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Where are the best places to cut the costs of our business?



James Caan

Dear James

We're always looking for ways to cut costs. We have tried to make the workforce more efficient. But I am sure further savings are possible.

Dawn Ryan, HR Adviser, Authors' Licensing & Collecting Society Ltd

This point is particularly useful in the present environment. Like you and most SMEs, I've been cost cutting in the past few months.

Save money on telephone bills, stationery, and energy. My companies are using energy suppliers which provide smart meters allowing you to see your energy consumption. People were leaving lights on at night and equipment running. Colour printing was being done unnecessarily.

But the largest component of most cost bases is the workforce, so ensuring staff are focused on achieving maximum productivity will have a more immediate impact. Give one or two people responsibility for achieving savings and get them to manage the activity as a project.

Improve your negotiating skills with all tendering. Most suppliers will reduce their costs if nudged. See if you can also improve margins. If customers owe you money, see whether you can give an incentive to be paid quicker. It could also be worth offering incentives for customers to do more business with you.

■ *For the full article and news of James Caan's free app, go to standard.co.uk.*

His new book, *Start Your Business in 7 Days*, is out now