FOCUS ON MICROCOMPUTERS

Computers for use in very small businesses, and many of the so-called "personal" computers are often one and the same. Interestingly enough, this was the case from "Day One" when POPULAR ELECTRONICS introduced the Altair 8800 computer in January 1975. At that time, data from the Altair kit supplier made it clear that some 60% of the kits purchased were for business use.

This wasn't surprising since PE readers include many people associated with business in managerial capacities, and numerous small business owners (physicians, lawyers, etc.). Indeed the 1979 version of the PE Market Study reveals that some 33% of its almost half a million subscribers still use microcomputers for business only. An additional 31% use them in a combination of business and personal applications, and about 35% for personal applications only.

Choosing a Computer for a Very Small Business

BY JOHN ZITZ *

THE US GOVERNMENT identifies a *small* business as one that employs up to 250 people and has an annual gross income of up to $5-million. However, small businesses that can use computers to advantage may be much smaller than that, ranging down to a single user in a part-time business operation. These types of operations are often called "very small businesses."

System cost, naturally, plays an important role. An enterprise grossing $50,000 yearly cannot afford a $20,000 computer or its equivalent in time-sharing systems. Like any capital investment, a data-processing system should be justified by the return it can be expected to produce. Experience has shown that a single computer and its operator can do the work of several people, either saving the cost of some salaries and benefits or freeing personnel for other tasks. In some cases, the computer will have enough extra data-handling

capacity to allow the business to expand with little or nothing in the way of increased computing costs.

Perhaps more important, the computer is very fast and can keep the businessperson informed about the status of affairs today, not the way they were last week. Further, since the computer eliminates many hours of manual clerical work and can deliver its output in a compact precise form that obviates a good deal of "paper shuffling," it can create more time for the research, decision making, and creativity that are the real essence of an entrepreneur's function.

Besides its obvious functions in accounting, inventory and production control, and the like, a computer can also—with the right software—handle secretarial functions such as appointment planning. Mailing lists, telephone files, library catalogs, and similar collections of data can be created, alphabetized, updated, and printed as desired. With the

addition of a text-editing program a computer can process correspondence. Form letters, for example, can be written, recalled, and personalized with great facility.

Requiring no rest or sleep and only occasional maintenance, a computer can be used 24 hours a day; even when the business is closed. Both hardware and software are available to let the computer "watch over" sensitive systems such as refrigerators, air conditioners, water pumps, etc. It can also sense intrusion, fire, smoke and other emergency conditions and perform some predetermined function when an alarm is activated. Communication with the computer at any time is a possibility, even from remote points across the country using a telephone attachment called a modem. This means that salesmen can communicate orders, or get product information over the phone line when they desire. Businessmen who generate new

PCE Microcomputer Systems, Sacramento, CA.

ideas at night can, via a terminal and modem at home, put these into effect or at least record them while they are fresh. It is even possible to run an enterprise by "remote control."

The System. Just as vehicles, regardless of their make or model, are pretty much the same under their metal skins, computers are too. The former have engines, suspensions, transmissions, etc., as main working parts while the latter have memory, central processor units, input/output modules, interfaces, etc.

Vehicles can be optimized for business or pleasure depending on the options selected, and the same is true of computers. For business use, you need a machine that has enough computing power and enough options to handle both your present and anticipated future requirements. This is why it always pays to take a look at *all* the options for a particular computer, since as your business grows, you may require functions not needed at the present.

A few years ago, computer enthusiasts who wanted to use a "hobby-type" computer for business would explore what microprocessor was being used, what type of bus was offered, and so on. The growth of the moderately priced computer market has changed all that. Consequently, software is *the single overriding consideration* in buying a business-oriented computer today.

For most applications, the "computer" will be a keyboard, video display and printer, all attached to a small enclosure in which the actual data manipulations are performed. There may also be another enclosure containing the disk storage system. Sometimes a keyboard and printer or video display are combined in a single unit called a terminal. This can be located near or remote from the computer.

To enable the computer to be used by personnel trained in normal secretarial skills, the keyboard should have a conventional typewriter format, with comfortably spaced and easy-to-the-touch keys. If a lot of numeric entries are to be made, a separate keypad is a definite convenience.

Quality of the video display is also important as it will determine the extent of eyestrain (which may result in possible entry or reading errors) if the display is used for extended periods. The usable screen should measure at least 12" diagonally and have a contrast that is comfortable to the eyes. The characters should be sharp, and free from glare. They should be crisp from edge to edge across and from the top to the bottom of the screen, and should exhibit very little nonlinearity. Dual-brightness or inverted (black-on-white instead of white-on-black) characters are useful for special attention-getting displays, as is the capability of rendering color. The system should display at least 80 characters on 24 lines for business applications. Many small computers project only 16 lines of 64 characters per line—somewhat limiting for ledger and similar entries.

