



# Business Technology Program

Championed by AT&T





# We believe in you!

Many SCORE volunteers do not have extensive professional experience with business technology and do not feel comfortable discussing those topics with clients. But we believe that you can learn, understand and teach others about these tools – just as you did for the tools used in your career.

*– the SCORE staff*

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# *talk, look, listen.*

Small business owners wear many hats whether they're in the office or on the go. In order to be connected from virtually anywhere, mobility is a must. Small Business Solutions from AT&T help small businesses stay competitive and increase employee productivity, even from remote locations. And we're here to make sure you're connected. Always.

AT&T proudly supports SCORE.

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Welcome to the SCORE Business Technology Program!

At SCORE, our goal is to help small business owners start and grow their businesses. Today, technology is a big part of business startup and success – but many small business owners aren't sure where to start when it comes to using

## Technology is a big part of success.

technology effectively. The SCORE Business Technology Program can help.

This workbook is designed to help small business owners and their SCORE mentors make smart decisions about business technology. After using these resources, small business owners will be able to devise a plan for what technology tool or tools they may want to consider incorporating into their business, based on their goals and overall business plan.

Throughout the workbook, we refer to SCORE How-to Guides that provide more detailed information, tips and worksheets for many of the topics covered. You'll find a complete list of these resources in the Appendix.

Technology is always changing, and new small business tools are continuously being developed, but the wisdom and experience a SCORE mentor can provide are timeless.

**Thank you to at&t for championing this program, and being a strong supporter of SCORE and small businesses across America.**



# Contents

## OVERVIEW FOR MENTORS

Why Technology Matters . . . . .	2
What This Workbook Covers . . . . .	3
Common Technology Myths and Realities . . . . .	4
Getting Started: Set Goals and Find Solutions . . . . .	5

## MARKETING

The Goal of Marketing . . . . .	6
Local Search Directories . . . . .	6
Social Media . . . . .	7
Daily Deal Sites . . . . .	10
Blogs . . . . .	11
Your Business Website . . . . .	12

## SALES

Use Technology to Power Up Your Sales . . . . .	17
Staying in Touch . . . . .	17
Using Data . . . . .	20
Collecting Payments . . . . .	21

## FINANCE AND BOOKKEEPING

Common Financial Challenges . . . . .	25
Why Invest in Financial Management Technology? . . . . .	25
What to Know Before You Buy . . . . .	26
The General Ledger: Your Financial Foundation . . . . .	27
Manage Suppliers and Customers With Accounts Payable/Receivables . . . . .	27
With Employees Comes Payroll . . . . .	28
Managing Inventory . . . . .	29
Pricing Your Products and Services . . . . .	29

APPENDIX . . . . .	31
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## Why Technology Matters

Business technology provides many opportunities for small businesses to become more efficient and effective. Here are some of the things business technology can help small business owners do:

- Reduce costs
- Improve profitability
- Monitor income and inventory
- Budget effectively
- Measure business objectives and customer satisfaction
- Streamline processes
- Reach a wider audience

However, small business owners must be cautious of making some common mistakes with technology. When implementing technology, be careful not to:

- Increase costs with no direct benefit
- Add technology for its own sake
- Focus on technology over fundamentals such as operations, customer service and sales
- Use technology as an excuse (“I just don’t understand technology” or “We can’t afford technology”)



# What This Workbook Covers

As with any question your clients might have, your role is to listen, assess and share helpful tools and advice. This workbook is another tool to help you mentor your clients. We recommend reading through the entire workbook to start and refreshing your memory on the content as a preparation for meeting with your clients. You can download the entire document or an individual section depending on your client's needs. This document will be frequently updated to keep up with changing technology, so be sure to download the latest version from the Volunteer Center:

[volunteer.score.org/vc/business-technology-program](http://volunteer.score.org/vc/business-technology-program).

To help facilitate use of the materials in this workbook during a mentoring session, the “Marketing”, “Sales” and “Finance and Bookkeeping” sections, as well as the related worksheets, are written to clients. Therefore, you can download and print all remaining sections and distribute them to clients with no editing.

**As you review this workbook, you'll learn how to help your clients:**

- Improve marketing using technology such as:
  - Local search
  - Social media
  - Blogs
  - A business website
- Increase sales using technology such as:
  - Email marketing
  - Customer relationship management (CRM) software
  - Conference call technology
  - Website analytics
  - Payment collection tools
- Streamline financial management with technology such as:
  - Accounting software
  - Accounts receivable/payable software
  - Payroll software
  - Inventory software
  - Pricing tools

## Common Technology Myths and Realities

Completing this workbook will help you dispel some common technology myths or misconceptions that may be holding you or your clients back from exploring how technology could help. Here are some common myths about technology that many small business owners believe and possible responses.

### Myth 1: “Small businesses can’t afford technology.”

Reality: There are many technology solutions that are low-cost or even free, including CRM software, collaboration and communication tools such as Skype, and marketing tools like Facebook and Twitter.

To truly determine the cost of technology, you must determine specifically what the business needs (including training costs, support, maintenance, etc.) and cost out solutions, just as with any business investment. Always keep in mind that there are options at a wide range of price points. Also consider: “What is the cost associated with not using technology to help my business succeed?”

### Myth #2: “Technology can’t do what it promises. I’ve been burned before by false technology promises.”

Reality: Perhaps you have been burned. But does that mean you’ll be burned every time you try to implement technology in your business? If you have been burned once by implementing a technology solution that did not work, learn from past experience. Perhaps you need to invest in training for staff or better communicate changes to customers. Figure out what mistakes were made and how to avoid them next time.

### Myth #3: “Technology will put my business at risk. My customer data or trade secrets will be stolen.”

Reality: Safety and security are crucial for any business, and protecting data, especially customer data, is imperative. Data must be protected and controlled at the source: the database. Database security is at the forefront of technology concerns, and many technology solutions have stringent means of protecting sensitive information such as customer data.

It’s also important to protect intellectual property. Using technology in a small business does not mean trade secrets are exposed for the world to take. Taking precautions through appropriate network security and use of copyright will help protect your trade secrets.

### Myth #4: “My problem isn’t with technology; it’s with getting my customers to pay. Technology can’t help with that.”

Reality: Getting customers to pay in a timely manner can make or break a business. As you look at your current means of collecting payments, what incentives do you have for customers to pay in a timely manner? Do you provide discounts for early payment? Do you tack on fees and accrued interest for any late payments? There are many technology solutions that can make it easier for customers to pay you on time.



### Myth #5: “My product/service can’t be sold using technology.”

Reality: Technology can help drive the sales of almost any type of product. If you own a retail store, adding an e-commerce website can help you sell more products without opening a second location or hiring additional salespeople. If you sell a service or a big-ticket product such as furniture, you may think that you need salespeople interacting directly with customers in order to make the sale. In reality, many consumers prefer researching products online and even buying online without ever talking to a salesperson. Using technology can give you access to this customer base. If you are a service-based company, you can also use technology to make it easier for your customers to make a reservation or appointment online. By streamlining the way you do business with technology, you are paving the way for more sales and a better customer experience.

