BUSINESS VANCOUVER

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SMALL BUSINESS

Small business report: Get your head in the cloud

Technologies like VoIP, SaaS and mobile can dramatically reduce startup costs for small businesses
By Nelson Bennett

Starting or growing a business comes with a lot of capital costs, much of it technology related.

You'll need landlines, printers and servers, IT staff to run them and software to manage your accounting, billing and customer relations. You may also need point-of-sale terminals and software.

Or, you can get by without any of that.

Thanks to cloud-based computing, mobile technology and VoIP (voice-over-Internet protocol), small businesses can avoid a lot of costly investments in technology.

Medeo, which connects B.C. patients with their doctors via webcam or smartphone, has harnessed the cloud and VoIP to reduce both costs and paper.

"We're totally paperless as a company," said Ryan Wilson, CEO of Medeo and former CTO for VersaPay Corp. "We don't have a printer or a scanner or fax machine anywhere in our organization. We don't even use cheques. We do all of our payments using the VersaPay platform that I built previously."

"Practically every aspect of a small business' operations can now be supported through a combination of cloud, SaaS and mobile offerings," said Bill Tam, CEO of the BC Industry Technology Association.

The biggest game-changer for business, large or small, is cloud computing, says Neal Chaudhary, a partner at Tacit Management Consulting, which advises business on technology needs.

By moving all of its computing and storage to an outside data centre, a company can avoid the cost of buying servers, hiring IT staff and licensing software. All a business needs these days is an Internet connection and some laptops.

Companies don't even need phone lines anymore – as VoIP means a business phone system can be Internet based, which can reduce or even eliminate long-distance charges.

"The biggest trend is cloud," Chaudhary said. "You no longer have a huge upfront cost [where] you're buying hardware, you're buying software, you're paying somebody to install that software, you're incurring huge training costs and change-management issues.

"Whereas you can go and buy a cloud solution, for as little as $10 a month per user, and have access to basically the same end results without that huge investment. And after three months, if you find it doesn't work for you, you can simply walk away."

The move to the cloud can be partial. A business worried about its data being stored outside of Canada in a foreign data centre may still opt to have its own servers and keep all of its data in house.

But many programs that had to be purchased and installed on each desktop now come as software as a service (SaaS), which can be much more cost effective.

Even those companies already using SaaS may find that they are having to subscribe to several different services for a range of enterprise functions, like accounting, purchasing, customer relations, billing and inventory control.

But that can all be done by Microsoft Dynamics NAV, an all-in-one business management service that includes accounting, supply-chain management, inventory management, production planning and customer-service management.

Stefan Lammers, managing director for focu.biz, which just recently relocated from Germany to Vancouver, is an approved Microsoft Dynamics NAV consulting firm.

Lammers said one of his clients used to use a variety of programs, like QuickBooks.

"They needed about eight hours every two weeks to calculate commissions, and after integrating the company process into our software, the commission calculation was one click on the mouse," Lammers said.

Another trend for small business is mobile technology. Mobile payment systems, like Square and Vancouver's own Payfirma, turn tablets and smartphones into mobile credit card processors.

"You walk around in our neighbourhood, in Yaletown, you'll actually see small eateries using iPads as their [point-of-sale] station," Chaudhary said. "Instead of going cloud or traditional computer-based technology, you can leverage an app. You're not purchasing a point-of-sales terminal, which is hardware and software. You can probably easily save $5,000 to $10,000 a year." •

Technology trends for small business

VoIP – Voice-over-Internet Protocol is telephone over the Internet. Domestic calls are typically free, and international calls are comparatively cheap.

SaaS – Software as a Service is cloud-hosted software, which means programs don't have to be installed on each computer, and can be cheaper. Typically sold on a subscription basis.

E-commerce – Building an ecommerce site can cost $12,000 to $25,000. Services like Shopify can bring those costs down dramatically by providing an off-the-rack e-commerce content-management system and payment processing.

SaaS Vancouver companies

There are dozens of SaaS programs designed for business. Several were developed by Vancouver companies, including:

Procurify – Made-in-Vancouver cloud-based procurement software that eliminates the need for enterprise resource-planning systems.

Kashoo – Cloud-based accounting that eliminates the need for QuickBooks and excel spreadsheets.

BeanEvo – Offers a SaaS-based accounts-payable program, which the company says can lower accounts-payable processing costs by 50%.

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