Technology 101: A Small Business Guide

Text File

Slide 1 Technology 101: A Small Business Guide

Welcome to SBA's online training course, Technology 101: A Small Business Guide.
This program is a product of the agency's Small Business Training Network and is championed by the Office of Entrepreneurial Development.

Slide 2 Introduction

This is a self-paced training program designed to provide a basic overview of technology. Specifically, it discusses how computers, software and the Internet are being used to help small businesses be successful. It is a practical course with real world examples and helpful tips.
The course is directed to small businesses who are now automating or still in the early stages of using technology.

You will find the course easy to follow and the subject matter indexed for quick reference and easy access. It will take about 30 minutes to complete the training program. Additional time will be needed to review included resource materials and to complete the suggested next steps at the end of the course.

The outlined "next steps" at the conclusion of the program are an integral component of the course. They will help you apply what you have learned and engage you in specific technology applications. When you complete the course, you will have the option of receiving a printed Certificate of Completion from the SBA.

Slide 3 Course Objectives

This course has four key objectives:
One, provide a basic overview of technology, specifically how new technologies are being used by small businesses to improve efficiencies; communicate; educate customers; sell products; and manage processes.
Two, describe computer and software applications.
Three, explain the value of the Internet and the importance of creating a business Website.
And four, describe how small businesses are engaging in eCommerce.

Slide 4 Course Outline

There are nine topic sections within the course. Each section covers a different aspect or component of technology.
Reviewed together they tell a story that will help you understand why using technology is important, how computers and the Internet are being used and why establishing a Website might be important to your business.

Slide 5 Course Outline

The course also includes information about eCommerce as well as information about the next generation of the Web, ---- known as Web 2.0.
This is not the type of training program you want to review once and put aside. It is a guide with many opportunities for the viewer to access more detailed information and experience new and different technologies.
You will notice a button in the top right section of each slide that says Course Outline. Clicking on that button will bring you to the course outline – which will give you quick access to any section of the course.
Let's get started………

Slide 6 Technology: The Big Picture

Technology is a broad term that implies many things.
In the beginning, technology was associated with the conversion of natural resources into simple tools.

Today, it implies the use of tools and machines to solve real world problems. In the business environment, technology is primarily used to make business processes easier; provide information sharing; enable transactions; manage customer data and relationships; automate tasks; integrate systems; generate reports; and, educate consumers.

Slide 7 Technology: The Big Picture

Importantly, many aspects of technology today involve information. As such, the term information technology or IT has evolved to encompass much of what technology represents.

We live and operate in a knowledge-based, information economy. Businesses compete on what they know, how they apply what they have learned and how quickly they can acquire new knowledge.

This is a very important point. Consider this:……
Is a convenience store a business that sells food and small household items, or is it a business that uses knowledge about customer preferences, product lifecycle and competitive sales information to optimize inventory controls, pricing and other ways to increase sales and profits?

Your answer to this question will likely determine your success in business. As a convenience store, sure you're in the food business. But, most importantly, you should be in the business of acquiring and using information and knowledge to be successful.

Technology plays a major role in acquiring, assimilating, using and distributing information and knowledge. As such technology is often critical to the growth and success of small businesses. Therefore, understanding and using technology is almost a necessity. Nobody is saying you have to be a technology expert or a geek, but you do need to have a working knowledge of key technology applications.

Now you know why this training module is important. Using technology can enable a business to be competitive. Not embracing certain technologies can cause a business to not be competitive, and to fail.

Slide 8 Technology: The Big Picture

Let's look at a couple of practical examples…..

A retail store might use an inventory tracking software program to automatically track and acquire inventory, on an as-needed and just-in-time basis to meet cyclical customer demand. This use of technology saves time, is more efficient and helps the business generate greater revenues. Not using an automated process might cause a business to be less competitive.

Other examples include using a Website to market products globally, using e-mail to communicate with customers, selling products online to an expanded market or using automated processes to simplify product production. All of these examples have the potential to make a small business more competitive and successful.

Technology can be introduced to small businesses at different points for different purposes….. But, one thing remains constant, technology plays a critical role in the most successful businesses today.

Slide 9 Computing and Software

A computer is a machine, something we are all familiar with.
It is a tool with many benefits that can help individuals and small businesses.
Computers run on software that fuels their operating and application systems.
A computer is designed to follow instructions from software, Web interfaces and users. It is a data-processing machine that can out perform a person in processing information, specifically in recording, storing, sorting and communicating data.

