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# Cheap technology helps small business grow big

**Viewpoint by David Mills** Ricoh Europe



Small is beautiful: David Mills of Ricoh says small companies could be ideally placed to take advantage of a rapidly changing landscape

As part of our series on how small and medium-sized firms use technology - which will run throughout March - we ask experts for their views.

*David Mills is executive vice president and member of the Ricoh Europe board. Ricoh is a global provider of technology and services specialising in managed document services, production printing, office solutions and IT services.*

Typically there is a perception that large organisations are able to invest in more advanced technological solutions which are out of reach of smaller companies, preventing them from competing on a level playing field.

However, businesses will experience significant change in their industry sectors in the future, due to the impacts of technology. The change is largely attributed to an increase of low-cost computing power, storage and bandwidth available via the 'cloud'.

It is also recognised that businesses will continue to accumulate increasing volumes of data, from a growing variety of sources at accelerating speeds, a phenomenon also known as 'big data'. In addition, the increase of video-based communication, social media and other tools will all become more widespread.

Interestingly, these technologies are already in existence and while new technologies are likely to emerge, it will be the new ways that current technologies are applied that will continue to drive radical change to business models.

And it means that small and medium enterprises (SMEs) could find themselves at an advantage as they are more likely to have a more cohesive and collaborative management structure.



Ricoh's David Mills sees cheaper technology encouraging the rise of the micro-entrepreneur

We may also see an increase in micro-entrepreneurs, as reduced capital requirements and more easily accessible markets enable more people to start their own businesses.

Today's small companies can more easily grow into mid-size ones, with a team focused on the core business.

They no longer need to deploy larger in-house supporting functions, such as accounts, marketers and secretaries, and middle managers to look after these functions.

Instead this can be handled by external specialists, as firms embrace business process innovation to create more efficient organisations that can retain and manage their knowledge effectively.

In the years ahead, mid-size companies will be able to choose whether to become larger to compete on scale, or smaller to compete on speed.

### **Big data's big impact**

Beyond company size and structure, SME business models will also be impacted as 'big data' gets even bigger.

The big data phenomenon has seen a massive explosion in the amount of information both generated by and made available to organisations.

As organisations create and store more data than ever, they can collect more accurate performance information on everything from product inventories to customer insights.

However, the challenge is to quickly identify what should be retained and to make good use of the information that is generated so that, with the right business processes in place, SMEs can derive valuable information from big data to gain unique insights into their organisation and their customers, improve efficiencies and ultimately add value to the bottom line.

As well as the valuable business and customer insights that big data can provide, it is also having a deeper impact on business operations by accelerating the path to paperless working, which today is just a vision but is expected to change dramatically, particularly with a new generation of employees.

“Today's small companies can more easily grow into mid-size ones”

Recent research examining the business processes of European companies found the reality is that today organisations are still very much dependent on paper.

However, a further recent study shows that a significant number believe the vision of the paperless office will become a reality in future, with 59% of those surveyed agreeing that the concept of non-digital information will be utterly foreign to employees by 2020.

There is much progress to be made, as currently few European businesses have in place a fully automated process to manage business critical documents.

To reach a paperless environment, the SME businesses need to automate business critical processes so that both digital and paper information is integrated in the network and can be accessed from anywhere, at any time.

Importantly by doing so, they will also be more agile in the changing workplace to meet new customer needs and enhance employee knowledge sharing.

Despite the huge challenges facing SMEs in the future, forward thinking companies have a fantastic opportunity ahead of them.

By implementing improved business, document and information processes to stay ahead of the competition, the tidal wave of technology change will lead to a new generation of SME success stories.