# 15 REASONS WHY YOU SHOULD UPGRADE YOUR TECHNOLOGY

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# INTRODUCTION

Many SMB business owners struggle with the cost of keeping up with technology. Often, they look at the cost of keeping up and shake their heads. This guide is to designed to help you approach technology decisions in a pragmatic way, based on an understanding of why and how it can make a positive impact to your business.

Technology is a wide-ranging term used to describe not just the computers you have, but also the software, printers and other devices that you use to support your business. This can also extend to include online services and websites, such as Facebook and YouTube and other application specific websites.

Technology, when used to support business needs, should be considered as an asset to be invested in, not a cost to be borne. When implemented properly, good technology investments result in a measurable return on investment (ROI). That ROI might well be achieved through lower running costs, better productivity, better customer service or simply increased sales due to increased capacity.

But before we get into the detail, we need to address one very important question.

## WHEN WILL IT STOP?

Many people are asking this, when will it stop, when can I stop upgrading my systems? The honest answer is never. Technology is moving at a fast pace and with it, the world around us. Changes to government compliance and reporting, customers needing new features from existing products, the desire to make things run faster are all key reasons why it will never stop. These things mean that you will always need upgrades - upgrades to software, hardware and the services supporting it all. The key here is how you choose to address it and handle it.

# 15 REASONS WHY TECHNOLOGY UPGRADES SHOULD BE PART OF YOUR STRATEGY

There are many reasons why you need to continue investing in your technology – and consider regular upgrades and essential part of your strategic toolkit. Here we focus on just fifteen. Each of these points will impact individual business in a different manner, and each can play a role in helping you be more efficient and to focus on what is important.

## 1. SPEED UP YOUR WORKLOADS

In this fast-paced world, everyone wants things faster. With technology, it's no different. We have faster CPUs, more processors, faster hard drives, the list goes on. These resources make processing of any given workload also run faster. This translates directly into better productivity for the users, the ability to service more clients. Put simply, older systems simply do not run things as fast as newer systems can do. You might upgrade the software to later versions, but they will typically require more resources (i.e. RAM and CPU) and therefore run slower on older computers, if at all.

## 2. COMMUNICATE SMARTER

Newer technology helps companies to have greater flexibility when communicating with clients - and higher business potential when doing so. From simple things such as being able to email clients from mobile phones (which was not possible not all that long ago), through to technology that permits integration between business systems and social media.

## 3. INTRODUCE EFFICIENCIES THROUGH MOBILE WORKING

Simply put, newer technology permits you to do things that you could not previously do. The ability to do stock lookups from your accounting system using a mobile device means a sales rep on the road can quickly take orders, knowing that he can deliver within a specific timeframe. This is just one of many examples of the convenience truly mobile work systems can deliver.

## 4. FOCUS ON SECURITY

Many people feel that Windows XP may do just fine for their needs, but if it gets hacked... then what is the risk for you and your information? Older systems such as Windows XP are not being actively checked for security vulnerabilities, therefore your information and your customers' information is at risk of being compromised, stolen or even corrupted. Other ageing systems face the same vulnerabilities, the Windows example is just one of many.

## 5. EVOLVE AND GROW WITH NEW FEATURES

Software vendors are taking advantage of features in new operating systems to provide enhancements that are simply not possible in older operating systems. Many older computers now cannot be upgraded to work with the newer operating system – limiting the functionality available to you.

## 6. ACCESS VENDOR SUPPORT

Does your vendor still support your old technology? Software vendors are typically only testing their applications on the current version and just-prior version of a given operating system. They simply won't be investing the time in testing on systems that are say 10 years old and, as a result, can't support them if there are issues. In addition, hardware vendors such as HP and Fujitsu do not provide drivers to allow their newer computers to work with older operating systems, resulting in reliability problems with those machines.

## 7. BE WELL SUPPORTED WHEN THINGS GO WRONG

Similar to vendor support, if the technology gets too old, we as IT professionals can't support it. The knowledge we have may be limited and the tips and tricks that used to work with old systems are different to those needed in newer environments. In short – we simply don't know it all, but most IT guys won't tell you that. It can take us time to find answers, which is often linked to higher support costs.

