

Cost-cutting tips for entrepreneurs

To reduce infrastructure costs, buy online, use cloud-based services for HR and telephony services, and rent office space as and when required

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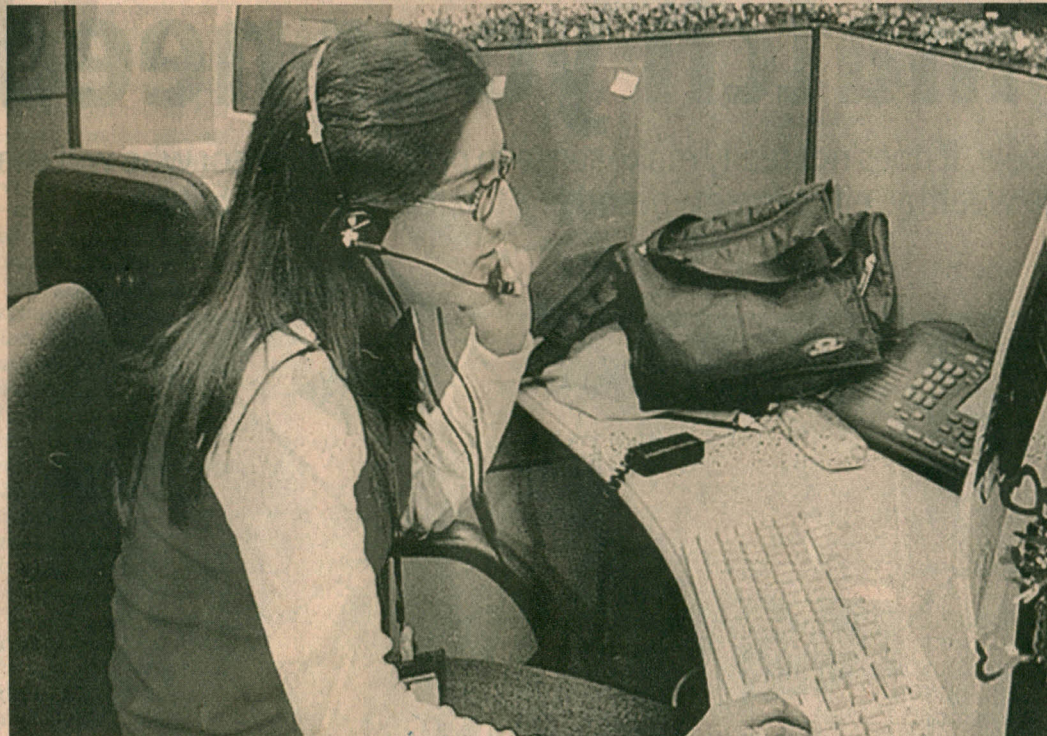
“What we see online is what we order and what we order is what we get. Also, prices are very competitive and they deliver quickly. They also provide time-to-time updates on order status. We are glad we moved from the local supplier to Zoffio.com,” says Murali Krishna Kunapareddy of Microhill Technologies, a software solutions company from Bengaluru.

Gauhar Hameed, senior executive at Peoplestrong, a Delhi-based personnel consultancy, says: “Zoffio offers quick turnaround time, quick services, proper documentation of invoice, quick mail response and it is easy to find items on the website.”

These are comments of buyers who are happy with their experience of shopping online. The difference is that they are talking about office supplies that they buy in bulk online. Zoffio and Power2SME are websites that offer such products to small businesses.

Buying office supplies online

The advantage is the same as online shopping for individual customers — convenience of buying and doorstep delivery, better prices and a wide variety of products to choose from. Buyers are also assured of good quality products, with proper documentation, often missing with



Technology helps small and medium businesses save costs while maintaining high quality service standards

to seven per cent, the buyer saves more because he gets good quality products and does not have spend money on frequent replacements.

“In some cases, the SME might be in a remote location where the product might not be available. One of our first orders was for a copier from

functions in-house,” says Shashwat Kumar, head, HR transformation and cloud deployment solutions, Aon Hewitt. That is where moving to a cloud-based platform helps. Through these, companies can offer functions like hiring, promotions, salary increases, managing shifts or

services and may not have employees in multiple locations. By opting for cloud-based platforms, where they can avail of the services by merely plugging into the platforms, they can save costs.

“Earlier, companies would invest in such platforms but not use all the

costs drastically.”

The cost for traditional telephone lines can be ₹5,000-10,000 per month. The machines could cost ₹1 lakh a year in rent. In addition, if you hire a telephone receptionist, you end up paying a salary of ₹3-4 lakh a year. Knowlarity can offer these services on the cloud for ₹20,000 a year.

“We are able to do this because the EPABX system is hosted on the cloud. We provide dedicated telephone numbers and the calls to these numbers get forwarded to the CEO or owner of the business. So, the calls can be accessed from anywhere, in the office or in the car. We also offer call hunting facility and the calls can get forwarded to any employee who is available. It is set up and configured on web,” he says.

