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Innovations

Review Twice, Implement Once. Doing IT Right the First Time. • **January 2017**

Scott Bernstein, CPA   Nick Espinosa

WHO OWNS THE INTERNET?

No, it is not Al Gore. And while there is no one "owner", there are some powerhouses that influence much of what goes on. The obvious ones are Google, IBM, and Microsoft to name a few. But did you know that Amazon is a growing powerhouse too?

You know Amazon for a place to buy most anything at a greatly discounted price. And while that part of Amazon's business continues to grow it isn't all that Amazon offers. One of Amazon's other avenues for revenue is Amazon Web Services (AWS). AWS is a cloud hosting services used by many startups as well as large corporations and government agencies.

Amazon's stock is up about 14% year to date and 17% in the last year following solid financial results in the first three quarters. AWS contributes about 35% of Amazon's valuation, per our Forbes estimates. Although AWS contributed less than 10% of Amazon's revenues, over 20% of its EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization), as well as a majority of its operating income. Amazon's increasing focus on constantly improving and expanding its AWS business stems from the fact that it consistently contributes over three-fourths of the company's profits and has a considerably higher operating margin than Amazon's e-commerce business. In the first nine months of 2016, AWS had an operating margin of over 25% compared to Amazon's company-wide operating margin of just 3.2%.

And remember those powerhouse influencers we mentioned above? AWS

was ranked first in Gartner's Magic Quadrant for cloud infrastructure services in Q2 2016, beating out Microsoft, IBM and Google!

So how does this affect you? Here are some of the services you probably use that are hosted on AWS, just quietly working in the background. When these services go down, don't blame them, blame it on AWS.

Here are just a few: Instagram; Airbnb; Netflix (AWS is the backbone for this mega-service); when Healthcare.gov was being revamped, part of it was moved to AWS; Spotify; CIA: yes, you read that right, much of CIA computing power is customized on AWS.

AWS allows you to add or remove capacity as you need. This was demonstrated when Kim Kardashian decided to post nude pictures (front and back) of herself. Her behind was posted on her Instagram site and saw a noticeable but no overwhelming increase in traffic. But when Paper magazine posted the front picture (not allowed on Instagram), their traffic went from the normal few hundred thousand hits per day to 30 million (and they were prepared to scale to 60 million). Once the pictures were removed, Paper no longer needed all the computing power.

Amazon does not own the internet but they sure do have a major impact on it. Next time you buy something on Amazon, give them a tip so they can afford to stay in business and continue to provide us with Internet computing power to post those wonderful pictures. But then again, it was Kardashian; maybe we don't want those pictures posted after all.

Are You Making These Marketing Mistakes?

By Cathy Cain-Blank

On many occasions over the years -- usually during the let's-get-to-know-each-other stage -- a client or prospect reveals a practice or preference that in our experience hinders business growth. Usually we say, "Well, here's a different idea to consider…" Much of the time the client ultimately says, "Good thought!" or "You were right." Below are some of the remarks we've heard most often, along with our suggestions. I hope you find them helpful.

"I'm very careful – I don't need anyone else to proofread my work."

Have you ever caught a typo in a national newspaper? A Kindle book? On a vendor's website? We have. Given that many businesses operate at a hectic, sometimes frenetic pace, we recommend playing it safe. Involve a third party to review your new website, sales collateral, emails, social media posts, even the forms your customers and prospects are asked to complete.

"This approach worked well for [XYZ Company]. It should work for us, too."

We fully support studying and learning from other companies in the marketplace -- in your own industry as well as others. But that doesn't mean another company's style, approach or method of communicating with their audience is right for your company. Even if your products and services are similar, why set up clients and prospects to make an apples-to-apples comparison? Be an orange.

"We only promote the company. We don't send emails featuring sales reps' identity."

We get it. Management wants to "own" the relationship with the client if the rep leaves. But studies show that the choice to de-personalize a company's email communications is a poor one. Buyers aren't as receptive to promotional emails from The Company. However, if Joe, their rep, sends an email – the same Joe they've spoken to, met with, and placed orders with – they will open it. Take the client-centered approach. Worry about keeping the client if the rep resigns.

"We can do it in-house. We just need a little help getting started."

Really? So this time you'll stick with the plan to create your own graphics, write your own copy and post daily on your social media sites? Small companies rarely can handle all marketing activities on their own. And if they

do, it doesn't ensure generating results. Instead of overloading employees or assigning projects to team members who don't have the aptitude or experience to manage them, seek outside assistance on an as-needed basis.

"We don't need to market to our existing clients. We need new clients."

If you have clients who could buy other products/ services from you but don't, it's vital to educate them about your other offerings. You've got a running start with those buyers. Don't ignore them or you risk losing them. Then pursue the people who previously expressed an interest in your services who have since fallen off your radar. While it's also important to reach out to "suspects" to try to convert them into customers, that's rarely the easiest strategy for generating more business.

"We need to make up case studies or withhold clients' names. It's risky to reveal their identity."

If you are concerned that competitors will hunt down your clients and lure them away, maybe your relationships aren't as strong as you'd like them to be. Testimonials and case studies that only reference the industry – e.g., John S., Automotive Parts Distributors – don't give prospects much confidence. They lack credibility.

"I only like [X] and I'm sure our clients feel the same way. Please don't incorporate [Y] into our materials."

It isn't always easy to set aside your personal likes and dislikes when it comes to marketing communications. But unless you've done in-depth research into your clients' personas, have a solid understanding of their preferences and demographics, and yours match theirs, it's best to keep an open mind.

