

How much, how long, why?

Answers to frequently asked computer system questions

From national, state and regional tire dealer and retreader conventions, trade shows and meetings, Jim Krakower, owner of JMK Tire & Wheel Center Inc. in Champaign, Ill., compiled a list of questions frequently asked by tire dealers and retraders concerning computers and computer suppliers. Here are those questions and his pertinent comments and answers. Krakower is often asked to speak on computer myths and truths at conventions and meetings and is a past MTD contributing writer.

Also included in the article are comments from several computer software/hardware suppliers queried by MTD on the various topics.

By Jim Krakower
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Question: "I have a computer system of which the software is not satisfactory. How does one locate software compatible with the present hardware and/or present software? The computer company has gone bankrupt."

Answer: The most important aspect of the computerization process is the software. The software is the instruction set that makes the computer do what you want it to. If you already have hardware with unsatisfactory software, you have two options. One is to search the market for people that have developed software that works on your hardware. Check the list of computer hardware/software companies on page 20 of *MTD's* November 1983 issue. Also, read the ads from computer vendors in each issue of *MTD* and utilize the Reader Service card to receive valuable information. Additionally, talk to friends in the industry who already own computer systems. You can also contact the National Tire Dealers and Retreaders Association (NTDRA) for a list of computer companies compiled in conjunction with their convention's computer workshop. You would then want to contact those vendors that have software appropriate for your

particular hardware and find out if that software can be utilized by your company and/or modified to meet your needs. Of course, you would want to make sure the cost is reasonable.

The other alternative would be to put a "For Sale" sign on the hardware you have and then search the industry for software that is appropriate for your needs and buy the hardware that goes with the software. The second alternative, frankly, is perhaps more realistic because your ultimate objective is to make your tire dealership run properly and efficiently with the lowest overhead. If you compromise on the functioning of the computer, it may adversely affect the actions of your tire company. The object here is to get a great computer system that will enhance your capacity to manage the tire company. It may be best for you, if there isn't appropriate software on the marketplace for your current hardware, to sell your hardware and then shop for software first. Find the software, and then buy the hardware the software happens to run on.

Question: "Some computer vendors have stated that for good service the headquarters of the company selling the software should be within 150 miles of the user. However, nearly all vendors listing tire dealer software are selling their packages nationwide. How important is it to have the user in a close physical proximity to the vendor?"

Answer: Computer systems are made up of two major components, software and hardware. Although you may buy the total package from a particular vendor, frequently the people that service the hardware are different from those that service the software. The software is the instruction set that tells the computer what to do, and that can be serviced best over a phone line with something called a modem that allows the vendor to hook into your computer system to make appropriate corrections, whereas the hardware frequently has to be serviced by personnel going on-site.

It would be important to consider a software vendor that has the capacity to tie into your system on a phone line and make the appropriate changes or corrections as needed to insure the smooth operation of the system. This can be done by anyone anywhere in the country who has the right equipment and the interest to do so.

Hardware-wise it would be important to deal with vendors who have hardware repair facilities within a reasonable time distance of your location so that as hardware needs come up there is a minimal amount of travel time to implement the correction of those needs. That usually is accomplished through a third party contract with a company that specifically fixes hardware. That is available through the vendors of major tire dealer software systems.

Question: "When vendors announce enhancements or releases, why is there always such a long delay before receiving those updates?"

Answer: Frequently vendors will announce enhancements long before they are ready to release them so that they can tell their potential customer base that this product is coming along, inhibiting those customers from buying that product from another vendor. The customer base then knows this product is in development and can anticipate its future release. They insure a ready market for the product when it actually does become available and have built up a reservoir of interest

The ultimate objective for a computer system is lowering costs.

enabling them to merchandise the product and immediately make sales.

I think that's true more so in the computer industry than it is in the tire industry because the computer industry is one with a lot of high tech changes, and individuals who need to meet their needs immediately may respond to a product immediately available in the market, while potential vendors feel frustrated that they may have something under development and the participant may not know about it.

Question: "Information security. Do you consider it necessary to provide a backup of weekly input? If so, how long should that backup be retained and what is the best means?"

Answer: When you are dealing with computerized systems, it is crucial that you make a backup copy of your data. That is, make a copy of all the data on your system at regular intervals because the information is subject to being lost for a variety of reasons. For example, there could be a lightning strike on the power line that would send an electrical surge through your machine destroying some components. Or, there could be a fire in which the building burns down along with the computer. There also could be a disgruntled employee who uses the computer to destroy records.

The parallel is very clear to what you have in your manual system. When you have a manual system, you have one copy of the document. Maybe you keep it in a fireproof file cabinet. If the building burns down, the records may or may not be safe in that fireproof file cabinet.

