

Setting up your first IT system

Start your own business

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The use of information technology (IT) has become a vital part of day-to-day life in many companies and new businesses expect significant returns on their IT investment.

Every fledgling business should make sure it specifies and sources an IT solution that meets its immediate requirements, while ensuring the solution can act as a base for expansion as the business grows.

This briefing covers:

- Basic requirements.
- Using software.
- Networking.
- Security.
- Budgeting and buying.

1 Setting up your office

Nearly every start-up business will need basic communications technology.

1.1 Consider how many **telephone** lines or extensions you will need.

- Make sure you will be able to add lines or extensions later if necessary.
- Ask your telecoms supplier if they have a special price for businesses which take both phone service and Internet connections.
- Broadband is becoming a standard for most businesses using the Internet — take advantage of competitive prices from a variety of suppliers.
There are systems available now which use your broadband connection for telephone calls, called broadband telephony. This will

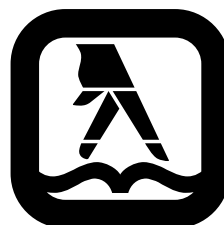
give you more functionality and flexibility without the initial costs incurred through traditional telecoms systems. For example, voicemail and call diversion.

1.2 Faxes can be vital for start-up businesses dealing with business customers. A business without a fax may seem amateurish.

- Most fax machines can be used for occasional photocopying.
- Cheaper fax machines generally use thermal paper, which can fade over time. More expensive plain-paper fax machines are better if you need to store faxes for some time.

1.3 If you need more than occasional copying, consider leasing or buying a **copier**.

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- Most businesses choose to lease, with maintenance charges at around 2p a copy for smaller machines and 1p a copy for larger machines.
Ask for confirmation of the number of copies a month the copier is designed to handle and its expected lifespan.

1.4 For most start-up businesses, **PCs** have become the central part of an IT system.

- Look at your business plan and see which objectives could be more effectively achieved by using a PC system. For example, you can manage large amounts of information more effectively on a PC than with a paper-based system.
- You will need to invest in training. Remember to include training costs when budgeting for your IT system.
- The greater the use of your IT system, the greater the impact if something goes wrong with it. Make sure you consider security and support (see 6).
- Avoid buying hardware or software which is too complicated for your needs.

1.5 The **printer** you choose should be determined by the quality, speed and versatility you require.

- If you are working on your own, you may consider a multifunction device, which combines faxing, copying and printing.
- Inkjet printers are cost-effective for occasional printing. As the cost per page can be high, they are not suitable for more than 500 pages per month. Inkjets also offer the capability to produce short-run colour documents at an affordable cost.
- Small laser printers are suitable for black and white printing with up to three people using them. They are designed to produce 500 to 5,000 pages a month.
- Heavy-duty laser printers are suitable for larger businesses.

2 Networks

2.1 If you are working **on your own**, the only network you need to consider is the connection between your PC, phone line (for Internet access), printer and possibly fax or copier.

- This should be easy to set up, as connectivity should be built in to all the devices. Check this before making the purchase.

2.2 If you have more than one computer and fewer than eight, you can consider linking them through a **peer-to-peer** network.

- Each user can access the other users' machines and external devices. This may slow down some users' machines at busy times.

2.3 When your business has more than six connected PCs, you should build a network based around a **server**.

The server is a dedicated computer that manages the network and stores software and files created by users. It allows anyone on the network to access other people's work when required.

- You must take preventative measures in case the server fails. At the very least, the contents of the server should be backed up regularly. Ideally, you need a server that is built to continue functioning even if components fail, as well as backing up regularly. For maximum efficiency, make one person responsible for your IT.

3 Office benefits

With the right software, your IT can increase the efficiency of your business's internal operations. Check that software can do exactly what you want it to, before you buy.

3.1 Email provides a fast and inexpensive way of communicating with everyone, including people within your business.

- Email is now as essential as post and fax, particularly for businesses selling to other businesses.

3.2 Word processing software allows you to produce professional-looking documents and letters quickly and easily.

- Features such as automatic spell-checking can improve your accuracy and efficiency.

3.3 Basic accounting software can simplify book-keeping and automate VAT returns and similar tasks.

- Payroll software makes paying staff easier, automating repetitive and sometimes difficult calculations.

3.4 Stock control software allows you to predict buying or manufacturing needs to help drive efficiency.

“Always get as high a processor speed and as much RAM (Random Access Memory) as your budget will allow. This will allow you to maintain the performance of your system if you decide to install additional software.”
Steve Newton,
Galatea Training Services

There are also customer service benefits.

3.5 The **Internet** is a great source of business and market information.

4 Connecting with customers

Effective use of IT can project a professional impression of your business to customers and potential customers and help you manage your business relationships more effectively.

4.1 **Contact management** software or a simple database allows you to record details of customers and suppliers and your dealings with them.

- You can schedule sales activities and monitor progress.