Cathy Cain-Blank, president of CC Marketing and Communications, has dedicated 20+ years to helping small and midsize businesses grow market share by increasing the effectiveness of their marketing communications. Since 2005 Cathy and her team have specialized in email marketing and creating content that drives new business. Cathy's seminars, webinars and blog posts are packed with strategies and ideas that can easily be implemented. She can be reached at 847-926-7990 or cathyc@ccmarketing-communications.com.

3 "Must-Do" IT Resolutions For 2017

Never before in the history of humankind have people across the world been subjected to extortion on a massive scale as they are today." That's what The Evolution of Ransomware, a study by Mountain View, California-based cybersecurity firm Symantec, reported recently.

If you have any illusions that your company is safe from cyber-attack in 2017, consider just a few findings stated in a recent report by the Herjavec Group, a global information security firm and star of Shark Tank:

- Every second, 12 people online become a victim of cybercrime, totaling more than 1 million victims around the world every day.

- Nearly half of all cyber-attacks globally last year were committed against small businesses.

- Ransomware attacks rose more than an astonishing 300% in 2016.

- The world's cyber-attack surface will grow an order of magnitude larger between now and 2021.

- The US has declared a national emergency to deal with the cyberthreat.

- There is no effective law enforcement for financial cybercrime today.

Clearly, your company's information and financial well-being are at greater risk than ever in 2017. And you cannot count on the federal or state government or local police to protect your interests. That's why we STRONGLY SUGGEST that you implement the following resolutions starting TODAY.

Resolution #1: Tune up your backup and recovery system. The #1 antidote to a ransomware attack is an up-to-date backup copy of all your data and software. Yet managing backups takes more than just storing a daily copy of your data. For one thing, if your business is at all typical, the amount of data you store grows by 35% or more PER YEAR. If your data management budget doesn't expand likewise, expect trouble.

Resolution #2: Harness the power of the cloud—but watch your back. Huge productivity gains and reduced costs can be achieved by making full use of the cloud. Yet it's a double-edged sword. Any oversight in security practices can lead to a breach. Here are two things you can do to harness the cloud safely:

- *Determine which data matters.* Some data sets are more crucial to your business than others. Prioritize what must be protected. Trying to protect everything can take focus and resources away from protecting data such as bank account information, customer data and information that must be handled with compliance and regulatory requirements in mind.

- *Select cloud providers carefully.* Cloud vendors know that data security is vital to your business and promote that fact. Yet not all cloud vendors are the same. You can't control what happens to your data once it's in the cloud, but you can control who's managing it for you.

Resolution #3: Set and enforce a strict Mobile Device Policy. As BYOD becomes the norm, mobile devices open gaping holes in your network's defenses. Don't miss any of these three crucial steps:

- *Require that users agree with acceptable-use terms before connecting to your network.* Be sure to include terms like required use of hard-to-crack passwords, conditions under which company data may be "wiped" and auto-locking after periods of inactivity.

- *Install a Mobile Device Management System on all connected devices.* A good system creates a virtual wall between personal and company data. It lets you impose security measures, and it protects user privacy by limiting company access to work data only.

- *Establish a strong protocol for when a connected device is lost or stolen.* Make sure features that allow device owners to locate, lock or wipe (destroy) all data on the phone are preset in advance. That way, the user can be instructed to follow your protocol when their phone is lost or stolen.

Free Network And Security Audit Resolves Your Biggest Data Security Problems and Makes Your Systems Run Like A Fancy Swiss Watch

Ever asked yourself why some business owners and CEOs seem so blithely unconcerned about data protection? Don't let their ignorance lull you into a false sense of security. If you've read this far, you are smart enough to be concerned. See our FREE Network and Security Assessment offer on the back page. It's your best first step to a safe and prosperous 2017.

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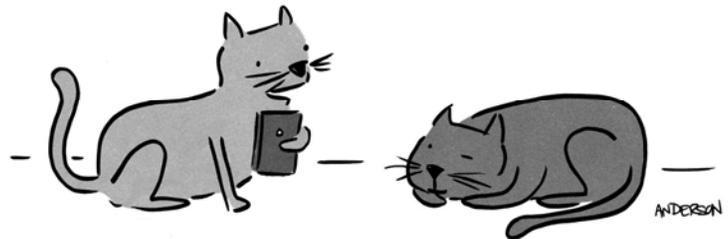35 Aztec Court
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Shiny New Gadget of the Month

New Nintendo Classic Rules Them All!

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"I just got an app that shows me all the invisible fences in the neighborhood. Wanna go have some fun?"

For anyone in their late 20s to early 40s, chances are nothing shaped your life more than Nintendo. If it was your first "gadget," if may even have been love at first sight.

And now, for Nintendo lovers, the Nintendo Entertainment System is back and better than ever with the NES Classic Edition. It's tiny, but designed to look just like the original NES. Setup is a snap. Just plug it into your TV's USB port. Hit the power button and you're greeted with a screen where you can browse games and options. You can even select a CRT filter that replicates the lines and look of an old TV.

The color is sharp, the timing dead on and each pixel is a perfect square so you see the games exactly as designed. At 60 bucks, it's a great gift for your favorite millennial (maybe even YOU!).

Claim your FREE Network and Security Assessment today!

Feel like your computer is out of gas? Having network issues that are delaying your daily operations? Give our IT professionals a call today for your FREE Network Security Assessment. We will inventory your current technology, check network security, review your back-up solution and deliver a report including outstanding issues and possible solutions. It's amazing how a simple review of your current operations can reveal cost and time saving opportunities.

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