Companies get their own online account and can log in by using the ID and password. They can store call records in their accounts. The low cost makes the service affordable for SMEs. Since it is possible to get a dedicated telephone number, the company can even print this on employees’ visiting cards.

For those concerned about privacy of the calls, these are as secure as any other service on cloud, such as Facebook, e-mails, etc.

“A lot of our customers are small firms like travel agents, real estate agents, coaching classes, spas, etc. Even e-commerce companies which get lot of incoming calls or have to call their buyers for services use our service,” Gupta adds.

Renting office space as required

Another concept already popular in metro cities and catching on in smaller places is paying for office space on a per day/per week basis, instead of leasing it for the full year. The cost saving can be as high as 50 per cent, says Ashutosh Limaye, head of research at JLL. “While the firm might pay a little more on a daily basis, they end up saving quite a bit because they don’t require the office space on a

Buying office supplies online

The advantage is the same as online shopping for individual customers — convenience of buying and doorstep delivery, better prices and a wide variety of products to choose from. Buyers are also assured of good quality products, with proper documentation, often missing with local suppliers.

"The office supplies market is not an organised one and since small and medium enterprises (SMEs) are not bulk buyers, they end up dealing with small vendors. Such vendors might not have all the products the SME buyer requires or might try and sell fake or counterfeit products. For instance, cartridges or calculators. Then the buyer ends up having to pay more for replacing the faulty products," says Abhishek Kamani, founder and chief executive officer (CEO) at Zoffio.com.

Zoffio offers a choice of over 9,000 products. The categories include stationery, printer cartridges and machines, copiers, mobiles, tablets, cameras, computers and accessories, bags, décor, security, housekeeping, pantry and corporate gifts.

While the price difference is five

to seven per cent, the buyer saves more because he gets good quality products and does not have spend money on frequent replacements.

"In some cases, the SME might be in a remote location where the product might not be available. One of our first orders was for a copier from Andaman Islands," says Kamani.

There is no minimum quantity for ordering through Zoffio, as many SMEs have very small requirements. The delivery happens within three to four days. SMEs are classified as companies under ₹20 crore of value. They can pay by cheque, credit or debit card, net banking or cash on delivery. "The SMEs who buy through our website include traders, manufacturers, finance firms, pharma companies, doctors, dentists, etc," Kamani adds.

Cloud-based platform for HR

SMEs are also adopting measures like shifting of services like telephony and human resources (HR). "Today, functions like HR, finance, invoicing, etc, all need to be at par with that of large companies in order to stay competitive. But the challenge for a firm employing 200 people is the cost of having these

Remaining Part

functions in house," says Ashwini Kumar, head, IT transformation and cloud deployment solutions, Aon Hewitt. That is where moving to a cloud-based platform helps. Through these, companies can offer functions like hiring, promotions, salary increases, managing shifts or overtime (in manufacturing companies), etc.

Another advantage is that SMEs may not need the entire gamut of

HOW SMEs CAN CUT COSTS

- Buy office supplies in bulk from online players to get discounts between five to eight per cent

- Use cloud-based telephone services to cut costs from as much as ₹4-5 lakh per year to as little as ₹20,000 annually

- Pay for office space per day or per week to save up to 50% of rent costs

services and may not have employees in multiple locations. By opting for cloud-based platforms, where they can avail of the services by merely plugging into the platforms, they can save costs.

"Earlier, companies would invest in such platforms but not use all the functions. Today, they can customise as needed. Companies can cut their HR teams by opting for cloud-based platforms," says Kumar.

For telephony services

Other than HR, telephony services like dedicated office telephone numbers, telephone receptionists, conference call lines, toll-free numbers, hunting lines, incoming call centre services, etc, are possible today through use of cloud-based platforms. Knowlarity Communications is one company providing these services.

Ambarish Gupta, founder, says: "Any credible business requires an address, website and dedicated phone numbers. Typically, people have office numbers from telecom providers and use EPABX systems but these can be very expensive. Using cloud telephony, you can cut

smaller places is paying for office space on a per day/per week basis, instead of leasing it for the full year. The cost saving can be as high as 50 per cent, says Ashutosh Limaye, head of research at JLL. "While the firm might pay a little more on a daily basis, they end up saving quite a bit because they don't require the office space on a continuous basis. They require it only for a few days."

In such cases, companies don't need to invest on logistics like photocopier machines, scanner or fax machines, as these come with the office space.

Those who prefer this could be a chartered accountants' firm that has to send staff to service clients in another city for a month in the tax filing season. Or a software firm that has a project in another city but the client cannot provide office space, etc.

While looking for such space, check which services are included in the charges and which are charged extra. For instance, use of the photocopier machine might be included, but use of the conference room might not. "Such places are usually located in business districts and have good connectivity. So, that is not a concern," Limaye adds.