

IT upgrades for improved performance in the growing FB

By Jon Carroll



As a growing family business owner you want to ensure that your business technology infrastructure provides your company with a strong competitive advantage. Here are some ideas to help you select the right technology for your business

AS A GROWING FAMILY BUSINESS OWNER, you must execute your strategic business plan, build great products, stay focused on maintaining excellent client relationships, and deliver strong financial results. You also need to ensure that your business technology infrastructure provides your company a strong competitive advantage.

If you're concerned about protecting your business and its data infrastructure, you've got to consider the following areas the next time you consider upgrading your technology. You probably don't need to do all of these things right away or all at the same time. No business owner has the time to buy or deploy all new systems or tools and not all are necessarily right for every business anyway. But these productivity and security systems and tools should, at the very least, be on the short list of any growing business.

It's very smart to balance your investment in technology with your investment in labour as you grow your business

One sure way to save money is to create uniformity and connectivity across your business. As you add or replace workstations and servers, you should have a strategic plan for their use and upgrade over their useful life, usually about 36–48 months. Hardware is cheaper today than ever and the addition of faster processors, larger screens, larger and more reliable disk drives, and more connectivity all have the effect of increasing the productivity of your business. Additionally, office productivity software, including suites of spreadsheet, word processing, presentation, and database software has gotten more feature-laden and has more inter-connectivity than ever. It's worth taking a look at the latest on offer to maintain your competitive advantage. It's also very smart to balance your investment in technology with your

investment in labor as you grow your business.

Network data solutions

You also want a company-wide network configuration that gives all your staff the greatest possible access to data across the enterprise and the most uptime. A critical aspect of that strategy is sharing your company data using a networked attached storage (NAS) device that is scalable and that creates company-wide data availability and backup. Gartner, a leading technology research company, has estimated that one hour of downtime for the average small business costs between US\$200 and \$2,000. In a review of NAS, ZDNet UK rated the Linksys EFG80 Giga Drive (UK£416) as a best buy for inexpensive and reliable storage. When NAS are combined with RAID redundancy both system downtime and troubleshooting are reduced. RAID disk drive systems are multiple drives that are either 'striped' or mirrored (see Fig 1).

Accounting software

Keeping your books and records can be a daunting task especially if you're not using the best accounting tools for your industry. Choosing the right accounting software can be a real chore. Fortunately, there are several Internet sites that specialise in providing the growing family business owner with information about features of all the latest accounting software.

Backups of important data are fundamental to the security of your business

For a first stop, take a look at www.softwareaccountingnews.com. According to J Carlton Collins, the website contains over 2,200 pages of information on accounting software. If you're considering upgrading your accounting

software, the website lists the 'Top 40' accounting software packages by business category, strengths and weaknesses. There are loads of details on each package as well as news and opinion articles, and prices. The website also offers a detailed process describing each step you'll need to take to make the right decision.

Another resource is the on-line version of the print magazine *CPA Software News*, which is devoted entirely to accounting software (www.cpasn.com). This site provides software reviews, buyers guides, a resource center listing accounting and tax research websites and due diligence comparative tables.

Now that you've got ideas about the products available and how they may meet your needs you need to know what to look for when selecting the right accounting software package. Always consider these three key imperatives when making your new software selection: suitability, open architecture and costs (see Fig 2). These considerations may also be important as you make your selection:

Investing resources in programming should pay dividends in improved productivity

- **Reports.** The most important consideration in selecting an accounting package is the type of reports you want the software to produce. Despite their claims to the contrary, many software packages don't make it easy to define reports, so it is important to look at the standard reports that are built into the software. Be sure that the standard elements of the current system you are using (including the check register, cash disbursements and receipts journals, and trial balance) can be replicated or produced the way that you are used to seeing them.
- **Closing.** You may find it convenient to make adjustments in prior months, and then re-issue statements for those months. If you need this capability, make sure that the software will permit you to make changes or access data in prior months.
- **Security.** You will want to prevent unauthorised personnel from accessing and manipulating data in the accounting

