

MICHAEL STAHL



IT penny-pinching can be expensive

Every day the network goes down, every week the server crashes, and employees have started to plan their coffee breaks around computer outages. This scenario is all too common at small and mid-sized businesses (SMB).

While larger companies can afford a team of experts to support their Information Technology (IT) needs, SMB's often find their IT group understaffed or underskilled. Similarly, SMB's don't have the hardware and software budgets found at larger corporations, necessitating squeezing every bit of life out of old equipment.

What small and large businesses do have in common is that computer outages cost at least \$150 per hour per employee. Even if a company has only 50 employees, a 10 minute outage every week costs \$65,000 annually in lost productivity, not to mention the impact on customers.

If this scenario sounds familiar, your IT investment may be misguided or your IT budget savings may result in expensive problems. To get the most from your IT dollar:

1. Hire the right staff: It's not unusual to find an IT group staffed or led by people who moved laterally into the position back when computers were becoming popular. Whether computers were their hobby or they just thought it was interesting, their best intentions may no longer be sufficient to support the company.

Just as the business has changed, so has IT. Invest in training to help your IT staff stay current, or upgrade staff who cannot meet the needs of the business.

2. Leverage the right contractors: Don't expect a small IT department to have all of the skills necessary to setup and maintain a complex computing environment. Even small computer retailers that support these departments can't be expected to offer expertise in all areas.

Like medicine, IT has grown in breadth and depth and specialists are available for a variety of tasks. If your business has digital assets which are confidential and worth protecting, engage a specialist to setup your computer security. If your network crashes regularly, start with a professional data cabling company to check your data cables, then a network specialist to check your data communication devices.

3. Keep hardware current: It's easy to delay or avoid capital expenditures on IT hardware. Like delaying oil changes for your car – you can pay now or you can pay later, but the longer you wait the more it will cost in the long run.

Workstation, server, and network performance all degrade with time. In addition to increasing user demands outstripping hardware capacity, the risk of hardware failure grows with age. Delaying IT hardware investment reduces user productivity while increasing the risk of a more significant interruption to your business.

4. Introduce the right software: The right amount and type of software can make a dramatic impact on a business. Too little software causes labour costs to be uncompetitive; too much software results in excessive maintenance costs and license fees.

More important is the type of software selected. A mid-sized manufacturer may find it difficult to be competitive without MRP software. Customers may even demand electronic supply chain integration which leaves technology illiterate companies shut out. On the other hand, investing in software designed for larger businesses may quickly overwhelm a SMB with massive data entry and maintenance efforts.

If you find your staff planning coffee breaks around computer outages, it's time to take action. Either alone or with the help of an unbiased consultant, build a plan to bring your IT infrastructure into line with the needs of your business. Doing nothing can be the most expensive decision you make this year.