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TECHNOLOGY

A Year of Change, A Future of Promise

First, I'd like to say thank you to those of you who have followed my columns and presentations for years. I look continuously for companies and products that will help your practices serve clients better while producing better revenue for the firm and the partners.

Randy Johnston • Oct. 19, 2011



First, I'd like to say thank you to those of you who have followed my columns and presentations for years. I look continuously for companies and products that will help your practices serve clients better while producing better revenue for the firm and the partners. For those of you in industry, I watch for tools to help you manage your overall operations with less effort. Your questions and comments via email and when we see each other face to face are always appreciated. As you look ahead to the

next year, I'm hopeful that everything happens to you, your family and your business just the way you would like it in the coming year.

The Past Year of Change

This year has seen much innovation in hardware and software as well as evolved thinking in processes. Notable changes in the past year include the following:

- **Next Generation Firewalls** – This technology provides intrusion protection and filtering of content to protect your network. All business networks should be running firewalls with these capabilities for maximum protection.
- **Sandy Bridge** – Intel Core i2 stepped up the processor speed and graphics capability this past year. An additional key feature in this generation of hardware is the protection of a “sand box.” This isolation of computer resources in hardware can prevent malware from taking over your computer. There will be more sand boxing in both hardware and software in the coming years.
- **Thunderbolt** – Intel's new internal bus allows internal communication at 10 Gbit/s and is designed to be upgraded to 100 Gbit/s over the next decade. This technology is intended to replace USB, SCSI, SATA, Firewire and all other internal communications technologies. It arrived this year in the Mac Air.
- **Expansion of the tablet marketplace** – After the introduction of the iPad last year, the iPad2 expanded the market along with the introduction of dozens of other competitors. Amazon has added to the frenzy with the new Kindle Fire. Estimates suggest there will be 67 million tablets in use at year end.
- **Ultrabooks** – Small form factor portables like the Mac Air, ASUS and HP that do not compromise performance and are much lighter with long battery life will influence portable purchases for some time to come.
- **Dual Core Smartphones** – We are just beginning to see higher performance from smartphones with the introduction of multiple processing chips. The down side is battery life, but the upside is greater performance on larger screens.
- **Smaller and bigger, faster scanners** – Multiple vendors including Fujitsu and Canon introduced smaller, faster scanners, and the high-end units increased their speed, paper handling capability and reduced their price.
- **Smaller and less expensive to operate printers** – Printers that use less expensive ink and toner arrived. Print speeds of 45 pages per minute are quite normal for \$149 to \$199 retail.
- **Evolution of Software as a Service** – Products picked up more features and more competitors this year. Products continue to be more viable solutions, particularly if you have redundant internet service in your business.

- Browser-enabled applications – Traditional applications started to offer browser access at reasonable speeds. An example is Sage Accpac V6, which has a thick client still available, but the experience in a browser has comparable features and speed.
- Updates in Practice Management – CCH NextGen has arrived and is being deployed by small firms. Thomson Practice CS expanded its features. Office Tools Professional continues to grow and expand.
- Integration of Office 2010, Office 365 and Adobe Acrobat X – A new generation of productivity software has arrived, has been integrated together, and products are routinely beginning to support the latest versions.
- Windows Small Business Server 2011 – This small business server upgrade starts the server upgrade cycle for Microsoft. There will be more to come next year.
- Beta of Windows 8 – This system is showing off the new features of Windows 8 now. Probable release will occur next year.

The Future Year of Promise

With so many innovations in the past year, how much innovation can occur in the coming year? With all due respect to the notable advancements of the past year, we see even more for the year ahead:

- Upgrades to almost all tablets introduced before the end of the year – We do not expect any of the existing tablet technology to make it through the coming year without an upgrade. If you are planning on buying a tablet, but don't have an immediate need, wait for the new generation tablets.
- Higher speed cellular data access – Some systems have been upgraded, but most of us will see faster cellular data in the coming year. You will probably have to acquire a new device to take advantage of the new speeds.
- Expansion of Thunderbolt into many products – Intel should have good success selling this technology to big manufacturers like HP, Dell and Lenovo. After that, most manufacturers will follow.
- Advancements in Touch screens – The release of Windows 8 will drive demand for touch screens in portables and desktops. The age of touch will likely arrive ... if you don't believe that has happened already with the tablets.
- More use of Solid State Drives as prices fall – Economics are the key driver behind more widespread use of solid state drives. As prices fall and capacities increase, using a solid state drive instead of a rotating hard drive will become common.

- Encryption in hardware will become more widespread – A few vendors are offering encryption in hardware today on internal and external hard drives. This will become more common, and increasingly specified for protection for the small price difference.
- Release of the next Windows – This will be a big event for Microsoft. Watch for versions of Windows 8 for both the desktop and for servers.
- Upgrades to all web browsers – After every vendor upgraded their browser last year, expect to see another round of upgrades looking for more speed, protection and ease of use.
- Better business reporting and analytics – The reporting tools that have been developed in the past two years have astounded me. Expect innovations from BizNet Software, BizTools Analytics, ClusterSeven, Rivet, Alchemex and many others trying to make reporting easier.
- Multiple small business SaaS accounting products – Innovation will occur from big players like Sage, new players like Xero and established players like Intuit. It should be a very exciting year in this area.
- Expansion of SaaS applications – Innovation speed will increase even more in the coming year. By the end of the year, we don't expect a single category of software to NOT have an offering. Think of a point need, and believe that someone has seen that opportunity and is trying to build a solution as you read this.

Technology innovation will continue at an accelerating pace. Developers have used the economic hard times to retreat to develop new hardware and software. The creators of these products are just beginning to release the fruits of their labors. The companies who have not been investing are due for a shock as their position in the market is disrupted by innovation. Most important is that you take time to reflect on how you'd like to improve your own client service as well as business operations. Think about where technology can help you. Lay out a plan that includes projects that you can execute over a three-year period, and include some rough budget numbers to take advantage of these new tools. If you know what you want, it is likely that the products you need to solve the business problems identified will be released within the year. And that's innovation that I like ... problems solved before I'm ready to buy a solution! All the best in your technology and business in the coming year!

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