

## Spend to Save

In today's economy you can spend some money to save big dollars within your organization. This is mainly true for IT projects, but the principles also apply to other aspects of any business. You can do this in a down economy mainly because your organization is going to be able to pick up equipment or services at a discounted price due to the selling organization's own downsizing, lack of business or maybe they just went out of business. There loss is your gain in this situation. I am using an assumption that your organization is fairly healthy to start with, and if that is the case then you might want to look at making some investments if you can find the right deals. Below are some different areas to look at.

1. **Phone System** – Now may be a good time to switch to Voice over IP, or VoIP which allows you to use your computer network to route phone calls digitally. VoIP replaces the older analog PBX technology and offers many benefits such as:
  - ❖ Simplified infrastructure. With VoIP on your network you no longer need separate cabling for your telephone system.
  - ❖ Scalable. Traditional PBX (Private Branch Exchange) based phone systems come in many size ranges and it may be necessary periodically to scrap existing systems and replace hardware; this is not the case with VoIP systems.
  - ❖ Reduce operating costs. Because a VoIP exchange is based on software rather than hardware, it is easier to alter and maintain.
  - ❖ Improve productivity. VoIP treats voice as if it were any other kind of data, so users can attach documents to voice messages or participate in virtual meetings using shared data and videoconferencing.
  - ❖ Flexibility. A Virtual Private Network (VPN) is an allocated amount of bandwidth on the public Internet where public access is prevented through encryption. If your company has its own VPN and combines it with VoIP, you can set up a fully functioning office anywhere there is a broadband connection. This type of "follow me" services are standard on VoIP and allow employees to be reachable through their office number even if they are on a cell phone or at a different office.
  - ❖ Application integration. This is a new opportunity that you have with VoIP, in that you can now integrate applications with your phone



system for your customers. You can now track inbound/outbound calls from your organization or manage queues for support centers.

Organizations who are looking to move to VoIP can find discounted equipment from other companies or they can look into hosted services where you don't have to buy any equipment (other than new phones) and you pay a service provider to run your VoIP equipment and infrastructure remotely.

2. **Client/Server Hardware** – If your organization has been considering upgrades, or you haven't upgraded your computer hardware in the last 4-5 years then you need to look into this. Many of the computer manufactures have high inventories due to slow summer sales. It is believed that they will be offering steep discounts as the Christmas season is not expected to be strong. Upgrading your PC's or Servers can be a wise investment and it can lower your IT support costs. New hardware also means faster, so while it is not a hard cost that you can measure, applications should run faster. The other point to consider here is that new operating systems (Microsoft Vista and beyond) require more hardware. Bottom line here is that if you think you are going to do some hardware upgrades in the next year, do them now. If you haven't done any upgrades in the past 4-5 years think about doing them now.
3. **Vendor Negotiations** – There is always work to be done in this area whether we are in good or bad times. Whether you have contracts that are set to expire soon or not, or if you are paying monthly retainer fees here is an idea. Go to your vendors and negotiate a better monthly rate with a longer commitment to that vendor. This assumes that the vendor has been performing well and you intend to keep them around. If that is the case some vendors will be willing to give you a better rate if you make a multi-year commitment. I have been involved in cases where we have gotten vendors to drop their fees by 60% as long as the client agreed to a 3 year deal. Some vendors will want part or all of the money up front, so they can book the revenue now, but if you are in a good cash position this is a wise area to look into.
4. **College Recruiting** – Now is a great time to step up or develop a college recruiting program within your company. Many organizations don't put the time into this untapped resource, but now is a great time to start working with your local colleges and get some intern resources. Many college programs today require that students have some type of internship in order to graduate. College students will work for free or low pay to get experience. With some thought you can probably figure out some areas that a college student can help your business while also learning something in the process. Go to the appropriate school within your local college and there is typically a



recruiting or internship office that you can work with. Start this program now while other activities are slow and then expand it as needed when the economy bounces back.

5. **Employee Training** – Invest in your employees. When times are slow it is a great opportunity to send employees to training. Many training programs will offer discounts right now for early sign-ups or sending a small group. If the training doesn't list a discount call the training coordinator or training center and see if they will work with you.

Depending on your situation there may be a large or small activity that you could do now which require an up front investment but offer savings down the road.

***Call us if you need help with this process or want to discuss various strategies that may be better suited for your environment.***