

Cost Management

Are you helping clients find ways to save money?

by: Tom Flesch, Gordon Flesch Company Inc.

In the past year, adjusting to the effects of sudden rising fuel and energy costs has become a necessity for most companies. Of course, the devastation wrought by hurricanes Katrina and Rita resulted in a particularly notable surge in costs. Many businesses were unprepared.

As business owners forecast budgets for the next few years, they must allow for such rising costs and look for ways to “manage the manageable costs” of doing business. By providing the right solutions to your clients — as their office technology provider — you can play an important role in helping businesses manage costs. You will also strengthen relationships and create sales opportunities for your dealership.

It is important for your clients to recognize that a significant but seldom measured cost of a business is that of office productivity. With effective office cost management practices in

place, they can better minimize the risk associated with having to withstand ongoing and unpredictable economic impacts from events such as 2005’s natural disasters.

As they see ways to save money, you have an opportunity to help your clients understand that today’s office technology provides tools to better serve productivity needs. By



modernizing current office equipment, integrating and customizing multifunction devices into workflow and maximizing their capabilities, your clients will achieve new levels of long-term cost savings and productivity.

Increasing Effectiveness

Managing the manageable costs begins with a workflow analysis of office productivity and efficiency. Understanding technology usage and related costs offers a starting point for best utilizing networked office technology. It has been common to supplement existing office devices strictly on an “as-needed” basis. At a certain point, however, a workflow analysis — conducted by your dealership — needs to take place within each client’s business to determine the most cost-effective configuration of office technology going forward. Do your clients know that businesses have reduced

costs by as much as 20 to 30 percent through better use of existing equipment resources and the adoption of newer multifunction copier and printing devices?

A savings of 30 percent is significant when one considers that research indicates companies spend approximately 10 percent of their revenue on document production, manage-

ment and distribution. Determining document management needs can provide more opportunities to effectively integrate electronic documents into the overall business workflow instead of simply printing the documents as costly hard-copy output. These hidden savings are significant when considering some individuals print thousands of pages per year. A document workflow analysis is a worthwhile investment for your client to determine potential savings.

In addition to finding ways to address the costs associated with printing large volumes of hard-copy documents, there is the factor of the cost of the equipment itself. As you know, in recent years the unit cost of new multifunction office devices has continued to decrease while the number of features of the devices has continued to increase. That said, your clients need to understand that merely upgrading to new multifunction devices is not the complete solution. Multifunction devices now offer more features than the average user utilizes or is even aware exist. For instance, while the networked connectivity of an office's equipment might be up-to-date by today's standards, newer capabilities like scanning are underutilized as substantial cost-savers. A professional recommendation and customized training based on unique business needs can save thousands of dollars over many years.

Companies are also able to achieve new levels of productivity through proper equipment training. As dealers, we are well aware that copying, scanning and sharing tasks — lengthy processes that used to require multiple devices — have been reduced to single operations. The underutilization of these capabilities among your clients is oftentimes a direct result of a lack of training and awareness. They need to know how to better apply the capabilities of the multifunction devices in their offices.

Document Management

I view document management as a particularly important area of focus for increasing efficiency and cost savings in the workplace. Many companies have for years outsourced their printed output to document archival companies. Do your clients fully understand how, with today's multifunction equipment, they can eliminate those costs by bringing that capability in-house?

As you know, over-stuffed filing cabinets are rapidly

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becoming an image of the past. Maintaining digital storage provides a solution that is more manageable internally. Make sure your clients recognize that with today's technology, a document can be scanned, labeled, filed on a central server, shared in a matter of seconds and later quickly retrieved upon request.

"Using office technology to create a digitized document provides a secure, retrievable file that will outlast the original hard-copy output," your reps can explain to the client. "Digital storage conserves resources and time." So, having an "analyst" from your dealership develop a storage strategy will prepare your client to take the next step into the new digital era.

The Future

The future of office technology will integrate increased customization based on individual customer needs, with more software-driven applications and products. This will allow more efficient management of files and the ability to better integrate the information they contain into the business workflow. Document control will be more than just producing hard copies.

Updating your clients' technology provides the benefit of keeping them on the cutting edge, laying the groundwork for continuous improvement. The industry is seeing customized software that can tailor multifunction equipment to perform to individual business needs. The customization offers new opportunities to increase productivity by reducing the hours employees typically spend performing document management operations.

While all industries continue to research methods for managing costs to offset external economic impacts, office technology continues to provide more tools to better serve productivity. Modernizing current office equipment, integrating and customizing multifunction devices into the workflow and maximizing their capabilities allow business operations to achieve new levels of long-term cost savings and productivity. ■

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