## Getting Started: Set Goals and Find Solutions

How can you help your clients translate their business goals into technology solutions that will help their businesses? When it comes to technology, small business owners may have questions like:

- How can I integrate my invoicing with my bookkeeping?
- A friend told me I need to get my business on Facebook. Should I?
- I think I need CRM software. What’s the best one?
- Does my business need a website?

To answer these questions, to figure out which technology solutions are best suited to their needs, and to determine which solutions will have the greatest return on investment, start by determining the client’s business goals.

### Next Steps

- Use the SWOT Analysis worksheet to identify the business’s strengths and weaknesses, and the opportunities and threats the business faces in the marketplace.
- Use the Business Process Map worksheet to create a link between daily business processes and tasks and the goals your client wants to achieve.
- Based on the results of the Business Process Map worksheet and the SWOT Analysis, select the three most important business goals that your client hopes to achieve within the next year. List them on the Creating a Technology Plan for Your Small Business worksheet. As you complete this workbook with your client, use this worksheet to list possible technology tools that could help achieve those three business goals.
- Review the How-to Guide: How to Leverage Technology in Your Business for more examples of how technology can help streamline common business tasks and make your business more competitive. This will give you ideas for technology solutions you may want to consider.

## The Goal of Marketing

What is the goal of marketing? Marketing can achieve many objectives, and you may have different goals for your marketing efforts at different stages in your business or in your sales process. These can include:

- Attracting new customers
- Generating new leads
- Retaining existing customers
- Building awareness of your brand

To market to customers effectively, you have to know where to reach them. A whopping 91 percent of customers today look for businesses online — so if your business doesn't have an online presence, they won't be able to find you. In this section, we'll look at several ways to create a Web presence for your business and get found online.

## Local Search Directories

Today, many consumers do research online before ever visiting a business or deciding on a service. To make sure your business attracts as many customers as possible, it needs to be listed on local search directories and ratings and review sites.

These include general local search sites such as [Ask.com](#), [Bing](#), [Google](#), [Yahoo!](#) and the [Yellow Pages](#), as well as industry-specific sites such as [Angie's List](#) for service providers and [Yelp](#) for restaurants. Most local search sites now incorporate reviews from customers into their listings. As a result, being listed on these sites not only shows customers where to find your business, but it also gives them an idea of whether or not your business is worth patronizing.

You may find your business already listed on local search directories; many directories add information about local businesses on their own. However, it's important to make sure the information is accurate and complete. Here's how:

- Visit the site to “claim” your listing.
- Verify that the information on the site is accurate, and correct any errors.
- If information is missing, fill in the basics, such as your business's address, hours and phone number.
- Then add “extras” such as pictures of your business and staff, a detailed description of your business, directions to your location and any other information that will appeal to customers.
- Once your business is listed on key sites, be sure to monitor your listings regularly to keep them updated and respond to reviews.

Listings on most local search directories are free if you manage them individually. If you need to update your listings frequently, however, this can become time-consuming. Tools such as [Brandify](#), [Localworks](#), [SinglePlatform](#) by Constant Contact and [Yext](#) provide a single location where you can update your listings on multiple sites for a fee. [Getlisted.org](#) is a free option that includes most major sites.

- How-to Guide: How to Be Found Online
- How-to Guide: How to Market With Ratings and Review Sites

## Social Media

Social media has many benefits for small businesses, including the ability to connect with customers, participate in conversations about your business and share information — all for free. Think of social media as today's word-of-mouth, where customers' opinions of and recommendations about businesses are spread. Unlike advertising, in social media you cannot control what is said about your company; instead, your goal should be to establish credibility and gain trust. Here is a closer look at the major social media networks.

### Facebook

[Facebook](#) is the largest social network by far, home to the majority of social media users and a wide range of age groups and demographics. Some small businesses even use Facebook as their main communication tool or as a replacement for their business website.

Facebook users create their own “page” on Facebook, where they share posts, photos, videos and links. Users see a “News Feed” that posts the latest on what their Facebook friends are doing.

To get started on Facebook, set up a free Facebook page for your business. Business pages are different than personal pages. First, you have to set up a personal page. Then you are allowed to set up business pages that follow slightly different usage rules. Just click on the “Create a Page” link on the left-hand side of your personal page (under the Pages heading) to get started. Fill in basics such as contact information, photos and images.

Once your page is set up, Facebook offers lots of tools to help you drive traffic. For example, you can download the Facebook Badge and put it on your business's storefront to let customers know you're on Facebook, or post a Facebook button on your website so customers can easily “like” your business.

Post on your Facebook page regularly so new content shows up in your fans' News Feeds. Posts could include news about your business, upcoming events, photos or videos, informal surveys or special deals. Make sure what you post has value to your customers. Facebook provides free analytics to track activities and traffic so you can see what types of posts get the most response.



### Twitter

[Twitter](#) users post short messages (tweets) of 140 characters or less, and “follow” each other to read each other’s tweets. Because of its immediacy, Twitter can be a great tool for sending timely marketing messages. For example, a restaurant owner can tweet about today’s lunch specials with a discount code customers can use to get a free drink.

**Quick Tip:** Keep tweets below 120 characters to allow for easy “retweets.”

Twitter also allows you to “listen” to what customers are saying about your business (and your competitors) by monitoring tweets. Users use hashtags (#) to tag keywords and aggregate conversations on that topic. For instance, you can monitor all tweets with the #yourbusinessname hashtag to see what customers are saying about your business, good or bad.

Because Twitter moves so quickly, make sure you’ve got the time and interest to be responsive to your customers on this platform.

**Tweet 1:** This includes a reference to the topic “kombucha.” This is a like a keyword, so their tweet might come up if someone searches for this keyword.

**Tweet 2:** This is another user referring to the company (Kombuchick) using their “handle.” Customers might do this, whether they’re satisfied or annoyed with the business.

**Tweet 3:** This is a completely unrelated user referencing the same topic as Kombuchick, using the hashtag #kombucha. If a user searches for #kombucha, this tweet might also come up.



### Pinterest

[Pinterest](#) is a photo-pinning site where users share ideas visually. The vast majority of users are women. Pinterest can be useful to companies that target primarily women and sell visually oriented products or services, such as a florists, photographers, interior decorators or home builders. Pinterest can help drive traffic back to your website to buy your product or service or learn more about your business.

## LinkedIn

Does your business sell to other businesses or to professionals? If so, give [LinkedIn](#) a try. This business-focused social network offers a more professional environment than Facebook. LinkedIn users can start or join groups based on common interests or industries, can network with their contacts online, and can get introduced to others who might be valuable prospects or partners. LinkedIn is also a great tool to establish you and your employees as authorities in your field.

## YouTube

[YouTube](#) is a video channel where individuals and businesses can upload and share videos. Online video is increasingly popular with consumers, and YouTube offers a simple way to share videos. For best results, your videos should be useful and/or entertaining so consumers will be more likely to share them with others. Potential video topics include product demonstrations, step-by-step instructions where “some assembly is required,” interviews with industry experts or customer testimonials. Sign up for a free account on YouTube and you can create your own channel to host your business videos, as well as access lots of tools to help you spread the word about them.