The printer, or hard-copy device, should be selected for its type face, speed, and noise level (some are quieter than others). It should be of sturdy construction and have adjustable columns for different width paper. The paper should be tractor or pin fed from the carriage to keep the paper secure in its place and free from misalignment—a necessity for automatic printing of checks and for keeping columns in proper vertical order.

Printer prices increase directly with the speed and quality of the print, and it is up to the purchaser to determine just what he wants. The need for upper- and lower-case characters and for multiple copies is a consideration, too.

The disk system is also determined by the amount of data you expect to store. Obviously, the larger the disk system, the more data can be stored. Keep Parkinson's Law in mind—data expands to fill the available disks. Small (so-called 5" disks) can hold up to 90K bytes of data (enough for several hundred inventory entries), while the so-called 8" disk can support up to 240K bytes of data. There are dual disk systems that increase data storage in one package, and there are dual- and quad-density and double-sided disk systems that maintain package size but greatly increase storage capacity. If your business is large enough, it may even pay you to take a look at the more expensive hard disk systems that can hold many millions of bytes of data. If at all possible, a business person should have at least a dual-disk system since it pays to make a backup copy of a completed disk for emergency use.

Since the most important consideration is software, it pays to make certain that the computer system you choose has a good selection available for it.
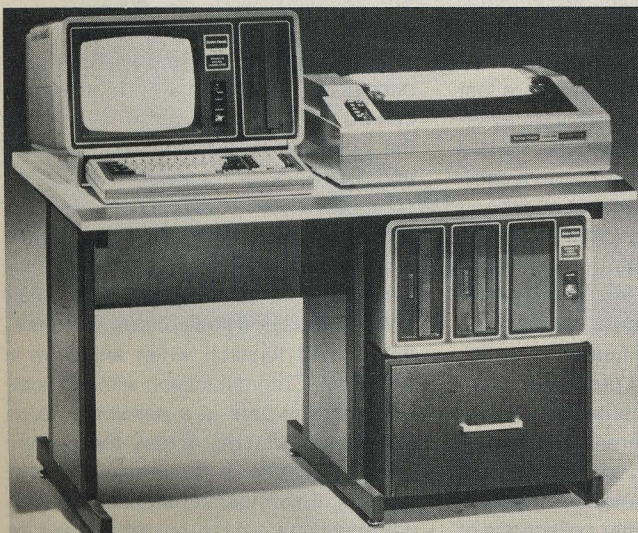
Radio Shack TRS-80 Model II Microcomputer with Line Printer III, External Disk System.
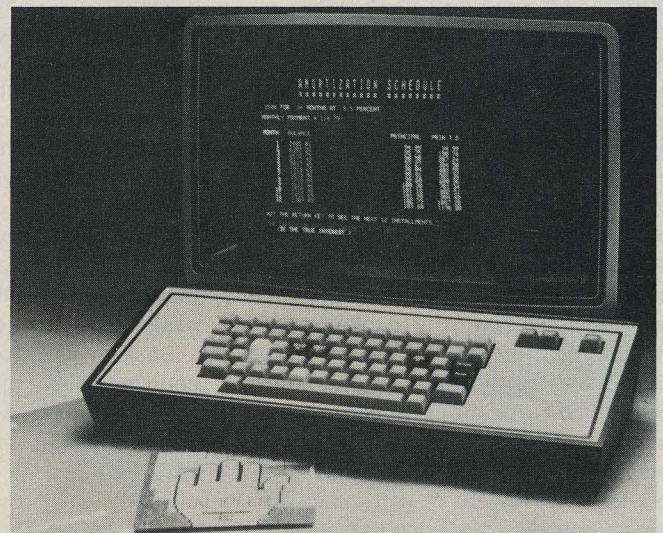
Compucolor II Model 3 Computer with color video display.

While, in some cases, special "emulator" programs that allow one machine to mimic another for which a desired item of software is available, this approach lowers the effective operating speed of the processor to a mere fraction of normal. Clearly, a modest (less costly) installation humming along with efficient software is preferable to a fancy one that limps because its software pinches. If it would be beneficial for your purposes to use COBOL or FORTRAN instead of BASIC, be sure your system is compatible with these languages.

Cost And Operation. The cost of a computer system is not just what the store charges you to take the package home. Maintenance and later expansion, for example, are obvious sources of additional cost. The great nemesis of all system planning is changing needs. A system that can be altered to suit all contingencies will cost more than one that is specialized, but it may be worth the difference in the long run. The choice between the two depends on the nature of your business. We will try to develop here rational guidelines that, taking the special nature of computers into account, will help to minimize costs.

"Off the Shelf" or "Custom". One attractive and low-cost approach is to buy standard hardware and software packages. If your application is commonplace, you may be able to purchase application programs that have already been written and field-tested. Packages exist for inventory applications, payroll, general ledger, accounts/payable and

receivable, etc. With good knowledge of your business requirements, you could purchase a system that is optimized for the packages you need, while allowing for system integration, and expansion.

