

# Use Information Technology to Grow Your Business - Not Hinder It

## Knowledge Bytes

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### Introduction

Historically, computer technology was utilized to solve problems. From the early beginnings computers were used to perform complex mathematical calculations, to crack encryption codes in WWII, and then eventually improve efficiency in big businesses. As computer technology prices dropped small business were able to utilize computer technology to streamline business operations, improve communication, and improve customer service.

However, over time we have noticed a trend. Many businesses are beginning to look at Information Technology as a financial burden as opposed to a tool used to improve business. Just having the mere persona of being a financial burden makes the accounting department skittish of signing any purchase orders and increases skepticism amongst key business decision makers. Eventually even the Directors of Information Technology get trigger shy on projects and worry that their jobs will be on the line if they ask for outside help or additional capital improvements. Before too long the business falls into the "if it isn't broken don't fix it" cycle. This cycle, as we will see in the following real world scenarios, has a negative impact on overall business growth.

### Scenario Overview

To showcase the difference between a business using Information Technology to grow the business and a business that looks at Information Technology as a hindrance I'll use two hypothetical utility companies based on real companies I come across on a regular basis as a technology partner ([Miocon Networks](#)). The first utility, Just Enough Power Company, looks at Information Technology as a burden and as such limits Information Technology funding, doesn't bring in external advise or knowledge, and believes if it isn't broken why fix it. The second utility, Power When You Need It, looks at Information Technology as a way to improve operational efficiency, improve customer satisfaction, open up new revenue streams, and ensure the integrity of their systems.

### Information Technology as a Burden

Just Enough Power Company has a reliable power system and provides excellent reliability to their customers. Internal Information Technology systems run smooth and people get their jobs done. Emails come in and out, phone calls go in and out, and they haven't had a known security breach outside of spyware, adware, and some occasional outbreaks of viruses and worms. The company firewalls do their job of only allowing acceptable traffic in and out. The board members and Director of Information Technology are all happy. Since nothing is broken nothing needs to be fixed.

The Just Enough Power Company's projection for growth over the next five years show normal increases in subscribers due to population growth and some additional growth created by an aggressive marketing campaign. Customer retention rates are projected to remain steady. However, operational costs continue to rise faster than subscriber growth so the board members continue to find ways to cut costs and increase profits. As I see time and time again the board members look at Information Technology as a financial burden and decide they should cut Information Technology spending to reduce operational costs. This includes cutting capital improvement projects and cutting the use of technology partners for outside advice and

knowledge. The end result is that Information Technology is looked at as a burden, spending is cut, and ties to outside advice and ways to improve business operations are severed. The tragedy is that Just Enough Power Company continues to lose ground and loses the edge over their competitor, Power When You Need It.

### **Information Technology as a Pathway to Growth**

Power When You Need It also has a reliable power system and provides excellent reliability to their customers. Internal Information Technology systems run smooth and people get their jobs done. Emails come in and out, phone calls go in and out, and they haven't had a known security breach. The company firewalls do their job of only allowing acceptable traffic in and out. The board members and Director of Information Technology are all happy especially with the new revenue streams and reduced project closing time.

Power When You Need It's projection for growth over the next five years show normal increases in subscribers due to population growth. Customer retention rates, due to improvements in customer service, are expected to rise. Operational costs are dropping slightly due to improvements in Information Technology investments while profit margins are increasing. In addition to this Power When You Need It is now enjoying new revenue streams from their new fiber to the home and fiber to the business objectives. By utilizing Information Technology and a utility company's ability to run fiber throughout the area they now go beyond being the traditional utility company to a fiber media provider for local Internet Service Providers. The end result is that by using Information Technology, Power When You Need It has developed new revenue streams and has increased operational efficiency.

### **What is the Difference and Where are the Mistakes Being Made?**

I've obviously pointed out that one utility is growing while the other is sitting still but where exactly is the difference and where are the mistakes being made? The difference lies in the way Information Technology is viewed and the way in which Information Technology activities are handled. Here are three common mistakes.

The first mistake is to ignore ways in which Information Technology can be utilized to improve business operations, improve efficiency, etc. It's critical that the business decision makers look at ways to improve operational efficiency, for example, rather than ways to just cut the costs. Terminating an expense is far easier than finding ways to improve operational efficiency but in the end it's like cutting off one of your hands. Before going on a spending freeze have a brainstorming session to determine if Information Technology might be an answer to your problem. If you need help, ask your technology partner for assistance with reviewing ways in which technologies can improve your business.

The second mistake is having the mindset that Information Technology is a burden. This mindset spreads quickly throughout an organization and once it hits the Information Technology department it tends to scare the staff into believing they have to do everything themselves. And let's face it, it's rare that businesses can afford somebody or amass a team who knows the intricacies of all the components that make up an Information Technology infrastructure. This mindset also suppresses thoughts and ideas that employees may have to improve the business. I've come across many businesses where an employee has stated "I have this great idea about improving this business function. But *they* don't want to spend any money on Information Technology so forget it - maybe next year". This simple idea could save thousands of dollars on a monthly basis but due to the negative mindset it's never brought to light. It's important to instill a positive mindset about Information Technology throughout the organization so that new ways of doing things can be discovered.

The third mistake is keeping Information Technology projects strictly "in house" to avoid additional expenses or because your Information Technology department wants to learn the technology.

Although the third mistake it's by far the most common and one of the most crucial. My general rule is that no business should ever hold up business growth and opportunities to keep projects strictly in house or to educate the Information Technology staff. Yes, it's important that your Information Technology staff get experience and learn about new technologies. But, no, it is not OK to let them study and learn about it over the course of many months while business growth is suspended. It's critical that businesses understand when to have a technology partner do the work. It's the proverbial "dollar waiting on the dime".

