

## Streamline Operations to Increase Competitiveness

### Integrate front- and back-office functions to strengthen customer relationships and increase profitability.

Imagine for a moment two movers trying to carry a rolled-up carpet, but neither paying attention to what the other person is doing. They each hoist an end to their shoulders, then try to walk off in opposite directions. They get nowhere, of course, and possibly end up dropping the carpet.

This highlights the challenge across front- and back-office operations in some small and medium-sized businesses (SMBs) today. They can find themselves operating as discrete, separate functions, with employees in their respective roles taking a tunnel-vision view of their own tasks. Front- and back-office personnel may not work collaboratively to achieve company goals. As a result, the company may be inhibiting its success and limiting competitiveness.

If yours is such a company, you may want to review your business objectives, processes, and behaviours and integrate operations to boost customer satisfaction, stimulate company growth, and gain market leadership. A computer networking system combined with front- and back-office business software applications can help you fill the integration bill.

#### The Integration Equation

Before you can integrate functions, you need to define them. Simply put, front-office functions are customer-facing and therefore require an understanding of customers and their needs. Good examples include sales, marketing, order entry and customer service. Back-office functions are typically transaction- and rules-oriented, focused on the management and tracking of data. Accounting, finance, manufacturing, inventory, distribution and shipping are examples of back-office functions.

A common problem among some SMBs is that they have not integrated their front- and back-office operations using a company network. It is therefore difficult for workers to share information easily across organisational boundaries.

SMBs rightly pride themselves on knowing their customers' needs. But a lack of integration can result in distributed intelligence that severely limits your ability to sell to, and profitably manage, customers. In contrast, integrated front- and back-office operations can deliver several benefits, including the following:

- **Stronger Competitive Differentiation:** Integration improves information sharing, giving a more complete view of your customers no matter where you gather data. It allows you to position products and services uniquely to address specific customers' needs.
- **Improved Productivity and Data Accuracy:** Integrated systems minimise rekeying of data and reduce the introduction of errors or inconsistencies.
- **Increased Revenues and Lower Operational Costs:** Your business can offer more products and services to customers in a targeted manner because you can better analyse customer purchasing patterns to identify cross-sell and up-sell opportunities. Also, you'll be able to lower your cost of sales because streamlined processes help reduce overhead.

- **Improved Information Flow:** Sharing information across departments is critical to the delivery of real-time, responsive customer service. It's also crucial for adhering to the process-efficiency mandates of government regulations such as Sarbanes-Oxley, a set of U.S. government rules designed to improve the accuracy and reliability of financial disclosure.
- **Fewer Collections and Losses:** Integrated systems make it easier for your sales team to view customers' payment histories and assess their purchasing power before placing orders. Sales staff then can make more informed decisions about pursuing or rejecting deals.

### **Network Technologies Enable Integration**

Effective integration involves employing sophisticated software applications. In addition, intelligent network technologies can help you realise the full potential of integration. These include the following:

- **High-Performance Local-Area Networks (LANs):** Front-office/back-office interdepartmental communications require virtually instantaneous information flows. Fast Ethernet (100Mbps) and, increasingly, Gigabit Ethernet (1,000Mbps) LANs provide the foundation for a communications infrastructure that supports business applications and the advanced technologies that link users to them.
- **Broadband Wide-Area Networks (WANs):** High-performance WANs support real-time, interactive communications between your company and its customers, partners and governance entities.
- **Network Security:** These technologies include firewalls, intrusion detection/protection systems, antivirus systems, security management, and virtual private networks for remote security, information privacy and confidentiality.
- **Internet Protocol (IP) Communications:** Converged data, voice and video systems provide advanced applications support (often specific to certain industries) to enable flexible customer-service delivery from multiple locations.
- **Storage Networking:** Storage-area networks allow high-capacity online archiving, real-time information access, and backup capabilities that integrate with your networking systems and enable business resilience.

Each network technology is a piece of the overall front- and back-office integration puzzle. Together these pieces play a vital part in achieving the systems integration needed by companies today.

### **From Here to Integration**

There is a wide range of front-office, back-office, and middleware software applications and network technologies available that can help your company tie together disparate systems. Many are appropriate for SMBs, but whichever solution you consider should meet several criteria.

First, the network solution must guarantee privacy and confidentiality. Applications connectivity isn't enough; communications between all parties must be private and secure. In addition, the processes and systems must be coordinated to ensure that customer data is consistent and comprehensive for company decision makers. SMBs sometimes find coordination difficult to achieve, but the following three guidelines can help:

- Design the system from the front-office in, not the back-office out. Information systems should be customer-centric, with the back-office applications supporting customer interactions and relationships.
- If you outsource back-office operations to a service provider, ensure interoperability between your systems and the provider's systems.
- Make intelligent network technologies and business applications software (and middleware) work together. One without the other will not suffice.

Your solution should provide multipoint, as opposed to point-to-point, communication: Information should flow among and between different groups, not just individuals.

It should also be scalable and resilient, and enable real-time communications – an essential requirement for fostering and improving customer relationships. Your information system must allow for immediate interactions and should scale easily to handle employee or departmental changes as the business expands and adjusts. Finally, it must be resilient, with information readily available so that you can conduct business and interact with customers no matter what opportunity or crisis arises.

### **Serious Solutions for Serious Times**

In a competitive business environment, SMBs can't afford to miss opportunities. The integration of information from customer-facing and transaction-oriented operations can lead to differentiated products and services, substantially increasing competitiveness. With systems integration, you can maintain a personal touch with your customers even as your company grows and your business becomes more complex. In this way, you can tap the benefits of being a nimble, smaller business while performing like a large business. The enabling technologies exist today to make it happen. Now it's just up to you to get serious about network integration.

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