To have custom software written specifically to your needs by a reputable analyst and then have a hardware system implemented around that software, is another possible alternative. The pitfall is that the exclusivity of your system may inhibit changes in the future should they become necessary.

A middle path between these two extremes is to purchase a system that is mostly "off the shelf" and make minor adjustments as necessary. Many private vendors will have the resources to make these modifications if they are not too extensive and may even include them in the overall price of the system. In any case, all software and hardware modification should be in the hands of reliable consultants. A largely "off the shelf" system with canned software included in its price would range from about $4,000 to $8,000, depending on the peripherals put into the final system.

One difference between a "business computer system" and a "computer system that means business" is in the planning done in anticipation of breakdown and further expansion. The usual vendor warranties are enough to absorb the cost of initial problems until the system is finally "up and running." The reliability of the electronic technology that goes into computers is such that a business computer under normal use should not encounter a debilitating breakdown in well over a year of use. Even then, the

most common breakdowns in a microsystem are not electrical but mechanical. Switches, motors, drivers actuator arms, and wheels fail far more often than electronic components.

Superficially attractive as all-in-one computers are, they are not for business. When a single functional part of an all-in-one computer fails, the whole machine goes down and, in many cases, must be sent to the factory for repair. The independent modular approach allows the offending module to be removed and repaired, often while a temporary replacement is substituted. This keeps the system reliability high despite the failure of individual modules. In the case of duplicate systems in one installation, modules can be temporarily "swapped" until replacements arrive.

External Problems. One of the hidden causes of computer component failure is noise transients and voltage spikes from electrical equipment such as motors, tools, etc., that are passed to the computer via the power lines. Not only can such "hash" and power-line surges damage components, they can also interfere with computer operation. It is essential that a well-engineered computer system have hash and power surge suppression built into its power supply. This can eliminate considerable hidden cost in operation.

Options. Another interesting power-supply option protects your computer against momentary power-line "blackouts". The capacitors in a good heavy-duty power supply can maintain their

Commodore PET 2001 Series Professional Computer.

Exidy Inc. Sorcerer Computer with dual-disk drive and video display.

charge for about a fifth of a second after the mains go down. This is time to kick in a back-up power supply without losing data or causing the system to "crash". An uninterruptable power supply can be added to a system fairly inexpensively and may, once in a while, save the day.

What About Protecting the Data?
Computer failure can wipe out valuable data. However, if one takes the normal precautions of keeping backup disks and tapes, the likelihood of a serious setback is reduced. Cassette tapes and recorders are relatively cheap compared to disks and disk drives and are a cost-effective means of data protection. The high access speed of the disk is not a factor when all you are looking for is long-term archival storage. A small routine for transferring the data stored on a disk to a cassette is not difficult to implement and might even be part of the DOS (Disk Operating System) provided with the computer.

Security. Principally, this involves protecting the data physically from theft, destruction or tampering. Such protection is not difficult to implement if the entire system is in your premises, where access to it can be controlled. But what if data must be transmitted by telephone, other hard-wire lines, or mail?

Hardware and software for encrypting data have just begun to appear on the market and will probably be included in total systems in the near future. For example, special chips which can encode data at high speeds, could be incorporated as part of the input-output interfacing of a data-transmission module. Here is another instance in which the modular approach to the computer design facilitates expansion of an existing system.

When To Buy. Is there a "right time" to buy a computer? Should the small business lease a computer, timeshare on a larger computer, or buy one outright? In the past, the high cost of computers and their relative inaccessibility made timesharing at a cost of several

hundred dollars per month seem attractive. The low cost of microcomputers today has made this a more dubious proposition. The cost of the timeshare terminal alone is approximately 25% the cost of a microcomputer-based business system. Add to this the monthly cost of computer services and telephone line hookups and the total over a year rapidly approaches the cost of an entire small computer system. And of course, there is no equity.

Timesharing should only be considered when access to a large, computationally powerful computer is needed, as might be the case in engineering or scientific applications or those that generate volumes of statistical analyses. For the standard small-business-scale applications, even where sizable inventory accounting is involved, eight-bit microprocessing is the most cost-effective way to go. In short, for most very small businesses, don't borrow, don't lease—buy! And if you feel that your business is ready for the system, now is the moment of decision. ◇

Vector Business System—MZ Computer with dual floppy drive, MT Terminal, and Centronics 702 Printer.
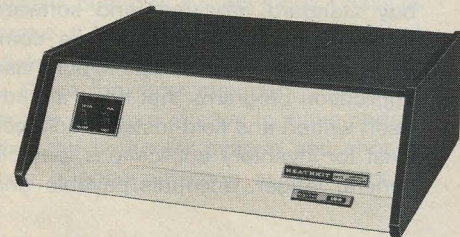
Heathkit H11A 16-bit Computer has provisions for business peripherals.

Apple II Color-graphics Computer.

Ohio Scientific C8P DF System—Challenger 8P Computer, dual-disk drive, terminal, monitor, peripheral control devices.