- How-to Guide: How to Market With Facebook, Twitter and LinkedIn
- How-to Guide: How to Market With Facebook
- How-to Guide: How to Market With Twitter
- How-to Guide: How to Market With Online Videos

## Daily Deal Sites

Viral “deal of the day” sites such as [Groupon](#) and [LivingSocial](#) have become popular in the past few years. These sites help you harness the power of email and social media to attract new customers and create new sources of revenue for your business.

Consumers sign up to receive emails from daily deal sites featuring big discounts (up to 90 percent) off products and services from local businesses. To create a sense of urgency, the deals are limited-time offers. Consumers typically have just a few days to buy a voucher that they redeem at the business within a set time frame. There’s also a social element, with sites encouraging consumers to share their deals on social media to attract even more buyers. Daily deal sites don’t charge businesses to participate but instead take a percentage of each sale. Daily deal sites have pros and cons, including:

### Pros:

- Daily deal sites are a good way to attract new customers to a local business.
- They can increase awareness of your business as customers share their purchases virally.
- They also boost cash flow because you get paid now, when customers buy the deal, not later, when they redeem it.

### Cons:

- If you’re not prepared, daily deal volume can overwhelm your business.
- You may end up giving deep discounts to existing customers, rather than adding new customers.
- Because the deal site takes a percentage of sales, it’s crucial to calculate your margins carefully to determine if a deal is worthwhile.

If you decide to use daily deals, make sure your business is adequately staffed and stocked, work with the deal site to craft a deal that will be profitable, and make sure your staff is prepared to offer stellar service to keep new customers coming back.

How-to Guide:

How to Use Viral Deal Sites to Create New Cash Flow Sources



## Blogs

A blog is a place for business owners to post content. You can start a stand-alone blog or incorporate a blog into your business website. Before launching a blog, set goals for how you want it to help your marketing. Blogs can help you promote your industry expertise, get media attention, attract customers and help your website rank higher in search results.

Before starting a blog, make sure you can handle the time commitment required. To attract search engines to your blog, you need to put up at least one post (i.e., article) per week; most experts recommend posting at least three times a week. You can enlist an employee or hire a freelance writer to create blog posts for you if you don't have time. You can also recruit owners of complementary businesses to write guest posts.

### Topics you can blog about include:

- Industry news
- Your opinion about a current trend affecting your business
- Tips and advice to help your readers
- News about your business (new product launches, expansions, etc.)
- Summary of a conference or event you attended
- Interview with a key client or industry expert
- An event at your business

Popular blogging software tools include [WordPress](#), [Typepad](#), [Tumblr](#), [Blogger](#) and [Movable Type](#). Their pre-designed templates and tools make it easy for even tech novices to start a blog. If you need help creating content for your blog, you can look for freelance writers and bloggers at [Elance.com](#), [Freelancer.com](#) or [Guru.com](#).

How-to Guide:  
How to Market With Blogs

## Your Business Website

Does every business need a website? Not necessarily, but consider:

- Businesses with an online presence can expect to grow 40 percent faster than those without one. No wonder: Since 91 percent of people search online for businesses, having a website makes them more likely to find you.
- Having a website adds credibility to your online presence. If you don't have a website, people may be unsure whether you're still in business or may think your business is too small or unsuccessful to have a website.
- Having a website allows you to gather valuable customer information using Web analytics. Analytics show you where visitors to your website come from online, their geographic location, what pages of your site they look at (or don't look at), what products they are most interested in and more. You can use this data to better market to them, fine-tune your business offerings and attract new customers.
- Having a website means you own your brand. It's great to be listed on Yelp or have a presence on Facebook, but what if Yelp or Facebook change their terms of service or start charging for services that were previously free? When your only online presence is on a third-party site, you're not in control. When you have your own website, you control how people see your brand.

Convinced yet? Here are five simple steps to setting up your business website.

### Step 1: Get a Web Address

A Web address (also called a URL or domain name) is what users type in to go to your website. Ideally, you'll want it to be the same as your business name. To see if your business's name is already taken, visit any site that sells domain names and/or Web hosting services. (You don't have to purchase your domain name from a site to use its search feature.) Sites you can use include:

- [DomainNames.com](http://DomainNames.com)
- [GoDaddy.com](http://GoDaddy.com)
- [Hover.com](http://Hover.com)
- [Register.com](http://Register.com)

If your desired domain name is available, buying it will typically cost about \$10 per year. (Be sure to renew your domain name every year, or you could lose the rights to it.)

## Choosing a Web Host

A Web hosting company is an important element in building a website. Don't let an independent Web designer offer to host your site — a bigger Web host typically offers greater security and more services, such as maintenance and protection against viruses and malware. Look for a Web host with an “uptime” rate of 99.999 percent or more (uptime refers to the percentage of time your site is up, as opposed to down). Also consider whether you want a shared server (a server you share with other companies' websites, which can cause problems as your site grows) or a dedicated server (a server just for your website, which enables your site to support more traffic).

I and I, GoDaddy, Purehost and Rackspace are popular Web hosts to consider. For more information, read How-to Guide: How to Choose a Web Hosting Company.

If your desired domain name isn't available, try these tips to create one:

- Avoid intentional misspellings (u vs. you) that make your URL difficult to remember or find.
- Keep your domain name as short as possible — it will be easier for users to remember
- You can use hyphens (i.e., pizza-by-evan.com).
- If your business name is taken, use keywords.
- Make the address memorable.
- Use the appropriate domain name extension. The most desirable extension for businesses is still .com, so try to avoid any name that requires extensions, such as .net or .biz.

## How-to Guide: How to Choose a Domain Name That Drives Traffic

### Step 2: Outline Your Site

Your business website doesn't have to be complex. Five basic pages are a good starting point and, for many small businesses, are all you'll ever need.

**Home:** Your home page is where customers go first. As you design the home page, think about what you want the customer to do. Include a call to action such as "Make a reservation" or "Call for a quote."

**About:** This page tells the story of your business. Why did you start it? Who do you serve? What motivates you? Help people connect with you and your business.

**Products/Services:** What do you sell, and how much does it cost?

**Testimonials:** Brag about your business here. List awards you've received; include quotes from happy customers.

**Contact:** Provide as many options as possible for customers to contact you, including a phone number, email address or form, and a map and/or directions to your business.

## How-to Guide: Important Things to Consider When Building Your Own Website

### Analyze Your Competitors' Websites

As you plan your site, it's important to assess your competitors' websites. What features do they have, and what are they missing that would be useful to include on your website? What do you like or dislike about their websites? What more can you offer or what can you do differently? Use *How-to Guide: How to Analyze Your Competitors' Websites*.

**Quick Tip:** Keep the goal of your site in mind. Everything you put up should work toward that goal.

# Website Must-Haves

## Make It Mobile

Today, many people use mobile phones or tablets to look up information about businesses, either at home or on the go. As a result, it's important to make sure your business website is mobile-friendly. Many do-it-yourself templates and commercial website developers include this either automatically or as an option.

Some features to consider that will help mobile users get the most from your mobile site include a click-to-call button, a clickable map to get directions, and a button users can click to make an appointment or reservation.

