

## Why Minority Businesses Need to Follow Technology

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**INTRODUCTION.** The four major drivers of change in today's economy are: 1) political; 2) social; 3) economic; and 4) technical. The purpose of this article is to discuss technology trends and why minority-owned businesses (MBEs) need to keep up with them.

**BUSINESS CASE.** Technology can help give minority-businesses an edge over much larger and more established competitors. For example, having an online customer service function and links to online business-to-business exchanges can help a MBE grow in size and scale. Conversely, not having technology, such as the inability to process payments through your Web site, can result in lost revenue and opportunities.

Consider a recent example how technology made a key difference between success and failure. In the early 1990's, K-Mart and Wal-Mart were approximately the same size. Wal-Mart used technology to improve their supply chain management and inventory process, resulting in greater cost efficiency. The result was their consistently being the low-price leader. Today, Wal-Mart is six times as large as K-Mart.

**TECHNOLOGY TRENDS.** There are several key technology trends that minority businesses should include in their planning strategies. They are:

- **Web Services.** These allow distributed computer applications to talk to each other. They are improving the interoperability among various e-commerce systems.
- **Disintermediation.** E-commerce is accelerating the process of "bundling" or consolidating purchase requirements. To survive the shakeout, MBEs need to find their supply-chain niche or partner with others to form online "virtual" supplier communities.
- **XML.** Extensible mark-up language is becoming the de facto standard for Internet-based business applications. It is the next level up from the current HTML standard.
- **Mobile E-Commerce.** Wireless technology allows for mobile Internet access. Expect wearable computers and Internet-linked Palm Pilot-like devices.
- **Online Communities.** The Internet is an excellent platform for hosting online groups with common interests. For example, the author's site at **www.e-mbe.net**. MBEs can use online communities to get valuable customer feedback and grow their brands.

- **E-Learning.** Online learning provides “on demand” learning. MBEs can use this technology to better service their customers and develop new markets. An example is [www.eCorporateCollege.com](http://www.eCorporateCollege.com)
- **Customer Resource Management.** CRM software allows companies to manage their customer relationships across many channels and is part of a world-class e-commerce system.
- **Knowledge Management.** Technology is generating more information than some companies can handle. Tech-savvy MBEs have the opportunity to do well by helping others in this area.
- **Non-English Web Sites.** Global Reach estimates by 2003 there will be 560 million Internet users with a primary language other than English, and they will outnumber English-speaking Internet visitors by a ratio of more than 2-1.

**PLANNING TIPS.** Acquiring technology is challenging for several reasons: it can cost lots of money; it can obsolesce rapidly; it may not work with existing systems; and it can be expensive to maintain. Affordable ways to keep up with technology are:

1. Develop a technology plan for your business
2. Buy only what you need, and only when you need it
3. Outsource all functions that are not a core part of your business
4. Develop alliances to share development costs

**SUMMARY.** The only constant is change. Minority businesses that anticipate and adapt their technology to their particular business environment dramatically increase the chances they will survive.

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