

Tech Tidbits: The Growing Service Business Opportunity

By Michael L. Curry

The Service industry is the fastest growing economic sector and nowhere is that growth more evident than Central Oregon small businesses. Using the power of technology, local entrepreneurs are increasingly transforming themselves into successful service based businesses.

The decline in manufacturing goods in America is attributed to automation, cheap offshore labor and globalization, which drastically reduce profits. Agriculture has also become less significant to our economy as technology increases production and an abundant and inexpensive food supply depends on fewer workers. Conversely, service related businesses are growing at a rate never before seen in history.

Ed Carson and Stein Swenson are an example of the new entrepreneurs. Their love for the game of golf drove them to start Maverix Golf Tour (www.maverixgolftour.com), which brings other enthusiasts together to play competitive golf on the best courses in Oregon. Using the bargaining power of their large membership, they negotiate blocks of tee times, discounted green fees, prizes, and sponsorship. Outside of the golf course, the website and email are the primary means of interaction for the club members and provide a competitive advantage over more costly brick and mortar clubhouses.

20 years ago, services were a small part of the US Gross domestic product and most jobs were manufacturing goods or agriculture related. Today, the Department of Labor reports that 70% of the U.S. GDP comes from Services. These Services include people working in positions ranging from babysitters to doctors and from pet grooming to lawyers.

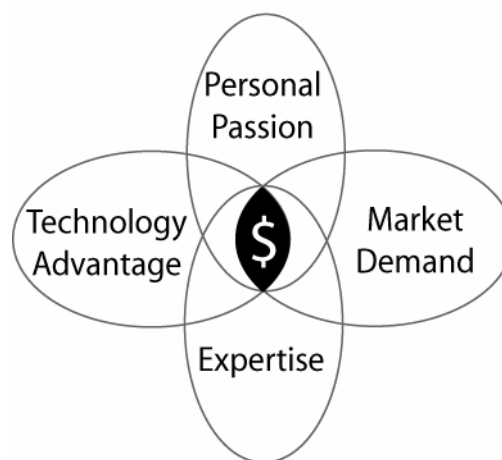
One contributor to the growth in services is the increasing complexity our world is experiencing. The tasks a person has to do in a normal day require such attention to detail that we run out of energy long before our to-do list is under control.

Published in the Cascade Business News (www.cascadebusnews.com), September 2006 issue.

Now more than ever TIME is our most precious commodity, and hiring someone to perform a service such as decorate the home, prepare your taxes, or build a website is a wise use of resources.

If you are looking for a new career, chances are you will find the greatest opportunity in the services industry. In the past employees may have felt obligated to work in unfulfilling jobs to earn a living. However that trend is changing and today it is common for people to follow their passion. Many of these men and women leave traditional jobs to become a successful small business. The small business is a powerful economic force in Central Oregon and our country. An increasing market demand for services fuels that growth from which many entrepreneurs are benefiting.

Service Business Opportunity



How does one identify a business opportunity in the service market? It is my belief that when an unfulfilled market demand meets an individual's passion and expertise, there is an opportunity to generate revenue providing a service. However, if there are no barriers to the market then you will not be profitable for long as competition erodes your market. Therefore, to deliver services at a sustainable rate it is also necessary to have some competitive advantage.

The competitive advantage successful entrepreneurs enjoy is increasingly supplied by information technology. Computers, software programs, email and the Internet are able to help decrease costs, speed up delivery and automate tasks. Web Mentors, a Central Oregon eBusiness solution provider develops web based software for customers who in turn realize a significant return on their investment and become more profitable.

Even a business that already provides services can become more profitable by investing in technology. Contemporary Family Dentistry used their investment in technology to improve services they offer patients. The addition of an office data network has eliminated the need for paper records. Now everything from X-rays to treatment plans is stored digitally. This investment in technology allowed Dr Bradley Johnson to introduce new services that distinguish him from other dentists. For example, an iCat machine, one of only two in the state, takes a low dose Cat Scan of a patient's head viewable as a three dimensional radiographic image on a computer. In addition to looking for cavities, Doctor Johnson can now diagnose and resolve health issues not normally treatable by dentists such as jaw tension (TMJ), migraines, grinding, obstructed airways, sleep apnea, and difficulty breathing.

In summary, the decline in profits from manufacturing goods and agriculture has been more than offset by a growth in services. The demand for services creates an opportunity for someone to follow their passion if they are unhappy with traditional career choices. In order to identify a viable service business opportunity, it is important to find a niche that satisfies each of the following:

1. An unmet demand by the marketplace.
2. An area of your own expertise you are also passionate about.
3. A competitive advantage, usually the application of information technology.

A competitive advantage is necessary to protect your market from competitors. Technology such as computers, custom software, the web and email are often used to make service businesses profitable and successful long-term.

About the Author:

Michael L. Curry, the president of Web Mentors (www.webmentors.net) delivers eBusiness solutions to small and medium sized business in Oregon such as The Bend Book Barn, The Center for Orthopedic, Neurosurgical Care & Research, Capstone Financial Assurance, Bend Mailing Services, Robert Pumphery Fine Photography, Central Oregon Pediatrics Association and more.

