

FULL SPECTRUM BUSINESS: *Bundling Services*

While Necessity still reigns as the Mother of Invention, these days convenience and value gild its throne. As demand for greater consumer-conscious deals rises, even the smallest companies face expectations of heightened service delivery.

In answer to the call, many are reinventing their business processes. And packaging service options in bundles is one way they are doing so. Catering to the increased popularity of "one-stop shopping," they are diversifying offerings like never before. Understanding the risk of stretching too far beyond their comfort zone, a number of vendors are forming alliances. They know that collaborative purchase arrangements generally provide a competitive advantage for all service partners involved. Therefore, taking cues not only from industry-specific changes but from the larger socioeconomic climate as well, they brand themselves as full-spectrum providers. Subscribing to the strength-in-numbers principle, they're working to steer customers their way by touting the benefits of doing business panoramically.

Certainly, these days many ingredients go into the mix designed to stimulate profit with the least amount of pain. Two prime motivations are avoiding layoffs and heightening marketability, both of which a number of recession-era innovators believe service bundling helps. Trusting that a broad menu can strengthen their industry standing, some companies feature clustered products as a central selling point. Suggesting to customers that they're saving dollars and time frequently is a strong hook. For the most part, parceled deals excite end users. That's why rather than mentioning a bundled setup as a fringe benefit of doing business with them, bundlers highlight it as a key component. Touting an overarching bill of fare as a marquee asset tends to boost marketplace "curb appeal." Typically, prospects love a company that earnestly aims to give buyers just what they desire.

If you're considering bundling as a cost-saver and revenue generator, bear in mind the following don'ts and do's:

Don't limit packages to obviously compatible combinations. Know that some of the best complements can lie far afield from one another. The Unexpected often piques customer interest like little else. Usually, it signals a welcome freshness in an atmosphere laden with stale pickings. The current market has influenced professionals, from event vendors to medical providers, to master the art of assembling a slate of markedly dissimilar offerings. For example, at first glance, it might seem completely odd for a service bundler to be concerned with origami and transportation for one and the same event. Likewise, laser surgery and music therapy sit at opposite ends of the healthcare spectrum. Even so, across the country, party coordinators and health administrators appreciate the sales wisdom in placing such divergent solutions together.

Don't get stuck in the low-price quagmire. Let overall value shape package elements' profiles. How a component meets a specific need or rises to an existing demand should mainly influence your decision to include it. In "The Key to Economic Survival" (Chain Store Age - 6/09), Deena Amato-McCoy writes, "Tapped-out consumers may look at pricing when deciding where to shop, but they are also hungry for value—a factor that transcends price." Ultimately, perceived quality rules. As a matter of smart business, you mustn't sell either the customer or yourself short. Bundled or not, an item that's priced too low conjures misgivings.

Do allow for flexibility. Especially for small businesses, being willing to stretch beyond ordinary expectations can mean the difference between making short-term sales and establishing long-term relationships. The article "Will the Telco as We Know It Today Be Able To Compete in the Future?" (Rural Telecommunications - Jul/Aug '09) points out the need to sell solutions that make what you're offering relevant to consumers. "When working with a customer, instead of showing a list of services and prices, we should attempt to understand their usage habits and offer solutions." And D'Amato-McCoy emphasizes that transitioning to more consumer-centric strategies, from promotions and assortments to pricing, can target customers "at a local level and deliver the value they crave." So, eliminating the complications of working with multiple vendors is just half the work; bending to meet customers where they are to take them where they want to go completes the process.

Do assess your plan's soundness. Well before promoting a bundle, rein in uncertainty and become thoroughly acquainted with its strengths. Then prepare to articulate them at every turn. Embrace the brilliant, the ordinary, and the questionable. In fact, since truly shining service features seldom need an intense spotlight, focus even more on anything that might be construed as a weakness. The slightest unattended smear can irreparably damage a pitch. And scrambling for a quick fix under a potential buyer's scrutiny can dull your company's luster.

