

## Domestic Entrepreneurship for the Republic of Armenia

### Abstract

Recently the cost of information technology access and resources have dropped dramatically within the Republic of Armenia. Yet fixed costs for business operations such as labor, rent, and utilities have raised the economic penalty for inefficient operations. Domestic businesses are slowly becoming more interested in productivity, taking more care to insure the existing plant is as useful as possible.

Jason Paul Kazarian will argue that this market offers several opportunities for entrepreneurs willing to deliver services via "information intensive" offerings. Existing businesses need reasonable solutions for crucial business functions, such as accounting and information technology. Entrepreneurs delivering higher quality on smaller scales to multiple customers have excellent chances for business development and profitability.

We begin the lecture with definitions of key concepts for an information intensive businesses. We evaluate IT sector workforce demands to identify where organizations are spending technology budgets. We discuss removing financial and other barriers to a firm's offerings. We fully define the concept of an information intensive business. Finally, we discuss three example strategies relevant in today's Armenian economy.

### Topics

Each of the following topics is approximately ten to fifteen minutes long and will be modified to suit student interest and allowed time:

#### Price ≠ Value: Comparing Cost, Quality, and Service

Businesses consider many factors when making purchasing decisions. Cost, quality, and service are objective factors that can be quantitatively measured. But value is the subjective weight a buyer applies when evaluating the merit of these factors. And it's hard enough to optimize for one factor, let alone all three.

#### The IT Job Market

Labor force surveys show that about 60% of IT jobs are for operations, 25% for development, and 15% for deployment. Of the development portion, roughly one-third is for new projects and two-thirds is for maintenance. Of the maintenance portion, one third is for defect resolution and two thirds is for feature enhancements. So the vast majority of the market applies existing products and services to improve their own operations. And a small sliver has the luxury of working on a new project.

#### Product, Service, System, Hyper System

We all can cite examples of products, services, and systems. But what is a hyper system? The absence of fixed development or operational cost is one necessary constraint. We will discuss others. But in summary, a hyper system is one in which barriers to use are as small as possible.

#### As Clear as Glass: Interface Integration and Transparency

From the customer's perspective, the major system cost drivers are human oriented: training expense is one. Business interruption due to pilot error is another. Eliminating these costs through custom interface integration is necessary to eliminate the fixed cost of a hyper system deployment.

#### Only the Best is Good Enough

In *Growing A Business*, Paul Hawken defines information as not just data, but everything that is necessary to "accomplish something in the best way." Thus an information intensive business is one in which all of the firm's offerings are better than competitors, if not the best possible, regardless of the amount billed.

#### Example I: A Hyper Accounting System

Most Armenian businesses are in no position to spend 1M AMD on the equipment, software, and training necessary for a computerized accounting system. But what if we deployed a hyper accounting system to support twenty businesses? What would the technology of this system look like? What are the potential revenue models? How would we maintain interface transparency across multiple customers?

### Example II: Full Service Internet Presence

Look, it's a brand developer! A web developer! A hosting firm! A marketing firm! No, it's what's really needed by small Armenian businesses: one-stop shopping for a fully competent, complete method of building a company's Internet presence. Branding, design, development, e-mail, hosting, marketing, social networking, tech support, and web deployment with one party responsible for success.

### Example III: Haykakan "Geek Squad"

Non-technical businesses are relying on information technology as a key part of operations. There is now more demand for turn-key services related to computer installation, maintenance, and training, especially when networking is considered. Sufficient market mass is evolving so that US concepts such as "Geek Squad" can be applied to the Armenian market.

## **References**

A complete, up-to-date set of references is available on the web page for this lecture series at:

<http://leftbrainedgeeks.com/lectures/aua.php>