

My Best Friend, TECH.

With the economy plunging deeper into the global financial crisis, many companies are now taking, or preparing to take steps towards riding against the recession waves. What are some of the technology trends SMBs in the ASEAN region are working towards now? How can deploying these solutions help their businesses?



WHAT'S IN FOR IT?

As the dark clouds of the economic crisis continue to linger among all budget decisions made this year, most companies, are moving back to basics by relooking at spending, and focusing on implementing cost-cutting measures.¹ Things have certainly changed. Plans for business growth have taken a back seat, and overall expenditure for companies has slowed down. Indeed, IT spending for SMBs in the region is affected in some ways, but research has shown that the degree of cutting down on spending varies for different countries:

More developed economies such as Singapore, Taiwan and Thailand will run a higher risk of a significant IT spending slowdown in 2009, as compared to emerging Asian markets such as Malaysia, Philippines, Indonesia and Vietnam.²

There is no doubt that most SMBs are looking at ways to execute cost-cutting schemes. However, reasonable investments still have to be made to sustain profits, stay ahead of the competition, and contribute further to reducing costs in the long run. In these economically trying times, SMBs in the region are looking at investing in technologies that are cheap, and at the same time, enhance productivity. So what are the more popular solutions in the market that are suitable for SMBs these days?

CLOUD COMPUTING

Cloud computing refers to the use of Internet ("cloud") based computer technology used for a variety of services.³ It allows a large number of networked computer systems to share an IT infrastructure, operating "in the cloud". SMBs owners can be freed by previous limitations of local or remote computers. Put simply, it is an evolving technology where companies can get software and services with little upfront investment.⁴

¹ "Asia Braces for Slowdown", PCWorld, 22 February 2009
http://www.pcworld.com/businesscenter/article/159994/asia_braces_for_slowdown.html

² Springboard Outlines Top 10 trends for 2009, Enterpriser.IN, 11 December 2008
http://www.enterpriser.in/India/Trends/Springboard_Outlines_Top_10_trends_for_2009/551-96407-452.html

³ Cloud computing, Wikipedia
http://en.wikipedia.org/wiki/Cloud_computing

⁴ "Cloud Computing: Small Companies Take Flight", Business Week, 4 August 2008
http://www.businessweek.com/technology/content/aug2008/tc2008083_619516.htm



Cloud computing is reshaping the IT marketplace, creating new opportunities for suppliers and catalysing changes in traditional IT offerings. Over the next five years, IDC expects spending on IT cloud services to grow almost threefold, reaching \$42 billion by 2012 and accounting for 9% of revenues in five key market segments. More importantly, spending on cloud computing will accelerate throughout the forecast period – capturing 25% of IT spending growth in 2012 and nearly a third of growth the following year.⁵

Allgas is an example of a small business that deploys cloud computing. A specialist supplier and maintainer of gas and electrical appliances and accessories, Allgas was looking for a cheap solution that provides a single, real-time view of its central stock position through its e-commerce website. In order for stock levels to be managed efficiently, it chose to implement a cloud computing application that provides an updated, real-time and secured access to stock information, purchases and transaction records from any web-enabled device.⁶

In Singapore, the Infocomm Development Authority (IDA) expects to work on as many as 45 “cloud computing” projects, with 15 of them being global collaborations. IDA assistant chief executive Khoong Hock Yun hopes to encourage more companies to take up cloud computing. He cited an example in a report that a florist, for example, can tap on the technology, by paying a monthly fee to run a customer database on the Net instead of forking out an upfront fee for a dedicated server to do the same job.⁷

With cloud computing, SMBs can have access to enterprise-class technology with minimal upfront costs and easy scalability.⁸ At the same time, there are potential security threats that include data protection and confidentiality so it is essential for SMBs to access the possible risks before they fully integrate the technology into their operations.⁹

BUILT-IN WIRELESS BROADBAND

Wireless broadband has taken a further step in the IT scene these days. Most notebook vendors are now selling an option to embed broadband wireless access into their notebooks. Rather than using an external wireless card, SMBs can now have relatively fast access to the Internet built in the computers. If Internet accessibility is a must, most SMBs in the ASEAN region are implementing wireless broadband to ensure that productivity is not hampered.¹⁰

Wireless broadband offers many benefits. Some of them are¹¹:

- Higher speed and wider coverage. SMBs can easily access the Internet at speeds that dial-up access cannot match, as well as use the net anywhere and anytime without having to be restrained by “hot spot” locations.

