BUSINESS PERFORMANCE ADVANTAGE e

No Free Lunches

by Michael E. Duffy

I had lunch with a small business owner the other day, and we talked about the ways he's using technology in his business. Following our lunch, I sent him an e-mail with some questions that I thought might provoke his thinking. One of them was this:

What sort of daily aggravations exist for you and your employees? If you are repeatedly banging your head on a problem, it's sapping the energy of you and your organization. Best to deal with it immediately.

This is what he wrote back to me, edited only slightly to preserve his anonymity:
Increasingly, I am beginning to question the ability of technology to assist in running my businesses. At the very least, I feel we have reached a point of diminishing returns. The daily aggravations have just about demoralized us all.

- *I never dreamed what a can of worms e-mail would be.*
- *I never dreamed a set of Palm V's could lose two days per week, and take approximately 10 very competent IT man-days to troubleshoot synchronization problems, and be ultimately reduced to the relevancy of Rolodexes..*
- *I never dreamed my staff and I would have to move from a simple Excel Computer Problem log sheet to an elaborate email/outlook form reporting and categorizing system to try and understand where the underlying network and e-mail problems are coming from.*
- *I never dreamed my staff and I would be spending the amount of unproductive time and money on trying to band-aid systems that initially promised so much.*
- *I never dreamed we would buy two separate Retail Sales Inventory packages (one the leader in its industry) and end up trashing both in favor of developing our own paper and Excel spreadsheets to track the simple movement of [items] in and out of a single building.*
- *The only thing I can be proud of, or not ashamed of, is that we did not run pell-mell into an ill-fated Web site.*

Right now, ... I am being forced to question our increased application of technologies.

And you thought you were having a rough week! He went on to add this:
Technology had served us well previously. We were one of the first small businesses to develop our own in-house Inventory and Sales database management tracking systems, some 13 years ago. It has served us immeasurably. Although it may be somewhat clunky by today's SQL, 3-dimensional, approaches, we can get the facts we need to make informed decisions quite quickly, almost interactively, as we assess the need to buy from a particular [supplier]. Many have commented that they have seldom seen such an elegant and flexible approach to sales and inventory based knowledge. I have not found an off the shelf replacement yet that even comes close to what we can do.

So, here's a guy who used to be happy with technology who's about ready to throw in the towel. What went wrong? More important (to him, at least), where does he go from here?
This company started out on the right foot: they knew the basic information they needed to run their business effectively:
- Which items are selling well?
- How much do we have in inventory?

They hired someone to build a system to produce that information, using DataFlex, a DOS-based tool which allowed for more efficient development (and hence, produce the desired system at a lower cost).

For some period of time, all was well: They had a stable system which provided information invaluable to running their business effectively. This echoes my original point: eliminate day-to-day aggravations caused by technology. A stable system is generally better than an unstable system with improved features.

Our mission is to provide information and strategies to business owners and managers for improvement in the effectiveness of its business management so that key objectives can be realized.

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No Free Lunches (cont.)

Eventually, of course, Windows and Microsoft Office entered the picture. Of itself, this isn't a bad thing - I'm using Word to write this article (although I still prefer Eudora to Outlook). But the old DOS-based system and the new Windows-based systems didn't play well together in a networked environment. Rather than backing up and re-attacking the problem strategically, this company got into a tactical fire-fighting exercise with their existing problems, plus continued adding new features (like e-mail, Internet access, and handheld devices).

When you have to build a system to keep track of the problems you're having, alarm bells are ringing, whether you hear them or not. Although there's a logical desire to try and solve the problem yourself, it can be extremely cost-effective to get an outside opinion. And if the suggested solution appears to be costly, it's worth getting a second opinion.

One of the best questions to ask is: What problems like this have you encountered before, and how did you solve them? Don't settle for unclear answers with lots of jargon. Although there are exceptions to every rule, the person most likely to solve your problem has already solved it several times before. That experience is what you are paying for. There are no free lunches.

At this point, the key to my acquaintance's business recovery lies in reexamining the goals of his business, and the needs of its customers. In fact, I asked my lunch companion what customer benefits had resulted from all the new technology? Aside from sales people being able to e-mail potential customers pictures of items for sale, his answer was, "None."

So, my recommendation to this gentleman (and any of the readers facing a similar test of courage) is to simplify and stabilize before adding any more technology to the mix. Stabilize the systems which provide essential information about operations, and focus any remaining resources on those systems which provide direct benefit to the customer. Once your blood pressure has returned to near-normal, take a look at your business goals and unmet customer needs as a guide to what to do next. Of course, I'd also recommend you get a second opinion.

And sell those Palm Vs on eBay, before it's too late. Everyone knows that the PocketPC is the wave of the future!

By the way, there's a happy ending to the story. After spending several thousand dollars to test and replace network wiring, his network is running happily, and the morale of his employees has improved significantly. I wish I could claim credit for the outcome!

Michael Duffy writes the monthly technology column, Tech Talk, for Sonoma Business Magazine (http://www.sonomabusiness.com). His Web site URL is www.mikeduffy.com. ©2002 Michael E. Duffy & Associates. Reprinted with permission.