Managing Business in Changing Times

It's no surprise that in the midst of today's economic woes, many businesses are being forced to find ways to reduce expenses and new ways to generate revenues. Changing current processes is necessary for some businesses to simply survive. The critical challenge is determining which changes will actually help improve profitability and which ones will have the opposite effect.

Many businesses are responding to these economic challenges by immediately cutting budgets, personnel, equipment and other resources, as well as outsourcing certain business functions to third-party vendors. In the very short term these types of cuts can appear to accomplish the goal of reducing expenses. But over time outsourcing and cutting internal resources and in-house processes can end up costing a business even more time and money.

The Solution is Leveraging Today's Technology

The ideal scenario for business managers is to identify and implement processes that operate more efficiently and productively, while requiring fewer resources and less cost to perform. Today's technology has completely changed the face of business. There are tools and solutions available that can make it simple and far more affordable to manage many important business functions in-house. In the past, outsourcing certain functions may have been the smartest and possibly the only option available—but this is no longer the case.

Automate Manual Processes

Recent innovations have made it possible to replace many manual processes with automation. From data capture and processing to print and production, automated solutions are not only far more efficient, they are also more accurate and produce fewer mistakes than manual processes. Since automated processes require less staffing to administer, they also free up personnel to work on other critical activities.

Ensure Maximum Postal Savings

With the proper digital printing solution in place, a business can perform the proper data management and apply the proper barcoding to obtain the highest levels of pre-sorting and other postal discounts.

Bring Your Processes In-House

Today, most outsourced processes can easily be brought in-house and be completed at a fraction of the cost of outsourcing. And because technology provides high levels of automation, it takes minimal resources to manage them. You have complete control of the in-house process. In most cases, an in-house process will produce more and cost less than if the same process was done manually or outsourced to a vendor.

Research Options Before Making a Decision

When a company needs to find ways to cut expenses, it often considers downsizing internal resources and outsourcing work. Because bringing a process in-house usually requires an initial upfront investment of time and money, and there may be a small learning curve and some training, it often scares managers away from even considering in-house options.

This perspective can prove to be costly in the long run. The productivity, efficiency, savings and control gained from bringing most businesses processes in-house usually far outweighs the start up costs. And once the equipment and processes are in place, the ongoing savings grow over time—including the expenses and hassles saved from not hiring, managing and paying a vendor to do the same work—many times less efficiently. Sometimes a company that invests a little money in the short-term maximizes long-term profitability.

Which Processes Should You Bring In-House?

Determining if a particular process should be outsourced or brought in-house depends on many factors, such as the type and size of business, the nature of the product or service the business offers, the size and frequency of customer billing and marketing communications, and many others. Every business has different objectives and circumstances. Each business must analyze its own situation and do some research to discover what will work best. However, you are not alone—there are several business services companies that specialize in analyzing business processes and recommending the most efficient methods for optimizing those processes.

A Good Place to Start

Although research due diligence is recommended before transitioning any process in-house, recently, there have been a few key business processes that many companies are bringing in-house with great success, including:

- Billing, Invoicing and Receivables Management
  Using a third-party vendor for billing and invoicing costs more money, relinquishes control, and requires extra time (often days) for processing. That means it takes longer to turn outstanding receivables into revenues that can be used as operating funds or earning interest. Over time, the money lost from these delays can add up to thousands, even millions of dollars. Digital printing solutions also offer transpromo capabilities, which means you can print customized digital promotional messaging and images on bills, invoices and envelopes, on demand.

- Marketing Direct Mail
  Business managers and marketers may be surprised at how easy it is to handle all direct marketing production in-house. By taking control of your marketing functions, you can be sure that you're maximizing all possible printing, production, postage and mailing efficiencies and avoid paying inflated vendor mark-ups.

- E-mail Marketing
  E-mail marketing is one of the simplest processes to bring in-house. Once a business takes control of its own e-mail program, it's easy to set up individual communications or entire automated e-mail campaigns with minimal effort and no money being paid to third parties.

It's Easier Than You Think

Many organizations make the mistake of thinking that a vendor will automatically perform certain functions better than they could themselves. This is no longer the case. Innovative equipment and technology, user-friendly software, and business support services make it possible for people with practically no marketing, production or operational experience to perform these functions at the same level as an expert.

Embrace Change When It is Productive to Do So

One of the main reasons that organizations hesitate to bring a process in-house is that they get comfortable with the status quo and don't want to change the current process. If these same businesses could find simple technology to set up and manage a variety of processes in-house, they would be more likely to make the change. It is the responsibility of a company's management to make sure that a business does not miss opportunities to operate more efficiently and to increase profitability—especially if the reason is simply a strong resistance to change.