## 8. BENEFIT FROM A CURRENT WARRANTY

While a system is under warranty, if something fails you can quickly get it replaced and up and running again. When it falls out of warranty, you're at the mercy of the vendor and whatever they may have laying around. We've seen systems that are 5+ years old that don't have any warranty or maintenance on them fail and immediately put the business into a disaster recovery situation – having to source a new server and then restore from backups. If the system had maintenance on it, parts would be readily available and fixed within a much shorter timeframe. The business risks often go unnoticed as many people don't monitor warranty expirations.

## 9. KEEP COSTS IN CHECK

Older systems may "work fine" for a business, but when you look at the cost associated with them it adds up. The support costs andthe extended maintenance costs are all facets that need to be considered. Simply put, older systems tend to have more issues and things that can go wrong with them. Desktops and Servers that have had a variety of programs installed and removed over time introduce variables that make it very difficult to troubleshoot and support, - and this translates to costing you more than you may realise. The cost impact of unstable systems and software can quickly outweigh the investment to replace it.

## 10. ENSURE ONGOING COMPATIBILITY

Think back to the days of VCRs, when all you needed to do was play a movie. Try today to find a VCR for sale to play the same movie, and you'll be met with blank stares. Things are just not compatible with each other. The same can happen with business technology. The next major update coming for Windows 10 later in 2017, will have certain features removed, and that means it just won't work with a Windows 2003 server that many businesses are still running. There will be nothing you can do about it aside from replacing your Windows 2003 server with a new, more up to date one.

## 11. REDUCE POWER USAGE

Electricity pricing in Australia is reaching record highs, and businesses are not exempt from these costs. Newer computers and servers typically use less power and this can quickly translate to real savings for the business owner.

## 12. HELP MAINTAIN STAFF MORALE

We've seen it multiple times: staff becoming frustrated with older/outdated systems and, in extreme cases, even leaving their job due to their frustrations. When this happens with staff that are long time users, you lose the acquired knowledge of those people forever - knowledge that you may not even realise is key to the running of your business.

## 13. ENGAGE YOUR CLIENTS

Companies running outdated systems can be perceived as being "behind the times" by clients. The negative effect this has on your reputation can be silent, and unnoticed until it is too late. Demonstrate the client benefits of new systems to your customers, where applicable. Ongoing technology investments can also help illustrate that your business is in it for the long term.

## 14. KEEP UP WITH BUSINESS GROWTH

Your systems might be designed to support a certain number of people and, over time, you add one more, then one more... and so on. Before long, the system designed to support 5 people is supporting 25 people and has slowed to a crawl. The same limitation can also apply to the number of orders you process, the volume of stock you have on hand, etc. Having systems sized correctly for your business operations has a direct link to the productivity and performance of the technology solution.

## 15. STREAMLINE YOUR TRAINING

Having older systems and technology can be a frustration for new/younger staff who simply don't know how to use them. Training up younger staff on how to use older text based systems (as an example) when they are used to the point and click of today's world can be fraught with issues - not only in the time it takes, but also due to the potential for errors during the entire process. Compare Windows XP to Windows 10 as an example of how much things have changed in the last 10 years alone and you get an idea of the challenges faced by some of your younger team members.

# GETTING STARTED.
# HOW TO APPROACH
# A TECHNOLOGY
# UPGRADE

If you've made the decision to review and upgrade your technology environment, you may be unsure of the best way to approach it. We've created a list with some key considerations:

## UNDERSTAND WHAT YOU HAVE NOW

We often see businesses that do not have a clear understanding of the technology or assets that they already have. Before looking to purchase new technology - be it a computer or software -understand what you have now and what it can do for you now. We've seen instances where clients believed that they needed to purchase additional software, when in fact their existing systems could already perform the desired functions. Likewise, understanding the technology you have now permits you to plan out how the existing devices can be used with future upgrades. Does it need to be replaced, or can it be upgraded?

## WHEN SHOULD I UPGRADE?

Firstly, determine if you have any compliance obligations that have deadlines fixed to them - such as the ATO's One Touch Payroll requirement, GST compliance or Health Regulation obligations. Remaining complaint is a key priority.. If you don't have compliance deadlines, then look at things such as warranty or support contract expiration dates as another factor in the decision.