Slide 10 Computing and Software (cont)

Software provides instructions for the overall control of a computer's resources.
The most basic type of software is the operating system, such as Windows XP, Linux or MAC's OS X Leopard system. The operating system provides the operating guidance and a link between the computer and a specific application package, such as word-processing. Think of the operating system as the language your computer uses to communicate.

Application software, on the other-hand, refers to computer programs that perform specific types of functions. These functions include word-processing, spreadsheet and database development, communications and specialty programs.

For example a word-processing program lets a user create, edit and print text and graphics on a computer. A spreadsheet program allows a user to perform accounting and numerical functions on an electronic worksheet. A database program enables a user to manage fields of related data. Such data might include the names, addresses and buying history of a business's customers.

Specialty programs are programs like PhotoShop that allow you to do specific tasks like editing digital pictures. Many such specialty programs are available to help you perform many different tasks.

Slide 11 Computing and Software (cont)

A computer with appropriate software is a very helpful business tool.
Six key applications stand out:
• Processing repetitive, data-oriented functions, such as accounting, recordkeeping or mailing lists.
• Organizing data into information, such as financial statements or targeted customer lists.
• Performing calculations, such as financial ratios and financial "what-if" scenarios.
• Controlling and monitoring processes, such as inventory control and buying functions.
• Developing and editing content, such as writing, editing and printing letters, procedures and other written documents.
• And lastly, accessing the Internet.

Slide 12 The Internet

It is estimated that over 1.2 billion people around the world use the Internet.
Think about that --- 1.2 billion people --- that's 20% of the world's population and this percentage is growing.

The Internet is a powerful information vehicle that is shrinking the world, but expanding our perspective. It is a global force that all business owners must be aware of…, but they must also engage in.

The Internet is probably the most important communications vehicle since the telephone.

Slide 13 The Internet (cont)

How do you define the Internet? Well, it's not as easy as you might think.

The Internet is a series of interconnecting computer networks that receive and transmit data using standard Internet Protocol. It is a network of networks that carries various information and services, such as electronic mail, interlinked web pages, file transfers and online collaborations.

The Internet is not a solid structure located in a specific place, but a collection of digital technologies that together create an increasingly believable illusion of place.

Although many assume the Internet and the World-Wide Web to be synonymous, they are not. The World-Wide Web, more commonly referred to as the "Web" or "WWW" is a collection of interconnected Web pages and other electronic resources linked by hyperlinks and URLs. The World-Wide Web is the dominant method for navigating the Internet. Have you ever noticed the www in a URL? Of course you have. For example, SBA's Web address is www.sba.gov. All publicly accessible Websites are seen collectively as the World-Wide Web.

Slide 14 The Internet (cont)

The Internet has many uses. Key business applications include:

•Maintaining an E-mail account for delivering and receiving mail.
•Facilitating online sales and other financial transactions, more commonly known as e-commerce.

•And, providing, via Web pages, information about business products and services.
The Internet can be an important sale, marketing and communications channel for a business.

Slide 15 The Internet (cont)

To find information on the Internet, search engines, such as Google, Yahoo or Live Search, are typically used. Search engines play a significant role today because of the proliferation of information on the internet.

Recently, a prominent CEO at a national Web conference, made this statement, "Today you just don't market to people, you market to algorithms – to Google and other search engines." This is a very powerful and meaningful statement that implies the significant value of search engines as a means for customers to find product and service solutions. How often have you used a search engine to find something? Probably a lot.

Search engines work by storing information about a large number of Web pages and files. These pages are retrieved by a Web crawler -- sometimes also known as a spider. The contents of each page are analyzed and indexed, by key words called META tags. When a user enters a query into a search engine --- typically by using key words --- the engine applies algorithm modeling to indexed data and provides a listing of best-matching Web pages.

Why explain all of this…..? Well, if you want your business to be found online, there are major advantages to making your Website readily and easily located by search engines.

On every Webpage you build or have built, include META tags specifying key words and descriptions that search engines will use to index and display your site. While there is a whole science to optimizing pages for search engines, there are a couple of things you should remember. First, try to determine the words potential customers might use to find a business like yours, using a search engine. Second, make sure your tags are descriptive and include as many key words as appropriate.

Slide 16 Establishing a Website

Developing and maintaining a Website maybe an important dimension for your business. The critical word, however, is "maybe." Some businesses use a Website as an information source, providing customers with information about their business, products and industry.

A Website – with an Internet address - can also help prospective customers find your business via search engines, such as Google, Yahoo and others. More and more businesses are finding value in maintaining an online address so they can be found by a growing number of consumers who use search engines to find what they need.

