C.P.C.S.
(416) 750-2220

The Globe and Mail
Toronto, ON
Dailies (357)
Circulation: 309,046
04 Feb 99 1214665

©Unlicensed Reproduction, Sale
and Republication Prohibited

C205

Many still blind to Internet as vital business tool



E-BIZ

JIM CARROLL

A recent U.S. survey by the consulting firm Yankee Group shows that a substantial number of small-business owners are not yet convinced of the importance of the Internet to their venture.

One of the survey's most stunning results was that that only 30 per cent of small businesses (classified as those with fewer than 500 employees) believed that the Internet was important in achieving business objectives.

That means many entrepreneurs still don't think the Internet holds any potential for them or that it will play a significant role in the economy. The responses seem to be at odds with the anecdotal evidence in the media about the different types of business success that can be attained on-line.

Echoing the skepticism about the business role of the Internet, fewer than 50 per cent of the small-business respondents said they even bother to access the Internet. The survey also discovered that 25 to 30 per cent of small-business owners have absolutely no plans to get involved with the Internet.

Clearly, there are some entrepreneurs who still need to have the business potential of the on-line world set out for them in clear terms. The Internet has proven itself as a tool for many small businesses. In my own case, as a means of marketing, the Internet has helped me to win clients that I might not have otherwise reached.

It's a formidable research source that has allowed me to develop new services in order to win these client projects. It has saved me incalculable sums of money on telephone, fax, printing, courier and other costs. It has become invaluable in minimizing problems with technology in the home office. The bottom line is that I couldn't work without the Internet.

My experiences are not atypical. With careful planning and some work, the Internet can be useful to any entrepreneur.

Not convinced? What the survey doesn't reflect is that even if a business chooses not to become involved on its own initiative with the Internet in the coming decade, it will likely be forced to.

Businesses and governments around the globe are set to adopt the Internet with a vengeance. It will become the backbone of their future procurement networks, and small businesses will find it necessary to participate in order to win any type of contract or tender. As the world's banking systems become integrated to the Internet, small business will find it necessary to get on-line in order to pay bills, receive invoices and undertake all of the other day-to-day activities. Paperwork? No, "Internetwork." Like it or not, all entrepreneurs, regardless of the type of business, are set to be dragged on-line, whether they want to be or not.

The survey by Yankee Group (**www.yankeegroup.com**) suggests entrepreneurs have a long way to go in understanding the strategic importance of the Internet. That is why, through the next several weeks, this column will examine the role the Internet can play as a marketing, customer support, cost reduction and other general purpose tool.

Jim Carroll is co-author of Small Business Online — A Strategic Guide for Canadian Entrepreneurs, *and can be reached by E-mail at jcarroll@jimcarroll.com*