Save MONEY

Top Ten Tips to improve efficiency, increase agility and conserve cash

1. Don't just cut costs, use technology more effectively throughout your business
2. Manage headcount carefully and get the best out of the people you've got
3. Examine your employees' use of company technology
4. Develop the staff, systems and strategies you already have
5. Bring your business and IT teams closer together
6. Deploy technology that's fit for purpose – like Business Intelligence and Microsoft Unified Communications
7. Consider Cloud Computing as a way of making IT an operational expense
8. Take small steps – and make multi-purpose deployments that fulfil several objectives
9. Extract more value from your existing business tools and sharpen your processes
10. Above all, make every penny work harder!

Driving new efficiencies: your 'Return-to-Growth' Plan

Fears of a double-dip recession may have receded, but according to the British Chambers of Commerce, economic recovery is going to be a long slog. The employers' association predicts slower growth this year than anticipated, although it believes the UK economy is sufficiently robust to avoid a further slump.

Whatever the future holds, it goes without saying that midsize companies must make every penny count in the current economic climate. But these tough times come with something of a silver lining by compelling us to rethink our business practices and focus on improving efficiency, increasing agility and ultimately conserving cash.

Don't just cut

Saving money isn't just about slashing budgets and cutting costs, it's also about making more effective use of existing resources. When it comes to technology, for example, Barbara Gomolski, Vice President at the analyst firm Gartner, is careful to make a key distinction. She says businesses should focus on optimising, rather than just cutting, costs. With average IT budgets at 3 per cent of turnover and operating costs as high as 90 per cent, she advocates joining technology more effectively with the business as a means of reducing overall operational expenditure.

"Arbitrary cost cutting simply focuses on reducing baseline costs, whereas cost optimisation helps improve processes to enable restructuring and innovation longer term," argues Gomolski. "Leaders must know their organisation's return-to-growth strategy and ensure this gets the attention it needs in order to be ready when the time comes."

Devising a return-to-growth strategy

The words themselves are useful. By thinking about strategic cost cutting as a return-to-growth strategy, it is easier to make decisions that improve efficiency without sacrificing competitive advantage. Without this focus, it's common to find yourself presiding over a frenzy of slash-and-burn economics. Let's examine your people and processes with return-to-growth in mind:

- **Smart headcount management.** An obvious way to save costs is simply to cut staff, which no-one enjoys doing. However, there are now many alternatives such as short-week working, salary freezes, matched savings (for example work at home and pass the travel savings back to the company) and job sharing. Remember, of course, that labour today is a highly flexible resource. Contract staff can help you ride out the ups and downs

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of business, without the restrictive legislation applied to full employee status. In any case, most staff these days are happy to step outside their official job function and help out in other areas of the business. In a recession, it's 'all hands on deck'.

At the same time though, it's worth asking yourself: could we achieve the same results without hiring new employees if we developed the staff, systems and strategies we already have. New people aren't just pricey; they're a risk. Keith Rosen, president of sales coaching firm Profit Builders, says, "If you simply hire staff in the hope that they might get you more organised or compensate for the weak links in your company, then think again. Hiring staff can actually wind up costing more time, money and additional managerial responsibilities as opposed to streamlining what you've got."

- **Assess your efficiency.** So, what have you got? Conduct a business efficiency audit (this is worth doing every three years anyway) – it will help you determine whether or not efficiencies are even possible without cutting too far. Look at how employees use their time and how much of it is spent in meetings, on the phone, travelling, searching for information or data, fixing problems or, worst of all, waiting for someone else to fix a problem. Examine employees' use of company technology and how effective this is in saving them time – which, of course means money.

By analysing and comparing the findings, you'll discover where your technology is being under-utilised – and where staff can use it more effectively to communicate, collaborate, share information and delight customers. Very rarely are there no efficiencies to be found.

- **Bring business and technology together.** Reducing IT operating costs can be difficult. On the one hand, IT people say that they can't make cutbacks (after all, they have to meet business demands and agreed service levels). On the other hand, business departments rarely appreciate what drives costs within IT and are certainly unwilling to accept any reduction in business process quality. That leaves little room for compromise or

change. The only way to resolve this is by bringing the business and IT teams closer together for a meeting of minds. Try a focused workshop which enables both sides to review existing procedures and develop new approaches – thereby bridging the knowledge gap between user demand and implementation.

How to make smart technology decisions in cost-conscious times

Once you've gained a clearer picture of what makes your business tick, you can uncover ways of exploiting technology – often using existing hardware which won't require much new expense – to make your people and processes more agile and effective. There are several ways to make your IT decisions more cost-conscious, whatever you're looking to achieve.