## Make It Managable

You may want to consider implementing your Web presence in phases. Your initial phase may be a simple template-based site that you do yourself. As your business grows (and generates profit), you may have a contractor develop one that better meets the needs of your customers.

## Step 3: Build Your Site

There are three basic options for creating a business website: Do it yourself, outsource to an independent contractor or use a commercial website design company. Here's a quick look at the pros and cons of each.

1. **DIY:** If you feel comfortable online and your website needs are fairly basic, you may choose to create your own website. This doesn't necessarily require tech know-how; many companies today offer website design templates that are easy to use even without any programming knowledge. DIY design can enable you to create a website cheaply and quickly. Some options to consider include [Weebly](#), [Deluxe](#), [Web.com](#), [webhosting.att.com](#), [squarespace](#) and [Wix](#). On the downside, unless you have enough technical know-how to customize your DIY site, it will be more generic and less tailored to your business. It will also be harder to add advanced features such as e-commerce.
2. **INDEPENDENT CONTRACTOR:** Hiring an independent contractor can be an affordable option for small businesses that need more advanced or more customized sites than a DIY template can offer. If you hire a local contractor, you'll be able to work closely with them and explain your needs. On the downside, an independent contractor relationship may not offer ongoing support or site maintenance.
3. **COMMERCIAL WEBSITE DESIGN COMPANY:** Using a commercial website design company such as [Deluxe.com](#), [Web.com](#) or [webhosting.att.com](#) offers you a wide range of options, from simple sites created with templates to custom sites tailored for your business. You will also enjoy ongoing support and maintenance. On the downside, it may be harder to make changes to your content going forward since you may not have the option to do it yourself. Using commercial companies can also be more expensive than hiring an independent contractor.

How-to Guide: How to Choose a Web Development Team

## Step 4: Create Content

“Content” refers to any written material on your website, including articles, blogs, titles, headings, product descriptions, your “About Us” page and more. When creating content for your site, you don’t have to start from scratch. For example, you can borrow wording from your business plan for your “About Us” page. Stuck about what to write? Brainstorm with employees, your business partners or even your friends to come up with ideas.

As you create content, keep these tips in mind:

- Keep it short. A maximum of 300 words per Web page and 50 words per paragraph is best; more than that is hard to read online. Use headlines, subheads, numbered lists or bullet points to break up longer text into the short chunks that online readers prefer.
- Use keywords that customers might use when searching for businesses like yours.
- Keep your target customer in mind and write content relevant to their interests.
- Always include a call to action, such as encouraging users to click on a link, view your products or call your business for more information.
- Photos attract users. If you can’t afford a professional photographer, use a digital camera or your smartphone to take your own photos or purchase stock photos online.

Make sure you proofread your website before it is published to catch typos, incorrect addresses or phone numbers, grammatical errors or anything else that could make your business look unprofessional. If you are not a good proofreader, it’s worth hiring one for this step.

**Quick Tip:** Don’t obsess about the content on your website. Something is better than nothing, so focus on getting the basic information up, knowing that it can all be updated later as needed.

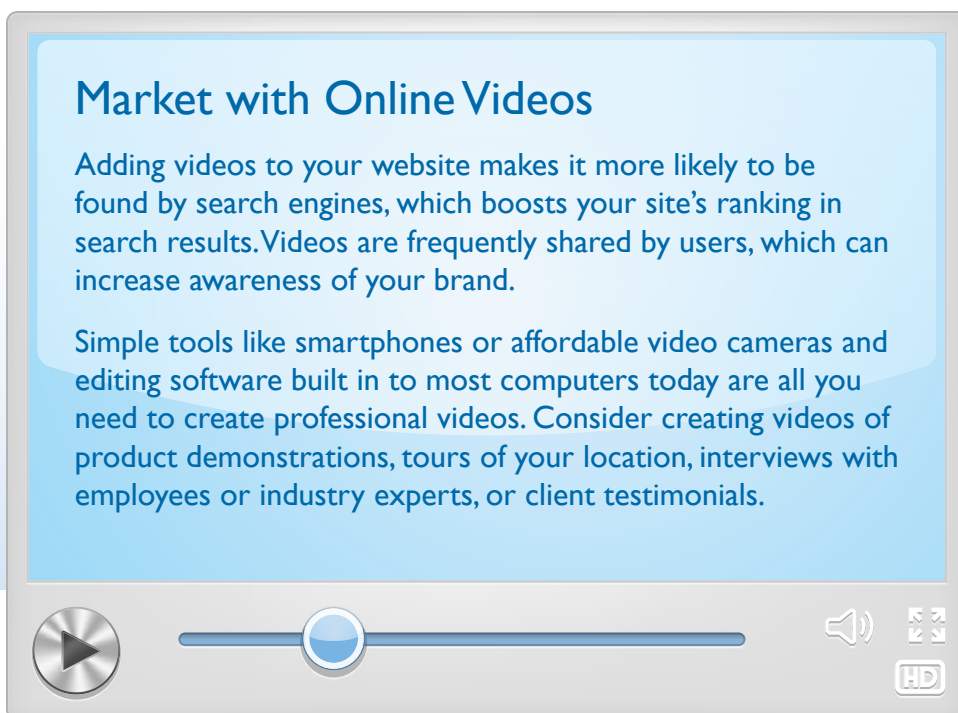
How-to Guide:  
How to Create Effective Web Content

### Market with Online Videos

Adding videos to your website makes it more likely to be found by search engines, which boosts your site’s ranking in search results. Videos are frequently shared by users, which can increase awareness of your brand.

Simple tools like smartphones or affordable video cameras and editing software built in to most computers today are all you need to create professional videos. Consider creating videos of product demonstrations, tours of your location, interviews with employees or industry experts, or client testimonials.

In addition to posting them on your website, share your videos on social media and on YouTube. For more information, see *How-to Guide: How to Market With Online Videos*.



### Step 5: Publish and Promote Your Website

When your site is completed and you are satisfied with it, it will be “published” (i.e., become visible to the general public on the Internet). If you are working with an independent contractor or a commercial company, they should have a checklist or sign-off process in place to make sure you’re happy with the site before they publish it.

Once your site is published, promote it in all your advertising and marketing materials. Include your website URL in your email signature; on marketing collateral such as brochures, fliers and business cards; in radio or cable TV ads and in print ads.

## Usability Testing

Before your website is published, it’s important to conduct usability tests to see how well your site functions with real users. Users should be able to easily navigate your site and figure out how to do common tasks. Create a list of tasks you want them to do (find directions to your store, look at products, enlarge a product photo, etc.) and have them complete each one. Also ask them questions like whether the type is readable, whether the pages loaded too slowly and whether the links worked.

The simpler your site is, the better! Test your website on employees but also on friends and family who aren’t familiar with the site and who aren’t tech-savvy.

Finally, test your website on a variety of mobile devices and platforms — iOS, Android and Windows — and a variety of Internet browsers. Sites may look different on different browsers or devices.





