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Money-Saving Tips For SMBs

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On the response sheets I get from those who attend the speeches I make at the ITEC conferences, "Reducing hardware and software costs" always ranks in the top third of important issues. One of my goals is to help SMBs maximize the value of technology in their business. Sometimes that means spending less, sometimes it means spending more. Let's talk about spending less today.

One of things that ranks even higher than reducing costs on my surveys is interest in free software and Open Source applications and operating systems. In fact, free applications always ranks higher than free operating systems. (Kim Brand of FileEngine.com gives a presentation at ITEC on Free and Open Source Software, so attendees can satisfy their Open Source curiosity by getting one of the free Open Source Software CDs he hands out. You can see his presentation [here](#).)

The most popular and cost effective free software application is the OpenOffice suite, now up to Version 2.3. This software (download it [here](#)) does everything Microsoft Office does and more. It even requires less retraining time going from Microsoft Office 2003 to OpenOffice than from Microsoft Office 2003 to Office 2007.

Even if you don't believe OpenOffice can do everything you need, I'll bet dollars to donuts only a few of your users are high powered Office experts that use Visual Basic and cross-application scripting within Office. For that 20% keep Microsoft Office. For the casual users, try OpenOffice. It's free to try, and no one will raid your company over software license issues when you use Open Source software.

Only one office application, OpenOffice, looks and feels the same way across all the computing platforms in the modern company: PCs running Windows, Macintoshes running OS X, and Linux PCs running any of a hundred different Linux flavors. Of those three, the Linux operating system costs nothing (as in free to download) to a little (US\$50 to US\$100 including OpenOffice and many more applications and support services).

There are many more Open Source applications that do a great job, including graphics programs, databases, and media utilities. Servers running Linux and Open Source software like Apache Web server support the majority of Web sites on the World Wide Web today.

Another good list of money saving tips, most of which I agree with, comes from Gene Marks. His Business Week piece, "Ten Penny-Pinching Ideas for 2008," can be read [here](#). Marks wrote the Streetwise Small Business Book of Lists I've mentioned before, and you can get more details at his [Web site](#).

One of Marks' ideas I will argue about is his advice for remote communications. I won't quibble with LogMeIn or other services, but I strongly advise against small companies setting up a Windows server with Terminal Server until they have a security-trained support person on staff. I believe you can do just about everything you need with a hosted collaboration service like [HyperOffice](#) (which I've mentioned before) or [InfoStreet](#) (which I'm testing now).

These services provide e-mail support as part of their total packages, but you can get just e-mail from outside vendors like [Everyone.net](#). Shared calendars come with those services (and you still don't need to buy a server) and from Google. The longer you delay buying a Microsoft server, the longer you keep piles of money.

I certainly agree with Marks when he counsels you to avoid Vista as long as possible. I also strongly believe some type of sales automation software, or full blown CRM package, will save you money. If you don't know where your sales people are in the sales process, or where they are physically, you have problems. Few things matter more to small businesses than sales, so get automated.

Hardware savings abound, even when you buy name brand systems. Desktops and LCD monitor bundles can be had for US\$500 or so at the low end, which will serve 80% of your users just fine. If you need serious horsepower for audio or video editing, prices have dropped so much the last few years you'll be in good shape buying new. You'll be in better shape buying off-lease computers from places like Ubid.com, selling Pentium4 systems for a few hundred bucks. You'll need to add some memory for media-intensive applications, but memory's more affordable than ever now.

Getting maximum value for your technology dollar doesn't always mean spending less, although that certainly helps. It really means buying the right tool for the job. Why buy the hottest, newest computer for casual users? Why buy Microsoft Office for those users? Save your money for the important things, like growing your business.

Next time we'll plan how to maximize your technology from the other direction: adding the right technology to solve your business problems.

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