## **A Final Closer Look**

We will now take a final closer look at the two utility companies and how Power When You Need It uses Information Technology to its advantage while Just Enough Power doesn't.

### Increased Productivity

Let's look at how Power When You Need It took advantage of Information Technology to increase productivity. After an internal brainstorming session Power When You Need It determined they needed a way to increase productivity during business travel. They decided to contact their technology partner, Miocon Networks, to conduct a review of their network infrastructure components. It was discovered that their perimeter firewall was outdated and the new version of software had an improved feature set. After discovering these features could improve productivity they had Miocon Networks perform the upgrade. This upgrade along with some additional technology partner services allowed for several flexible ways to allow secure remote access VPN connections and to utilize two-factor authentication with their Microsoft Windows infrastructure. A simple upgrade increased end user productivity by giving them secure remote access to email, files, and internal systems while at home or traveling.

Just Enough Power made no decision whatsoever about their firewall because since it wasn't broken it didn't need to be fixed. The problem with this approach is that Information Technology components are rarely reviewed and, therefore, rarely upgraded to take advantage of new features.

### Improved Customer Service

During severe storms large scale power outages Power When You Need It gets flooded with phone calls. This flood of phone calls becomes impossible for their service department to handle. In order to solve this problem they worked with their technology partner and introduced the Cisco Call Manager Express Unified Communications System. This system allows any phone user to login to the service department queue to answer incoming service calls. Rather than have to leave calls on hold and frustrate customers other staff members can simply login and start taking calls. The customer service department is now more efficient using the same technology to reduce customer hold times and increase satisfaction resulting in better customer loyalty.

Just Enough Power decided to cut expenses and not work with their technology partner to brainstorm new ways to improve customer satisfaction. As a result customer satisfaction levels remain the same while Power When You Need It increases.

### Safe Operations

Earlier I mentioned that Just Enough Power had some occasional outbreaks of worms and viruses. Those occasional outbreaks absorbed two full weeks of manpower out of the year to repair and mitigate while leaving an uneasy feeling that some internal Information Technology assets may have been leaked. Power When You Need It kept their systems patched and protected so they lost only one day of manpower and this day was for administration to keep systems safe. By practicing proactive prevention and not cutting prevention programs business typically save in the long run and provide a safer level of security.

## New Revenue Streams

Building on their ability to provide fiber to homes and businesses, Power When You Need It now provides fiber media access for local Internet Service Providers. Utilizing fiber from the Power When You Need It network operation center all the way to a home or business allows end users to enjoy data rates at least 50 times higher than that of DSL or cable. The startup model was actually quite easy and with verification and testing assistance with their experienced technology partner the pilot phase was a quick success. Production deployments exceeded expectations and within 6 months they more than tripled growth estimates. This Information Technology investment not only brings in a recurring revenue streams but also establishes them as more than just a utility company.

Just Enough Power is still just another power company.

## **All the Small Things**

It's not only the big things that make a difference it's also the small things (like improving the firewall for increased productivity). It's they way you utilize your technology partner. Technology partners, like Miocon Networks, are there for a reason – to offer skill sets and talent that many businesses can't afford to keep on staff. Let's take Power When You Need It as an example. Their Director of Information Technology, Steve, has a very busy schedule and doesn't have time to get every project done in a reasonable amount of time. Sure, he could take four months to get around to upgrading the firewall but why wait four months when it would take Miocon Networks four hours to complete? By making a small services investment you have increased the productivity of end users considerably. This allows Steve to focus on the big picture while the small things continue to get done.

## **Know Your Limits**

The Director of Information Technology at Power When You Need It, Steve, has fiber projects to work on and a list forty miles long of tasks that have to be completed but he must get a small eight hour project done right away to allow third parties access to company information. Rather than keep those third parties on hold for an uncertain period of time and knowing his limits he calls Miocon Networks. Miocon Networks comes in, wraps up the project, and turns the keys over to Steve who, in turn, contacts the third parties and off they go.

Business growth projects continue. While Steve didn't get the chance to spend four weeks learning how the various components of firewalls, web servers, etc. work he does get to be the guy who says "I got that highly visible project done in record time". This looks good to his peers and, more importantly, business growth and opportunities continue.

The Director of Information Technology for Just Enough Power, Derek, approaches it differently. He doesn't want to bring in third parties because he thinks it will make him look bad and not to mention why would he want to get approval to bring in Miocon Networks when they are trying to keep costs down? Let's see how this plays out.

Derek spends several days trying to learn how to punch the necessary holes in the firewall. Inadvertently he opens up several other holes creating a potential security issue on the firewall. He then spends two weeks learning the ins and outs of making his web server communicate with a backend database and another week trying to get secure SSL certificates working. Derek then spends several days trying to figure out how to get global DNS working properly. Upon testing the setup, the web server can't get access to the database and on and on. A month goes by, then another. Eventually another project comes up and the access to third parties goes on hold. Meanwhile, business opportunities pass by Just Enough Power.

## **Conclusion**

In a competitive global economy businesses that “sit still” will eventually have their lights turned off. Before you abandon Information Technology solutions for the quick option of cutting expenses have a brainstorming session with your technology partner. More than likely there’s an Information Technology solution that can help. If Information Technology is a burden to your business then it’s not utilized correctly. Remember that good technology partners are here for a reason – to help you use Information Technology to your advantage.