



Connections

March 2002

The Newsletter for Lab Manager Users

The following message, from the president of Laboratory Systems Group, Inc., is addressed to all laboratory owners who take their business seriously.

Your Most Important Business Tool

Starting off as little more than a fancy calculator, the modern computer has evolved into the most important tool of the modern business. In an already large arsenal of business tools, computers now rule the business community in such areas as accounting, communications, information management, marketing, productivity, and record keeping. Many businesses would not, or could not, exist today without the aid of a computer. The U.S. would not lead the world in productivity without the computer. Is it any wonder that a computer can make the difference between a successful business and one that fails?

Accounting Tool

Accounts receivable (billing), accounts payable, payroll, general ledger, tax computations, and inventory control are among the accounting related chores a computer performs every day with speed and accuracy not possible in any other way. Businesses not using a computer for these functions may be limiting their potential, forcing them to remain small as a "Mom and Pop" type business.

While a computer should never replace a CPA or an accountant, a computer can greatly reduce the costs relating to the day-to-day chores of accounting leaving consulting and tax planning to the CPA or accountant. In our business, the office manager is

able to perform all of the general accounting tasks, reducing meetings with our CPA to only a few times a year saving time and money.

Communications Tool

In the last few years, the use of the computer to communicate has grown exponentially. Email and instant messaging now play very important roles in day-to-day communications. In our business, we communicate with customers all over the world via email every day. Email is an integral part of our support and sales departments, allowing our customers half way around the world to order products and ask questions, even when we are closed. Instant messaging is used among our employees to communicate everything from phone messages to meeting times and places.

Information Tool

The Internet has made the computer a very powerful information and research tool. More powerful than the largest library! Today, we are able to find the product we are looking for at the lowest price without ever leaving the office. Airline tickets, office supplies, services of all types, you name it, it can all be found on the Internet. Shopping over the Internet has saved our company thousands of dollars every year. For example, our office recently purchased a new phone system with all of the bells and whistles. We started the process by searching the Internet for phone systems to see what was available. After we found out what was available and determined what products we wanted, we started looking for the best prices. We could compare features, costs, support, and availability. That purchase alone saved well over a thousand dollars over buying it locally.

Marketing Tool

It is a fact of life that customers will retire, die, or take their business elsewhere. If a business does not do something to constantly add new customers, their client base will eventually shrink to nothing. This is why marketing is such an important tool. Marketing is simply an effort to reach people that are not currently using your products or services with an offer that might attract them to become a regular customer.

Computer related marketing tools include word processing software for producing professional marketing letters, mailing lists of potential clients, database management tools to keep track of mailing and phone contacts, and desktop publishing software to help produce great looking sales brochures. In addition to all of the above, a website on the Internet can expand your market to cover the world and help you reach new customers you would not otherwise reach.

I learned a long time ago that if you market your products and services and bring in new clients on a regular basis, you have the luxury of getting rid of those dead-beat, slow pay or no-pay clients. Send those high maintenance clients to your competitor down the street. You will be better off for it.

Productivity Tool

Who could argue that computers increase productivity? Computers allow us to perform the work of many people. For example, our office sent out its quarterly newsletter. Just 10 years ago this would have been a huge task taking days to finish. Today, however, the job can be accomplished by one person in just a few hours. Once the newsletter is created using a desktop publishing program, the stored database of names and address are printed on labels or directly on the newsletter, folded and mailed.

It is true that all of the tools I describe in this article help increase productivity. The way we bill, communicate with others, find new customers, and market our products and services, all increase productivity. But there is another aspect of increased productivity that should be mentioned and that is a by-product of all of these new productivity tools. This by-product is "reporting." Using a computer to produce simple invoices can, with little extra effort, allow you to print a variety of production and inventory related reports. These reports can provide a window into your business that would otherwise not be possible without a great deal of effort.

Record Keeping Tool

Computers can store and manage vast amounts of data, as much as all of the information held in all of the books in a typical library. Accounting records, employee records, vendor and inventory information, marketing records, contracts, letters, proposals, emails, reports, the list goes on and on. Computers are great at organizing all of this data so that it can be retrieved quickly and easily at any time. Before computers, it was impossible when a customer called to order something, to know what they ordered last without going to the filing cabinet and pulling their last order. In our office, using a computer, when a client calls in with a question on a bill or an order, our employee taking the call has all of the client's records on the screen in just a few seconds.

The ability to have all of this data at your finger tips is a tremendous advantage to a business. The following example happens often in our office. A client calls to order some invoice forms and asks for the form by the wrong name. Instead of sending the client the wrong forms, our employee mentions to the client the forms he just requested is different from the forms he usually orders and asks if he really meant to order the same thing he ordered last time. Easy access to the information stored on the computer saved shipping costs, research costs, and helped to maintain good customer relations; critical keys for a successful business.

Putting Things into Perspective

If your computer contains even a portion of the things I mentioned above, don't you think it is worth taking a few extra steps to protect the data? Doesn't it seem reasonable to spend a few extra bucks to make sure your data is safe and the system is working as efficiently as it should?

I receive calls every month from clients who just had a power surge causing the computer to fail or an employee accidentally deleted important files or the business was broken into, vandalized or robbed. The end result is the loss of important data. The first question is, "Do you have a backup of your data?" I am constantly amazed at how often people trust their business to a machine without ever taking steps to protect that data from a disaster or spend a few extra dollars to make it all work efficiently. I often wonder if these people drive a car without insurance or without wearing seat belts.