In addition, a business Website is often used for eCommerce purposes, selling products and services of the business.

Slide 17 Establishing a Website (Cont)

There are definite advantages to maintaining a business Website. However, a Website is not a necessity for every business. For one thing, there are costs associated with maintaining an online presence. The benefits of a Website may not out-weigh the costs or time commitment to build and maintain it. Should you establish a business Website? Only you can answer that question, and, you should do so after much consideration and guidance from an experienced business mentor.

A Website is a cool thing to have, but it may not suit your needs or budget.

Slide 18 Establishing a Website (Cont)

If you make the decision to establish a Website, there are several things you need to do.
Find a Hosting Agent

You will need to find and contract with an Internet Service Provider, commonly known as an ISP, to host your Website. There are many such companies that do this. Typically you will pay a monthly fee to a company who will host your Website on the Internet.

Establish a Domain Name

You will also need to establish a unique address or "domain name" for your Website. Examples of domain names include www.sears.com; www.lowes.com; and www.sba.gov. There are a number of companies known as "domain name registrars" that can assist you in registering your Website name. Often times, the Internet Service Provider you select will or can play a role in this process.

Build the Website

You don't just decide one day to build a Website. This decision should be made with care and guidance from a professional. Before you do anything, take a look what your competitors are doing. Learn as much as you can from other Websites.
If you do decide to build a Website and you have never done it before, hire a professional to build it for you or with you. A good Web presence can add significant value. A poorly done Website can be a total waste of money.

Slide 19 eCommerce Opportunities

Electronic commerce, commonly known as eCommerce, is the buying and selling of products and services over electronic systems, such as the Internet. The term also implies the paperless exchange of business information using Electronic Data Interchange and related technologies. You are surely familiar with E-Mail, computer bulletin boards, FAXES, Electronic Funds Transfer, and the like. These are all forms of eCommerce. For the purposes of this training program, we will focus our eCommerce discussion on online sales, although the term -- eCommerce -- has a broader meaning.

During the last decade, the number and dollar value of online sales has increased dramatically. According to the National Retail Association, some $289 billion dollars in online sales were recorded in 2007. This represents an 18% increase from 2006.
What's important to note, besides the dramatic increase in online sales, is that the Internet and eCommerce have significantly lowered the barriers and made it easier for small businesses to sell their goods and services. Small businesses can and do compete, successfully with large businesses using

Commerce. Many small firms use online auction sites like eBay to sell goods or sell products via large corporate Websites like Amazon.com – to take advantage of the exposure and set-up convenience of a large corporate online presence. Some small firms build powerful Websites with eCommerce dimensions to augment or replace traditional sales, entirely.

There are many variations on how an eCommerce dimension can support a small business. For example, a small hardware store in suburban Maryland adds to its traditional sales with a Website selling high-end, brass hardware. What started out as an experiment in online sales several years ago, became a major transformation of the business. Today, the eCommerce side of the operation is the leading revenue producer and profit generator for the firm.

The small hardware store is now a global business, with new markets and opportunities. Other examples include numerous small firms selling products on eBay or home-based businesses selling services, such as resume writing, entirely online.

Again, there are many variations on how small businesses are using eCommerce to create or expand business opportunities.

Firms likely to profit most from an eCommerce site are those offering unique products or services that are not readily available locally.

Slide 20 eCommerce Opportunities (cont)

Over the years, credit cards have become one of the most common forms of payment for eCommerce transactions. In the early years of online sales, many consumers were apprehensive of using their credit cards over the internet because of fear that credit card numbers would be stolen. However, due to increased security with credit card companies there is widespread use of credit card use over the internet.

There are also financial intermediary companies such as PayPal that enable financial transactions over the internet. Financial intermediaries typically permit consumers to establish an account and to transfer funds into their online accounts from a traditional bank account and *vice versa*. In addition, some intermediaries allow transactions to and from credit card accounts.

Slide 21 eCommerce Opportunities (cont)

Although Internet security breaches have gotten a lot of press, many vendors and analysts argue that transactions are actually less dangerous in cyberspace than in the physical world. That's because retail sales employees who handle card numbers cause a great deal of credit card fraud.

eCommerce transactions remove temptation by encrypting credit card and other information so it can't be stolen. Simply put, encryption is the process of transforming information to make it unreadable to anyone except those possessing special knowledge, usually referred to as a key. The result of the process is encrypted information is protected.

The safety of online transactions is improving such that many consumers are comfortable buying goods online.