The key starting point should be the idea of scale. As David Bennie, Segment Marketing Manager at Microsoft UK, says, "Technology has boosted desktop efficiency by simplifying or replacing most repetitive functions, minimising errors and making it easy to store and access data, create documents and conduct transactions. If you have fifty staff, every simplification you devise once is amplified fifty times. That's why efficiency so often starts with knowledge workers and the software and processes that they use each day."

That daily workflow also demands that you deploy technology which is fit for business purpose. Bennie continues, "In the past, companies made expensive mistakes; buying unconfigurable behemoth IT systems. Today's technologies connect easily with one another and are customisable at reasonable cost to perfectly match the real-world processes of your business. To derive new economies of scale from each activity in your company, IT has to become the servant of each business process. If your people still feel like they are slaves to IT, it's time for an urgent rethink!"

Even if you do have to engage in wholesale renewal, it doesn't have to mean a massive capital expense. Cloud computing – software managed and delivered online – removes the hardware cost of deployment and converts IT

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wherever possible into an operating expense. These online solutions are typically paid for on a simple and predictable per-seat subscription basis, removing the hefty barrier of upfront implementation costs and opening up opportunities to use IT as a real driver for strategic change.

Just about everything you could need is now available in the cloud. Microsoft® Office 365, for example, offers cloud versions of Microsoft's communications and collaboration products: Microsoft Office 2010 for productivity, Microsoft SharePoint® for data management, Microsoft Exchange for email and Microsoft Lync™ for Unified Communications – to name but a few. Office 365 is, in the words of Kurt DelBene, president of the Office Division at Microsoft, "the best of everything we know about productivity, all in a single cloud service". Office 365 provides access to email, documents, contacts and calendars on practically any device, enabling employees to collaborate easily and securely, both within and outside the organisation; saving time, money and freeing up valuable IT resources.

Thanks to cloud computing, innovative licensing plans, and multi-purpose IT architectures, the days of mammoth IT are gone. You can take small steps; and by making smaller more multi-purpose deployments, every investment can now fulfil several objectives. Better still, you probably already own most of the tools you need.

Smarter business decisions at no extra cost

If you already use SharePoint Server and the Office suite (incorporating Microsoft Excel®), you already have all of the components of a Business Intelligence (BI) platform without needing to invest any more money. As anaylsts Forrester say in their *2010 Enterprise BI Platforms Wave* report, "pricewise, it's certainly an unbeatable value proposition."

Office 2010 seamlessly allows every knowledge worker to bring the data held deep in your line-of-business processes, and put it where it belongs: on the desktop. Bennie says, "Flexible tools like Office 2010 make knowledge workers more agile by bringing real-time information buried in databases right to the desktop in customised dashboards and scorecards which highlight trends with vivid clarity." Having the right information at the right time and in the right format helps everyone make smarter business decisions.

Furthermore, by providing a powerfully featured Office 2010 interface in nothing more than a browser, the new Office 2010 Web Apps service puts the Office 2010 suite online, enabling your staff to access, co-author and collaborate on Microsoft Word, Microsoft Excel, Microsoft PowerPoint® and Microsoft OneNote documents in real-time, wherever they are. This makes Office 2010 an obvious choice for any financial director trying to square cost-consciousness with demands for greater business agility.

Driving out operational costs

Faced with the rising costs of telephony, real estate and travel, many midsize companies are now turning to the flexibility offered by Unified Communications tools like Lync Server – following in the footsteps of organisations like Salford City Council. Salford was looking to cut costs and go green at the same time. "With Lync, people can work from anywhere, which helps reduce our office space," says Jonathan Burt, the Council's Corporate Infrastructure Architect.

"We expect to reduce real estate costs by 30 per cent initially, followed by another 20 per cent over the next few years." Salford also expects to reduce travel costs. "With 180 enterprise voice users, we have already experienced a 20 per cent reduction in travel costs for those users," says Burt. "We see this going across the board with Lync as we expand the number of people on enterprise voice. What's more, the ability to integrate with other programs in Office and SharePoint means staff have a wide choice of cheap and simple ways to communicate with one another."

Making every penny work harder

Bennie takes a similar view to that held by Gomolski: "Advances in technology and keen pricing mean IT still offers many ways to make every employee more efficient, and every penny work harder. By extracting greater value and efficiencies from existing business tools and by sharpening their business processes – be that in the supply chain, sales, marketing or any other part of the organisation – midsize businesses will become more resilient in the short term and more agile come the recovery."

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