Making it easier for customers, dealers and suppliers to do business with you is Priority One. If you've never considered bundling before, there's no better time than now. Start renewing your perspective, and look for "natural" associations that aren't normally made between disparate services (and vendors) so you can bundle purchase options creatively. This type of restructuring can give your company a competitive distinction.

If you want something done right, do you have *to do it yourself*? Definitely not, according to businesses that "farm out" work just about as routinely as they open and close each day. Some even find the opposite to be true in a number of regards. They entrust certain auxiliary functions to outside service providers precisely because someone else can offer them better outcomes than can be generated in-house. For

many, the practice of outsourcing hinges on the wisdom of retaining the best help at the best price. And for others, cost is not as critical as expertise is.

While large and mid-sized companies tend to view outsourcing primarily as a means of cutting costs, most small businesses consider it first as a vital staff extender. Across the marketplace spectrum, the one thing such enterprises have in common is realizing they need somebody's help to operate effectively. So contracting the services of quality vendors to do what you might not have enough time or know-how to do well, generally, makes plain business sense.

In most entrepreneurial cases, organizational size dictates capacity. Therefore, the fact that the average small business, as the label implies, needs outside assistance to manage some operational support functions is certainly not a news flash. What's noteworthy, though, is that the range of auxiliary services for which many of these companies are seeking help has broadened in recent years. Apart from typically outsourced duties, such as finance & accounting; marketing; printing; purchasing and equipment maintenance, business owners are turning to premium differentiators. Pressed by an ever-tightening competitive atmosphere, increasingly, small companies are reaching outward to fulfill requirements in information technology, human resources, public relations, training and comprehensive writing support.

And not all small outsourcers are doing so out of desperation. Astute leaders are invoking the Optimum Commitment Rule. In "At What Cost" (*SuperVision* - 9/09), Michael O'Neil, assistant professor of business at Indiana-based University of Saint Francis, discusses how this rule can guide a company's allocation of resources to a project. The basic premise states that certain activities should receive only an 80 percent commitment of a business' internal focus. That's why outsourcing can be so freeing. O'Neil writes, "Our job is, among other things, to be good planners and decision-makers. We have to utilize scarce resources in the most effective and efficient way possible." Hence, the growing popularity of incorporating independent contractors into the effectiveness formula. Many times having little, if anything, to do with team reduction in the small company arena, outsourcing tends to be more about efficiency. Thus, before contracting out a job, be sure the prospective provider's performance system fits your expectations. Also, look for a vendor that can add a dimension of significant differentiation to your company arsenal. With the goal of engaging in value-generating activities, these days, executives are pursuing partnerships of ingenuity rather aggressively. Searching for solutions that can distinctively propel them upwards, they are forming ancillary service alliances with suppliers whose assets can have a positive tipping effect on their corporate image.

"*The Changing Face of Outsourcing*" (*Malaysian Business* - 8/1/09) offers targeted advice on just what you should look for before entering into an outsourcing agreement. Khoo Kok Yeow, Accenture Malaysia's director of outsourcing, writes, "Providers need to bring real differentiation to the table through industry skills and deep process knowledge. They also need to have the ability to develop new skills and build new assets and the capability to deliver multiple processes in one engagement."

Yeow advocates working only with those who can deliver business outcomes and cost efficiencies. Yes, you need to get the job done well, but as O'Neil asks, "at what cost?" Hardly a small enterprise can chance losing sight of the affordability factor. But the "cost" question cuts both ways. Be sure that a relatively low price tag doesn't compromise your company's integrity. Short-term savings are never worth the risk of irreparable damage to your reputation. O'Neil warns, "A cost-reduction exercise that is not well thought out can destroy an infrastructure, alienate customers and severely affect an organization's strategic position."