# Use Technology to Power Up Your Sales

There are many ways technology can help your small business improve its sales, from email and conference call technology that helps you stay in touch with your current customers or reaching out to new ones, to customer relationship management (CRM) software that helps you organize and manage customer data, to e-commerce and payment processing software that helps you actually transact sales.

As you assess which areas of your sales strategy can benefit most from new technology, keep in mind that most of a business's sales come not from new customers but from existing customers. According to statistics from Bain & Company, it costs 6 to 7 times more to acquire a new customer than to retain an existing one. In addition, according to Marketing Metrics, while the probability of selling to a new prospect is just 5 percent to 20 percent, the probability of selling to an existing customer is 60 percent to 70 percent. For best results, focus on ways that technology can help you engage with and stay in touch with existing customers to keep them coming back.

## Staying in Touch

### Email Marketing

Email is one of the most effective marketing methods around. Why? Because almost everyone uses it — in fact, 91 percent of Internet users read email. Email also has a great return on investment (ROI), returning \$45 for each \$1 invested.

To get started with email marketing, begin by collecting email addresses of customers and prospects. There are several ways to do this:

- Have a sign-up sheet at the cash register or at events you attend.
- Ask for customers' email addresses at the point of purchase.
- Collect business cards.
- Put a button or form on your website where users can subscribe to get emails from your business.
- Add a "Squeeze Page." This is a single web page on your existing site with the sole purpose of capturing email marketing information. There are no distractions, ads, or exit links on this page. Read more about this on [Wikipedia's Squeeze Page entry](#).

Getting permission to add people to your email list is good business practice. However, legally you're only required to have a "pre-existing business relationship" with a customer and to provide an "opt-out" option (to unsubscribe) in the email in order to send marketing emails.

You can send customers email announcements of sales, special offers or email newsletters. Email newsletters are a powerful sales and marketing tool, and are very inexpensive. To simplify email marketing, many small business owners use email marketing services. Popular services include [Constant Contact](#), [Campaigner](#), [iContact](#), [MailChimp](#) and [VerticalResponse](#).

Email marketing services streamline the email process, provide attractive design templates you can use, and ensure you are complying with the [FTC's CAN-SPAM](#) laws regarding digital solicitation. They allow you to email large groups of people that you would otherwise not be able to using a regular email client. Email marketing services also provide analytics tools you can use to view information such as how many people subscribe or unsubscribe, which elements get clicked on and which newsletters get opened. This helps you modify future email newsletters for better results and tailor follow-up emails to customers' interests. For example, you can send an email with a coupon to just those who have shown interest in a certain product but have not yet purchased it.

How-to Guide:  
How to Market With Email Newsletters

### Customer Relationship Management (CRM)

Maintaining information about sales leads and contacts can be complicated and confusing for a small business. If you or your sales team don't have a system for managing this information, it's easy for opportunities to slip through the cracks. CRM software can help prevent this by helping you organize and manage your customer data, then automate follow-up so you improve your odds of making the sale. With CRM software, you can:

- automatically track and manage customer information
- record the details of every client contact
- share information among everyone involved in the sales process, instead of having information on one employee's hard drive or on paper where it isn't accessible to others
- automatically generate lists of customers based on shared characteristics, such as industry, demographics or whether they have purchased certain products or services in the past
- make it easy to identify the most profitable customers and the most potentially profitable prospects so you know where to focus your sales efforts
- streamline follow-up by generating reminders and assigning tasks
- customize marketing by helping you create sales letters, newsletters and emails targeted to customers' specific interests

CRM used to be just for big companies but today many CRM products are low-cost (or even free) and simple enough to work with a small business's needs. Here are some keys to choosing the right CRM system for your business:

- Keep it simple. Look for a CRM product tailored to small businesses rather than enterprise-level companies. If your system is too complicated, your salespeople won't use it. As long as the software allows you to track the customer or prospect information, when and what was discussed in the last contact, a scheduled date and reminder to follow up, and the potential dollar value of the relationship, that's really all you need.
- Make sure the system works with your existing software. It's crucial that you can import or export information easily.

- Look for a system that works with the way your business sells. For instance, if your salespeople are very active on social media, you'll want a CRM system that integrates social media conversations. If your salespeople are out of the office frequently and use tablet computers or smartphones when they're on the road or at customer locations, look for a cloud-based system that has easy-to-use mobile apps so they can access it anytime, anywhere.
- Know what information you need. A good CRM system lets you easily generate reports in real time to answer questions such as which prospects have the most potential value, how many prospects your salesperson contacted last week and how close your business is to its monthly sales goals. Figure out what information is most useful to your business, and look for software that will make it easy to generate that information.

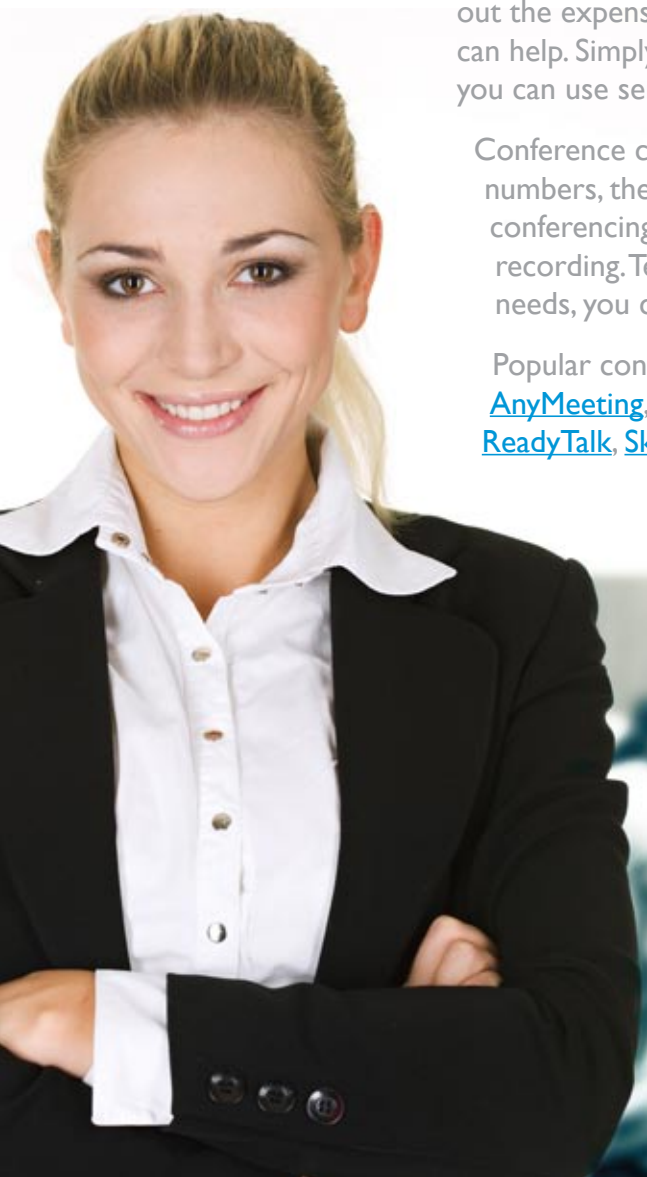
[Highrise](#), [Insightly](#), [Salesforce](#) and [ZohoCRM](#) are popular CRM solutions for small business users. Once you've found the right software, provide training to get everyone up to speed and reward salespeople for using the system.