Figure 1: RAID

- RAID stands for Redundant Array of Inexpensive Drives. RAID is a technique for using many disk drives to do the work of one. The main advantage is to spread the server's data across many disks seamlessly
- A RAID 1 configuration is where one disk drive mirrors another. Two disk drives are used instead of one, and the data is kept synchronized between the two. The configuration is the low end solution for a server
- A RAID 5 configuration is the current standard for RAID systems for servers because it spreads the data over multiple disk drives. With a hot swappable RAID 5 configuration, if one disk drive fails, the system can continue to operate while the failed drive is removed and replaced

system. You may also need to consider your need to increase the number of users in the future, both in-house and remote. Finally, make sure that the software will be able to accommodate your needs as they become more sophisticated. You may need additional users, remote users, and more levels of security, sooner rather than later. So make sure that the software can accommodate your growth.

Backup

Backups of your important data are fundamental to the security of your business. You should have a regular backup process in place each day and take the backup media off-site each night. There are different types of backup, with the most common being a full backup where every file is copied every time the back-up program is run. Or you may use a differential backup where every file since the last full backup is copied. Another type of backup is the incremental backup where every file is copied since the last full or differential backup. Hard disk size and the amount of time to run the backup each night after business hours affect the type of backup you'll run. If your data files are manageable, it is recommended to run a full backup every day.

Figure 2: Key imperatives

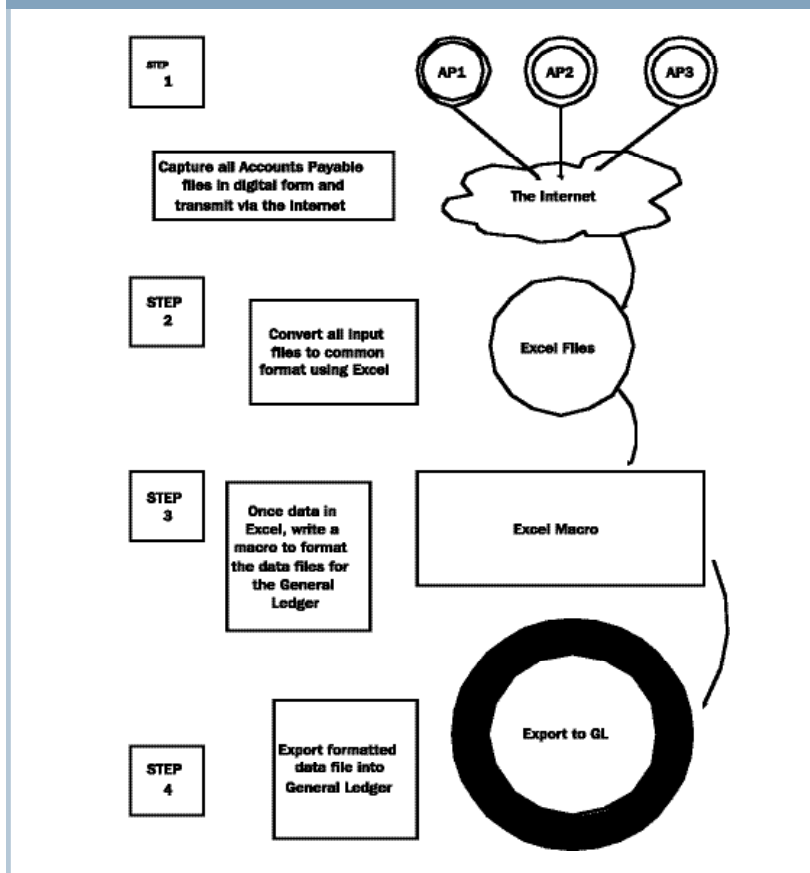
- Suitability of the software**
 - Perform needs analyses and determine your business requirements
 - Define the integration path with your existing legacy systems
 - Analyze the total cost of operation versus value you receive for the upgrade over life
- Open architecture of the system**
 - Ensure that you can import data from any source as well as export data between systems
 - Understand how easily data is manipulated
 - Do you have control over your database
- Costs from different perspectives**
 - Purchase price
 - Direct conversion costs
 - Opportunity costs
 - Consulting / installation costs
 - Ongoing maintenance costs
 - Lifetime costs

