"Computer Myths and Truths"

by

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PROPER STEPS IN COMPUTERIZATION PROCESS - in THIS order!!!

1. **Evaluate your needs!**

   A. Decide first off if you really NEED a computer - must involve management!! Can "key applications" pay the way?

   B. The time to automate is when your business is running smoothly on manual procedures and you see a chance for a computer to make you more money by saving employee time and supplying timely information for decision makers.

   C. Production of your "Request for Proposal" - absolutely THE most important time spent in evaluating and formalizing your needs. Remember - if you don't really know what you want, you will get exactly what your asking for, that is NOTHING!!

   D. Should you hire a consultant?

   E. Remember
       - Computers can't replace staff immediately
       - Computers can't replace your CPA or accountant
       - Computers can't save a "sick" business
       - Computers can't help you do things you don't understand (if you don't know what you're doing, the computer is merely going to help you make the same mistakes -except FASTER)

2. **Find the "RIGHT' software for your needs**

   A. Who really has the "Solution"

   B. Very important that you visit installation sites not just vendor or trade show sites.

C. Must be "User Friendly" not just functional! Test for:

- flexibility - can it be modified?
- automatic defaults
- integration - do all units interact with each other
- speed of operation
- on-line inquiry
- report generator
- audit trail - can it help you find YOUR mistakes?

3. Find the "RIGHT" vendor

A. Reputation - do they perform for other customers?

B. Can you have ONE source of responsibility?

C. Are they CAPABLE (technologically) of doing the job?

4. Find the "RIGHT" hardware

A. ALWAYS look for the hardware that allows you to run the software that you have selected in step #2 above. NEVER select hardware and then try to find software that will make it work! (except if you are the genius type who thinks they can recreate the wheel - or your friends think of you as a masochist!)

B. Make sure the software and hardware come from one source to insure a single level of responsibility.

C. Service must be available in your geographic area!

5. Final thought
Computerization pays off only if you find the RIGHT software (for your KEY applications), from the RIGHT vendor, to run on the RIGHT hardware - **and in that ORDER**!!!

COMPUTER MYTHS
"What The Salesman Won't Tell You!"

MYTH 1 **EVERYBODY WILL LOVE IT BECAUSE IT WILL SAVE TIME**

    a. In the beginning it will NOT save time but actually take more time because of the need to set it up AND operate your business as normal.

    b. Many employees resist change and will FIGHT to prove that it will never work.

        1. get all "KEY" employees involved in planing the installation from the very beginning - everything from where to physically put terminals to how to lay out the screen and set up codes for product types, sizes, etc.

        2. if they are involved then they can accept a problem after installation and work together for a solution.

        3.- if an employee is not going to accept the introduction of the system then make that hard decision up front to replace the employee.

MYTH 2 **DATA ENTRY IS EASY - YOU CAN DO IT IN A FEW DAYS**

    a. The system can only function if it has accurate data and it is a boring tedious task to type into the computer everything from customer names list to suppliers to G/L accounts, to inventory info, to etc.

(3)

b. It will ALWAYS take longer than you expect to set up the data files because if you're human you will:

   1. make typos
   2. forget data
   3. design an abbreviation or code or symbol to use that later on will prove to be not such a good choice because of some conflicting symbol need.-

c. Its best to hire some outside clerical help (part-time) to input the brunt of the data (except for sensitive info) it-will be more accurate, go in faster, and maintain a good relationship between the computer user and the computer after the data is put in, your employees must master the use of the system and will probably never have to put in large amounts of data at one time.

MYTH 3 **TRY THE SYSTEM FOR A WHILE - IF YOU DON'T LIKE IT YOU CAN ALWAYS CANCEL BEFORE A CERTAIN DATE**

a. After you have invested labor costs and aggravation in implementing your data base, it is costly and frustrating to have to do it over again.

b. Employee attitudes and interest will never be as strong the second time around.

MYTH 4 **YOU CAN PUT INTO THE CONTRACT EVERYTHING YOU WANT THE SYSTEM AND VENDOR TO DO**

    a. It is humanly impossible to think of all the things you will want in exactly the way you want them BEFORE you start using the system.

    b. A very strong parallel can be drawn between a marriage and the contract.

        1. you have a "give and take" relationship where at any one time you may feel that you are giving more than you are taking or visa-versa.

        2. although you may have legal remedies, it is VERY messy trying to exercise them and probably the only people who will win are the lawyers.

