

Sneak Preview of Technology Trends for 2003

There has been so much media hype over the past year or two regarding technology, that sometimes the “spin” can actually make your head spin! It’s virtually impossible to keep up with all the trends, because – at least in the press – they all happen so quickly!

Remember when the Internet was the Biggest Thing that ever happened to humanity? And to be a “dot-com” was a revered status? Today, “dot-com” is almost a slur! And technology company valuations have plummeted down as quickly as they rocketed up. The mainstream business press is touting small and mid caps, and continuing to warn on technology.

So where does the truth lie? Somewhere in between, as always. The Internet is no panacea, but it is and will continue to be an important new channel to the expanding global marketplace. So how can a business leverage the power of the Internet, without falling into the money-pit trap? What type of investment makes sense for today, tomorrow, next year?

Before we try to plan ahead, let’s take stock of where we are today and where we’ve been recently.

Recent Technology Trends

Internet usage has exploded over the past several years, both in the US and globally. Wireless applications have similarly grown, most quickly in Europe and Japan. But for what type of use? By whom? And for what business purpose? Internet usage has grown most rapidly as a conduit for information exchange, but is only slowly gaining momentum as a significant business transaction generator. Email is ubiquitous, streaming media are growing increasingly common, and handheld PDSs continue to proliferate. For now, connectivity trumps ecommerce.

Computer hardware and software grows increasingly generic. There has been relatively little innovation recently. Is this bad? Not necessarily, because the tradeoff has been greater stability. And stability is a good thing! As Internet usage increases, the importance of the device utilized for the connection decreases. However, programming for handheld devices is not getting much easier – it is still more of an art than a science.

Technology’s Destiny

Internet usage growth will continue, albeit at a slower rate. Wireless access will grow as well, but will likely remain a niche market for some time. Why? Most business transactions take place in an office, at a person’s desk. That isn’t going to change anytime soon.

E-business adoption rates will gradually accelerate. The telephone and facsimile machine still dominate business dealings, although email is beginning to replace the fax. People utilize methods and relationships that are familiar and comfortable. However, efficiency is growing increasingly important in a shrinking world. As the global economy becomes a reality, cutting costs to remain competitive becomes critical. Connecting electronically with suppliers as well as customers, businesses of all flavors will increasingly drive the accelerated growth of e-commerce.

PCs have become a commodity. Broadband Internet access is right behind. Gaining high-speed access to the web is easy! But creating a web presence is far more difficult. There is so much noise out there that it is nearly impossible to make a big splash. Businesses must target an attainable niche and focus, focus, focus strategically.

Outsourcing becomes an increasingly attractive alternative. External resources abound, so choose carefully and do the due diligence. The economic slowdown has resulted in a surplus of available technologically savvy workers. Ensure that company goals are clearly articulated, and that objective measurement criteria are defined in advance. Also, ensure that critical company information remains accessible.

What are some of the challenges that technology can help you with?

Grow the business without hiring additional people. Information technology applied appropriately has been proven to increase productivity and efficiency. The key is to facilitate and/or automate business processes. Begin with a thorough workflow analysis and a careful implementation plan. Then design and develop an effective system. A down economy is an excellent time to gain market share.

Leverage a “brick and mortar” business to the Internet Just as purely dot-coms have struggled, so too will many purely brick and mortar businesses in the future! If your current or potential future competition utilizes technology for a competitive advantage, then your business must do so even better – or perish! Put another way: if being on the web is not critical for your business today, it might be tomorrow.

Solve specific operating problems. Customer service and support, governmental regulation compliance, inventory management, competitor analysis, and so on. Technology can be a powerful tool if applied appropriately. Any task that requires turning data into information is a candidate for a technology solution.

When should you outsource?

IT staff shortage. Despite the economic downturn, competent IT personnel with the right skills can be difficult to find. For projects with requirements that don’t match available IT skills, outsourcing may be the best option.

Inadequate infrastructure. If capital requirements (human as well as financial) exceed your available resources, there could be significant time and cost savings to utilizing an outsourced solution rather than gearing up internally and adding significant overhead.

Cost savings. Where in-house IT personnel lack the specific skill set required for a particular project, external resources may be able to do the job more cost-effectively. If it’s a core competency, do it in-house. If not, then outsource it.

Reduced time to market. If it has to be done yesterday, there may not be enough time to build the project team internally. Make certain that outside resources are readily available and that they understand both the system requirements and the business need.

Summary

The rapid pace of technological change from the past few years is taking a slight breather this year. PCs, cell phones, PDAs and other wireless devices are slightly smaller, cheaper and more powerful than last year. Ho hum! Nothing revolutionary is going to be announced today or tomorrow. This is an excellent time to take stock of your current competitive situation and think strategically about improving it.

The Internet is here, and it is real. It is neither the gold rush as portrayed in the media during the 90s, nor the train wreck as depicted recently. It is a new channel to the marketplace that is being adopted at differing rates in different industries.

Whatever your current business challenge, there are several universal problems which face us all. How can we operate more efficiently and cut costs? How can we grow without adding significant overhead? How can we utilize the Internet as a profit center rather than a cost center?

Most of these questions can be answered at least in part by a technology solution. In some cases it may make sense to tackle the issue in-house. In other cases, it may be best to outsource.

The good news is that the quality of software development tools has improved dramatically. Developers can now build robust, scalable systems quickly and at an affordable price. Whether you’re staffing from inside or outside, whether your target user base is internal or external, this is an excellent time to position your organization for success.

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