Slide 22 The Future -- Web 2.0

So far we've covered a lot of ground. We have discussed the origins of technology, the use of computers, software applications, the Internet, Websites and eCommerce.

Now, let's look at the future…. Well, actually the future is already here – thanks to new technologies. I am referring to Web 2.0, the perceived second generation of Web-based services, designed to facilitate collaboration and sharing among users.

While the old Web was about Websites and "user clicks," the new Web is about participation, collaboration and communities. Web 2.0 is an evolution, representing the rise of a global, ubiquitous platform promoting association, involvement and interaction among users.

Slide 23 The Future -- Web 2.0 (cont)

Examples of Web 2.0 applications are all around us. Although, it is often the under 30 crowd who are the biggest users of new Web services. Prominent examples of Web 2.0 applications include Wikipedia, Flickr, YouTube, Second-Life, MySpace, Blogs and others. These examples are not static Websites or information silos. Rather, they are interlinked computing platforms that include a social element where users can generate and distribute content. The referenced examples are the next generation of the Web and represent a powerful transformation where mass collaboration is creating significant value.

•Wikipedia is a web-based, free content encyclopedia. Wikipedia is written collaboratively by volunteers from all around the world.
•A blog is a website where entries are commonly displayed in reverse chronological order. Many blogs provide commentary or news on a particular subject, others function as more personal online diaries. A typical blog combines text, images, and links to other blogs, web pages, and other media related to its topic. It is estimated that there are over 100 million active Blogs.
•Flickr is a photo sharing website and an online community platform.
•YouTube is a video sharing website where users can upload, view and share video clips.
•MySpace is currently one of the most popular Websites in the world.
•Second Life is an Internet-based virtual world.
Don't take my word for it…. Ask your son, daughter, niece, neighbor or perhaps anyone under 30, if they have a profile on MySpace or if they know someone who produced a video for YouTube.
Participation, collaboration and community represent the next generation of the Web. And, the implications for small businesses are huge. The future is now….. Do yourself a favor, become a student of new Web applications. You never know…., your next brilliant business idea could come from a Blog or from a video you saw on YouTube.

Slide 24 Next Steps

Now that you have completed the course, take the next steps. Put what you have learned into action. This is the most important part of the course.

Step 1. Identify computer systems, software programs and Web-related applications that could benefit your business.

Step 2. Discuss with several business owners, how and what technologies they are using to create efficiencies and growth within their companies.
Step 3. Visit several eCommerce sites, such as eBay or Amazon, and answer the question, why do customers buy from these sites?

Slide 25 Next Steps (cont)

Step 4. Develop a personal development plan to educate yourself on new technologies, specifically computer systems, software programs and new Web applications.
Step 5. Review your findings from the steps above with a mentor, business coach or SBA representative.

Slide 26 Additional Assistance

Many resources are available to assist you. The following resources can help you build a foundation of knowledge.
•SBA has over 60 district offices located throughout the country to help you start and grow your business.
•There are more than 1,000 Small Business Development Center locations around the country. SBDC's provide management assistance to current and prospective small business owners.
•SCORE is a powerful source of free and confidential small business advice to help build your business. More than 10,000 SCORE volunteers are available to share their wisdom and lessons learned in business.
•The Small Business Training Network is a powerful virtual campus.
•And finally, Women's Business Centers assist women in achieving their dreams by helping them start and run successful businesses. Some 90 WBCs are located around the country.

Click on these resources to learn more and access their assistance.

Slide 27 Other Resources

Other specific resources are available.
SBDCNet, sponsored by the Small Business Development Program and SBA's Website can be excellent resources for gaining knowledge about technology

Slide 28 Have a Question?

Never let a question go unanswered.
This course has covered a great deal of material. And, there is much to learn and understand about technology. If you have questions about how new technologies can be used to benefit small firms, contact SBA or one of our resource partners.
We will help you.
If we do not have the answer to your specific question, we will direct you to a resource that does.
Use the 800 number or referenced hyperlinks to contact us directly.

Slide 29 Course Completion Certificate

CONGRATULATIONS ON COMPLETING THIS COURSE.
WE HOPE IT WAS HELPFUL AND PROVIDED A GOOD WORKING
KNOWLEDGE OF NEW TECHNOLOGIES CAN BENEFIT SMALL BUSINESSES.

YOU EARNED A CERTIFICATE OF COMPLETION FROM THE SBA.
THANK YOU FOR PARTICIPATING IN THIS COURSE. WE WISH YOU THE VERY BEST IN THE FUTURE. CLICK
THE PRINT BUTTON TO RECEIVE YOUR CERTIFICATE.