Coping With The Information Age

Make "off the shelf" part of your mantra.

The business world has changed a lot in the last 25 years. Gone are the ledger books, the handwritten receipts, the slide presentations, and thank God — the overhead projector.

Now we have Excel spreadsheets, accounting programs, PowerPoint presentations, e-mails, word documents, text messaging. Thanks to Bill Gates, Steven Jobs, Marc Andreesen, Serge Brin and countless other unnamed souls — we live in a very electronic, computerized, networked world. Our computers are indispensable to us — (and let's not forget our cell phones, BlackBerrys, barcode scanners, etc.)

Yet our understanding of computer hardware and software and systems (the means by which we string a bunch of computers together) is pretty weak.

This world is made up of a bewildering list of acronyms and terminology: MIS, MRP, OS10, Windows, browsers, servers, domains, e-mail clients, IT, HTML, ERP, scanners, LAN, WAN, to name a few.

Our businesses depend on all of these things, and yet most readers haven't a clue what they are, much less what they do. We should find it more than a little scary that we are so blissfully ignorant. Most of us look at our computers as some kind of magical black boxes, and only God and the geeks know what's going on in there. And we all love our magical black box right up until it hiccups, stumbles or crashes and burns — taking all our data with it. Many of us learned all we know about systems and more than we ever wanted to know after one has crashed.

Mistakes Are Made

I am not an IT (Information Technology) expert. I don't design systems, and I stay far away from custom solutions. I do know something about the different bits and pieces of a typical office computer setup. And having seen many different configurations, I know a lot about where and why people go wrong when they are dealing with IS (Information Systems). I have seen the myriad mistakes one can make when setting up a network, purchasing a new ERP (Enterprise Resource Planning) system, launching a Web site and all attendant disasters awaiting the systems newbie.

Once upon a time we had just computers. These were wonderful stand-alone units with those weird black screens with orange or green type. They had operating systems and software packages installed — regrettably, in most cases the operating system was DOS. People could eschew the typewriter and the accounting calculator by using software programs such as Word and Excel. Pretty soon companies wanted the isolated silos of information to be pulled together in some fashion. Systems were developed that linked each individual desktop computer together to act like one big computer. The good news from this arrangement: peripherals (printers mainly), programs and data could be shared company-wide. The bad news: When the system goes down, all the computers go with it. Who among us hasn't heard the classic customer service cop-out, "I am sorry, Sir, I can't help you, the system is down."

Then, MRP (Materials Resource Planning) systems were developed for manufacturing — the computer's amazing "brain" power planned what materials were needed, where and when in the manufacturing line. This reduced inventory and made production smoother and more predictable. MRPs eventually evolved into ERPs.

Then came the World Wide Web: the Internet, e-mail, e-commerce, Web sites, viruses, worms and more. Just as the isolated computer that used to sit happily on your desk got pulled into a company-wide system, now your whole system is getting pulled into a much larger entity — the amorphous, ever-growing, ever-mutating Web. E-mails allow lightning fast communications, yet they are also a portal for daily junk mail tsunamis and much nastier things.

Your lowly little server once was fully capable of managing your internal data across your company system. It is now struggling to store and manage this huge influx of information. Access to the outside world is risky, simply because now the outside world has access to you. Suddenly, protective measures like firewalls and daily offsite system back-ups are on the top of every company's to-do list.

For many of us it is all overwhelming. How does a non-IT person get a grip on their current systems situation? How do we know when to upgrade? When to buy new machines and programs? Improving and maintaining your system is a lot like renovating and maintaining a house. If not managed well, it can be a huge black hole into which you can throw fabulous sums of money with little return on the investment.

There are some things you must do up front. The first step is you have to have a handle on what you actually have. I mean take an inventory of your hardware (computers, servers, etc.), your peripherals (printers, scanners, etc.), your programs (Microsoft Office Suite, Accounting, ERP, etc.), your Web "stuff" (Web site domain, e-mail client, etc.)

Now, talk to the people who use these programs and systems every day. You want to know what works and what doesn't. Ask your finance guy if the ERP system "talks to" his accounting software. Ask the warehouse folks about your ERP. Are the inventory records accurate? Is it user-friendly? Remember, the E in ERP is for Enterprise — your ERP should pull all the disparate bits and pieces of your business together in one place. And of course you would like the ERP to be easy to use and robust.

The Kiss Of Death

Upgrading instead of replacing your software, hardware and systems is the cheaper, less disruptive solution, but will give you only incremental improvements. Installing a brand-new ERP can be traumatic and is always an expensive experience, not something to be engaged in lightly. Yet there comes a time when upgrades won't do the trick any more. In many cases your ERP vendor doesn't really have an upgrade for your particular need, so they may offer to build a custom upgrade for you. This is the kiss of death, in my opinion.

As soon as you go the custom route you are at the mercy of not only the ERP supplier, but also the specific guy who did the custom work. Later, when that quick fix isn't working so well, you will learn he has left the company, he didn't document the work and, surprise, nobody in the ERP company has a clue about what he did.

This is why the words "off the shelf" should become part of your mantra when dealing with all things computer.

It is an uncomfortable feeling to purchase services and products of which you have little knowledge. You don't have to understand the inner workings of the "magic box" or the system of "magic boxes," but you do have to know what you want the box to do. Ask questions, view demonstrations, talk to other companies that have bought a particular system. Keep on top of it. Smooth running systems, along with accurate data and timely financials, are a competitive advantage.

Keep it all in perspective. Remember, these are merely tools. Systems don't run your business, you do. **<<**

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