
INTRODUCTION

Technology is changing rapidly, and with this change, new ways of doing business are constantly presenting themselves. Most small-to-medium size businesses don't have the personnel to evaluate their needs and lay out a plan for purchasing technology which will integrate with their business plan. If you're like many small businesses, you know you need to become more efficient, more productive and communicate better with your customers, but you're not sure how to go about using technology to do this. Often, companies in your situation choose to ask a key, though non-technical, individual to "research" a product, get several quotes, and then make a recommendation to the owner.

I remember doing exactly that in 1984 when our company moved to a new location and we needed to replace our dying copy machine. I learned a lot about maintenance contracts, cost per copy, and the history of several of the different manufacturers. I resisted the temptation to recommend buying from one vendor simply because I enjoyed speaking with their pretty sales woman. Instead, I recommended a brand of copy machine I felt had good copy quality at an acceptable price from a company I believed could provide good service.

New technologies are emerging which allow you to dramatically cut costs, greatly increase productivity and enhance profits.

Were I to make a similar purchase today, I would want to evaluate several other issues, such as:

- ✓ *The ability to connect the printer to a local area network (LAN), or even a wide area network (WAN).*
- ✓ *Storage capacity of scanned documents.*
- ✓ *Ability to retrieve scanned documents, and the potential to free up valuable storage space.*
- ✓ *Color printing capabilities.*
- ✓ *Trade-off between printing documents in-house for large quantities of brochures and other materials vs. going to a printer.*
- ✓ *Future applications.*
- ✓ *How to use the application to streamline existing operations.*
- ✓ *Training for key personnel to use all the features.*

But Too many small businesses "research" new technology by simply asking a sales person to give them a quote.

There may be some other important criteria for basing a decision on purchasing a modern copy machine. For the moment, however the above items

Adapted from the book, Buying Technology: Understanding What You Need and Why You Need It, by David Lantz

serve to help make an important point about purchasing technology: We are no longer simply purchasing plastic and steel connected by wires to do what we've always done. Instead, we are making purchases that affect how we conduct our day-to-day business. Most employees to whom we assign the task of researching and recommending a technology purchase have no idea how to effectively evaluate options important to the company – or even determine the best criteria upon which to base their evaluation.

And do you know what's just as bad? In many cases, the technology sales person is only slightly better prepared to evaluate how their product can be tailored to the specific needs of any business, let alone yours. At both ends of the process – the company making the purchase and the company selling the product – the decision criteria used to base a purchase defaults to price.

As a business person, you know that it is best to buy something based on the long-term cost of ownership. But, at least when it comes to new technology, (which many small business people know little about) figuring out what the long term cost might be is nearly impossible.

The sales person knows that. They know that in the vast majority of cases, the decision will likely come down to the up-front price of their product. That is why, in most situations, the sales person will attempt to cut corners in terms of how they configure their product so that their price is lower than their competitor's. The company employee charged with researching the various products will gather three or four quotes and then decide on the least expensive one because "they all can pretty much do the same thing."

When it comes to buying technology, most small businesses fall victim to one of the Three Technology Traps:

- 1. They buy on price.*
- 2. They delay any decisions for fear of making the wrong choice.*
- 3. They hire a consultant for the express purpose of having someone to blame when things go wrong.*

Does this sound familiar? If your company has managed to avoid these three traps, good for you. Sadly, many do not. They either purchase solely on price and miss the opportunity to use technology to make themselves more efficient; put off buying anything at all because of the seeming complexities of it all; or retain a consultant who will make their decision for them (and take the blame if things go wrong).

In many cases, the sales person is poorly prepared to evaluate how their product can be tailored to meet your business needs.

Don't fall into the trap of simply purchasing plastic and steel connected by wires to do what you've always done.

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There has to be a better way.

PLAN FOR THIS BOOK

In my ten years of sales, I have worked with companies with as few as two to as many as 3,000 employees to buy technology. In virtually every case, at least one of the people involved in the purchase decision process needed help in one or all of the three following areas: (1.) Developing a good understanding of their internal business operations culture; (2.) Understanding how a specific technology could either make them more efficient, reduce costs, or improve relationships with their customers; and (3.) Learning more about the technology in general.

Because of this experience, I have divided the book into three parts. In Part I: Understanding Your Business, I devote five chapters to the following questions:

1. What business am I in?
2. How do I define success?
3. What are the areas of my business I'd like to improve?
4. Do I have a clear objective I want to accomplish before meeting with the vendor?
5. Do I have a process for helping me uncover the applications and products required to meet the business objectives I established in questions 1 - 3?

For more information on **Buying Technology: Understanding What You Need and Why You Need It**, visit www.buyingtechnology.com. Or, e-mail David Lantz at dlantz@buyingtechnology.com.

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In Part II: Understanding the Value of Technology to Your Business, I identify five trends impacting American business. Each of these trends addresses the demands being placed on business by their customers, their suppliers or their employees. Building on some of the concepts developed in Part I, I provide a series of case studies designed to illustrate technologies that have emerged in response to the changing business climate. These five trends, and the technologies which are reviewed, are:

1. Customers Want What They Want When They Want It: Technologies profiled are Fax-On-Demand and Intranet.
2. Wanted: Suppliers Whose Computers Will Talk To My Computers: Technology profiled is E-Procurement financial software.
3. The LAN, the WAN and the ASP Making Multi-Location Enterprises Transparent. Technology profiled is web-based application service software.
4. Customers Want To Talk With You Wherever You Are: Technology profiled Computer Telephony Integration (CTI).
5. Employees Want to Take Ownership of Their Productivity Through Enhanced Mobility. Technology profiled is wireless computing.

Part III is titled Making the Decision to Buy Technology. It's designed to help you assess your technology needs. Chapter 11 is a glossary of terms to serve as a resource for understanding the jargon used in this book. I have made every effort to describe and illustrate the terms I use throughout the book. Even so, I have found that having a glossary of terms with examples of the items described is an invaluable tool. So, if you don't eat, sleep and breathe technology, you'll find this section handy.

Also included is a chapter with some sample forms for analyzing your business and technology needs. Be it putting together a business plan, developing an organization chart, or analyzing costs and benefits of different technology purchases, these will be handy resources with which you'll want to become familiar.