



Technological Revolutions and Your Business

As we begin our New Year, let's time assess our investment in how we can use new technology to work better, faster, and smarter.

Technology can be a two-edged sword: implement it wrong, or do it badly, and you could lose your company. On the other hand, do it well and do it at the right time, and you could reap many, many benefits.

Let me illustrate by sharing some history of the past 35 years from my own field of tax and small business record-keeping. Since we're primarily talking computers here, you'll be able to supply appropriate own parallels to your field.

The people who study these things say that three major upheavals in our field have occurred since 1982, and each time about 50% of the workers in the field lost their jobs.

Three Upheavals

The first upheaval, of course, was the conversion from paper-and-pencil systems of tax computation to DOS-based systems. Half of the people working in the '70's couldn't or wouldn't learn DOS-based system, and were gone by 1988 or so.

In the middle 1990's we all began to convert from DOS-based to Windows-based systems. Remember GUI—Graphic User Interface?

Many tax preparers swore by DOS (and probably swore at Windows!) You don't see them around much any more, nor do you see ads for DOS-based tax preparation software. DOS to Windows conversions were the second upheaval.

We've been in the third upheaval for some years now. It's the internet, of course.

This internet technology can take many forms. Tax filing is one that readily comes to mind. Every year we see not only *more* tax returns being e-filed, but we also see more *types* of returns being filed.

Each year the states increase the number of business tax returns they will electronically accept. And sales tax is now a no-brainer: it's a lot cleaner and easier to electronically file and authorize payment of sales tax than it was just three years ago.

The Main Point

The main point is simply that we all *must* embrace new ways of doing the things we have always done. Becoming psychologically hardened and resistant to ever-increasing change can produce obsolescence in just two or three years. I have seen it happen.

Neat Ideas Now Available for Small Businesses

I'm not really a new technology guru, and would love to hear from you about new opportunities arising in your fields. Here are a couple that have bright promise for most small businesses.

Document Management Systems.

These systems are affiliated with Paperless Office concepts. We haven't "paper" printed file copies of our tax returns for years. Instead, we "print" them to a .pdf file which is universally used.

Think of the savings in paper, printing, file cabinets, staff time to file and retrieve (and look for missing files)! All of our documents are instantaneously available at everyone's desktops, and we never worry about forgetting to return a file to its proper place.

Virtual Private Network (VPN). This concept has been around for a number of years, but started taking off two years ago, and has increased in the past year. A VPN allows you to use a remote computer take over your computer at work, so you can work at home.

In other words, you could be using your computer at work while sitting at home in pajamas. This VPN is much more powerful than technologies we have known in the past.

Interactive WhiteBoards and Teleconferencing Systems. You can meet in your office with other people who are in their office across town, (or London, for that matter), and have not only audio and video, but also computer imagery in real time.

This concept is wonderful for training, and its uses will expand as prices come down. With the interactive whiteboard, we can project an image (an Excel worksheet, or an architectural blueprint) onto the whiteboard.

We can draw the changes we want on the board. The computer will capture those changes, and send them to the computers of all the others in our meeting. And at internet speeds!

The savings in time, money, and confusion is enormous.

Planning is the Key

Any new discipline has its own rules and requirements, and you need to think through what you're going to do and why before you ever begin.

In our practice, we study these new neat ideas for at least a year before we deploy them.

The final word, of course, is that the risk of not using these new neat things is far greater than the risk—or the expense—of doing them.