MANAGEMENT BASICS #7: ON THE ROAD TO SUCCESS

Use Technology for Acceleration

BY FRED ODE
The dot-com mania of the late 1990s taught us all a lot of hard-earned lessons regarding technology. Chief among them is that a company motivated strictly by the fear of being left behind usually will be left behind. When technological change presents itself, the company that reacts thoughtfully and creatively will have a much greater advantage over the company that frantically reacts or quickly buys into the latest fads and trends.

This brings me to the seventh topic, technology, in my ongoing series of “Top Ten Management Basics.” As I stated in the opening article, technology by itself does not solve problems. It should only be used to leverage strengths you already possess. Chosen wisely, technology can and should seamlessly integrate with your business to increase productivity, efficiency and profits.

The best way to use technology, as summarized by Jim Collins in his book, Good to Great, is as “an accelerator of momentum rather than a creator of it.” Having studied Fortune 500 companies over a five-year period, Collins came to the conclusion that not only do successful organizations think differently about technology than mediocre companies, but they tend to become pioneers in the application of carefully-selected technologies.

Collins gives the example of one great, enduring company that has managed to preserve its core values, while endlessly adapting to a changing world. The Walt Disney Company, based on the utopian visions of creator Walt Disney, continues to follow its commitment to quality entertainment and creativity. From animation and movies, to theme parks and consumer products, the company
has pioneered many innovative technology applications throughout its profitable sixty-plus year history.

So how does this relate to you and your business? For small and medium-size companies, using technology as an accelerator is even more relevant because they can least afford to make bad technology investments. Overall, there are several steps that you can take to ensure that, instead of chasing technology, you use it to leverage what you already do well.

IDENTIFY WHO YOU ARE

Everyone may be singing the virtues about the latest and greatest technological advancement, yet it could possibly hold no value for your company at all. You won’t know that, however, until you define who you are as a company, what you do best and what your long-term goals are. The most important question should be, “Does the technology fit directly to what drives the company, what we do best and our core values?”

IDENTIFY WHERE YOU ARE

Every business is at a certain threshold in their use of technology. Your challenge is to identify where you are and where you want to be. Having identified your core strengths as a company, the next step is to identify the products that will accelerate your long-term growth. In some instances, the technology may be there already, but the company is not fully utilizing it or has not adequately trained its employees. The key is to accept the fact that this is an evolving process that will continue to change as your company adapts to a changing world. There is always room for improvement. And there is nothing wrong with being behind in technology—as long as you have a plan to move ahead and invest in the technologies that fit your business.

IDENTIFY TECHNOLOGY ACCELERATORS

Companies that can clearly define who they are and what they do, better than anyone else, will have a much easier time choosing the technologies that will give them an even greater advantage over
their competitors. And once these companies grasp how the selected technology fits with their strengths, they often become pioneers in the application of technology—using them in ways that no one ever thought possible.

In Good To Great, Collins explained how Walgreens, for example, carried out its convenient corner drugstore concept with the development of the first computer network system linking all the stores together. They led the pharmacy industry by at least ten years and were able to tailor inventory to specific demographic and geographic areas.

Technology is neither the solution to all our problems or to blame for all our ills. But with the right planning and thoughtful consideration, it can be used to supplement your company’s strengths. The trick is to identify the strengths, and then carefully select new technologies for a perfect fit.

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