Discussing these issues with a client a few days ago, I suggested that he update his computer to a newer version of Windows. I knew that some of the prob-

lems he was having could be related to the old version of Windows he was using. I was surprised by his response. He said, "You mean I have to spend another \$200?"

The point I am trying to make is "What is \$200 when compared to what the computer means to your business?" In my business, an investment of \$200 or \$2,000 or even \$20,000 would be worth it because of what it means to me in the long run. This leads me to following suggestions.

Back up your data. In our office we store all of our data on a computer referred to as the server. It is called the server because all of the computers in the office store their data on it. You might say it "serves" the data to all of the other computers. The server has two hard drives, one is set up to mirror the other. What is saved on one hard drive is also saved on the other hard drive automatically. If one hard drive fails, the other will not be affected and no data will be lost. This provides a level of protection against hard drive failure, but does not protect against accidental erasures or theft. To protect us from those dangers, we backup daily on a Zip drive and, just as importantly, we rotate Zip disks. I recommend a five Zip disk rotation. Label one disk "Monday," another "Tuesday," and so on so that you have one for each day of the week. Then at the end of the day, back up your data to the disk labeled with that day. Re-use these Zip disks week after week replacing them once a year or when they wear out. It is a good idea to place these Zip disks into a safe or take one home each week so that if the office is burglarized or has a fire you won't lose the back ups.

In addition to the Zip drive back ups, we also back up our data to CD at the end of the month. This CD is stored off the premises in case of fire. I have a drawer at home full of CDs from the office.

Finally, I have an icon on my computer that, when clicked, makes a copy of the data on the server to my computer. When I click on the icon, it simply copies the data to my computer; the process only takes a few seconds. I do this at least once each day.

If all of this seems to be extreme to you, consider the alternative. The Zip drive back up takes less than 10 seconds as does the back up to my computer. These means I invest less than a minute a day backing up my data. This sure sounds better to me than trying to re-type all of that data.

Tape Back Up Devices

If I had a nickel for every time I heard a client tell me his automatic tape back up device stopped working several months before he needed it, I would have a lot of nickels. Back up devices are not immune to Murphy's Law. They seem to fail when you need them the most. Tape back up systems have their place but not in my office. If you use a tape back up device, verify that the back up is doing what you want it to do and verify it often.

This is true of any back up system, but it seems to be a bigger problem with tape back up systems. It might be do to the simple fact that people set them up and forget about them. For this reason, I prefer to back up to a Zip drive, Jazz drive, or CD. After I make the back up, I then verify that the back up is good on another computer. It is the only way to be sure.

Printers

Since I am on the subject, another area that businesses often skimp is on their printers. It is common for a business to spend less than \$200 on a printer. For example, years ago we use to print all of our invoice and statements with a dot-matrix printer. For invoices that wasn't too bad, but at the end of the month, we had to print hundreds of statements. I use to dread that job. I had to start the statements printing and then stand over the printer to make sure that the paper did not jam or feed back into itself. Eventually we replaced the dot-matrix printer with a laser printer. Not only did the statements finish printing in a small fraction of the time, but I didn't have to watch over the print job. It was fast, convenient, and looked more professional.

Now we are using an HP 4050 laser printer. The increase in speed and reliability made the cost (about \$1,300) worthwhile. Another interesting benefit to a high-end printer is the cost to operate it. The HP 4050 is rated at about 8,000 pages per toner kit. The kit has a street price of about \$130. This means that the cost of printing is about 2 cents per page. Compare that to the cost of printing on an ink-jet printer which can run as high as 30 cents per page.

The Moral of the Story

When it comes to your business, it is sometimes better to invest the extra money. Keep the computer up-to-date. Make the effort to protect your data. Use a printer that doesn't slow you down or cost too much to operate. The old saying that "you get what you pay for" applies to business as well.

LSG Website Fully Operational Again.

After several months of problems with the LSG forum and website sales, I am happy to report that everything is working properly again.

LSG Forum

If you haven't been to the LSG Forum lately, please take the time to check it out. There, you will be able to ask questions of the support staff and also communicate with other lab owners from all around the world. Think of it as a convenient meeting place to talk about computers, Lab Manager, and dental laboratory issues in general.

To use the forum, go to our website at www.labsysgrp.com/forum. First time users will have to register to set up a "Login name" and "password". If you did this with the old forum, you will have to do it again. Choose a Login name and password you will remember and if you fill in your email address, the forum can email to you your Login name and password if you forget it.

Secured Web Sales

Our website is secure and a great way to check out our web specials and order paper and other supplies, 24 hours a day, 7 days a week.

Save an extra 10% on forms and envelopes online.

Place your next order on the web and get an additional 10% off our already discounted prices.

Go to www.labsysgrp.com/websales. At the checkout screen, enter the code 0302 in the Coupon Code field to get your extra 10% discount. (Custom forms and labels not included in this special.)

Lab Manager Version 6 Status

The greatly anticipated Lab Manager Version 6 is coming along nicely, though slowly. Several things have caused delays in it's release, however, the program is now beginning to take shape and should be showing up this summer.

The new program is revolutionary in several ways and is certainly going to be a very big success. More details will be available in a couple of months.