

Modern Technology for Small Business Growth

Moving away from outdated technology can help you win more customers and get more done

Keeping your technology current offers a wide range of advantages, from greater security and customer retention, to happier, more productive employees, and more.



Up-to-Date Technology Propels Productivity

How important is keeping up with new technology? Consider this: Tech-savvy—and especially cloud-savvy—small and medium-size businesses (SMBs) increase revenues 15 percentage points faster than technology laggards, according to a [new study](#) from the Boston Consulting Group (BCG). Tech savvy SMBs also create new jobs twice as fast.

The BCG study found the high-performing SMBs stayed ahead of mainstream IT adoption, riding new waves of advancement to improve efficiency, connect with new customers and markets, and compete with much larger players. And they use the full range of available tools—from productivity software to Internet connectivity to cloud-based services.

You may think your technology works just fine, but you could be missing out on capabilities that fuel business success. Having the right technology can boost productivity and keep employees happier. It can allow you to expand your business beyond your geographical boundaries. It can keep your crown jewels—your company data—safe. And it can increase customer satisfaction and make people more likely to do business with you.

This guide will explore the (often unrealized) risks of using outdated technology, the (often surprising) benefits to modernizing your technology, and the steps you should take to ensure that your business has the technology it needs to increase performance and propel your growth.

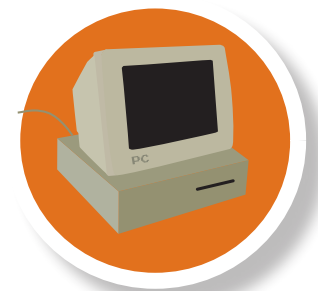
Attract and Retain Customers

Here's something that may surprise a lot of small businesses—one way your customers evaluate you is by the technology you use. Consumers do not lower their expectations for smaller businesses, according to a recent survey conducted by Survey Monkey for Microsoft.

Of the more than 1,400 respondents, nearly two-thirds think a SMB is outdated if the company's operating system or desktop computer are five to 10 years old.

Consider the experience of [Raritan Bay Federal Credit Union](#) (RBFCU), a small financial cooperative that competes against big New York City banks. "Our older PCs were slow, which hurt our ability to serve customers promptly at teller windows, and it hurt our image when customers saw us using older computers and software," says Carey Hnath, IT manager for RBFCU.

The cooperative upgraded its Windows XP PCs to mobile PCs running the Windows 8 operating system so that it could offer modern financial services. Before, to calculate interest rates, bankers had to use a slow, multi-step process. Now, the Windows 8 Pro home screen provides multiple information sources at once rather than requiring the bankers manually assemble the information.



Having the latest technology also lets RBFCU pursue new customer services such as smartphone apps. “It’s critical to our image that customers see us as forward-thinking and innovative,” says Karen Walczak, vice president of operations for the credit union. “The faster performance of Windows 8 means that employees can serve customers faster. If we can’t answer questions quickly, we lose customers to the big banks that do have this technology.” She’s right: 72 percent of consumers say they’re likely to become a repeat customer of a business that uses modern technology to conduct business.

“If customer retention and confidentiality are important to your business, using outdated technology could be putting your livelihood at risk,” says Cindy Bates, vice president of Microsoft’s small and midsized business group. “Having the right technology can truly level the playing field for your business to compete with the big guys.”

That’s because customers realize that companies with newer technology provide better service, are easier to work with, and run more secure operations. And those benefits hold true for your business partners, as well. As Ivana Taylor, a marketing consultant in Medina, OH, explains: “Most of my clients run older systems. However, if they don’t stay current, I find I can’t open some of the files they send.” If customers experience those irksome issues, they quickly look elsewhere for places to give their business.

Uncover (and Overcome) Hidden Inefficiencies

When it comes to outdated technology, an old maxim rings true: “You don’t know what you don’t know.” You might feel there’s no need to upgrade because you believe your operations are running fine with your current technology. However, if you are accustomed to older technology, you may well be unaware of what capabilities are now possible. Everyday processes that you take for granted may currently take twice as long as they might take if you were using more modern technology.



