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Choose Technology Like an IT Pro

These 10 easy steps will help you select the right technology to boost productivity and save money.

By Kevin Orfield

What You Need to Know

- Always consider your return on investment.

- Invest in technology that has an ongoing support staff.

- Don't purchase an extended warranty.

In just a few short years, use of new technologies such as instant messaging, Voice over Internet Protocol (VoIP) phone service, WiFi Internet access, video conferencing and smart cell phones, have exploded. As these new technologies become even more ingrained into mainstream society, small businesses will have increased opportunities to improve processes and connect with customers.

But, if you adopt too many new technologies too quickly, you risk spending most of your days integrating new technology and not enough hours getting real work done.

In these hyper-multitasking, gadget-obsessed times, how do you know which technologies will help your small business improve productivity and profitability? Unlike large corporations, you don't have the benefit of a large IT department—but you can still make solid, educated technology choices.

Here are 10 tips to help you make wise decisions about your business's technology investments:

1. Consider Your Return on Investment. Before adopting any new technology, ask yourself if it improves operational efficiency, boosts productivity or helps control costs. If not, don't buy it.

"Your competitor may have just bought a new customer relationship manager package or tablet PCs, but that doesn't necessarily mean you should," says Ramon Ray, author and editor with Smallbiztechnology.com. "You need to determine if the return on investment is worth the cost of the new technology."

2. Choose Technology that Will Evolve With Your Business. Any new technology should integrate seamlessly into your business and support your current goals. It should also support your future needs with minimal upgrades. "Will the database product you are buying hold you hostage to other technologies or will it grow with you?" says Ray.

3. Consider Support. Find out what's available in terms of service and support. Your vendors should provide continuing support for minor and major software upgrades. Avoid solution packages that are no longer supported or custom proprietary packages that no one else uses.

4. Don't Let Cost be the Only Deciding Factor. Don't make purchase decisions based on price alone by selecting only the lowest priced technology. Choosing only the least expensive technology can leave you with too little capability, which costs time and money in the long run.

"I'm in favor of people buying faster computers because they remain current," says Rafe Needleman, editor-at-large with CNET.com. "More high-quality video is going on the Internet, so computers require more processing power to view it. Buying a higher-end computer every three to five years rather than an inexpensive computer every year or two will save you time and a lot of headaches."

That doesn't mean you necessarily need to purchase top-of-the-line products. "Never buy the absolute fastest computer you can get," says Christopher Null, veteran technology journalist and

"The Working Guy" advisor for the new Yahoo! Tech Web site. "There's a big spike in prices for top-end machines. If you select a computer with 20 percent less processing power than the fastest model, you'll save about 50 percent and not notice any difference in performance."

5. Don't Be a Guinea Pig. It's tempting to be the first to try out the latest Windows operating system or application. But let discretion be the better part of valor. "Everyone wants to be the first on the block with the latest, greatest stuff, but you're much better off waiting three or four months until the bugs are worked out," says Null.

6. Consider a Second-Tier Company. Don't worry about buying a name-brand product. Computers have become a commodity, which means getting a name brand does not necessarily mean you are getting better quality.

It may mean, however, you are getting better technical support. Just keep in mind, though, that computers have become much easier to maintain and repair, so you can always hire someone locally to do repairs for a reasonable price.

And never buy an extended warranty. "In all probability, your computer probably won't break down in the first two or three years, which means you wasted $200-300 on an extended warranty that could have been used on a new machine," says Null.

7. Look at the Retailer. A more important consideration than brand is the retailer, which is typically the first line of technical support should you have problems. The retailer has a vested interest in keeping you happy—you are potentially worth tens of thousands of dollars in business over the years—so make sure the retailer has a good return policy and doesn't charge restocking fees.

8. Get VoIP Phone Service. VoIP is not only less expensive—say goodbye to long distance charges—it offers many features not available with standard land lines, such as the ability to forward office calls to your home or cell, or have voice mail delivered to e-mail.

9. Don't Overlook Free Stuff. The proliferation of free tools, applications and services available on the Web is proof once again that the best things in life are free. And that doesn't just mean free e-mail or instant messaging accounts.

"Some application alternatives are quite good and can even do more than small businesses can do with traditional applications," says CNET's Needleman. For example, ZoHo writer is every bit as good as programs such as Word, and can do many things other word processors can't, such as allowing two users to work on the document simultaneously or share a document without the need to e-mail files.

OpenOffice.org provides a complete Microsoft Office-compatible word processor, spreadsheet, presentation package and database. Yahoo! and Google's new calendars provide free alternatives to Outlook. Other freebies allow you to send and receive faxes, create PDFs, collaborate on projects and conduct teleconferences.

10. Find an IT Advisor. Just as many small businesses retain the services of a lawyer or certified public accountant, it is often wise to find a solutions provider or some other kind of technology expert. Another option is to join a regional support group for your type of business where you can meet people facing the same challenges.

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