        3. a good relationship is where you never have to pull . out the contract after you sign it.

MYTH 5 **THE COMPUTER WILL SOLVE ALL YOUR BUSINESS PROBLEMS**

    a. If your business had problems based on poor management or disorganization, it will still have them but to a GREATER extent.

    b. You have to have a relatively organized operation to begin with or you will have to organize BEFORE you implement the system.

    c. The vendor CANNOT afford the time to reorganize your business before he/she shows you how to implement your new tool.

d. A well designed tire dealer computer package is one that gives you the most flexibility to run your business in a similar fashion to your conventional operation but more efficiently and more accurately.

e. KEY POINT - a well designed system will be SIMPLE to operate but perform complicated tasks. If you as an operator have to perform complicated tasks to achieve relatively simple results then the software is not sophisticated enough and eventually your employees will either not use the system or never learn to use it properly.

MYTH 6 ALL THE SOFTWARE AND HARDWARE YOU ORDER WILL BE UTILIZED FULLY IN YOUR BUSINESS

a. Until the system has been working for a few months, you will not know EXACTLY what hardware and software pieces you should have taken.

b. When you sit down to figure out how much storage space to allow and other parameters, usually you don't know exactly how many inventory items you have and how much storage space you will need - after all, that's why you're getting the computer to keep track of such things!

c. It's better to have a little too much, because it can cost a lot more to upgrade that slight extra amount AFTER you have made the installation - but be WARNED - that you should buy a machine that can be upgraded EASILY to a more powerful operation so that when your natural growth demands more capacity, you can do so with MINIMAL cost and aggravation.

d. Although you want the OPPORTUNITY to -upgrade as required, it is never a good idea to buy hardware with the idea that someday you will grow big enough to use it - By

the time you use it the market will have a new product out that has twice the features at half the price - meanwhile you will have maintained an old product and carried the interest expense needlessly!

MYTH 7   THE MORE MONEY YOU SPEND ON THE SYSTEM AND ON THE CONSULTANT (IF YOU USE ONE) THE BETTER IT WILL BE!

a. The computer industry has, in my opinion, the most mixed up value system in our modem economy - one vender can offer a product that is twice as good as his competitor, at one third of the price.

b. You should buy with your needs and your budget in mind, but not without LOOKING at all the competition and doing a thoughtful evaluation of just what capacity , you're buying. Contrary to popular opinion, you do NOT have to have very much computer knowledge to do a survey of the basic features of each system relative to hardware, software and vendor capacity.

c. When you see some $$ numbers that seem to be way out of line with competitors, don't be afraid to come right out and ask BOTH competitors just what it is that makes up the difference. You might learn some new information that will enable you to better evaluate the value of each system.

d. Don't put as much stock in the beauty of the offices of the vendor, or the 4-color glossy prints he hands out, as his PROVEN capacity to perform and the value he will give you in terms of product - as they say, after the wedding party is over, you're the one who has to live with the product in your store.

MYTH 8 THE "FREE" FEASIBILITY STUDY - WARNING!

If it's free - it might be worth what it costs you.

And usually if it is free - it is done by someone who has a vested interest in selling a piece of equipment - such as a salesman for one company or another. So, it is imperative to take into consideration who is making the study and what they have to gain by recommending one piece of equipment over another.

A free study done by a salesman for one piece of equipment is frequently biased toward that piece of equipment. A good example would be if you went into a Chevrolet garage dealership and said, "Gee, what is the best car for my needs?" Chances are good that the sale will say Chevrolet. He is not going to say a Ford or Chrysler. He is going to pick the best Chevrolet.

MYTH 9 **YOUR VENDOR IS YOUR FRIEND! -- IF YOU DON'T HAVE IT IN A CONTRACT YOU DON'T HAVE IT.**

IF YOU HAVE IT IN A CONTRACT, YOU MAY NOT EVEN HAVE IT THEN

That is, your vendor is not your friend.

Your vendor is a business associate and as such, you need to treat your relationship that way. Anyone can make promises, and anyone can give you the impression that things will be done the way you want it done. But, frequently there is a problem, as a new user, communicating to your vendor as to what you want the system to do specifically. Unless you have a contract, there may be some disagreement in principal

between what you intended when you said one thing and what the vendor intended when they said another.

Treat your vendor as a business associate like you would any other associate. Remember to have things in writing and be as specific as possible before signing the contract. It is important to stress performance as part of the completion of the contract. That is, you should set payments up on a procedural basis where they are made as work is performed and after work is performed.