### Conference Calling Technology

Are you looking for a way to keep in touch with clients and prospects without the expense and time of business travel? Conference calling technology can help. Simply using your computer, laptop, tablet or even your smartphone, you can use services from a variety of vendors — many of them free.

Conference call services offer a wide range of features, including toll-free numbers, the ability to have hundreds of people on the call at once, video conferencing or screen-sharing capabilities, international calling and call recording. Test out what is available for free; if it's not enough for your needs, you can typically find pay-as-you-go options at a very low cost.

Popular conference calling tools with various levels of functionality include [AnyMeeting](#), [FreeConferenceCall](#), [Free Conference Calling](#), [GoToMeeting](#), [ReadyTalk](#), [Skype](#) and [WebEx](#).



## Using Data

### Website Analytics

If you have a business website, using Web analytics can help you understand who your customers are, what they want and how well your website is meeting their needs. Web analytics means reporting, collecting, measuring and analyzing Web data. Things you may want to know about your website and its users include:

- Who is coming to your website?
- What sites are they coming from?
- What days and times are they coming to your site?
- How many click on links in your site?
- How long do they stay on your site?
- What are they buying?

There are many other data points your business can monitor, from your most popular Web pages to the cities and states where your visitors live. Your goals for your business website will determine what data to measure. For instance, if you own a restaurant and you want to attract a lot of local customers to your website to look up your menu, hours and directions, you might want to measure what cities website visitors are coming from. If you find that most of your visitors live across country and can't actually come to your restaurant, that could lead you to change your sales and marketing tactics to reach out to more local prospects.

If you have an e-commerce site, you might want to measure your “bounce rate” (the number of visitors who come to your site, then leave without ever going to a second page). A high bounce rate would be bad news, meaning that customers aren't sticking around to shop, and might lead you to redesign your home page to be more appealing, use more calls to action or otherwise spur more shopping.

[Google Analytics](#) is a free tool that measures just about everything you might want to know about your website. Google also offers a wealth of information about how to use Google Analytics.

How-to Guide:  
How to Use Web Analytics

## Collecting Payments

### E-commerce

If you're currently using your website as a marketing tool or to give customers information, one way to boost your sales is to add e-commerce capabilities. Selling products or services isn't as hard as you might think and creates a new source of cash flow for your business.

You don't need your own e-commerce site to sell online. There are many sites that enable independent businesses to sell products online, without requiring a website or your own payment system.

- [Amazon](#): sells new commercial products
- [eBay](#): sells all kinds of products, both new and used
- [Etsy](#): sells primarily handmade or arts and crafts products

These can be great sales outlets for home-based businesses or can be used as another sales channel for a retail shop. You can use these channels in lieu of your own e-commerce website, or use them as a "test market" to get a product out there and see how well it sells before you commit to creating your own e-commerce site.

If you do want to add e-commerce capabilities to your website, many of the providers mentioned in the "Your Business Website" section offer this service. [ProStores](#), [Shopify](#), [Volusion](#) and [Yahoo! Merchant](#) are other popular providers to try. These services provide one-stop solutions that include an e-commerce site, shopping cart software (the software that enables the checkout process) and the ability to accept credit or debit card payments online.

How-to Guide:  
How to Add E-commerce to Your Website



## E-commerce for Service Businesses

E-commerce can allow even nonretail businesses to create new income streams. Here are some ideas for things you could sell:

- Products related to your service business (for example, a residential cleaning business could sell some of the cleaning products it uses)
- Information, such as e-books, CDs or workbooks related to your business (for example, a personal trainer could sell an exercise DVD)
- Services that can be delivered online, such as consulting, coaching or therapy sessions via chat, email or VOiP

### Merchant Accounts

Does your small business still mostly get paid in cash and checks? Most customers today want the convenience and inherent record-keeping associated with the use of debit and credit cards. Technology can help you accept more types of payments, making your business more appealing to more customers and boosting your income.

Merchant accounts are the entities that allow you to process credit and debit cards and get cash sent to your business's bank account. Most businesses start by asking their current bank to provide merchant account services, but this is an extremely competitive field, so getting competitive quotes may help you find options with lower fees than those offered by your bank. [First Data](#), [intuit](#) and [WorldPay](#) are popular merchant account providers for small businesses; [Authorize.net](#) is an affordable card processing service based in the "cloud."

Typically, each physical location where you want to accept credit and debit cards will require purchasing about \$1,000 worth of equipment to read the cards and print receipts. In addition to this initial cost, there is usually a monthly minimum fee as well as per-transaction fees.

Merchant accounts require very good personal and business credit ratings, which can be a hurdle for some small businesses. In spite of the upfront and ongoing costs and credit requirements, however, merchant accounts invariably result in a lower charge per transaction compared to other kinds of credit card processing services.

### Accepting Payments With Smartphones and Tablets

For small business owners seeking lower upfront costs than traditional merchant accounts, using a smartphone or tablet together with a card reader is a simple way to get started accepting credit and debit card payments. Mobile card readers eliminate the upfront cost of specialized card readers and receipt printers. When customers "sign" onscreen using their finger or a stylus, a receipt is automatically sent to the customer's phone, and transactions are immediately transmitted to the merchant account service.

For many small business owners, an additional benefit of mobile card readers is that no credit check is required of the business. However, this means transaction fees are slightly higher than with traditional merchant accounts. To lower the per-transaction rate, most providers offer the business the option to pay a monthly fee. Typically, a business will break even on card reader costs if they have sales volume of \$1,500 a month on the reader. [Intuit](#), [PayPal](#) and [Square](#) are popular mobile card readers to investigate.

Mobile card readers have other benefits than low costs: They can also speed up your payments and increase your sales. If your business provides services at the customer's home or business, using mobile card readers enables you to collect payments immediately instead of invoicing customers later. If your business sells products at events or fairs, mobile card readers can capture sales from customers who don't have cash on hand.



### For New or Micro-Businesses, Try PayPal

For a very small business or one that is selling online and doesn't want the setup costs of a merchant account to accept credit and debit cards, [PayPal](#) can be an ideal technology solution. PayPal enables you to receive money from anyone, anywhere in the world, as long as they have an email address. Customers pay PayPal using cash, debit or the credit card of their choice; PayPal pays you. Since you never have access to the customer's payment data, you don't have to worry about it being stolen or hacked.

While PayPal's per-transaction fees are a bit higher than other options, they are still reasonable and, for many businesses, offset by the other free services that PayPal provides. For example, PayPal provides simple "copy and paste" code that can easily be added to a business's website to support what is known as shopping cart functionality. When you use PayPal in conjunction with website hosts such as Weebly or Wix, you can provide customers with key shopping cart benefits at almost no upfront expense. If your business is new, consider starting with PayPal until you get off the ground.