Just ask [Terri Rodda](#), a physical therapist in the Washington, D.C. area. She upgraded her technology with two Lenovo ThinkPad tablets and two Lenovo ThinkPad laptops, and then turned to cloud services—Office 365 for email, file sharing, instant messaging, and on-demand web conferencing to connect with her customers. Having the latest technology has improved her ability to create content, take norms, and access the data she needs for business from anywhere—which has translated into higher productivity.

“With the tablets and Office 365, I can do everything I need to do using a bare-bones contract staff,” she says. “I estimate that we’re saving eight hours a week over my previous way of working, which enables me to see more patients or spend more time with my patients.”

If you’re not sure what technology to update, here’s one good starting point for finding a powerful payback from new technology: If you look at all your processes end-to-end, note how many places require you to handle information manually? Those are potential spots where new software can improve your workflow and effectiveness.

“So many software applications can save you time and cut your costs,” says Anita Campbell, founder, CEO, and executive editor of Small Business Trends. “If you’re going to grow, one of the best ways to grow is without additional staff. Software can allow you to do more with less.”

Romulo and Amanda Melo, the owners of [Romulo Melo Brazilian Jiu-Jitsu](#) in San Francisco, would agree with that. They wanted to double their customer base without adding staff and knew the only way to do that was to [use technology](#) to multiply their effectiveness.

They decided to abandon paper and move to digital and cloud-based documents. The pair updated from a Windows 7 PC to a Surface Pro tablet PC running the Windows 8 Pro operating system and also upgraded their laptop to Windows 8 Pro. They also downloaded the DocuSign Ink cloud-based electronic signature app from the Windows Store to electronically capture customer signatures, allowing them to reduce a lot of the manual paperwork that gobble up their time and attention.

“We’ve been able to eliminate about 10 hours of administrative work each week and do more without adding staff,” Amanda says. “This is critical to our profitability.”

Removing Employee Frustration

Outdated technology is particularly frustrating for employees, because they are the ones who experience the inefficiencies firsthand.

For example, [Steve Moore Chevrolet](#), a car dealership in Charlotte, North Carolina, found that outdated technology caused the loss of important files and undermined their efforts to serve customers. Using Office 365, the 80-person staff now has [mobile access to business information](#) and to easily share and collaborate on documents while complying with GM and Chevrolet auditing policies. Managers can now [update SharePoint Online](#) folders with pricing sheets, so sales staff can access the information with mobile devices and instantly answer customers’ questions.



Failing to remove the frustration of outdated technology can have an impact on your ability to hire new workers, especially millennials, the new generation of workers. In fact, two thirds of 22- to 29-year-old workers judge their employers by their technological knowledge, according to CompTIA, a nonprofit association for IT professionals.

“An employer’s tech-savviness is very high on (millennials’) checklist on whether to take a job or not,” according to Todd Thibodeaux, president and chief executive officer of CompTIA. “Outdated technology might prevent you from hiring the best and brightest and send them scurrying to your competitors.”

Cloud technology in particular serves the new way employees work, making it possible for individuals to work from anywhere, and for colleagues to collaborate seamlessly even when working from separate locations.

“The cloud really opens up small businesses’ access to the talent pool,” says Microsoft’s Bates.

“If the most qualified candidate happens to be located in another state, a productivity suite, like Office 365, can give that employee access to all of the businesses’ documents and systems, as well as the ability to collaborate and communicate with colleagues as if they are working from the same office.”

Addressing Security Concerns

Older operating systems aren’t built to address today’s more sophisticated security threats, simply because those threats didn’t exist when the software was created. “If your software had not been updated, there is a great risk that hackers could find a backdoor entrance that could put your data at risk,” Campbell says.



And this is not lost on customers. Among those consumers who are concerned about providing personal information on an outdated SMB website, more than 70 percent said they would leave the website when being asked to provide contact information if they think the website is outdated.

“The world of technology has changed so much just in the last five years or so,” Bates explains. “If you are using an operating system that is older than that, you should be aware that there are security threats, as well as amazing new capabilities, that didn’t even exist five or ten years ago.” For example, Rodda, the physical therapist, takes advantage of the Windows BitLocker Drive Encryption feature in Windows 8 Pro to help safeguard data if a computer is lost or stolen. This “makes me feel much more comfortable about running my business on portable devices,” she says. “Patient privacy is huge in my world, and [the latest security features] give me tremendous peace of mind.”