Two other major considerations in selecting outsourcing partners are whether a candidate can deliver consistent, state-of-art services and whether principals can respond directly and immediately to client business challenges. And, certainly, when you can parlay "helping hand" quality and responsiveness into cash flow and revenue growth, you've made a win-win choice.

So, whether you're in the market for general and administrative, back-office, or creative assistance, by all means do a cost-benefit analysis. Then give yourself enough time to screen prospects and weigh your options thoroughly. And should costs seem prohibitive or you're just wary about the whole outsourcing process, you don't have to sacrifice quality to get the help you're after. Consider starting with a semi-retiree, an intern, or someone else who's searching for résumé-building experience. There's nothing quite like a relaxed entrée into new territory.

MARTA Business Opportunities

The procurement and contract opportunities noted below can be found on the Internet at www.itsmarta.com. Because dates for noted events are subject to change, you should contact MARTA's Contracts & Procurement and Materials Division at (404) 848-5131 for verification.

| NAME OF BID/PROPOSAL | CONTRACT NUMBER | BID/PROPOSAL OPENING/DEADLINE DATE (Eastern Standard Time) |
|--|-----------------|--|
| Annual Hardware/Software Maintenance for Cisco Equipment | CP B18066 | November 6, 2009 at 2:00 PM |
| Train Control & SCADA Systems Upgrade | RFP P15120 | November 11, 2009 at 4:00 PM |
| Brady Groundwater Remediation System | CP B17525 | November 19, 2009 at 2:00 PM |

Prospective vendors are urged to visit MARTA's web site for weekly updates.

Announcements

WEDA WORKSHOPS

The Women's Economic Development Agency (WEDA) offers various workshops to small business owners:

- **November 4, 2009, 6 to 7 pm** – Atlanta Microenterprise Initiative (AMI) Orientation; Fulton County Library, One Margaret Mitchell Square, Atlanta, GA 30303; 14-Week seminar that helps entrepreneurs learn how to determine business funding needs.
- **November 7, 2009, 10 -11 am** - WBC/Microloan Orientation - The Metropolitan; 675 Metropolitan Parkway SW; Suite 2026; Atlanta, GA 30310. Workshop - SBA guaranteed Community Express Microloans up to \$50,000.

PRE-REGISTRATION IS REQUIRED FOR ATTENDANCE!

For registration information contact WEDA at (678) 904-2201 or <http://www.weda-atlanta.org/registration.htm>

U. S. SMALL BUSINESS ADMINISTRATION

DISASTER LOANS - GEORGIA #11886 & #11887 (Disaster #GA-00027)

For the Counties of Bartow, Carroll, Catoosa, Chattooga, Cherokee, Cobb, Coweta, DeKalb, Douglas, Fulton, Gwinnett, Heard, Newton, Paulding, Rockdale, Stephens and Walker and for Economic Injury Only the contiguous counties of Banks, Barrow, Butts, Clayton, Dade, Dawson, Fayette, Floyd, Forsyth, Franklin, Gordon, Habersham, Hall, Haralson, Henry, Jackson, Jasper, Meriwether, Morgan, Pickens, Polk, Spalding, Troup, Walton and Whitfield in the State of Georgia; contiguous counties of Cherokee, Cleburne, DeKalb:

Filing Deadline for applications for Physical Damage to homes, personal property, and businesses: November 23, 2009

Filing Deadline for applications for Economic Injury: June 24, 2010

For More Information: Contact SBA at 1-800-659-2955 or www.sba.gov

MARTA Information

All public events (i.e., bid openings and conferences) are held at the MARTA Headquarters Building, 2424 Piedmont Road, NE, Atlanta, Georgia 30324, unless otherwise indicated.

Most solicitations may be downloaded free of charge and are available via the web at www.itsmarta.com. Solicitations with drawings may be ordered for the above noted contracts via telephone by contacting MARTA's Documentation Control Branch at (404) 848-5580 or other sources as indicated.

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