Tracking Your Fasteners

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How Would You Rate Your IT Performance?

Information Technology is a Key Differentiator

Information technology (IT) performance in a small or mid-sized business (SMB) is a very important issue. Effective use of IT can be THE differentiator that gives the small business the edge to beat both small and huge competitors. IT can level the playing field. In fact, solid, high-performing IT is a critical success factor for SMBs.

Many Fastener Company Leaders Ignore or Avoid IT

For most fastener SMBs, the reality is that the company must have a technology partner that is effective in order to succeed. Most fastener distributors are just not large enough to hire an IT staff and handle the project on their own. The software vendor that they choose can make all the difference. Many IT service providers have good intentions of providing high-quality services to SMBs, but most must dramatically improve.

Make IT a Priority

Certain fastener distributor executives must first learn to crawl before they can run in the discipline of IT. Too many of them struggle to keep their IT systems performing at a high level. They still need to get basic infrastructure and PC systems stable. As I talk to people throughout the industry, I find that way too many executives think that their eight year old PCs and their 40 year old software are "just fine".

Large Companies Make IT a Top Priority

Large companies can afford to have many people working just to keep the server running, but the smaller, nontechnical fastener distributor simply cannot afford that. So they need a high-performing service partner in order to be able to run high-performing IT systems.

Not Always the Best Partners

Unfortunately, some software companies tend to do what they want, and do not engage the client in in-depth discussions about their true needs and improvement possibilities. Some of them convey to the client a pretty arrogant attitude.

Also, many fastener company owners do not want to get truly involved in IT matters. The owner often delegates the task to a person in the company who must do the IT job part time and has few qualifications to support an IT system. The fastener company's lack of interest in, or avoidance of, IT issues presents special challenges to software providers. It

takes a software provider with extensive industry expertise to deliver first-class services.

So you Recognize Your Company in These Descriptions? Now What?

- Acknowledge the importance of your entire IT infrastructure, hardware, networking and software and decide to do something about it.

- Identify a person in the company who has broad understanding of the company's operations and direct authority conferred on them by the top executive. This person should spearhead the project internally and also work with external service providers.

- Begin with specific goals and deadlines.

- Create an action plan.

- Prepare the infrastructure in anticipation of the new system. It is best to select the software first and then purchase and install the hardware recommended by the software vendor.

- Focus on getting your "payoff applications" up and running as soon as possible (a payoff application is one that, when implemented, will save the entire cost of the hardware and software implementation, e.g., Vendor Managed Inventory, Wireless Warehouse, Integrated Quality System, etc.). Once that application is running, the rest of the efficiencies are a bonus.

- Have a realistic budget to ensure that, once everything is stabilized, you will be ready to tackle next steps. Be sure that you have the best understanding possible of the inevitable "hidden costs".

Pick a Software Partner that Knows Your Needs

Quite often, I run across fastener companies that are using off-the-shelf software or software that was designed for a dif-

ferent industry or huge general-purpose distribution software packages. It's no wonder that they don't have any respect for the potential benefits of technology. They haven't given themselves a chance.

With a software partner that is dedicated to the fastener industry, you will be able to run your company like a well-oiled machine. It's like the difference between building a house with handy-man tools or with tools designed for a highly skilled tradesman.

Here are a Couple of Issues that Come up Frequently

Communication:

Many IT service providers have almost zero communication with their clients about true problems that the fastener company faces. At worst, this leaves the impression that they do not have a clue. At best, it doesn't raise confidence about their knowledge or willingness to help.

Lack of process knowledge:

Many software companies possess little industry knowledge. Hence, they are not able to help the client actually solve its specific problems. When the client says, it can't work that way in our business, the vendor says "that's the way it is."

Conclusion

Installing an updated hardware and software platform to run your business on is not without risk. The greater risk however, is to not do anything. If you don't catch up and lead with your technology, you may find yourself wondering what happened to your long-time successful business when you have to close your doors. *www.ci-inc.com* ⟨FF⟩