MYTH 10 IT'S EASY TO CUSTOMIZE SOFTWARE - YOU CAN DO IT YOURSELF! - Ha!

It is not easy to customize software. It is very difficult.

When you are customizing a predefined package, you have to think in the same terms as the person who wrote the package. It is usually best to have the person customizing the package who actually wrote it and even then it is a difficult time consuming process. It takes a lot of detail work and it is something that is best done by a professional. You can't do it yourself unless you are very accomplished in the field of programming.

There is a common mistake that it's simple to program. It is simple to program things that are simple to conceive of, but a very elaborate detailed software package that is going to handle the many aspects of your business requires numerous man hours of detailed work done by a professional who can integrate it into the rest of the system.

It would be naive to think that the average person who has not had programming experience could learn to program AND implement a complicated software package in a reasonable period of time.

It is difficult enough to be a tire dealer without being an expert in the programming field at the same time. I stress that you use a professional for the programming work that you do concerning your business, unless it's a matter of a game or some other casual thing you want to play with for your own use.

MYTH 11 YOUR SALESPERSON SAYS "DON'T WORRY - WE ARE COMING OUT WITH IT SOON". HOW MUCH TIME IS SOON?

In the computer industry, the word "soon" is used frequently and sometimes means a lot longer than you anticipate.

It's best to nail the salesman down to a specific date, and if you are buying with the expectations of a particular aspect of the project that is not completed, then you should specifically state in your contract that payment is withheld, or penalty is even given (where the vendor has to pay you) if the deadline is not made.

In the computer industry, it is very easy to promise things "soon" and because of delays and other projects, the work not be performed with you left holding on to a machine that works fine, but doesn't have some features you wanted.

MYTH 12 HOPE FOR THE BEST - PREPARE FOR THE WORST!

It is always best in any business relationship that you hope for the best while anticipating the worst.

This is particularly true in the aspect of computers. This is a very changing industry with things improving all the time. It is amazing that the machine actually works given all the things that have to come together.

A very small change can effect the whole project. A good example would be lightening striking the building, and going through the power line, or someone pulling the plug or pouring a cup of coffee down the machine, or all kinds of other non-thought about problems.

When you set up your system, it is best to take as much precaution as possible to minimize these things. Be sure that you have backups, that is, copies of all the software, you have made arrangements with other people to use their system in case your system breaks, and you take the necessary and proper precautions in case of catastrophe that you are not left high and dry.

Once you become familiar with the system and used to it, you will depend on it's operation and it is very difficult to go back to manual means on a temporary basis. This is not so much so at the counter where you are making sales, because that obviously can be done both ways, but we are talking in terms of back office work involving bookkeeping.

MYTH 13 BIGGER VENDERS ARE BETTER VENDERS - NOT NECESSARILY SO!

DON'T JUDGE THE SYSTEM BY THE SALESPERSON'S PERSONALLY, THE SIZE OF THE VENDOR OR THE BEAUTY OF THE SHOWROOM

When it comes to buying a computer system, what you are really buying is the quality of the software.

The nice glossies that the company has, the three ring binders, the smile on the salesman's face, and the pretty offices have absolutely no bearing on the quality of the software. That quality should be judged by performance

levels, by looking at customers who have the product, and by making accurate judgements in that context. make sure that you value those things properly for the total consideration of the project.

It would behoove the potential user to take a serious approach to the effectiveness of the software and the way that the vendor has performed for other customers. There are a number of vendor tests to look at. It would be wise to consider those as you evaluate the vendor.

The features of these tests are noted in the handout on the last page under "Support Services, Program Characteristics, Program Documentation and Computer Hardware", It would behoove everyone to go through each one of those features and to evaluate them properly in reference to the project in mind. We will discuss this in the presentation as time allows.

RECOMMENDED FOR REFERENCE BOOKS:

(1) "How To Select Your Small Computer ... Without Frustration,"
(2) "How To Manage Your Small Computer ... Without Frustration"
    by Hillel Segal and Jesse Berst, copyright Prentice-Hall, Inc. Distributed by The Association of Computer Users, Inc., P.O. Box 9003, 4800 Riverbend Road, Boulder, Colorado 80301 (303) 443-3600.
(3) "Computerizing Your Tire Dealership: A Step-by-Step Approach"
    by James M. Krakower. Distributed by JMK TDIS Inc. 703 S. Glover Ave. Urbana, IL 61802