### Point-of-Sale (POS) Systems

A point-of-sale (POS) system is more than just a cash register. POS systems tie together a bar code reader, a cash register drawer, a credit card reader, a PC and monitor, and specialized software to provide your business with much more information regarding operating details. The bar code reader enables the capture of every product sold along with its time, location of sale and price. It automatically updates your inventory and can integrate both cash and credit transactions. While the upfront cost is typically \$1,000 or so more than a simple cash register, when you consider the time and labor cost of regularly inputting inventory and bar code information into the system, a POS system can quickly pay for itself.

Beyond saving time and effort, a POS system provides you with details such as exactly what products were sold when and where, by whom, for what price and at what markup or discount. This enables you to quantify which products are your bestsellers, which provide the most profit, which employees sell the most, and which times of day or days of the week are the most profitable. POS software also helps at the front end of the inventory process by projecting when you'll need to reorder to avoid being out of stock while operating with minimal inventory levels.

Popular POS software includes [QuickBooks POS](#), which easily integrates with QuickBooks accounting software; [Regit Express](#), which is free; and [RetailPro](#), which specializes in retail businesses.

### Shopping Cart Software

If your business website sells more than a handful of products, you will need greater shopping cart functionality than PayPal can provide. Fully featured shopping cart software enables you to manage online sales easily while offering customers hundreds of product choices.

Shopping cart software has several benefits for both your e-commerce customers and your business:

- It allows customers to save products for purchase at a later date.
- It allows customers to edit and update their purchases.
- It provides an online, real-time connection to inventory status so customers have confidence that their purchase will not be back-ordered.
- It enables you to track the customer's overall purchase history so you can target them with offers for complementary or related products they might find appealing.

[GoDaddy](#), [Homestead](#), [Shopify](#) and [Yahoo!](#) are popular providers of small business websites that offer a choice of competitively priced shopping cart options.

How-to Guide:  
How to Add E-commerce to Your Website

## Part 3: Finance and Bookkeeping

### Common Financial Challenges

What do you currently do to keep track of your business's finances? Are you still recording sales on paper using manual systems? Do you stuff receipts in a shoebox and wait until tax time to sort them out?

What roadblocks do you face in terms of finances? Are you unsure of how to price your products and services, or uncertain whether your prices are bringing in a sufficient profit margin? Do you struggle to collect payments in a timely fashion? Is your business regularly short of cash at certain times of the month or year and unable to take advantage of business opportunities as a result? Financial management technology can help.

### Why Invest in Financial Management Technology?

If your small business is “flying by the seat of its pants” and using manual systems to manage its finances, you can't quickly and accurately monitor the health of your business. This can lead to cash-flow problems that may prove harmful or even fatal to your business.

#### Investing in technology can help you:

- Speed up invoicing and collection. Instead of waiting for invoices and payments to go through the mail, using electronic means of invoicing and payment shaves days off your collection time.
- Measure and monitor the health of your business at any point in time. With manual systems, assessing your business's health is time-consuming and complex. Using accounting and financial software simplifies the process and allows you to test different financial models with minimal effort.
- Keep accurate and readily accessible records. Accurate financial records are not only required by the Internal Revenue Service but are also necessary for your business's health. Manual record-keeping is time-consuming and prone to error; accounting and financial software simplifies the process and reduces the chance of mistakes.
- Quickly identify waste and inefficiencies. By tracking and monitoring your business's financial data, you can easily pinpoint areas of waste and potential cost savings.
- Scale your business for growth. Proven accounting systems can be easily replicated when your business grows and expands.
- Keep pace with your competitors and even gain a competitive advantage. Financial and accounting software not only makes your business more efficient but also enables you to model and predict future financial trends and scenarios so you can plan ahead.

## What to Know Before You Buy

Choosing the right financial software requires time and thought. Work with your accountant to determine the best option for your financial systems.

Because each business is unique, it's important to tailor your systems based on your unique business needs. However, at a minimum, your system should include a chart of accounts, invoicing, real-time reporting, full accounts receivable/accounts payable capabilities, tax tracking, and a payroll service or interface. Depending on your needs, you may also require inventory management capabilities.

### Other factors to consider include:

- How well does the software integrate with your existing business applications, such as e-commerce shopping carts, CRM software or electronic data interchange (EDI)? Look for a system that lets you easily import and export data from one application to another.
- Will you choose a local version of the software (that is installed on each user's computer), a networked version (that is shared among your computer network), or a cloud-based service (that resides in the cloud and is accessed by your users via Internet connection)?
- Do you want a free solution or a licensed product? If you are technologically savvy, free open-source software that you install and configure yourself could be an option, but weigh the “free” upfront cost against the time and expertise you will need to troubleshoot problems yourself. A licensed product is likely to be more cost-effective for the majority of small business owners.

Popular choices for small business accounting software include [AccountEdge](#), [FreeAgent](#), [FreshBooks](#), [Outright.com](#), [QuickBooks](#), [Sage One](#), [WaveAccounting](#) and [Xero](#).

Before implementing any type of financial technology, however, you must first understand the financial transactions and processes that are critical to your business's survival and growth.

How-to Guide:  
How to Assess the Cost of Technology Solutions

## The General Ledger: Your Financial Foundation

The general ledger is the term used by accountants for the basic set of “books” kept by a bookkeeper. It tracks all income and expenses related to a business, primarily in terms of bank-related transactions — that is, receiving or writing checks and cash.

These financial transactions can be viewed in a variety of ways using a variety of financial statements:

1. **Cash flow statement:** As the name implies, this document tells you over time where your cash is coming from and going to.
2. **Income statement:** Also called the profit and loss statement, this important view of your business’s finances focuses on profitability.
3. **Balance sheet:** This document reports the equity of the business by listing all its assets and liabilities in order to determine its current net worth.

By using these financial statements, small business owners and others can track a business’s financial performance over time. Various stakeholders in a business will have an interest in different financial statements for different reasons:

- Small business owners will focus on profitability as shown in the income statement but also need to monitor cash flow in order to manage overhead expenses and budget effectively.
- Bankers will focus on cash flow to determine how much capital a business needs and how likely the lender is to be repaid.
- Investors will focus on so-called leveraging ratios, based mainly on information in the income statement and balance sheet.

[BSI General Ledger](#), [NolaPro](#) and [TurboCASH](#) are free, open-source general ledger software.

Among paid options, [QuickBooks](#) and [Sage One](#) are popular for small businesses and offer functionality far beyond just the general ledger.

## Manage Suppliers and Customers With Accounts Payable/Receivables

Accounts payable and accounts receivable tracks and manages the business’s credit obligations — that is, to whom the business owes money (payable) and who owes money to the business (receivables). Accounts payable and receivable software lets you track vendors and payables; pay bills; invoice customers and track payments due; and track basic customer data.

Properly managing your credit accounts can make or break your business. It is not uncommon for small business owners to be profitable in theory, but unable to make payroll because they can’t collect what they are owed in a timely manner. Financial software can prevent this problem by helping your business practice more effective cash management.

For example, suppose you have a supplier that offers a discount if you pay their bill in less than 30 days. To maximize cash flow, you'd want to pay the bill on the 29th day so you keep your cash as long as possible while still receiving the discount. But it's easy for such opportunities to slip through the cracks if you don't have a system to recognize them and alert you when necessary actions must be taken.

