5 STRATEGIES FOR MAXIMIZING YOUR SMALL BUSINESS TECHNOLOGY BUDGET

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INTRODUCTION

Small businesses don't have it easy—especially now—when inflation is causing consumers to tighten their wallets. One-fifth of small businesses say inflation has become their most significant problem. Keeping sales up in an inflationary economy has also been challenging for small businesses. The National Federation of Independent Business (NFIB) Small Business Optimism Index noted that the net percent of small business owners who anticipate sales to increase dropped by 12 points to a net negative 16%.

Despite these tough economic headwinds, small businesses who invest in technology are seeing it help them better navigate current pressures. According to a recent survey of small business owners, 53% of the fastest-growing businesses are investing in new technology compared to 39% of slow-growing companies. This underscores how important it can be for businesses to continue making investments in technology even when times are tough.

Here are five strategies your small business can use to stretch your technology budgets further to help you continue to thrive even in difficult times.

① MAKE USE OF MANAGED SERVICES

Managed IT services can be a great way to optimize technology budgets for small businesses. By outsourcing IT management, businesses can reduce expenses related to personnel, infrastructure, and equipment while gaining access to specialized expertise and resources.

Scalability is another advantage of utilizing managed IT services, as it allows businesses to adjust service levels according to their evolving needs to minimize wasting resources. For example, a retail business that faces mounting cybersecurity threats but lacks the internal expertise to address them effectively can partner with a managed IT service provider that specializes in cybersecurity. This allows the retailer to safeguard sensitive customer data while saving money by not having to hire full-time, specialized IT staff. It also saves the retailer money by avoiding potential security breaches and associated recovery costs.

When considering managed IT services, small businesses should first assess their specific technology needs and objectives. They should also research service providers to ensure alignment with business goals and values.

2 EMBRACE CLOUD SOLUTIONS

By shifting from traditional on-premises systems to cloud-based alternatives, small businesses can reduce capital expenditures associated with purchasing and maintaining hardware, as well as operational costs related to energy consumption and IT personnel. In addition, cloud platforms enable small businesses to scale resources up or down according to demand, giving small businesses the flexibility they need to accommodate fluctuations in workload without the need for significant upfront investments in infrastructure.

Other benefits of cloud that can allow your small business to do more with less include:

- **Reduced infrastructure costs:** With cloud solutions, businesses can eliminate the need for costly hardware investments, such as servers and storage devices, as well as the associated maintenance and upgrade expenses.

- **Pay-as-you-go pricing model:** Many cloud providers offer subscription-based pricing models, allowing businesses to pay only for the resources they use on a monthly or usage-based basis, which can improve cost efficiency.

- **More accessibility:** Cloud solutions offer access to data and applications anytime and anywhere, empowering employees to collaborate effectively regardless of their location. This enhances productivity and enables remote work capabilities.

When adopting cloud solutions, small businesses should consider how cloud solutions will integrate with their existing IT infrastructure and identify the areas where cloud computing can deliver the greatest value.
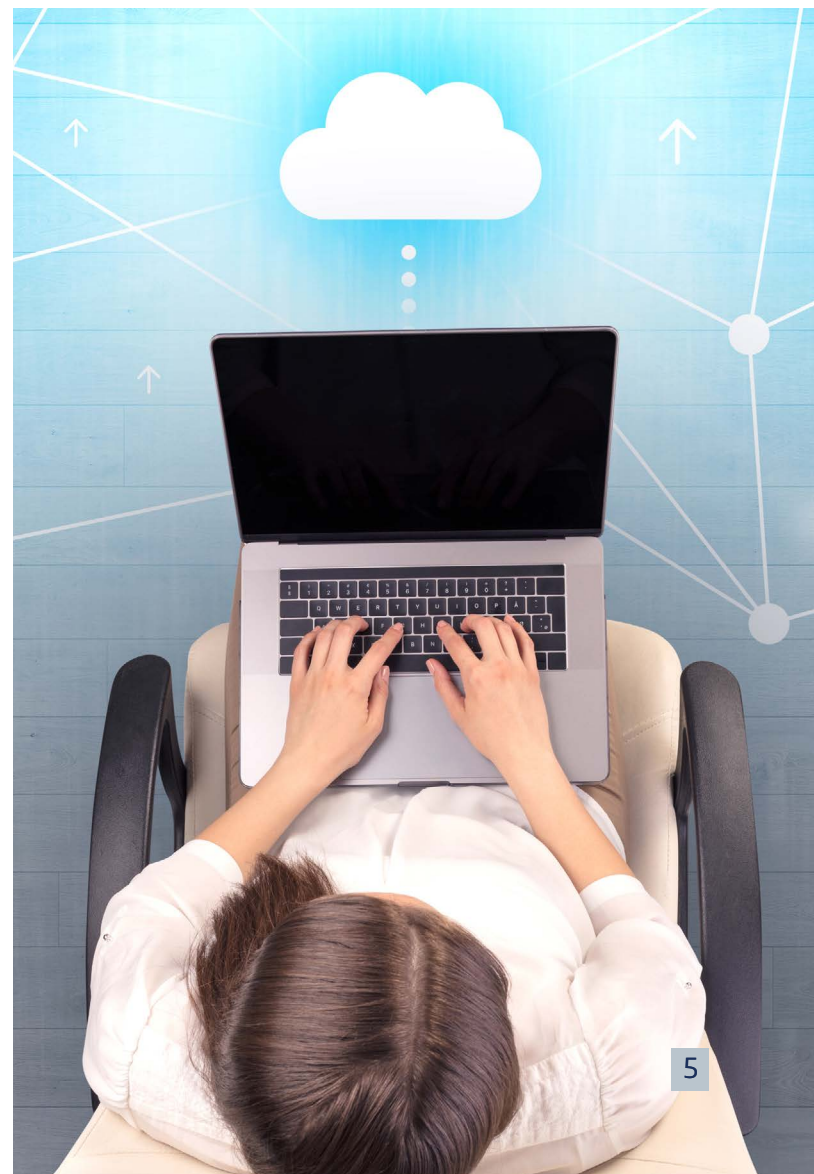
3 ADOPT SMART LIFECYCLE MANAGEMENT STRATEGIES

