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For tech firms, subtle change means a lot

Slight shift in mood of customers is enough to lend a little optimism

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AN OCCASIONAL FEATURE

It sounds like a subtle shift, but to two area technology companies it's seismic enough to make them more upbeat about the economy and their businesses: Customers are now cautiously optimistic, rather than just cautious.

InfoVision Inc. and Work Smart Offices Inc. work with small- or medium-sized businesses; they help install software and manage companies' networks; and they're both seeing customers more willing to spend money.

At a staff meeting last week, managers at Charlotte-based InfoVision decided to shift their mindset from "managing to get by" to "managing with expectations that we're going to grow again," company President Greg Aker said.

"People don't expect things to ever get as good as they were (in 1999)," he said. "I think we're in the mode now that we expect things to continue to get better, but slower than it did in the 1999 run-up."

At Work Smart, General Manager Ronald Unger can sense an improving economy through the number of call-backs his sales staff gets.

Last year, they were getting about one a week, after cold-calling potential customers, who often said they were too nervous about the future to spend money.

Now, the sales staff is getting about 10 a week, Unger said.

The past recession hit technology companies exceptionally hard. They had further to fall: Fears about Y2K pushed many companies to upgrade their hardware and software, creating a boom for such companies.

But the following recession punished them equally as hard. Potential customers slashed their spending and delayed computer upgrades, bankrupting many information technology consulting firms.

For the past few years, Aker said his company's biggest competitor has been customers' wariness, rather than another IT company.

"Businesses don't want to do anything that makes them write a check," he said.

Now, customers are beginning to take advantage of tax breaks for investing in new computer equipment. InfoVision's revenue this past year through June was 30 percent higher than the same period last year, Aker said.

Work Smart, too, is seeing a run-up in sales, thanks to companies' taking advantage of the tax breaks.

And Unger said his customers, such as architecture or accounting firms, are feeling more optimistic about winning contracts in the coming months. That's pushing them to buy more computer software and hardware now, to prepare for the expected sales boost.

The second half of the year is typically the busy season for IT firms because of tax breaks on computer purchases.

But Unger, who co-founded Work Smart in Durham just after the tech bust, said he won't feel sure the economy's righted itself unless stronger sales continue next year.

He said, like his customers, he is feeling cautiously optimistic that will happen.