



# MOVING FORWARD

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**BALANCING BUSINESS  
COST REDUCTION  
WITH BUSINESS  
CONTINUITY**

September 2021

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## WHERE ARE WE HEADING TO?



The world has been in turmoil. The last 18 months have changed so many dynamics and affected so many organisations in various different ways. Whilst a few have been propelled, the majority have struggled, stagnated, and even closed down. This has been a world of sudden change, and extremes.

Where are we heading to?

According to the Office of National Statistics of December 2020, the best performing sector during that time had been Public Admin and Defence, which has seen consistent growth through the pandemic. Whilst the worst performing sector has been Accommodation and Food Service activities, quoted as 90% smaller than a year earlier in April and May.

Meanwhile, being in the right sector at the right time, such as e-commerce has enabled companies to outperform their own previous benchmarks; fuelled by the enforced closure of shops, the selling of non-essential items online, grew far more than its pre-pandemic trend.

The ONS reported in October 2020; “online sales reaching higher than usual levels over the course of the pandemic”. Online purchases represented 28.5% of total sales in October compared with 20.1% in February.

Considering the current climate and moving forward, businesses are looking now more than ever to balance business cost reduction with business continuity. That is, various ways to increase their profits, not only to survive but to prosper. By proposing new strategies, these new found monies, either creates a direct increase to the bottom line, or frees up additional funds for the re investment in improving various different services.

For businesses seeking to reduce costs, new trends have emerged, which are here to stay:

- ▶ **More Expensive Office Space Will Be Reduced** in favour of staff working from home
- ▶ **Cloud IT Infrastructure vs Office Based IT Infrastructure.** The movement to the cloud started long ago, but with the current situation it has accelerated. Companies that move to a cloud based IT infrastructure, don't just benefit from better collaboration tools, but also cut costs that had otherwise been generated from maintaining and updating their office systems
- ▶ **Classroom Training vs Online Training.** Trips to the office, trainer expenses, employee travel expenses, classroom material etc. Moving to online training can create fairly significant savings
- ▶ **Trending Technologies Like Artificial Intelligence** will be used to automate tasks and reduce costs as it works out algorithms to improve the planning and efficiency of the various processes carried out by an organisation
- ▶ **E-commerce** will become even more buoyant in favour of the more expensive high street space

- ▶ **Performance Marketing.** Where companies should only pay for results (desired outcomes like clicks, lead generation etc). Rather than paying upfront fees to agencies to get things done, paying only on results can prove extremely beneficial
- ▶ **Interactive Marketing Presentations Using Augmented Reality And Virtual Reality.** Very popular in B2C, but very quickly becoming the norm B2B. Ideal for interactive marketing presentations. This makes it is easier and more cost effective for companies to approach their prospects and customers without the usual associated costs, saving both time and money
- ▶ **Cost Reduction Programmes.** Are appealing, on the basis they provide a professional service on a results only fee basis. Cost reduction is the process of cutting back on areas of overspend and unnecessary business expenses to create a risk free and direct bottom line increase in profits. The goal is to reduce overhead costs, or the cost of goods and services sold without affecting their quality and service levels

This is probably the quickest and most effective way to initially reduce costs, increase cash flow and profit without any financial risk and without sacrifice to quality of product or service

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#### Who to chat to:

If you wish to discuss this or any of the other articles in more detail, please feel free to contact Teodora Barr-Gonzalez either by phone or email

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