



The Top Five Reasons Your Business Needs a Database System Now

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Let me be honest here: the title for this article is a bit misleading. First of all, I can't instruct you on why you need a database, because you already suspect you need one, or you wouldn't be reading this. Secondly, there are many, many reasons why a business might be considering adopting a new, custom business system, and I won't pretend to know them all, in every combination.

What I will do, however, is outline five of the most common reasons why business owners have contacted me in the past. Over the years, I have heard certain situations repeated enough times to know that they represent a broad segment of the business community.

1. "My business is growing."

There are several dangerous periods for a business. The startup phase comes to mind, as does loss of customers and employees to copycats that undersell you. But one critical time that business owners often don't recognize is when the business is doing better than ever. There you are, collecting increasing revenues from an expanding customer base. What could be better? The answer to that question is, collecting revenues from an expanding customer base and not losing your older, most loyal customers. Many businesses become successful by providing excellent, personalized customer service, and by meeting their customers' needs efficiently and on time. But as your business grows, you have less time for those same customers, or they are suddenly dealing with new staff you have hired to handle the increased business. Not only that, but if you are still using the same old methods (paper forms, antiquated software systems, spreadsheets), you can no longer keep up with the increased volume. Orders are late, or even worse, wrong. Your customers' perception? Your company just isn't what it used to be. This is where we come in.

The best thing you can do for your customers and for your business is to manage your information with accuracy, efficiency, and ease. The less time you have to spend making sure customer data is up to date and accurate, the more time you can spend making sure the customer is happy.

2. "My business needs to grow."

To help your business grow, you need to know who is buying your products and services, who is not, and why. A good business system will help you analyze that information. Who was my biggest customer last year? Who is likely to take that spot this year? What did they buy? What didn't they buy? Do you need to call them

and have a talk about that? How are your sales vs. last year? A good database system will give you these answers and more.

Businesses grow because people want what you have, they know you have it, and they know you can successfully deliver it to them at a reasonable price. Letting potential customers know you have what they want is not just a matter of advertising. With the right kind of database, you can publish your catalog on the web, complete with real-time stock levels. Having great data management raises your profile as a company, and makes your company more competitive.

3. “I need more time.”

When was the last time you said to yourself, “it sure is nice having all this spare time.” In today’s world, time is a valuable commodity, and the adage, “time is money” has never been truer. But let’s coin a new phrase: “efficiency makes time.” Are you typing or writing the same information over and over? If so, this is a key area where a new system will be of enormous help. A properly designed business system will never ask you to type what it can look up itself. Plus, if you have the same data entered differently in two places, you now have to decide which one is up to date and which one is wrong. Your new system will store a piece of data – like an address – once, and use it many times.

4. “We need better quality control.”

Many small companies operate with nothing more than anecdotes to help them make decisions. Imagine a staff meeting: “Last week, we had a customer call and say he received his shipment late.” To which someone else pipes up, “Yeah, that happened to me once, too.” A few more affirmations later, and late shipments look like a real problem. If you had a database system tracking your customer complaints, you might see that while yes, late shipping has happened occasionally, five incidents over 6 years don’t deserve much attention, while the thirty wrong items shipped this year, of which your staff were reluctant to fill you in, are far more important.

5. “Everyone does things his own way.”

If your top salesman is bringing in the business, you hardly want to get in his way. If your night foreman always meets or beats the production deadline, you can hardly argue with how the job gets done. Right? Nope. When your foreman walks off the job, or your salesman suddenly seems to be having a hard time explaining how he calculated his commission, having a system in place that is transparent and follows a clear set of rules and procedures will make it possible to roll with the punches.

The Bottom Line

There are many ways a good business database system achieves high return on investment. Time savings, a reduced error rate, better communication, better management reporting, and better customer service are some of those ways. Businesses rely on growth, but growth relies, in turn, on having a sound infrastructure based on good, well-organized information. This begins with a solid business database system.

One thing we hear time and time again from business owners is, “I had no idea how much work goes into developing a new database system.” Putting a new business system in place can have an interesting side effect, in that it causes a fresh examination

of how things get done. This is where whom you choose to work with comes in. The Alchemy Group has been called in by desperate clients to “clean up” on projects that were started but never finished, or were done incorrectly, or where it was not clear what the programmer was doing. It’s far better (and less expensive) to get it right from the start. The most successful and effective business systems are the result of a true partnership, where both sides have a strong commitment to an excellent finished product. Here’s to your new, cost-saving, efficiency-maximizing database system!