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## **OUTSOURCING IS GOOD BUSINESS FOR ALL SIZE BUSINESSES**

Independent Research Shows Outsourcing Gives Businesses a Competitive Edge

Research shows that U.S. Businesses lag behind in labor productivity growth as compared to many other countries in recent past years. This may be due to other countries using IT more effectively. Outsourcing is usually beneficial, but a complete IT outsource is not feasible for all companies. Many businesses could benefit from outsourcing just a portion of IT, while keeping their own infrastructure, processes and equipment.

"The lull in US productivity could be due to a transition phase to a second wave of IT-driven productivity still to come" remarks Dr. Bert van Ark, Direct of International Economic Research at the Conference Board Jan 23, 2007. Taking better advantage of technology helped Sweden and Finland double the US labor productivity growth rates in 2006.

Shifting work to third parties enhances efficiency, reduces costs and increases the outsourced department's capacity. But outsourcing can't just be tactical- like an immediate cut in costs, it must also be strategic. IBM scientists analyzed the financials of 56 publicly traded companies. 75% of the companies who use some aspect of IT outsourcing significantly outperformed their peers on three major business metrics. They saw an estimated 10% reduction in administrative expenses, a 9% growth in return on assets and a 12% growth in earnings before interest and taxes.

Does the entire IT department need to be outsourced for a business to benefit? A study by Empire Research Group shows that 40% of all IT help desk calls are printer related. It is also estimated that the average cost of document production is around 40% of a companies labor cost.

There are two costs associated with document production. The "hard" costs are printers, consumables and maintenance. The best values can be obtained by channeling all aspects through one vendor. There are also "soft" or hidden costs. The labor associated with document production from supply acquisition, IT support, printer setup, down time from incapacitated machines and network administration are costs that are difficult to measure, and even more difficult to reduce. It is found that most workplaces have an average of 4 employees using a printer, whereas the ideal number is 10:1. Wasteful printing and unauthorized employee printing, printing monochrome documents to color printers, and not using valuable resources such as double-side printing and economy-modes are costly.

This is where managed print services can really benefit a company. A vendor who can bundle all aspects of in-house document production can not only reduce a companies cost, but make them more efficient.

Reliable Technologies in Manchester NH are Managed Print Service experts. They have been in business since 1991 and currently have over 10,000 printers under their management. They have funded a research report, 11 Ways Companies Waste Millions in Administration, IT and Document Production to help the business community understand their costs and how to reduce them. For your copy of the free report, please call 800-346-7890.

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