

Telecom



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Information Systems in Business Keeping abreast of telecom requires continually peering into the future and testing out new ideas. Since building a true R&D capacity of this sort this can be expensive, how might a smaller organization solve this problem?

Smaller organizations have distinct and virtually limited requirements as compared to medium-sized or large organizations in terms of the need to address keeping abreast of telecommunications trends. It is true that building research and development (R & D) capacity can be expensive if potentially all comprehensive details, information and applications are required to be integrated and incorporated in the organization's database. However, to serve simplified organizational goals that are specifically identified by smaller organizations, the need to design and establish a workable R & D that could address the mission and goals of the organization and within an identified budget would suffice.

Smaller organizations can update themselves of telecommunications trends using various medium. As emphasized by Sachenko “ organizations are becoming internetworked enterprises that use the Internet, intranets, and other telecommunications networks to support e-business operations and collaboration within the enterprise, and with their customers, suppliers, and other business partners” (1). In an article written by Rubin, it was disclosed that “ small companies spend proportionally more of their revenues on research and development than large ones” (par 1). Likewise, in another study, Klein revealed that “ small and midsize companies don't know how to capture qualified research expenses and quantify them. Also, in most small companies, the R&D is heaviest up front, when they are developing products and services” (1).

In this regard, small organizations could solve the problem by availing of R & D tax credits. As explained by Klein, " if you're a startup and you don't have research expenses for the previous three years, you can use 6 percent of your qualified research expenses to offset your tax liability, if you have any. If you don't have tax liability, perhaps because you have no income as a startup, you can claim the credit prospectively and carry it forward into a year when you do owe taxes. The great thing is that there's a 20-year carry-forward provision for this credit" (1).

Therefore, through availing of R & D tax credits, the amount of tax liability could be minimized depending on the income of the small organization. Likewise, by being aware and recognizing which R & D expenses could qualify for tax credits, small organizations could benefit and could go through the needed research to increase core competencies and competitiveness within their spheres of operations.

As indicated, " the rule of thumb is if you have an engineer on staff, you probably have research and development expenses you should be capturing. If you're undertaking research that's technological in nature, with a process of experimentation to eliminate uncertainty, you have qualified R&D expenses. Doing the research and filing for and obtaining a patent is a qualified R&D expense" (Klein 2).

Finally, small organizations could maximize the benefits of R&D though focusing the much needed research in critical phases, such as product testing and development and through collaborate efforts where " all leaders share objectives and deadlines, frequent meetings, and limited complexity and bureaucracy in the organization" (Russell Reynolds Associates 1).

Maximizing R & D efforts could be achieved through the use of innovative

strategies that ultimately provide optimized returns to R&D investments.

Works Cited

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