Smart IT Systems for Smart Businesses

As entrepreneurs, we need to find IT systems both to support our daily operation of the business and to make us more effective than our competitors. So, which IT systems are worth investing in?

One of your biggest challenges as an entrepreneur is the lack of time to get everything done. When you start thinking about software, your first impulse can easily be that you just do not have time to get into that sort of thing.

However, the reason why you absolutely must take an interest in software is that it can be the smartest way to increase your productivity. Software can give you more time by performing tasks faster and software can often help you offer new services and opportunities to your customers. These are opportunities that would not be there without the use of some of the latest IT solutions, which are the result of the explosive technological development surrounding the Internet.

The challenge however, is that there is an absolute myriad of different software, so how do you find the exact IT systems that match the current challenges in your business?

Emotional barriers

If many startups are generally under-equipped with software and limp along behind technological development, it is not really due to financial barriers. A whole lot of software is actually free, when you only use it to a limited extent at the start or very cheap to get started with, because you pay for it on a subscription basis.

The barrier is actually much more emotional in character, in that you do not think that you are any good at 'all that stuff with computers'. You may be a little or very scared of computers and this is a shame, as, in reality, it is easier to use most software than it is to use a video machine, even without reading the user guidelines and without using the 'Help', where, – as the last resort!
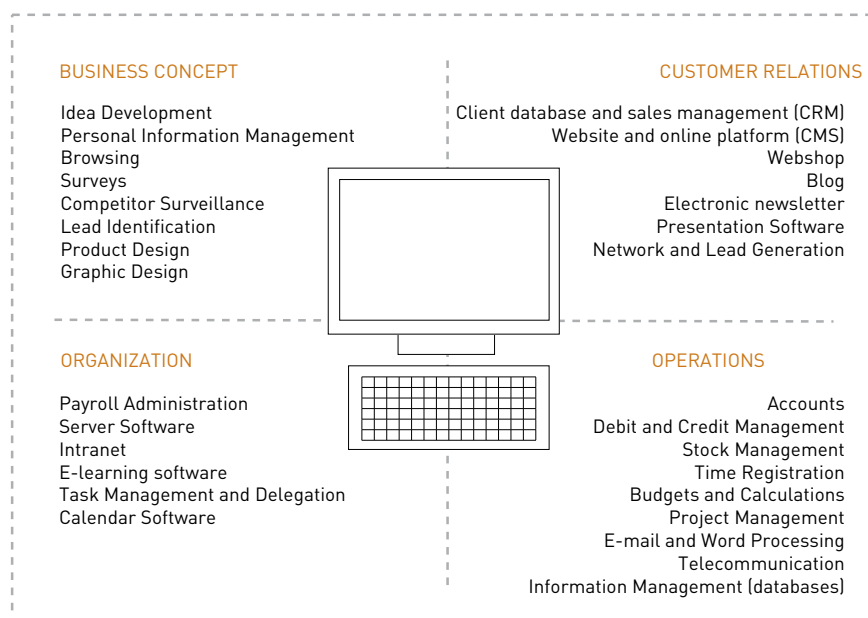- you can find an explanation for most things in all programs
Understanding IT at user level is mostly a matter of mind set and, as an entrepreneur, you also need a knowledge of IT, just as you must know about everything else about sales, production and financial and personnel management. On the other hand, it is easy to get knowledge of IT if you have the right entrepreneurial mind set: "I must find out about that". So, let us start with an overview.

A lot of software

There is far more, useable software than you would normally imagine, besides the office package that comes with the computer you buy, with word processing, spreadsheets, e-mail, presentation program etc.

In order to be in the technological forefront, some startups develop their own, adapted software, e.g. with the help of a software supplier. This can be databases for registering, sorting and processing information or e.g. advanced web-sites that offer special services and functionalities to the customers.

The Software Platform: Evaluating software to improve operations

BUSINESS CONCEPT

Idea Development
Personal Information Management
Browsing
Surveys
Competitor Surveillance
Lead Identification
Product Design
Graphic Design

CUSTOMER RELATIONS

Client database and sales management (CRM)
Website and online platform (CMS)
Webshop
Blog
Electronic newsletter
Presentation Software
Network and Lead Generation

ORGANIZATION

Payroll Administration
Server Software
Intranet
E-learning software
Task Management and Delegation
Calendar Software

OPERATIONS

Accounts
Debit and Credit Management
Stock Management
Time Registration
Budgets and Calculations
Project Management
E-mail and Word Processing
Telecommunication
Information Management (databases)

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For those who do not need specially developed software, there is also a lot of standard software that is worth having a closer look at – not least the wide range of web-based software (also called application services) that have come onto the market in the last few years and which are an alternative to installing a program on your hard disk.

