

Reduce cost

[Business](#), [Organization](#)



In the unpredictable economic times prevalent contemporarily, organizations and economies all over the world are devising strategies that can prove effective in providing them sanctuary from the looming threat of increasing expenditures. However, there are a number of ways through which these expenses can be controlled in an intelligent and less intimidating way. First and foremost, a careful analysis of the sectors where your budget goes wild is significant in taming the money animal.

Sometimes it is difficult to reduce an increase item, but more profits can be generated from the increased item if the expense analysis is conducted in a careful way. It is therefore important during analysis that one must make use of percentages rather than actual dollar amounts. For instance if your main objective is to surge sales it is important that the dollar expense is kept the same, by implementing this method you have actually decreased the expense of sale as a percentage which will eventually manifest itself in the form of increased profits.

Similarly if the sales volume of an item remains constant, the percentage of profit can still be increased by reducing a particular component contributing to expense. Through such a policy you will be able to successfully achieve both objectives: to decrease the alarming expense and increase the productivity at the same time. Another tool that can effectively be utilized when discussing ways to reduce costs and expenses is ingeniously prioritize the expenditures that are mandatory and those that can temporarily be sidelined.

The prioritization is also important as it allows organizations to make decisions accordingly in order to frame their objectives towards acquiring goals that they feel are important for the prosperity of the organization rather than focusing entirely on places which are not that productive. Pros and Cons of Outsourcing One of the areas which have turned out to be a nightmare for the domestic labor market of the United States is the outsourcing. The phenomenon is associated with adverse economic as well as social repercussions.

Statistics reveal that majority of the country's native labor force regards outsourcing as a slow poison to their employment opportunities. This was easily manifested when during a survey 1, 019 adults when inquired about outsourcing, 60% of them straight forwardly polled in negative, whereas only 23% said that it was important for financial rejuvenation. In addition to this over 40% companies are involved either in experimenting or are already engaged in shifting their services overseas in search of cheap labor and services that are being provided by countries like China and India.

However on the flip side pro-outsourcing advocates claim that by implementing upon outsourcing new job opportunities can be explored as there are also a number of government agencies that outsource their work to different country labor which saves them millions of dollars directly affecting consumer spending as well as expenses being handled by the state treasury. Long and short term issues related to outsourcing A key issue that arises out of outsourcing is finding a satisfactory answer to the question whether

outsourcing in future will facilitate the creation of greater employment opportunities.

Short-term issues concerning the entire matter are the hypothetical, euphoric and speculative nature between the two major elements and assume that one-to-one replacement of people can easily take place, but in dynamic market situations such as those faced by US markets, prevalence of such conditions are almost next to impossible because price and income both exhibit an elastic nature. Many economic models proposed by prominent economists fail to address these fundamental flaws which are quite dominant in the economic setup of the country.

Furthermore in the long run outsourcing can be used as an effective tool for substantial economic gains which can be achieved through proper maintenance of service record which is very important as your customer will be something more than just a simple vendor, effective outsourcing and its fruitful results can only be obtained if the specific customer can readily address the outsourcer in a timely manner and can resolve all complications and difficulties encountered by the outsourcer in performing the task.

Another very important factor that is often overlooked by many is the presence of properly trained and managed staff for the outsourcing work. When a customer provides a company with work, he invests a feeling of trust and credibility in the name of the company and therefore it is mandatory for the outsourcer or the outsourcing company itself to live up to his expectations and refrain from practices that may putrid the relation between the client and the service provider. (Holzer, Demetra and Nightingale, 2007)