4.2 A **database** allows you to generate mailshots and monitor the effectiveness of marketing campaigns, while software such as PowerPoint allows you to produce impressive sales presentations for customers.

4.3 If you choose to have a website, your **Internet** presence can range from providing simple information about your business through to full online ordering and tracking systems.

4.4 Communicating with customers via **email** is quick and efficient.

- Email marketing is cost-effective and easy to tailor for specific customers through a contact-management system.

Bells and whistles

- IT systems are advancing all the time. It is easy to be attracted by the latest gizmo. But always buy what you need rather than what the sales person says you need.
For most business purposes you are unlikely to need features such as speakers, the capacity to play DVDs, or advanced graphics or sound cards.
- Once your IT system is up and running, don't upgrade software simply because a new version has been released. Establish whether the new features would benefit you. In any case, you will probably be better off waiting until any glitches have been ironed out.

4.5 It may be useful for customers and suppliers to have access to your IT systems through an **extranet**. For example, an architect may want customers to see plans as they are being developed.

- An extranet allows customers to view files by logging on to dedicated areas of the system.

5 On the road

5.1 People that spend much of their time out of the office should consider **portable** computers, from laptops to hand-held devices with more restricted functions.

- Laptops cost more than an equivalent desktop PC.

5.2 You can access your IT system while **off-premises** through an Internet connection.

- You must take additional security precautions if you allow access to your network from outside your business (see **6**).
- Connecting directly to your server saves time as you work with the original file stored on the server. You do not have to worry about saving updates to the server and the portable.

6 Securing your data

The information you hold on your IT system is valuable, and holding business information on a computer creates a security risk.

6.1 Physically **protect** computer equipment.

- Stealing a PC or server is the most direct way of getting hold of information and the easiest way to discover how to gain access later.

6.2 Design your network with **security** in mind.

- Use passwords to restrict access. Focus on high-risk information and systems. For example, confidential information and financial systems.
- As far as possible, isolate or protect computers with direct Internet access. Consider installing firewall software to control data coming into and out of your system, and anti-virus software that filters destructive data.

6.3 Create a robust **back-up** system.

- Set up a procedure for making regular partial and complete back-ups.
- Store back-ups off-site. Keep them away from heat, moisture and magnetism.

6.4 Ensure **employees** understand the importance of security.

- Make security a part of employees' contracts.
- Only give Internet access and email accounts to those who really need them.

6.5 Make sure **technical support** is available. This can range from a suitably-qualified individual looking after all IT issues through to engaging specialist support contractors.

- Work out the longest time you could work without your system before your business is damaged and make sure that your support could get things up and running before then.

7 Setting up a budget

7.1 Expect to spend between £750 and £1,500 plus VAT for a **desktop computer**.

- For around £500 plus VAT you should be able to buy a machine sufficient for basic office applications such as word processing, simple accounts, sending email and surfing the Internet.
- For £800 plus VAT, a system will be more powerful as well as having more extensive sound, graphics and storage capabilities. For example, this could be used for web and print design, or for stock-control systems that juggle large amounts of data.
- For £1,000 plus VAT, you should get high-speed processors with lots of memory and advanced graphics capability. High-end machines are only necessary for businesses that depend upon processing speed, eg printing or music production.

7.2 Dedicated **servers** cost from £1,000.

- If your server use is light, a standard desktop PC could be used as a server.
- For workgroups above six people, a dedicated server is desirable.

7.3 **Additional costs** to consider include:

- Software.
- Running and maintenance, and any warranties. This may significantly add to the initial costs. Check what level of support you will get and if there are hidden charges.

- Training, for you and your staff.

8 Shopping around

You can source your system from a number of different channels.

8.1 **Mail order** firms offer a wide product range at competitive prices.

- Advice tends to be limited to helping you make a purchase.
- Returning faulty equipment can be time-consuming.
- Choosing a supplier registered with the Mail Order Protection Scheme means you are insured if it goes bankrupt.

8.2 At **shops** and **stores** you can try out your purchase — and take it away with you.

- Retailers generally offer maintenance and support. But this can be expensive — and its quality can vary.

8.3 Buying direct from the **manufacturer** can be a good idea if you know exactly what you need and don't need advice.

- You can generally specify how you want the system to be built.
- Orders can be placed over the phone or the Internet.

8.4 **Resellers** can provide a range of services, from single PCs to tailored IT systems and support packages. Shop around to find a reseller that clearly understands your needs and offers competitive prices.

8.5 **Consultants** can specify, install and configure systems for you. This can be a good option if you lack experience with IT systems. But you should check a consultant's references carefully.

8.6 **Used** computers can be bargains — but you have to be careful to avoid buying something of questionable quality or legality.

- Some manufacturers sell fully-tested returns or discontinued ranges at heavily discounted prices. For example, visit www.dell.co.uk and click on Dell Outlet.

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