The advantage of web-based software is that you can start testing it immediately. There is no installation, you just have to register your user name and password and you are off. As a bonus you even have back-up and access to data from several computers as part of the solution, whether it is an accounting program or project management tools that you choose to use via a browser.

There is software that can be brought to support almost all imaginable processes in your business. You can see an overview of these in the figure "The full software package" on this page, which shows examples of IT systems divided according to how they can be used within the four Focus Areas of GrowthWheel: Business concept, Customer relations, Organization and Business operations. Let us look more closely at how some of these software types can contribute towards bringing your business a step forward.

Software that gives more customers

If software is to be of use to us, one of its first tasks must be to help us get more customers. How can IT systems help with that? There are several ways.

- One of the first and most obvious to many entrepreneurs is to get hold of software that updates the content of the business web-site, where customers will often get their initial, first hand impression of the business, regardless of

whether customers find your business by searching on the Internet or just by checking out the web-site after hearing about the business some other way.

Such systems are called *Content Management Systems (CMS)* and can be found in both free and commercial varieties. These systems can help us to update everything from customer references to product information and news and you do not have to know anything about programming. In CMS systems you can also find special functionalities for establishing a web-shop or a web-blog (blog), if this is relevant to your customers.

If you also want to send news directly to your customers by e-mail, you can save a lot of time and administration by using an online service to send out electronic newsletters. Here you usually pay a smaller fee per mail sent out and one of many advantages with these systems is that the users can register and opt out of the newsletter service themselves, so you do not send mail to customers who no longer want to receive the news.

When you regularly get people registering for your newsletter, you are well on the way to building up a customer index. In order to have a good, useable customer index however, you need to be able to register more information than just the customer's contact information. You can also find a large number of software solutions for this purpose and they are known under the common term *Customer Relationship Management (CRM). Initially, it sounds a bit advanced, but the term just covers advanced customer indexes with some really smart functionalities.* The most basic of these is being able to make contact reports of the dialog with customers. A good CRM system is also

Software that strengthens customer relations	
TASK	**EXAMPLES OF SOFTWARE PRODUCTS**
CUSTOMER INDEX AND SALES MANAGEMENT (CUSTOMER RELATIONSHIP MANAGEMENT - CRM)	• Highrisehq.com • Mamut CRM & Sales • Salesforce.com • Daylite (marketcircle.com)
WEB-SITE AND ONLINE PLATFORM (CONTENT MANAGEMENT SYSTEM - CMS)	• Joomla (open source) • Wordpress.com (open source) • Google Sites • RapidWeaver (Mac)
WEB SHOP (ORDER RECEIPT, INVOICING AND PAYMENT RECEIPT)	• Scannet WebShop • osCommerce.com (open source) • Shopify.com
BLOGGING	• Blogger.com (online) • Wordpress.com (online) • Typepad (online)
ELECTRONIC NEWSLETTER	• Mailchimp.com • Campaignmonitor.com • Aweber.com • Feedblitz.com
PRESENTATION SOFTWARE	• Apple Keynote • Microsoft Powerpoint • SlideShare.com • Sliderocket.com
NETWORK AND LEAD-GENERATION	• LinkedIn.com • Plaxo.com • Facebook.com • Xing.com

integrated with your e-mail, so that all employees that have contact with a customer can easily keep up with e-mail correspondence as well as notes from telephone calls. Another functionality in CRM systems is to create an overview of the number of outstanding sales contracts and offers given, so that you can keep an eye on the development in your sales pipeline. This is a very useful tool, especially on the day that you no longer have sole responsibility for sales.

In the table above you can see many more examples of software that can strengthen sales.

> "Running in new software can also be a time consuming process that ends up creating much worse productivity that you had before."

Software that helps operations

One type of IT system that all startups need as part of their daily operations is a bookkeeping or financial management system. If you do not have this today, it may be because you have your bookkeeper to do all the bookkeeping, but there are usually big advantages in setting up a system yourself that will not cost more than a couple of hundred XXX per month.

