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Do I really need a Single Business System?

Should it be online?

Will it make me richer?



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Do I really need a Single Business System?

Business System – *Defn:* A single IT system to manage the complete data and operation of your business on a day-to-day basis.

A business system generally includes but is not limited to: Customer Management, Sales and Invoicing, Product and Availability, Workflow and Task Management, and Reporting. It is usually accessible by all people related to the company who need to refer to, process, record or act upon business information in the course of their dealings with the company - employees, customers or suppliers.

The Concept

The concept is not new and centres on the huge advantages of having all the company data in a single well organised easily accessible store. The benefits are huge, in terms of improved organisation and information available to the business. Generally the result is not only a more profitable business but also a more valuable one - **as processes are better defined and more easily repeatable.**

The Reality

The reality until fairly recently has been that the goal has limitations due to the expense of bespoke software development, application distribution and appropriate network technology to provide the access required. Wide area networks (networks between separate locations) have been the domain of big business until the Internet. And until recently the Internet, while hinting at a solution, has not been able to provide the speed of access required.

With the huge growth in broadband availability over the past few years the landscape is changing. Suddenly wide area networks are available to all and are very low cost. The emerging solution is to host your central database on an internet accessible server and develop the solution as a web based application. This simply means it runs like a website but provides the functionality you would expect from traditional software.

So to the other issue, **isn't developing a single solution for the whole of my business still expensive?** It doesn't have to be. There are some real differences which generally lead to large savings in the short medium term.

With Internet based solutions the **cost of onsite installation and rollout disappears**, as does the cost of in-house hardware and engineering services to manage it. This is replaced by a cost to host and support an online solution. With some solutions the cost is based on data storage space and bandwidth and not number of users. This **removes the per-user license costs** prominent in software solutions. **The overall cost of ownership is usually significantly reduced.**

There are companies, like Netguides, who specialise in providing this type of Internet based solution. As a result you are not paying for the re-invention of the wheel. You are paying for the consultancy to help **analyse your business data and processes to produce a definition that makes your business work efficiently** and enables customisation of the solution to exactly fit your needs. Completing this process in itself can **be very valuable to a business** in removing redundant effort, and it often needs a catalyst such as the introduction of a new IT solution to drive it.

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With Netguides Gema System, the most common solution requirements have already been developed as standard function modules which can be integrated seamlessly with custom components. The resulting solution is a single **'perfect match' system that is considerably cheaper than fully bespoke software.**

Because your data is inherently internet based, integration with websites and functionality such as online booking or ordering are easier and cheaper.

Internet applications generally have to deal with what is called a stateless environment; in short this makes them inherently more scalable. The web platform is designed to run applications that are accessed by hundreds of thousands of users such as Google.com and Hotmail.com. That is not to say that every web application is scaleable but the cost of scalability is cheaper and building scalable applications is a well-understood concept in this environment. For you this means if you pick the right partner early on, your solution should easily be able to grow as your business does.

Answering common objections to an online business system

1. Security

Q. I know exactly who has access to my data because they have to walk into my building to access it. On the Internet doesn't everyone potentially have access?

A. Well this is true, but so is it true of your bank. Thousands of business critical sensitive data transactions happen on the internet everyday and the security well understood and inexpensive to implement. Security can be provided at several levels:

- Physical security of the actual computers hosting your site
- SSL Encryption – This prevents eaves dropping of data between the user web browser and the web hosting computer.
- Passwords – These can be forced to contain a minimum number of letters, to be mixed case, to be a mix of number and letters and to be changes regularly.
- Restricted IP's – If required access can be restricted to just pre-specified IP ranges (locations).
- Role Based functionality access – This is built into a system and affects the functions and data provided by the system depending on the user's role. This means customers have access to some functions, sales staff to other functions, management to additional functions etc.

Security is fully achievable but like most things a balance between security and usability has to be struck. Where you draw this line is dependant on your own specific requirements and the sensitivity of your data.

One more thing to note is that if your in-house computer or network is connected to the internet; you may not see everyone who currently has access at your data! Usually online systems are more secure.

2. Backup and Availability.

Q. How can I be sure my data will be there when I need it? What if my server crashes or my internet goes down?

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A. Online business systems hosted with the right partners usually have higher availability and more regular backups than in-house solutions simply because the only job of the hosting partner is to provide these services. Their reputation and business depends on it. They employ experts in these fields and provide much better hardware and on-site IT skills that most SME's can afford to have in-house. It is important to choose the right partner and know what you're getting for your money; your ISP is not always the right partner for such a system. ISP's specialise in providing internet connectivity, hosting partners specialising in hosting business critical web based applications.

The weakest link in Availability is not usually the hosting company but more often your own company internet connectivity. You need to weigh up options and usually costs against the necessity and times of access to the system. Different ISP's specialise in different types of access and many have different offerings to ensure maximum speed and connectivity at different times of the day. You may also consider having a backup provider that you can switch to if you main provider is unavailable.

Remember also that you can usually access the system from any location. If the office internet is down you could work from home for example.

3. Dependency on the supplier

Q. If you opt for a software solution, you quite often end up with an installation CD in your hands and the knowledge that if you get the right technician in you could reinstall it. What happens with an online system?

These are natural concerns and are the most difficult to overcome. An online business system doesn't have to be different to an in-house one. If you purchase a custom system you can ask for a CD of the solution that could be installed onto a different hosting should something go wrong with your current arrangements. You can ask for an agreement that gives you rights to obtain and use the source code for your own use should the supplier go out of business. These are normal when purchasing traditional bespoke systems and are still valid in the online arena.

Your data is often your most valuable asset should be stored in a standard commercial database. It is usual for you to be able to obtain a local backup of the data as often as you require.

It is important to pick the right partner and discuss the issues of what happens if you want to go your separate ways one day. Understand what you are getting and how portable it is and if you're not happy with it then select someone else.

Reference

*"To some extent we use the internet in a conventional way, as another channel. But **you really begin to grow your business when you use it to redefine your business processes**"*

Andrew Riley - Burgundy Global - <http://www.mybusiness.co.uk/YZFfU7BobZQ-Nw.html>

Nine out of ten connections to the Internet are now via broadband in the UK, according to the latest data from the Office of National Statistics. In September 2007, broadband connections accounted for 88.4% of all Internet connections. Dial-up connections continued to decline and accounted for just 11.6% of all Internet connections in September 2007.

Office of National Statistics - September 2007 - <http://www.statistics.gov.uk/pdfdir/intc1107.pdf>

White Paper – courtesy of Dawn Bee

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