Think Ahead ACCA

Guide from

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Basic IT management for start-ups

Businesses rely on information technology (IT) in almost everything they do. It lets you create reports, manage your accounts, communicate with suppliers and customers, and connect with the outside world via email and the internet. More sophisticated uses can include designing products, controlling stock and selling online.

While you don't need to be an expert, it helps if you understand the basics and the key issues you need to manage.

1. The basic ingredients

Computers are the workhorses in most businesses

- Each employee may need their own computer.
- Personal computers (PCs) running Microsoft Windows are the most popular choice. An increasing number of businesses choose Apple Macs, although these tend to be more expensive.
- Desktop computers are your cheapest option but laptops offer more flexibility. For instance, employees can use them to work from home.
- Buying entry-level computers is usually a false economy, but a mid-range model should be more than adequate for typical business tasks. Complex tasks such as graphic design may require more sophisticated hardware.
- Pay attention to accessories like keyboards, mice and monitors. Ensure that they are comfortable to use and get the largest monitors you can afford.

Your employees may be keen to use mobile devices at work

- Smartphones and tablets provide near-instant access to information, from almost anywhere. They can keep your team in contact, particularly if they travel a lot for work.
- You can also make use of mobile apps that work with your existing software and services.
- It's a good idea to think about incorporating mobile devices into any new IT system. If you don't, your employees are liable to use their own, anyway.
- You can keep costs down by operating a 'bring-your-own-device' (BYOD) policy, allowing staff to use their own mobile devices for business purposes.

Your system's capabilities depend on the software and cloud services you use

- Most solutions can be built from standard software. Employees are more likely to be familiar with widely used software.

- Be careful about purchasing specialist software. Ensure that there is an established user base, and check references.
- There can be advantages to using cloud computing services instead of traditional software.

You are likely to need a printer and other accessories

- Laser printers are fast and reliable. A printer with a network connection allows everyone to share it.
- Pay attention to the running costs. Over time, these will dwarf the purchase price.
- Inkjet printers are good for printing photos but are more expensive to run.
- You may require a photocopier and scanner. An all-in-one device conveniently combines printing, scanning and photocopying in a single unit.
- You may need extra equipment as part of your IT security.
- Some businesses require specialised technology. For example, a retailer may need point-of-sale terminals and a chip-and-PIN reader to take card payments.

Integration and communication makes IT far more useful

- You will want an internet connection and businesses with more than one computer are likely to benefit from a network.
- Systems that can share data are more efficient – for example, if sales information can automatically flow into your accounting system, and if employees can work together on the same files.
- Make sure your systems are compatible with your customers and suppliers. For example, you might want to produce files that they can use or be able to link your systems online.
- Voice over internet protocol (VoIP) telephone systems using the internet can be more flexible and cost-effective than traditional phone systems.

2. Software

The operating system is the basic software that runs a computer

- The most common operating system is Microsoft Windows. PCs usually come with Microsoft Windows as the pre-installed operating system.
- Servers require operating systems, too. This is a more specialised area, with several options.

An office suite allows you to work with common business documents and files

- Many companies use Microsoft Office. It is likely your employees will be familiar with this software.
- There are free alternatives such as LibreOffice. These may not always work with Microsoft Office files.

Web-browsing software lets you access the internet

- Web browsers are generally free. Popular options include Google Chrome, Microsoft Internet Explorer and Mozilla Firefox.
- You need an internet connection.

Email software lets you send and receive emails

- Many companies use Microsoft Outlook to send and receive emails.
- You will need an email service as well. Although you can run an email service in house, most businesses find that using a separate email provider is more cost-effective and reliable.
- Email services are available from web-hosting companies, local IT suppliers and cloud email providers.
- The company that provides your email service may offer Outlook – or other email software – as part of the package.

Other software applications handle different business activities

For example:

- accounting software can help with financial management and tax returns
- payroll software makes paying staff easier, automating repetitive and difficult calculations
- CRM software tracks customer details and your contacts with them.

Mobile apps and cloud services are becoming increasingly widespread

- Many office suites and other software packages offer mobile apps that run on smartphones and tablet computers.
- Cloud services work online rather than as software installed on your own computer system.

3. Cloud computing

Cloud-computing services are replacing traditional software in many areas of business IT. They could help you be more flexible and get the IT system you really need – while keeping your initial costs low.

Cloud-computing services are accessed over the internet

- Instead of installing software onto your computer, you sign in online.
- Most cloud services charge a monthly fee instead of a one-off cost. Fees are typically based on the level of service and number of users you have.
- They are cheaper upfront but overall costs often work out similar to traditional software.

Cloud services tend to be very flexible

- Unlike traditional software, cloud services aren't tied to a single computer so you can access them from any computer or device.
- You can generally increase or decrease capacity instantly – for instance, if a new employee joins.

Most cloud packages include maintenance and support

- This can reduce your IT maintenance burden. The cloud provider handles updates and security patches, and provides help when you need it.

Cloud services store your data on servers owned or operated by the cloud provider

- It's important that you can trust the provider to take good care of your data.
- Make sure any potential cloud provider is well-established, with a strong track record.

You need an internet connection in order to use cloud services

- Check that any cloud provider offers a guaranteed level of uptime.
- When relying heavily on cloud services, you may also need to upgrade your internet connection. This applies particularly to any services that require you to transfer a large amount of data.

4. Your network

A network allows you to connect up your computers and other devices

You can:

- get all your computers and devices online
- easily share files and other data
- share resources such as printers.

