

Free Tech Report
Executive IT Info Series

*"Virtual CTO" Tim Gillen reports on
current business technology issues*

Technology Increases Small Business Productivity and Profitability

During times of economic struggle, most small businesses end up making cuts and changes to keep their businesses in the green. From laying off staff to decreasing business travel, reducing marketing efforts and ending bonuses and raises temporarily - there are a variety of ways small businesses look to cut their expenses. At the same time, they look for ways to increase profitability - especially when operating with reduced staff. Technology becomes even more useful as small businesses strive to increase productivity and efficiency.

There are so many gadgets and technology solutions out there that it can be easy to buy more than you need, or to buy the wrong types of products that just don't deliver the solutions your business needs. When deciding what types of technologies can help your business reach its goals, here are a few things to look for:

Communications - technology is well known for its capability to improve the ability for people to communicate with one another. Whether you've got employees on the road or down the hall, virtual phone systems can route calls to cell phones and keep everyone in touch regardless of location. Instant messaging and email provide quick ways to communicate with the written word and keep documentation of these conversations for future reference. Social media and networking sites provide a way to keep in touch with co-workers, customers, and the competition at a glance.

Data Storage, Warehousing and Search - If you find employees are spending a lot of time looking for certain reports, forms or other data that they need to perform their job responsibilities, investing in network hardware and software to keep track of the whereabouts of your data can be useful.

Telecommuting - many small businesses also find that there isn't a need for all employees to work in the same office building in order to get their work done. Having employees who telecommute requires the technology to make that happen (a secure network for employees to access data they require to do their job; improved communication systems to receive incoming phone calls at their homes or on their cell phones and the ability to keep in touch with co-workers in different locations). Having employees telecommute can save you from needing a larger office space, which keeps your overhead costs lower, too.

Customer Relationship Management - having some sort of CRM software to help you manage your database of clients and prospects is well worth the investment. Many businesses will tell you the "money is in the list"; meaning the amount of money a company earns is directly proportional to the number of people on their mailing list. Some companies use software like ACT, Goldmine or Salesforce to track their clients and leads. Others have custom-built software developed to handle unique needs that can't be addressed with existing software.

Technology makes it possible for small business to increase productivity and compete with larger businesses on a smaller budget, thereby increasing profitability. Efficiency and organization is improved through the use of appropriate data storage, search and mining, customers are better managed through customer relationship management systems, and it is possible for money to be saved when employees telecommute from home. Before investing in any new technology, identify the unique needs of your business and determine which technology will best meet your needs.

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