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Small Biz Solutions

## Internet offers businesses many ways to cut costs

By [Nancy Kaffer](#)

With economic forecasts still lurking somewhere near dismal, the Michigan Business Tax giving small-business owners sticker shock and gas prices creeping ever upward, most small-business owners are on a perpetual quest to cut costs and increase profits.

But cost-saving measures may be a mouse click away — some experts say small-business owners could use more Internet-based technology to bolster the bottom line.

For starters, there's free technology that can supplant costly multiple phone lines or conference call services.

"Why pay for something when you don't have to?" said Ed King, director of small-business services for **Wayne State University**. "It's amazing to me that there is so much free stuff on the Internet."

Web sites, e-mail addresses, fax numbers and conference call services are all among the options business owners can use for little or no charge online, King said.

Web site providers or e-mail services may require some advertising to appear on the site or accompany an e-mail, he said, but for most small-business owners, that's not likely to be a problem.

"It all depends on the image you're trying to relate to people," King said. "If you're a brain surgeon and you're advertising on (a Web hosting site like) GoDaddy.com and there's a bunch of free ads, it might affect your credibility. But for most people, it's fine."

Finding services, King said, is as easy as clicking on Google.com.

"Put 'free teleconferencing' into Google," he said. "Put 'free fax service' into Google. You'll be amazed at the results that come up."

And then there's outsourcing — which doesn't always mean sending your business overseas.

"It's the idea of not being limited to your local geography," said Gene Marks of Philadelphia-based **Marks Group Consulting PC** and author of *"The Complete Idiot's Guide to Successful Outsourcing."* "There's a Web site called **www.elance.com**, and there are a couple of other sites where can find accountants, bookkeepers and people who can do work for you on a subcontract basis."

It can also be a good idea, Marks said, to allow full-time employees to telecommute.

"It's economics 101," he said. "You've got to keep overhead down as much as possible, and you can leverage the Internet to do that. You cut down on rent expense, travel and fuel costs, and you can find people outside of your area to do specific work."

King said business owners should be cautious, but not turned off, by the prospect of using online subcontractors.

Checking references, he said, is key. Find out who the potential employee has worked for in the past, and use Google.

Diligence, King said, depends to some degree on the type of work you're hiring out. A business owner should thoroughly vet, for example, a potential accountant who will have information to sensitive financial records. But for a freelance

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writer, it's fairly easy.

"Get some samples, and you want to hold some money back so if they do a lousy job you haven't sent the money up front," he said.

For full-time, paid employees, Marks said, telecommuting can be a boon to a business owner — and improved technology has made such work a viable prospect.

It's important to have targets for telecommuting employees, King said — though some studies have shown that employees who work from home have increased output and enthusiasm.

"If a person is working at home, take a look at their output in terms of quality and quantity — how much stuff did they do prior to working out of their house? If they're a writer, how many pages can they produce, if they're an accountant, how many entries can they make, how long does it take to balance the book?" he said.

Research, Marks said, is key to staying abreast of money-saving technology.

"You read, you research, you read publications, you go to small-business events, and they're out there," he said. "The companies making best use of these technologies are keeping their overhead low and staying most competitive."

Boost bottom line online

-- Free communication tools like teleconferencing services and fax lines are available on the Internet.

-- Employers with telecommuting workers should set targets for those workers and make sure productivity doesn't suffer.

-- Some studies have shown worker productivity increases for telecommuting workers.

-- Don't be afraid to use Google, either as a research tool to find useful technology or to vet potential workers.

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