If you have fewer than five employees, you can create a simple network

- The centre of your network is a router. These are included with most broadband internet services.
- The router normally connects to the internet and all your devices connect to the router.
- You should be able to connect using ethernet cables or wirelessly. Running cables in an office can be tricky.

If you have more employees, you may need a more complex network

- Think about how many devices you need to connect and how you will connect them.
- You might need additional routers, access points and other equipment.

Larger businesses often build their network around a server

- A server is a dedicated computer that manages your network and stores files. It can improve network performance and data security.
- A server allows you to run centralised applications, such as a customer relationship management system. Companies are increasingly opting for cloud services instead.
- Servers require some technical knowledge and significant ongoing maintenance. Speak to a trustworthy IT provider.

A wireless network ('Wi-Fi') can provide extra flexibility

- Most mobile devices can only connect wirelessly. All new laptops have wireless capabilities built in.
- Wireless is very convenient, but not as fast or as reliable as a wired connection.
- Many businesses use wired connections for permanent desks and rely on wireless for other parts of their building.
- To set up a wireless network, you need a wireless router or wireless access point. You may need more than one access point to cover a larger area.

You may want to provide remote access to your network

- For example, if employees work from home.
- It is difficult to provide remote access to your data unless you have a network server or use cloud services.

5. Getting online

Decide what type of internet connection suits you best

- Fibre-optic connections are fast, reliable and available in many parts of the UK. You can purchase standard fibre-optic broadband from a range of suppliers, such as BT.
- If fibre is not available in your area, you can use ADSL. This tends to be slower as it is delivered over a standard phone line.
- Larger businesses may require a dedicated leased line from a specialist supplier. These usually cost more but offer greater capacity and a guaranteed level of service.

Make sure your connection is sufficiently fast and reliable

- Some cheaper services offer reduced speeds or usage limits. Broadband packages designed for businesses may offer more reliable speeds and better support.
- If you use cloud services extensively, you may require a faster connection.
- If you need to upload large files (for instance, to a cloud storage service), consider paying extra for faster upload speeds.

- If you plan to use VoIP for telephone calls, you may need a faster connection. To maintain good call quality, some businesses have a second connection dedicated to VoIP.
- If you depend on your internet connection, get a package offering guaranteed service levels and priority support.

6. IT security

The information you hold on your IT system is valuable. You can suffer data loss through malicious attacks (such as malware and hacking) and by accident (like hardware failure or human error).

Physically protect computer equipment

- Stealing equipment is one of the easiest ways for someone to get hold of your data.

Design your network with security in mind

- Restrict access using strong passwords.
- Use access levels to ensure people can only view and edit data they need for their roles.
- Use firewalls to protect your systems from online attacks. You should have a hardware firewall at the point where your network joins the internet (this may be built into your router) and a software firewall on each individual computer.
- Use encryption to protect data that is being transmitted wirelessly or over the internet.

Run security software on every computer

- Choose a reputable package; make sure the software runs automatically and is kept up to date.

Create a robust backup system

- Set up a procedure for taking regular backups.
- Store at least one set of backups off-site. Keep them away from heat, moisture and magnetism.
- A cloud backup service can be a good way to back-up data off-site.

Ensure employees understand the importance of following security procedures

- Make security part of employees' contracts.

Make sure you know what to do in the event of a problem

- Create a file containing key information.

Mobile devices pose a particular risk as they can easily be lost or stolen

- Make sure employees know what to do if their device is lost or stolen.
- Install tracking and remote-wipe software on your mobile devices.
- Encrypt all data stored on mobile devices.
- Consider installing mobile security software.

7. IT management

Depending on your level of in-house expertise, you may need extra services to help manage your IT system effectively.

You may need new equipment or software installed and customised

For example, you may need help to:

- install cabling and set up a network server
- customise more complicated software such as a customer database
- integrate new software with existing systems.

Employees often need training and support, particularly for new software

- On-site training can be convenient and effective, but can come at a high cost.
- Software often includes access to a helpdesk, online or by phone, and online resources. Check the costs and reputation.
- Your employees are more likely to be familiar with popular software, and these packages tend to be better supported.
- A good IT supplier should tailor a support package to fit your requirements.

You may want a maintenance contract

- Complex items like servers can be particularly demanding in terms of maintenance.
- New equipment may include a guarantee or a period of free technical support.
- You can arrange maintenance from your equipment supplier or an independent maintenance company.
- Establish the quality of the service – for example, whether the engineers work to ISO 9000, how qualified they are, and what quality of parts they will use.
- For a critical system, you may want a maintenance contract that guarantees a rapid repair or replacement. The details should be described in a service level agreement (SLA).
- Ensure that the basis on which you will be charged is spelt out.

Most smaller businesses find it best to outsource support services

- If you can find a good IT supplier, you can build a strong relationship, allowing them to really understand your business and deliver services you need.
- Outsourcing your support and maintenance will allow you to focus on your business, rather than day-to-day IT system management.
- Although costs can be high, the consequences of system failure can be worse.
- Larger businesses may benefit from in-house support. An IT specialist can deal with routine enquiries and maintenance, provide advice and anticipate problems, as well as taking action in case of system failure.

Signpost

- Get details of IT training courses from learndirect: bit.ly/ld-train.
- Find guidance on cybersecurity from Get Safe Online: getsafeonline.org.
- Find out about your data protection obligations from the Information Commissioner's Office: ico.org.uk.

This should not be used as a definitive guide, since individual circumstances may vary. Specific advice should be obtained, where necessary.