- **Traditional backup.** The best program on the market for the CD-RW or tape drive backup is BackUpMy PC, which is available for download at www.stompinc.com. The backup programme offers a fast and easy one step method to backup all your data files and Microsoft registry using a wizard. Two other backup products to review are NTI Backup Now, available at www.ntius.com, and Retrospect Professional, available at www.dantz.com. Retrospect provides more features than the others, like open file backup and costs a bit more.

Always consider suitability, open architecture and costs when making your software selection

- **Online backup.** If you need secure back-up capability for your documents you don't always need to use CD-RW and tape drives. There are several first rate and inexpensive backup services available as an alternative. One of the easiest to use, according to a recent survey in *PC Magazine* is @Backup

Figure 3: Using an excel macro



(www.backup.com). Using file compression, the service backup of 50MB took less than one minute over a T1 line and the same restore about three minutes. Also check out iBackup for ease of use and friendly wizards that guide you through the process (www.ibackup.com).

Visual basic for applications

Investing resources in programming should pay dividends in improved productivity. Visual Basic for Applications (VBA) is the Microsoft flavour of the latest version of the Basic programming language. A major positive is that VBA can be used across the entire Microsoft Office suite of products to systematize routine tasks and eliminate human errors. Most business owners come face to face with VBA when they build a Macro statement in an Excel worksheet. The Macro function in Excel is the lowest level of VBA programming and is suitable for many growing business applications where it can automate routine and repetitive tasks.

Let's take a look at the Excel macro in action. In one business situation, an owner wanted to automate the input of several cheque-writing systems into one general ledger and maintain the detail in the general ledger. Multiple cheque-writing software packages were being used in the company to create the cheques and then

A growing family business needs to ensure that its business technology infrastructure provides a strong competitive advantage

the data were individually and manually input into the general ledger. Errors and omissions occurred and more time than was required was spent reconciling the accounts payable ledgers to the general ledger.

The first step was to capture the output of each cheque-writing system in a

digital file. The second step was to export the data to Excel using a comma delimited format or .csv file. Once the data was in the Excel file, it was scrubbed to make sure all the cell formats were correct. Then the file was saved as an Excel file or.xls file. The third step was to write the Excel Macro to convert the data into the format that the general ledger could understand. The fourth step was to review the output of the Macro and import the data file into the general ledger program.

Writing an Excel Macro may seem daunting at first but it's really pretty easy. Of course, you have to know exactly what you want the data output to look like at the end of your macro. Also, if the data requires multiple passes or looping routines, you'll need more than the Excel Macro language and will need to learn VBA. But the Macro solution for simple problems is a real time saver. There are some terrific resources for learning the Excel Macro language and getting your feet wet in VBA programming. The most thoughtful and entertaining teacher on this subject is John Walkenbach who has written a number of books and articles on the use of Excel (www.j-walk.com). His text, Excel 2003 Power Programming with VBA, is a must read. Two other texts that will really help you get up the learning curve are Accessing and Analyzing Data with Microsoft Excel by Paul Cornell and Excel Data Analysis by Jinjer Simon. All of these texts are available in your local bookstore or through an Internet bookstore.

Conclusion

As a growing business owner, you can ensure that your business technology infrastructure provides your company a strong competitive advantage by considering some of the opportunities discussed above. Focus your efforts on technology infrastructure issues that provide immediate and tangible results. Network storage, accounting software, data backup, and elementary programming solutions don't need to be expensive nor do they need to be complicated. Improvements in any of these areas, however, will yield your business substantial improvements by speeding up the flow of work, saving labour time, and protecting your business assets. ■

Jon Carroll is the co-founder of Family Office Metrics, a New York City consulting firm with a nationwide clientele.