⁵ IDC Asia Pacific

<http://www.idc.com.sg/cloudcomputing2009/default.asp>

⁶ “Will cloud services lift small businesses higher?”, LaunchLab

<http://www.launchlab.co.uk/article/Business-tech/Will-cloud-services-lift-small-businesses-higher/731>

⁷ “Tie-up to train experts in ‘cloud computing’ to develop new online services”, Asiaone Business, 30 July 2008

<http://www.asiaone.com/Business/News/SME%2BCentral/Story/A1Story20080730-79647.html>

⁸ “Tech Trends to Watch This Year”, eWeek, 7 January 2009

<http://www.devsource.com/c/a/Add-Ons/Tech-Trends-to-Watch-This-Year/>

⁹ “Does cloud computing cause security risks?”, TG Daily, 24 February 2009

<http://www.tgdaily.com/content/view/full/41535/108/>

¹⁰ “Top Ten Technology Trends for Small Businesses - 2009”, Small Business Trends, 13 January 2009

<http://smallbiztrends.com/2009/01/top-ten-technology-trends-for-small-businesses-2009.html>

¹¹ “Riding the Wireless Wave: Challenges faced by SMBs in an Increasingly Unwired Landscape”

http://www.4media.com.sg/pacnet/Pacnet/images/Riding_the_Wireless_Wave_Article.pdf

- Minimal support required. Wireless access technologies are easy to install and deploy without needing to use a lot of resources to maintain it.
- Increased usage of hosted software or storage solutions. With wireless access technologies, businesses can increasingly access applications on a software-as-a-service basis.

A good example that showcases the efficiency and importance of owning wireless broadband access in notebooks is Taipei City Hospital. A surgeon from the hospital uses a wireless-enabled laptop to connect to the Internet and remotely examines the X-rays of a patient he has previously treated, as well as speak with the patient and attending physician at a remote county hospital on the island of Lienkiang in the Taiwan Strait – all while waiting for a train at a metropolitan subway station.¹²

In Singapore, the government has initiated an island-wide wireless broadband programme called “Wireless@SG” in 2008. This programme is free of charge and targeted towards people on the move, including tourists, business travellers, and enterprise users. This free service offers connectivity speeds of up to 512 kbps. According to the report, many SMBs are opting to purchase premium broadband services to access the Internet at higher connectivity speed and quality of service.¹³

Whether employing wired or wireless access technology, security is still an utmost concern among most SMBs. For SMBs that often lack access to a dedicated IT security expert, managing security issues can be a daunting task – whether in a wired or wireless environment.¹⁴ Therefore, it is always advisable to obtain ample market research and knowledge before making any IT investments.

MAKING IT WORK

With capable smart solutions easily available in the market, it is tempting for SMBs – who are always looking at means to improve the bottomline – to go with the trend and integrate the latest technologies into their daily operations. While the technologies promise several benefits, it is essential for SMBs to assess the pros and cons, and their levels of practicality before integrating these solutions into their business functions.

¹² “Taipei hospital demonstrates wireless telemedicine”

<http://www.thefreelibrary.com/TAIPEI+HOSPITAL%2FNORTEL+DEMONSTRATE+WIRELESS+TELEMEDICINE-a0134083603>

¹³ “Singapore SMBs to invest US\$1.5B”, CIOI, 25 July 2008

[http://www.ciol.com/SMB/News-Reports/Singapore-SMBs-to-invest-US\\$15B/25708108309/0/](http://www.ciol.com/SMB/News-Reports/Singapore-SMBs-to-invest-US$15B/25708108309/0/)

¹⁴ “Riding the Wireless Wave: Challenges faced by SMBs in an Increasingly Unwired Landscape”

http://www.4media.com.sg/pacnet/Pacnet/images/Riding_the_Wireless_Wave_Article.pdf

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