By strategically managing technology lifecycles your businesses can optimize asset utilization, mitigate risks, and minimize total cost of ownership (TCO) over time. Not only does implementing proactive maintenance and upgrade strategies reduce the likelihood of unexpected downtime, productivity losses, and emergency repair costs, but optimizing asset utilization and extending their lifespan helps minimize the frequency and magnitude of capital expenditures associated with replacing outdated or failing hardware and software.

To extend the lifespan of your hardware and software, be sure to:

- **Implement regular maintenance and upgrade schedules** and software updates.

- **Use monitoring tools to track system performance metrics** to proactively identify bottlenecks, resource constraints, or inefficiencies and address issues before they impact operations.

- **Evaluate future growth and workload demands** to avoid overprovisioning or underutilizing hardware and software assets.

- **Maintain accurate records of technology assets**, including serial numbers, warranty information, and purchase dates for better inventory management and lifecycle planning.

4 PRIORITIZE SECURITY AND DATA PROTECTION

With the threat of cyberattacks and data breaches increasing, small businesses need to prioritize security and data protection. Neglecting cybersecurity measures exposes your business to significant risk, including reputational damage, financial losses, and legal liabilities.

Every small business should implement data encryption, data backup, and disaster recovery strategies to protect against data loss, theft, or corruption. This will help to ensure the availability and integrity of critical business data in the event of a security incident. In addition, regularly updating and patching software applications and systems helps mitigate known security vulnerabilities and reduces the risk of exploitation by bad actors.

It's also important to establish comprehensive data protection policies and procedures to safeguard sensitive information and ensure compliance with data privacy regulations. Educating employees about these policies and generally about cybersecurity best practices, such as phishing risks, the need for strong passwords, and incident response protocols, can further help reduce the human factor in security breaches. Check out our latest Small Business Guide to Cyberattack Risks and Security to understand business's readiness in the event of a cyberattack and learn actions to keep your business safe.

Data Security

5 INVEST IN TRAINING AND EDUCATION

Training and education play an important role in optimizing technology budgets and ensuring long-term sustainability. Equipping employees with the necessary skills and knowledge not only enhances operational efficiency but also enables businesses to harness the full potential of their technology investments.

Small businesses can reduce reliance on external IT services by developing internal expertise through targeted training programs and certifications. Some cost-effective training options include:

- **Online learning platforms:** Webinars and virtual training sessions provide cost-effective alternatives to traditional classroom-based training, allowing employees to acquire new skills and knowledge remotely.

- **Free or low-cost training resources:** This includes tutorials, documentation, and certification programs provided by technology vendors, which allow your businesses to upskill your workforce without significant financial investment.

- **Continuous learning and professional development:** Businesses can cultivate a culture of adaptability and resilience by enabling employees to stay abreast of emerging technologies and evolving industry trends.

By nurturing internal expertise, embracing cost-effective training options, and fostering a culture of lifelong learning, small businesses can optimize their technology budgets and position themselves for sustained success in today's competitive marketplace.

CONCLUSION

Small businesses must adopt strategic approaches to maximize their technology budgets and enhance resilience. By implementing the strategies discussed—leveraging managed IT services, embracing cloud solutions, adopting lifecycle management strategies, prioritizing security and data protection, and investing in training and education— your business can optimize its technology investments and itself for long-term success.

Contact Connection today to speak to a small business technology expert and discover the solutions that can help address your most critical technology challenges.

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