The electronics in the computer are much more sensitive than the paper copy in your fireproof file cabinet. So, with the heat of a fire, you would lose electronics long before you would lose the paper copy.

Also, there may be a case where you do something on the computer inadvertently, and if the software is not written as well as it should be, it may be difficult to "recover," that is to restore the information after you have made the computer do something that was perhaps not in your best interests.

Having a backup copy insures you that you can go back to that copy and put the information back in the way it was originally.

It is always important to take that backup copy off-site, since it is unlikely a natural catastrophe would happen in both the place where the computer is and the place where the backup copy is kept. How often you should do it really depends on how safe you want to be. You *should* do it every night, but not everyone wants to go to that much trouble. Some computer systems are designed so that it is very easy to make copies of what's on the data files, while on others it is much more laborious and expensive. You'd want to make sure as you shop for a computer system you evaluate things like how it takes a backup and how expensive it is, both in terms of time and dollars.



Those functions that require the most time to complete, such as payroll and inventory, are top priority items for computer entry, notes Krakower.

Some computer systems require you to buy "disk pacs" that have to be inserted into the disk drive, i.e. the storage device. This insertion requires time involved in cleaning the pacs and physically being there to do the work. If you have a lot of data, it might take a couple of hours to do all this backup.

Other computer systems let you do the backup automatically on magnetic tape drives. This might be more desirable because it can be set to run automatically and you don't have to be tied to the machine to do these functions manually.

These are things that you would want to consider and things that the salesman frequently won't mention to you initially in the presentation of the system, because his objective is to talk to you about the software, about what the computer will do for you. They tend to put the idea of backups aside, but it's an extremely important issue. If it's easy to do, and you can do it every night, that's the best way to do it. Of course, you want to make sure the medium on which are doing the backup is relatively inexpensive so that it's justified cost-wise.

Question: "Will all programmed software fit all computers and will all computers accept all software?"

Answer: It is absolutely incorrect that all preprogrammed software will fit all computers and vice versa. Each software package is written for a type of computer "operating system" and each hardware vendor chooses an operating

system on which to run his computer. The operating system is the traffic cop, that is, it's the organizer of how data and instructions move around inside the machine. If you have software written for a certain operating system, then that software will run in any other computer on that operating system.

There has been some standardization of operating systems among personal computers. That's why there has been a wealth of software developed; independent companies can invest dollars on software development and be assured that this software will run on a lot of different manufacturers' hardware on the same operating system.

This has not been the case of large multi-user, multi-tasking systems. In the tire store environment, the multi-user, multi-tasking system is crucial if you are going to use the computer as a sales tool along with a bookkeeping machine. Tire dealer software packages are written specifically for each particular hardware vendor and the software that is desirable to you will force you to buy hardware of that vendor. There is nothing wrong with that, as long as it works right. But, you should recognize that you don't have quite as much flexibility as you would if everybody used the same operating system. The reason why people go with different operating systems is because each company feels they have a little better way of doing things.

There is a definite hierarchy of sophistication in operating systems

However, the quality of the software is the main consideration for the throughput of information and data and the end results to your company. As a consumer shopping for computer systems, I would shop for the way the software operates and not worry about the operating system. Once you find software that operates as you wish it to, or is easily modifiable, then I would take a look at the hardware required to use that software.

SUPPLIER COMMENT:

"Our software can't be used on other hardware, and vice versa," notes Jeff Bauman of Icas. "There has to be a compromise when you use other people's hardware. Speed, for one."

Question: "Should I put all my business data in a computer, or start with just one area and add as I learn? What area is the best one?"

Answer: It's important to put into the computer those functions that are the most time consuming and laborious to your staff people. It's also important to start with one area at a time, and I usually recommend payroll if it's something that's currently done in-house. It is very difficult to acquire the information needed to operate a computer overnight and it is best for your staff people to get used to it gradually. If payroll is not a function done in-house, and not one that you have chosen to automate, then I would start with something like inventory control, because that's a very important aspect of your tire business. The reason why I chose payroll initially was because it's usually relatively easy to set up and it gives you some satisfaction when you are able to produce some checks quickly. All the other programs usually interlock with each other. For example, the inventory order entry interlocks with accounts receivable because you want the system to be able to quote prices for each customer based on their buying level. When you go in to quote prices for inventory, the system has to look at accounts receivable to find out what buying level the customer is at. It's important to run parallel systems for a few months at each level of implementation.

Question: "With computer technology changing so fast, should I buy today or wait a year for perhaps a more sophisticated computer system? Also, should I buy a large computer that I hope to grow into, or should I start with a smaller system that can be expanded?"

Answer: These are very good questions because frequently tire dealers think that because of the cost of changing technology maybe they can benefit by waiting and saving a nickel on the computer system some time in the future. It turns out that hardware costs are coming down, but software costs are going up. Software costs are people-dependent and people are asking for more money and other benefit packages.