Good accounts payable/receivable software easily tracks due dates and provides alerts and triggers that let your business maximize retained cash while also maximizing its payment discounts from suppliers. It also lets you generate aging reports that highlight your most delinquent payers so you can focus on getting paid (and perhaps implement different ways of dealing with them, such as requiring partial payment upfront or c.o.d.). Finally, good accounts payable/receivable software tracks customer data and buying practices, revealing useful information such as which customers are the most profitable and the most productive leads for new sales.

[BSI General Ledger](#), [NolaPro](#) and [TurboCASH](#) are free open-source software that can handle your accounts receivable and accounts payable. Among paid options, consider [QuickBooks](#) and [Sage One](#).

How-to Guide:

How to Use Technology to Speed Customer Payments

## With Employees Comes Payroll

Once your small business has employees, you have to deal with payroll. While tracking and paying salaries or hourly wages is fairly simple, taxes and employee benefits can be an administrative headache for your business if you try to maintain these records manually. Payroll technology simplifies the record-keeping involved with vacations, sick leave, health insurance, retirement plans, workers' compensation and income taxes.

Payroll systems typically start with a time- and attendance-tracking tool, which may be an app on a smartphone or an electronic form on a computer. Basic payroll time-tracking tools capture nonproductive activities, such as sick leave. More advanced tools go beyond that into breaking down employees' time and capturing specific productive tasks. (See "Time and Billing Software" on page TK for more information.)

The benefits of payroll software include:

- Ensuring both you and your employees that pay and benefits are properly calculated
- Enabling timely payments to tax authorities and benefit providers
- Ensuring that any annual reports (such as W-2 forms) required by tax authorities and benefit providers are generated promptly and accurately
- Maintaining records that facilitate insurance carrier audits regarding liability and workers' compensation premiums
- Assessing employee productivity. Monitoring attendance records and time breakdowns can help you address issues before they get out of hand.



If you are looking for a free open-source payroll solution, [TimeTrex](#) is a popular option. Among paid payroll software, consider [ADP](#), [Intuit](#) and [Paychex](#).

## Managing Inventory

If your business sells more than a few products, you need software to manage your inventory. You may also want to manage inventory if you have equipment that employees check in and out of your business, such as tools.

If you're concerned that inventory management software will be too complex for you, start simple and be selective in what you track. Begin by tracking inventory items with a high dollar value, those with a long lead time to procure and receive, and those that are critical to delivering your primary product. Bar coding means it's easy to go beyond these basics, but the 90/10 rule (that you can get 90 percent of the results for 10 percent of the effort) can work for you if you focus on starting with these key items.

Good inventory systems allow you to track your costs versus your selling prices, along with where the item was purchased and/or used. Monitoring your inventory “turns” helps you assess productivity and manage more effectively. Inventory management software will show you the ratio of your annual revenue related to your inventory compared to your average inventory cost.

Inventory can quickly become a bottomless pit for small businesses that try to maintain too much of it or that don't manage it effectively. Typically, small business owners who implement inventory management software quickly discover large amounts of excess inventory that's just tying up cash. Inventory management tools help you monitor actual inventory usage so you can place more realistic orders — neither so much that you're wasting money storing the inventory, nor so little that you run out and can't fill orders.

If your business sells a wide range of items and periodically needs to take physical inventory, inventory management technology streamlines that process and enables you to manage discrepancies due to loss, shrinkage or obsolescence from an accounting perspective.

Among free open-source options, consider [InFlow's](#) free version, [Inventory Manager](#) and [POS Maid](#), a point-of-sale (POS) system whose inventory module can be used on its own. [InFlow](#), [Inventoria](#) and [Inventory Tracker Plus](#) are popular paid solutions.

## Pricing Your Products and Services

### Time and Billing Software

In the payroll section on page 28 we talked about the time and attendance features of payroll software, which typically tracks the details of nonproductive time. Time and billing software breaks out and tracks the details of productive time. This type of software is useful for professionals who bill by

the hour, such as lawyers, computer programmers and engineers. It's also beneficial for those in the skilled trades (such as plumbers, auto technicians and electricians) who typically charge customers on a time and materials (T&M) basis.

Time and billing software captures all the details to ensure that your billing not only covers employee wages and benefits but also covers overhead costs such as rent, utilities, equipment depreciation and support staff. It allows you to compare actual costs to prices to ensure you are not leaving money on the table, and to track profitability at the job or project level. Over time, this enables more refined job costing and project estimates. Most time and billing software generally allows you to customize billing formats to match customer needs.

Among free options, consider [MakeSomeTime](#), [TimeTrex](#) and [Toggl](#). Among paid options, [BillQuick](#), [Kronos](#) and [Replicon](#) are popular choices.

### Job Cost Systems

If you are a contractor who bids for jobs on a fixed-price basis and gets paid based on progress toward completion of the job, job cost software can help you price more accurately and bid more effectively.

Job costing software goes beyond time and billing or inventory management software to first estimate and then track both the labor and materials costs of each project and tie them to events or products associated with progress on the job. Since you can track detailed labor, material and subcontractor expenses during a project, you can catch problems quickly and be proactive rather than reactive.

In addition, job costing software can be used to develop a detailed database of actual costs for major job elements, which can provide a sound basis for new bids. Instead of basing bids on gut instincts or guesswork, you can use historical data and make bids based on facts.

[Harvest](#) is a popular free time and billing system for small contractors. Among paid options, consider [Estimation](#) and [QuickBooks for Contractors](#).

**Quick Tip:** Visit TopTenReviews ([www.toptenreviews.com](http://www.toptenreviews.com)) to read reviews of business software and help you evaluate the products you're considering.

# Appendix

## Overview

SWOT Analysis worksheet

Business Process Map worksheet

Creating a Technology Plan for Your Small Business worksheet

How-to Guide: How to Leverage Technology in Your Business

## Marketing

How-to Guide: How to Be Found Online

How-to Guide: How to Market With Ratings and Review Sites

How-to Guide: How to Market With Facebook, Twitter and LinkedIn

How-to Guide: How to Market With Facebook

How-to Guide: How to Market With Twitter

How-to Guide: How to Market With Online Videos

How-to Guide: How to Use Viral Deal Sites to Create New Cash Flow Sources

How-to Guide: How to Market With Blogs

How-to Guide: How to Choose a Domain Name That Drives Traffic

How-to Guide: How to Choose a Web Hosting Company

How-to Guide: Important Things to Consider When Building Your Own Website

How-to Guide: How to Analyze Your Competitors' Websites

How-to Guide: How to Choose a Web Development Team

How-to Guide: How to Create Effective Web Content

## Sales

How-to Guide: How to Market With Email Newsletters

How-to Guide: How to Use Web Analytics

How-to Guide: How to Add E-commerce to Your Website

## Finance and Bookkeeping

How-to Guide: How to Assess the Cost of Technology Solutions

How-to Guide: How to Use Technology to Speed Customer Payments

Find the latest resources at [volunteer.score.org/vc/business-technology-program](https://volunteer.score.org/vc/business-technology-program)