Assessing Technology Needs

If you’re not using technology that enables you to do the following, you might be impeding your own success.

- Remote access to important documents and files. In a [recent survey](#), 93 percent of SMBs have at least some remote workers. On average, around 20 percent of all employees work remotely.
- Unified communications platform with IM, voice, video conferencing, and online meeting capabilities. “Unified communications (UC) can save a ton of time, and prevent a lot of duplicate entries and wasted work going back and forth,” Campbell says.
- Professional-grade email. “A lot of small business professionals and sole proprietors use free email services that are designed for personal use, but when potential customers see that, it can make them question the credibility of the business,” Bates says.
- A professional looking website. Seventy-seven percent of consumers expect that your business will have a professional website, according to the survey. If you don’t, it’s the equivalent of having a run-down storefront, and people are wary about doing business with you.
- Mobility solutions. In our increasingly device-centric world, all you need is a mobile phone or tablet to accomplish many different types of business tasks. Retailers of all sizes can accept credit card payments on a mobile phone. Doctors now have the ability to review x-rays and medical charts with their patients using a tablet device. Think of how you can make your business more mobile and untether your employees from their desks.

And keeping up with these new developments isn't as hard as you may think. "Small businesses are boot-strapping organizations that are busy servicing clients," Taylor says. "If you spend just a few minutes over the weekend reviewing new technology consistently, the payback is huge."

Keep Your Head in the Cloud

Ask yourself if the following apply to you: Do you ever need to work from outside the office? Do your employees need to be out in the field or have the ability to work from home? Do you have employees in different locations who need to collaborate with one another? Could you use access to a larger talent pool?

If you answer 'yes' to any of these questions, then cloud technology makes sense for you.

"It used to be that in order to have the most advanced technology, small businesses would have to invest in the same expensive hardware as large companies," Bates says. "It was cost-prohibitive. Now with cloud technology, small businesses pay for cloud-based versions of those same enterprise-level capabilities based on what they use, making it incredibly affordable."

Consider a company called [Aisle7](#) that provides marketing services for retailers' wellness products. In 2010, it implemented the first iteration of Microsoft cloud-based communication and collaboration services. Now, Aisle7 is looking forward to taking advantage of the enhanced web mail interface with Exchange Online. The latest Outlook Web App automatically resizes the user interface to match screen dimensions on tablets and mobile phones so it's easy to [work anywhere, on any device](#).


"If you forget to set up your out of office greeting, you can easily activate it on the road," says Harris. "And we get a lot more suggested action items, such as making meeting requests, or searching for locations using Bing Maps."

The cloud also makes it easy for businesses to scale. If you hire a new employee, you just add them as a user and pay an incremental cost. "If you're a small retail shop preparing for the holiday rush, you may have to think about how you'll provide seasonal workers with email addresses and access to your inventory database and your point of sale systems for a limited amount of time," Bates says. "Instead of buying new software licenses for workers that will only use the technology for two to three months, you can buy access on a subscription-based, monthly model that allows you to pay-as-you-go."

[Excel Anesthesia](#), a 26-physician group in Dallas, found a long-term solution for secure, compliant email in Microsoft Office 365. The practice pays a low subscription fee instead of buying and maintaining its own servers. That saved it 83 percent of the first-year costs for on premise email. Excel Anesthesia pays only for what it needs, and can expand its subscriptions to support continued growth.

In addition to the overall business benefits, the cloud also delivers benefits to the way





individuals can work. It makes it easy to sync across all the devices you use for work so you can edit a document on your phone, and access the updated document when you log on to your laptop. It also enables stronger collaboration between employees and eliminates version control issues because you can access documents online and choose to either enable simultaneous co-editing or allow only one person to edit at a time.

The capabilities offered by new technology are tremendous. And it's easier than ever for a small business to avail themselves of these capabilities in a cost-effective manner.

"You might think you're saving money by not upgrading, but you're missing a huge opportunity in terms of productivity, security, mobility and overall flexibility in how you work," Bates says. "Modern technology can revolutionize the way you work, help you grow, help keep your employees and customers happy, and save your business money in terms of efficiency."

Learn more about what technology can do to help your business succeed and access free resources at www.microsoftbusinesshub.com/getmodern.