



EXPENSE REDUCTION ANALYSTS®

ARE YOU GETTING A FAIR DEAL FROM YOUR REPRODUCTION EQUIPMENT?

Cost management expert Gary Wilson from Expense Reduction Analysts Consulting (ERA Consulting) shares his insights into the expensive and often complex juggling options of photocopiers, printers and fax machines.

You would think that the decision on what equipment to buy, the brand, the model, the type, the finance method and even the supplier determines the best and most cost effective machine for the job. It doesn't! It's based on many factors and one of the major considerations is the total cost of ownership for the life of each machine. This is often overlooked and can have quite an impact – often doubling costs.

Gary Wilson confirms that, "If you don't take into consideration the total cost of ownership of your office equipment for the full life of each machine than you're flirting with a potentially significant long term cost blowout which is totally out of proportion to your original investment".

Before you purchase the new equipment review not only your present needs, but also your future ones. Some of the initial considerations you need to look at include; your current processes and systems, what the new equipment would achieve and if there is an alternative way of doing things.

In the general office equipment field there are hundreds of machines to choose from. Constant upgrades offer the latest technology but do these "high tech" incentives offer your organisation real and measurable benefits?

Another minefield is the "never to be repeated offers" on ancillary equipment. With a downturn in the sale of computer equipment many manufacturers are offering irresistible deals with considerable cash incentives. Unfortunately while the upfront costs may be attractive it could well be that the long term costs are not!

If you decide to go ahead and purchase new equipment, make sure you do a thorough and detailed assessment of the short-listed machines to see if they actually do what you want them to do. The wrong decision can not only cost you money but also disrupt work flow with staff queues and machine breakdowns.

In a recent assignment ERA Consulting identified an 80% increase in the cost of a client's printer consumable costs, while at the same time the amount of paper they purchased only rose by 5%. The reason for this substantial increase in expenditure was entirely due to a decision taken to replace all printers to a single brand. That decision led to a cost blowout, yet several alternate printers could have maintained their past cost level or even reduced it.

COST MANAGEMENT IS ERA

ERA has been in the cost-management business since 1983, and in Australia since 1993. During that time, the company has stuck to a 'no savings, no fee' maxim – and found savings averaging 15-25 per cent for every single client it has helped. Clients enjoy reduced prices for goods and services, enhanced negotiation leverage with suppliers, improved cost analysis and management tools, improved inventory management, improved compliance with corporate contracts, and the introduction of new ideas and trends to help enhance their competitive advantage.

Whether Australian businesses choose to undertake a program of cost-management under their own steam, or choose to call in expert help like that provided by ERA, the benefits to their bottom line can be immense.

Every solution for every company is different, because every solution is tailor-made to that company's requirements and goals. From creating a profit culture within the organisation to cost management, ERA provides a total service that's totally accountable.

"Our clients always make the decisions about which alternatives are most suitable for them and are included in the process all the way through," says Fred Marfleet, Chairman of ERA Australia. "But our help and guidance ensures that they make the right decisions for now and well into the future."

Expense Reduction Analysts - Working in partnership with our clients to maximise profits.