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You're the Boss



The Art of Running a Small Business

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How Much Technology Is Too Much?

By DAVID FREEDMAN

Tech Support

[Beck Ag](#) is a small agricultural marketing firm that helps companies get good word of mouth among farmers. Clients often ask the Omaha-based firm to set the farmers up with video conferences, chat groups and Web-based meetings. But John Finegan, founder and owner, offers a surprising response: Nah.

“I try to talk clients out of it,” he said. “Farmers are usually out in the field, or riding in a tractor, and when they’re home they don’t want to spend all their time glued to a screen. They like to talk on the phone.” So Beck Ag focuses on hooking the farmers up via conference calls. And given that the company increased its revenue 30 percent last year, it’s hard to argue that the firm is missing something.

Information technology, as we all know, helps small companies serve more people with lower costs. A Web page can bring in more customers in an hour than a team of cold-callers in a month. But as online interactions increasingly take the place of face time and phone conversations, it’s important to understand that an insistence on applying all those great new tools can actually cause more problems than it solves. Embracing the virtual can be great, but sometimes doing things the old-fashioned way is better, especially when it comes to interacting with customers and partners.

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In Beck Ag's case, there is plenty the six-employee firm likes about I.T. It relies heavily on an online conferencing service, [iMeet](#), to allow constant collaboration among its employees and the dozens of people who work for the company on a contract basis. It has invested \$750,000 over the last four years in software that allows it to provide farmers with their own Web pages and access to various online resources, all as a supplement to the phone conferences, and it has already budgeted about \$100,000 to build mobile apps for farmers. But Mr. Finegan says he doesn't hesitate to pull the plug on high-tech when he thinks it's imposing. The company used to rely on an advanced phone conferencing system that tracked who was speaking at all times — but because it required employees to be at headquarters to use it, preventing them from being near customers and farmers, Mr. Finegan got rid of it. "We just asked the farmers to identify themselves when they spoke," he said. "That worked fine."

Timothy Donlon figured out when not to use technology after he and his wife set up his small medical testing lab last year in Honolulu. Mr. Donlon's four-employee company, [Ohana Genetics](#), specializes in looking for abnormalities in chromosomes, the microscopic package of genes at the core of all human cells. The set-up is pretty high-tech, with robotic equipment taking the place of technicians hunched over microscopes, and a line of high-powered personal computers working overnight to crunch through the data on up to 150 samples. Mr. Donlon is even setting up the tools he needs to oversee the system and review individual samples from off-site. But when it comes to marketing, Mr. Donlon isn't waiting for the world to find his Web site. Rather, he makes a point of personally visiting every hospital and medical center he can get to in order to sell his service. "Just setting up a Web site wouldn't work," he said. "We compete on the fast turnaround that doctors want, but the people who make the buying don't pay attention to that, they just decide on price. So I go to the hospitals to try to motivate doctors to ask for us."

To be sure, I.T. now offers the opportunity to increase interactions with customers, thanks to Facebook, Twitter, blogs, and other social networking tools. For some companies, that's an unalloyed boon. Allen Murabayashi and Grover Sanschagrín, co-founders of [PhotoShelter](#), a Web service based in New York that helps professional photographers showcase their work, have no misgivings about having to spend, respectively, 25 percent and a hair-raising 80 percent of their time working on the company's blog and social networking presence.

But for other companies these tools can be double-edged swords. Lex Stevens, who operates the [Back Bay Hardware](#) store in Boston, notes that while social media have been good for his business, the effort to keep up an online presence pulls him away from the many other tasks he needs to be on top of. "Finding content and gathering together the information to generate content for my social media is time consuming," Mr. Stevens said by e-mail. He's hoping to find a tech tool that will search out the right sort of content for him to post and Tweet about, but in the meantime he's been forced to curtail his social networking.

I recently had a chance to speak about the limits of technology with Chris McCann, president of [1-800-Flowers.com](#), one of the great early success stories of the Web (Mr. McCann is the brother of Jim McCann, company founder). Mr. McCann said that in the 1990s he envisioned the Web as allowing the company to build relationships with customers and flower-shop partners that would surpass those of phone calls and in-person contact — but it never did. Now he wonders if social networks might provide those deeper relationships, but he's not sure they will. By most measures, the company is doing great with social media, having picked up some 50,000 new "likes" on [Facebook](#) during the two weeks before Valentine's day. "But we don't know what the value of these new relationships is yet," he said. "We'll treat these folks well, and we'll just have to see how it works out."

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For now, he added, most of the magic still happens on the phone, in the shops, and at meetings — partly because most people still aren't fully comfortable with social networks and also because a few lines of text can't always get across the nuances that we hear in a voice or see with body language. "We're handling people's emotions," he said. "We try never to forget that."

For most companies, the obvious way to go is a careful compromise between what gets done online and what happens via phone and face-to-face. The devil is in the details. So discovered Arnold Lewis, president of [Ascend Partnerships](#), which sells a data-protection software package called [InformationSafe](#) to small businesses. The company's customer support is entirely Web site- and e-mail-based — until, that is, a customer just doesn't seem to be getting over some hurdle. "When that happens, we pick up the phone and call them," Mr. Lewis said. "Then we can usually clear things right up." And when he hears from a company that's considering making a big bulk purchase of the software as part of a promotion, he's learned he's best off getting on a plane and closing the deal with a good, old-fashioned handshake.

Have you found situations where high tech is bad business? Have you figured out how to have your shake and tweet it, too? Please share.

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