A quick benefit is that you can start writing invoices from the system instead of busing a word processing program; something far too many entrepreneurs do for too long. This does not only save the bookkeeper time, but also enables you automatically to print out account statements or reminders to overdue debtors.

Some financial management systems also contain a module for time registration, which is indispensable if you make a living by selling your hours. However, as one of the most important things needed to get this rather complicated time registration to function is a good user surface, many entrepreneurs choose to use one of the many separate online systems for this task. Although it may seem expensive to pay a couple of hundred for this each month, it will quickly pay for itself, if this IT system means that you just invoice some extra hours in a whole year.

It is one thing to register your time spent in arrears; it is something else to plan how to manage a future oriented project. For this task, it is also possible to look more closely at different project management systems that can help with traditional project management tasks, such as breaking the task down into sub-elements, fixing the order of different phases, defining time resources, mileposts and deadlines. Some of the best project management systems even provide the opportunity to give the customers access to separate pages that, in this way, become a sort of extranet; a term

Software that helps with the operation of the business	
TASK	**EXAMPLES OF SOFTWARE PRODUCTS**
BOOKKEEPING. ACCOUNTS, DEBTOR AND CREDITOR MANAGEMENT, STOCK MANAGEMENT	• Sage Peachtree • Quickbooks • E-conomic • Outright
TIME REGISTRATION	• Harvest • Basecamphq • E-conomic
BUDGETS AND CALCULATIONS	• Microsoft Excel • Apple Numbers • Google Docs • Calc (OpenOffice.org)
PROJECT MANAGEMENT	• Microsoft Projects • Basecamp • Attask.com • Projectpartner.com
E-MAIL AND WORD PROCESSING	• Google Hosted Email • Microsoft Outlook and Word • Apple E-mail and Pages • Eudora
TELE-COMMUNICATION	• Skype • Microsoft Messenger • Apple iChat • Campfirenow.com
INFORMATION PROCESSING (DATABASES)	• Filemaker Pro • Microsoft Access • Capio.com • Brilliantdatabase.com

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used for closed web-sites, to which external collaborators have access with a password. Good project planning is, of course, not just a question of IT systems and a good project plan, written in a word processing program can be at least just as good. However, it can sometimes boost job satisfaction to have well-functioning systems on the sidelines, even though you, as entrepreneur, execute all your projects on your own.

You can see even more examples of software that supports business operations in the table above.

Software that holds the organization together

Some types of software will not be of use to you until you have employees. This applies to many products in the third group of software, which is software that has to do with employees and co-operation in the business. How can software help with that?

Some of the first software you will need is a simple salary system. If you have the time, you can certainly get to know the system and look after salary administration yourself, but many entrepreneurs choose to let their bookkeeper set up the system and handle the monthly salary payments.

The next software you will need is probably a file server, so that several employees can get access to common programs and files at the same time. You may need one server that can execute programs on a network established in the office, but the latest thing in this area is the so-called 'cloud server', where data is stored in a supplier's server on the Internet ('the cloud') and is automatically copied to all laptop computers, as soon as they come online.

Another, really smart technology for startups, where sharing knowledge is an important part of the business, is an intranet, which is actually just an advanced web-site, to which only employees have access to read and write. A type of software that can be used for this is the so-called 'wikis', which are named after wikipedia.com, - the global, online encyclopedia, to which we can all contribute. With your own business wiki – which can also be found in free versions – it is possible for all employees to share and write in documents in the form of web pages. It can be practical to use for everything from checklists, procedure descriptions, letter templates, personnel handbooks and much, much more.

Some intranet solutions also contain functionalities for task management or electronic reminder memos, but otherwise there is a lot of software that is specifically designed to help manage all the tasks and replace all the yellow Post-its on the desk. This type of software enables you to divide and categorize your tasks according to, among other things, work area, type of task, priority and time consumption and can e.g. help to decide what needs to be done when there are 20 minutes left until closing time at the end of the day, or quickly show you a list of all the phone calls you have to make, so they can be handled quickly, for example when you are traveling. When you have employees, it can be especially important to have a list of the tasks you

have delegated, so the employees can see that you are following up.

You can see even more examples of software that can help when you have employees in the table above.

Software that develops the business concept

Besides helping with sales, operations and management, software can also be used to develop and improve your business concept. By far the best software for this costs nothing. It is actually Google (and other *web browsers*) that enable you to find endless amounts of inspiration and knowledge to develop your business. It has never been so easy to see how competitors and colleagues in other markets do their marketing, put together their product portfolios or choose partnerships.

