#### SMALL BUSINESS

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# High Tech Isn't Just for the Big Guys



Tom Kimmell for The New York Times

Joelle Hilfers says that without K-9 Connect software she doubts she could have tripled business from about 30 dog visits a day to about 90.

#### By SHIRA BOSS-BICAK

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oelle Hilfers realized she and her husband, Tom, had put off computerizing their Top Dog Daycare business in Colorado Springs long enough. Sticky notes affixed to customers' cards with due dates for their pets' shots kept disappearing, and the cards themselves were often misfiled, leading to frantic searches for emergency contact information. Customers could not fathom that they were dealing with a paper, pen and telephone operation.

"A lot of people were saying, 'Well, just e-mail me, e-mail me!' " Ms. Hilfers said. "I thought, there's just got to be a better way to keep organized and keep in contact."

After a \$99 software program that she bought from a livestock company proved inadequate, a programmer offered to create a custom package for Top Dog Daycare for about \$5,000. "Of course, I had a heart attack," she said, but she took the plunge, on a payment plan.

Three years and about \$30,000 in technology investments later, Ms. Hilfers says she does not know how she ever did without the company's K-9 Connect software, which allows dog owners to book appointments online, view their accounts, post photos of their pets and look in on them during the day through a live

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Web cam. K-9 Connect also stores the pets' vaccination records, meal plans and special requirements and has pages on e-commerce, dog training and dog grooming. Without K-9 Connect, Ms. Hilfers says she doubts her company could have tripled its business from about 30 dog visits a day before it was put into use to about 90 today. "We've come so far by using this technology, it's unbelievable," Ms. Hilfers said.

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As technology has become more affordable and easier to use, millions of small and medium-size businesses are putting investment dollars into it, or plan to shortly. They are discovering that the adoption of technology is a money-saver rather than an expense in the long run, and that it gives them a competitive edge over rivals by enabling them to add new services and operate more efficiently. Some are also coming to realize that they have to make the investment to comply with new corporate governance laws.

The growth in technology spending promises to give the economy a lift in 2005 and is increasing the fortunes of technology providers like <u>Hewlett-Packard</u>, Dell and <u>I.B.M.</u>, which are courting smaller businesses aggressively. When spending on information technology by large companies dropped in 2001, the technology companies turned their attention to small and medium businesses, generally defined by the industry as those with fewer than 1,000 employees. Technology providers are creating products specifically for these smaller customers and aiming marketing efforts at them, and in turn are seeing their revenues from this segment grow significantly.

"It used to be, 'Here's the day-old bread for these guys. Any technology will do,' " said Ray Boggs, an analyst at the market research firm IDC in Framingham, Mass. "That's really changed."

Small and medium businesses in the United States spent about \$150 billion last year on information technology, analysts estimate. While all segments are expected to increase their spending this year, small companies' budgets are expected to increase 6.7 percent over all and medium companies' budgets are expected to rise 7.9 percent, according to IDC. That compares with a 4.7 percent increase for the big boys.

"It's an extremely profitable segment, and the fastest-growing segment in the world," said Kevin Gilroy, general manager for small and medium business at Hewlett-Packard.

Not only has technology become more accessible to small businesses, but the people who run them are viewing it differently. As wireless devices and other gadgetry become big helpers in their personal lives, business owners are more apt to think about how technology can be used in their companies. Another reason for the sudden embrace of technology is the transfer of so many businesses from retiring baby boomers to their more technology-adept sons and daughters.

Perhaps the main reason, though, is sheer necessity. Companies need technology to keep up with the marketplace, and when they are among the first to make new use of it they impress customers. As cars have become more sophisticated, for example, car repair shops have tended to attract younger and better-educated owners and employees.

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