## HOW SHOULD I UPGRADE?

Is it best to do take a big-bang approach or to upgrade over time? The answer is, it depends. If all you need to do is to replace a few PCs, then this might be able to be done bit by bit, which eases the burden on cashflow. If, however, you need to upgrade major systems such as a server or your line of business / accounting system then you need to consider the big bang approach - and plan the cutover to occur at a given date and time. Either way, adequate planning is the key to success – ensure you consider all the interdependencies of the upgrade ahead of time.

Look for tax breaks that may be applicable to your particular business. Here in Australia, the government has provisions designed to help the small business owner that may permit you to write off the cost of technology updates within the current year. Check with your accountant to be sure if they apply to you.

Also, take a look at options for leasing or renting equipment - this will assist with cashflow which is often tight in the small business environment.

## I'LL WAIT TILL IT'S CHEAPER…

Don't wait for it to become cheaper, because something better is always coming. Instead, determine a budget for what you need and buy the best for that budget at the time you need it. Think into the future, if you think you need 32GB RAM, buy it now, as it's not likely to get all that much cheaper - and there may come a point at which it becomes more expensive, as it's not made anymore.

## WHAT IF I DON'T HAVE THE MONEY RIGHT NOW?

Consider a partial upgrade. Sometimes all that is needed is more hard drive space, or memory upgrade to a central server – this can be a cost effective way to give systems a little more life and get you through to a point where you can afford a major upgrade.

Ongoing repairs don't always make sense. While it may be tempting to just go on repairing that printer that needs cleaning each week, when you add up the costs, you may find you are spending far more in labour costs than what the replacement cost might be. That's not to mention the fact that the newer printer will be faster, which further adds to productivity.

## BUYING 2ND HAND EQUIPMENT FROM EBAY

Many will see this as a way to reduce your costs. In reality, you may well be inheriting someone else's problems. Items such as lifetime warranty often do not transfer over from the initial purchaser, and are therefore worthless. We've seen examples of clients purchasing computers that test out fine for 5 minutes, but then after 30 minutes begin to lockup - ultimately costing a chunk of money to investigate and resolve, effectively nullifying any savings made.

## TRAINING

Don't forget that with new technology, you need to ensure your team is properly trained on how to use it. Many new solutions are very intuitive by nature, but any customised applications may need a more structured training program to ensure you are getting the most out of your investment.

## DON'T NEGLECT YOUR CABLING

We are used to all things Wi-Fi, but the fact remains, good cabling will outperform Wi-Fi every single day. Cabled systems help to increase your security as, in order to access the network, you need physical access to the cable. Wi-Fi however is not limited to the bounds of your building, giving the potential for people to "snoop" or even access your network from outside of the building.

## DON'T DO IT YOURSELF

With the power of the Internet at our fingertips, we are all tempted to find our own answers to questions that require specialist knowledge. This is false economy. Google does NOT know about YOUR specific business requirements, and an answer that worked fine for a guy in Florida, might not work well at all for you and your business. Invest in a trusted advisor to help you implement the technology to fit it YOUR business.

## MAKE TECHNOLOGY PART OF YOUR BUSINESS PLAN

Create a plan that captures the key technology items within your business and how they link together. Then assign costs to this plan and make it part of your overall business plan. Review it often and ensure that the technology is keeping up with your business needs.

## FIND A GOOD TECHNOLOGY PARTNER

A good Technology Partner adds value to your business in the same way that a good accountant saves you money and improves the bottom line. Look for a one who focuses on the business impact of technology, not one who wants to push you the latest gadget. If they don't understand the business impact of the technology decision you are making, then they are not the right partner for your business.

# BRINGING IT ALL TOGETHER

Technology can be a small business's biggest asset and allow it to compete with bigger players very cost effectively - IF it's used correctly. You need to consider how your business can take advantage of technology to help increase its bottom line, be it in terms of profit or other metrics.

A key success factor in any technology project is finding a solid business partner that focuses on the business benefits of the solutions they implement, not the technology itself. A partner that can translate the bits and bytes into dollars and cents for YOUR business.

Correct Solutions has over 20 years' experience in understanding not just the technology, but also the business operations of many varied industries. Get in touch – we can take the confusion out of the process and help you make a decision that makes sense for your business.

**Call us on 1300 267 765 or email info@correct.com.au**