Your objective in the business world, however, is to sell tires. If the computer system can help you to do a better job now, it would seem appropriate to me to take the plunge, even though there might be some fluctuations in cost. The main purpose is to make your store run better, and the cost of the computer is minor compared to the total operation of running the store. This is particularly true if you consider it as an employee expense.

The idea of buying a computer big enough for your current needs is very important, but the computer should also be designed so that it is capable of expanding for future needs. You'll find that some particular units are only capable of expansion up to levels that would be inappropriate for your future expansion needs, whereas others have the capacity for expansion to meet those needs. As you consider products on the marketplace, make sure that you question the future expansion capabilities of that particular unit and see if the software is transportable to a larger configuration of equipment on that particular unit. You want to buy for today with an eye on tomorrow. Never buy more than your current needs with the hope to grow into it because by the time you are ready to go into it there might be some new enhancement that wouldn't necessarily be any cheaper, but might be more sophisticated or better for your application.

Question: "What's the difference between a computer and a word processor, and can you use the same computer for two different businesses?"

Answer: A word processor is a com-

SUPPLIER COMMENT:

"Anticipate growth, but don't buy for it," states Larry Dorety of Triad. "Also, ask the software dealer about future configurations and costs. Good software will have a smooth upgrade path. If it doesn't look smooth, it's not a good supplier."

"Technology is changing rapidly," adds Mike Andreoli of Heafner Data Services. "A dealer called us recently and told us that he purchased his computer several years ago and now it is obsolete. We asked him if the computer was still doing what he had purchased it to do. He said yes. We told him that his computer was not obsolete, then, since it was still capable of doing its function."

puter that has software on it for processing words. It is optimized for moving words and sentences around to help individuals produce written documents. If you are able to secure software designed for use in tire stores, you could, in many situations, put that software into your present computer. Many large computer systems designed for a particular application come with word processing software for free, already built into the price of the computer. In my own situation, I shopped for the software for my tire system, and when I bought it, I got some very sophisticated word processing software in addition.

Your computer can be used for multiple businesses very easily if the software will allow that or if you would be able to make two copies of the software. The only limitation you are going to have is in the operations of the software and the amount of storage space or computing power the computer has.

Question: "For a six-bay tire and wheel center store, are two display terminals too many for \$1,000,000 in sales?"

Answer: To answer this question properly you have to evaluate your needs

for the computer. It's extremely important that you decide whether you are buying the computer as a bookkeeping tool or as a sales tool. It can perform each function very well, but both take a significantly different amount of hardware and software development. If you are using the computer strictly as a bookkeeping tool to keep track of historical recordkeeping, two display terminals are probably very sufficient for \$1,000,000 in sales assuming that your average sales ticket is \$100 to \$200 and you go through about 5,000 invoices a year.

On the other hand, if you are using this computer as a sales tool at the counter, where the salesman is going to access the terminal and use information in the immediate sense to promote the product and/or produce a price quote while the customer stands there, then two terminals are probably not sufficient.

You probably employ two or three salespeople and have at least one office person. It would be important for the office person to have one terminal to use throughout the day for bookkeeping functions. You would probably want to have at least two terminals on the counter for the two to three salespeople to share, hence a minimum of three terminals would be desirable so as to not delay the customer getting information because a terminal is being tied up.

A terminal is relatively inexpensive. The supporting memory for it in the computer may be more expensive, but your main purpose is to sell tires. If you delay a customer from making that sale because of a terminal you are taking a silly approach to it. It would be best to tie up a few more dollars in the system and utilize it to promote sales of your product, which is your main reason for having the computer to begin with.

SUPPLIER COMMENT:

"It's hard to put it in those terms. People who are doing \$750,000 worth of business are buying \$15,000 systems, while dealers doing \$2 million in business are buying \$8,000 systems. It all depends on what the dealer wants, how much he wants to put into it," says Mike Andreoli of Heafner Data Services.

Question: "What percent of sales should your computer system represent?"

Answer: I don't think that it's appropriate to utilize a percent concept in considering the application of computers. The best way to think about it is to say to yourself, "What functions am I performing now that could be better done by a computer, and what does it cost me to perform those functions? If I expand my business, will I have to pay more for the price of labor to do these routine functions than it would cost me to buy a computer system and have it do them?"

Think of a computer as an employee, just like any other employee. The thing you want to consider is that this employee does not get sick. It might break, but you might have a service contract to fix it. It does not ask for a raise. You may see improvements you want to buy and you can add to it, but once you buy the initial system your costs are clearly defined. Once it's taught to do a function, it consistently does it very well, so it has consistent quality of performance.