

Why Minority Businesses Need to Follow Technology

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INTRODUCTION. The four major drivers of change in today's economy are: 1) political; 2) social; 3) economic; and 4) technical. The purpose of this article is to discuss technology trends and why minority-owned businesses (MBEs) need to keep up with them.

BUSINESS CASE. Technology can help give minority-businesses an edge over much larger and more established competitors. For example, having an online customer service function and links to online business-to-business exchanges can help a MBE grow in size and scale. Conversely, not having technology, such as the inability to process payments through your Web site, can result in lost revenue and opportunities.

Consider a recent example how technology made a key difference between success and failure. In the early 1990's, K-Mart and Wal-Mart were approximately the same size. Wal-Mart used technology to improve their supply chain management and inventory process, resulting in greater cost efficiency. The result was their consistently being the low-price leader. Today, Wal-Mart is six times as large as K-Mart.

TECHNOLOGY TRENDS. There are several key technology trends that minority businesses should include in their planning strategies. They are:

- **Web Services.** These allow distributed computer applications to talk to each other. They are improving the interoperability among various e-commerce systems.
- **Disintermediation.** E-commerce is accelerating the process of "bundling" or consolidating purchase requirements. To survive the shakeout, MBEs need to find their supply-chain niche or partner with others to form online "virtual" supplier communities.
- **XML.** Extensible mark-up language is becoming the de facto standard for Internet-based business applications. It is the next level up from the current HTML standard.
- **Mobile E-Commerce.** Wireless technology allows for mobile Internet access. Expect wearable computers and Internet-linked Palm Pilot-like devices.
- **Online Communities.** The Internet is an excellent platform for hosting online groups with common interests. For example, the author's site at www.e-mbe.net. MBEs can use online communities to get valuable customer feedback and grow their brands.

- **E-Learning.** Online learning provides “on demand” learning. MBEs can use this technology to better service their customers and develop new markets. An example is www.eCorporateCollege.com
- **Customer Resource Management.** CRM software allows companies to manage their customer relationships across many channels and is part of a world-class e-commerce system.
- **Knowledge Management.** Technology is generating more information than some companies can handle. Tech-savvy MBEs have the opportunity to do well by helping others in this area.
- **Non-English Web Sites.** Global Reach estimates by 2003 there will be 560 million Internet users with a primary language other than English, and they will outnumber English-speaking Internet visitors by a ratio of more than 2-1.

PLANNING TIPS. Acquiring technology is challenging for several reasons: it can cost lots of money; it can obsolesce rapidly; it may not work with existing systems; and it can be expensive to maintain. Affordable ways to keep up with technology are:

1. Develop a technology plan for your business
2. Buy only what you need, and only when you need it
3. Outsource all functions that are not a core part of your business
4. Develop alliances to share development costs

SUMMARY. The only constant is change. Minority businesses that anticipate and adapt their technology to their particular business environment dramatically increase the chances they will survive.

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