When you want to collect information about your competitors, Google can be used in an even smarter way to keep an eye on the market place and potential competitors. You can do this with the online service G*oogle Alert*, to which you can subscribe at no cost and which automatically sends you an e-mail when new web-sites arrive with the names of e.g. products or companies that you have indicated.

Even better than learning more about your market place via the Internet is to collect knowledge directly from the business's existing and potential customers. You can also find free or very cheap software for this purpose online, which enables you to make your own small, electronic questionnaires or opinion polls. Many people have participated in such web-surveys. The software for making these surveys functions by you logging into the system via your browser, creating a survey and formulating a number of

Software that helps with managing the organization	
TASK	**EXAMPLES OF SOFTWARE PRODUCTS**
SALARY ADMINISTRATION	• Paychex • Quickbooks • Sage
SERVER SOFTWARE	• Microsoft or MacOS Server • Dropbox (cloud server) • Hosted Office • Mozy.com
INTRANET (KNOWLEDGE SHARING)	• Hoistnow.com • Pbwiki.com • Google Sites • Teamspace.com
E-LEARNING SOFTWARE	• Adobe Connect Pro • WebEx.com • Blackboard • Articulate.com
TASK MANAGEMENT AND DELEGATION	• Things (Mac) • OmniFocus (Mac) • Remember the Milk • Chandler (chandlerproject.org)
CALENDAR SOFTWARE	• Apple iCal • Microsoft Outlook • Google Calendar • Kiko.com

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Software that helps to develop the business concept	
TASK	**EXAMPLES OF SOFTWARE PRODUCTS**
IDEA DEVELOPMENT (MIND MAPS)	• Mindjet.com • ConceptDraw Mindmap • Microsoft Visio • Novamind.com
PERSONAL INFORMATION MANAGEMENT	• Evernote.com • Backpack • Sticky-notes.net • OmniOutliner (Mac)
BROWSING	• Microsoft Explorer • Firefox • Safari • Opera
OPINION POLLS (CUSTOMER SURVEYS)	• SurveyMonkey • Eanalyzer • Polldaddy.com • Snapsurvey.com
MONITORING COMPETITORS	• Google Alert • Google Reader • Archive.org • Feedreader.com
IDENTIFICATION OF CUSTOMER SUBJECTS	• Whitepages.com • addresses.com
GRAPHIC DESIGN (IMAGE PROCESSING, DTP, ILLUSTRATION)	• Adobe Photoshop • Adobe InDesign • Adobe Illustrator • Apple Pages

questions, which the user can answer by e.g. ticking a box or making a comment. When the survey has been designed, an e-mail is sent to the users and you can then see the individual answers and statistics on the average evaluations given by the participants. This can be very valuable if e.g. you want the customers to evaluate a delivery you made or if, before launching a new product, you want to hear the customers' present and futures preferences in relation to the product's content, form or price.

With all the new input you can get from opinion polls and monitoring competitors, you will also need to keep track of all these ideas and you can also find software for that e.g. electronic mind maps or different note programs, where you can register systemize all your thoughts, ideas and plans. There are also free, online services developed for this type of product, so that you can share your mind maps with others

add notes and create groups to develop common ideas with help from a common web-site.

You can see even more examples of software that can help with developing your business concept in the table above.

Too much of a good thing

When you look at a list – and not even a complete list – of all the different types of software that you could need, it can really be a bit overwhelming. There is also a danger of going to the other extreme. This happens when you begin to implement software for its own sake, something you can end up doing because it is really fun to experiment with new software.

However, running in new software can also be a time-consuming process that ends up creating much worse productivity than you had before. It can be a distraction from – and maybe an excuse for – working with the Focus Areas that can really lift the business forward to the next step.

Running in software must therefore be controlled by business-related needs and, if you think that you need everything, you must choose the areas with the greatest need. Therefore, you must always differentiate between what is 'nice-to-have' and what is 'need-to-have'. Software is only worth the investment, when it helps us to make better decisions, give better customer service or save valuable time.

Very much of the newest software technology can do just that and therefore, focusing on IT systems in some startups can be a way to give the business the competitive edge necessary to survive or to create growth.

Suggestions for the next step

• Get an overview and prioritize what software you need.
• Make the time for testing and finding the best software based on price and functionality.
• Get comfortable with your new software so it can increase the productivity as much as possible.

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