see what your competition and your supply chain, not to mention customers, are doing. Can you afford not to automate or change something, even if it means investing in new equipment and training.
6. Empower and train your people.
This is where the smart business can really make a difference. While most would agree that people are the most valuable asset to a business, it is not often backed up by training and development. Training may be expensive; but not as costly as the time lost by users not knowing enough about a system to help solve everyday problems. A £100 spent on training may be worth £1000 spent on new technology. Training need not be, formal and off-site although that may be necessary sometimes. Online, computer-based or informal work-based training, where a "super-user" helps others in the office, can be very cost effective. The overall aim must be empowerment; i.e. everyone in the organisation should be more than just comfortable using IT - they must feel confident to suggest improvements and knowledgeable enough to know when to get help.
7. Integrate your processes.
Any business that invests in technology over a period of years is likely to find itself with a number of different systems and pieces of software, many of which are incompatible. For example, the order processing system may not talk to the accounts software, or the forecasting software may not link to the purchasing system.
So every time you connect two systems together, you improve the flow of information in your business. It can reduce (expensive and error prone) human intervention by cutting data entry, paperwork processing and requests for information. In a fully integrated business, an order received electronically can automatically raise an invoice and trigger dispatch and stock reordering without the need for any human involvement. - but remember that you still need to train and empower your people to deal with the exceptions that will undoubtedly arise

Integrated systems give greater accuracy and reduce waste because they allow your business to operate with real figures rather than estimates. With integrated systems you can have:

- ÿ production linked to orders (with just-in-time working you produce only what you need, when you need it);
- ÿ stock replenishment linked to your inventory. (to trigger automatic reordering and reduce unnecessary stock holding);
- ÿ sales and accounts linked to forecasting. (so you can plan with confidence).

If you would like any help in acting on any of the above suggestions or just want to find out more, please contact us at ask@technites.co.uk or call 0845 838 6256.

Acknowledgement: Item 7 is adapted from DTI Best Practice Guide on Integrating Your Systems, 2005.