



It's Not Just the Price...

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“Save money” – the mantra of the office administrator! But where can additional savings be found? A ripe area is in the procurement of office supplies.

Often firms will focus on the cost per item, driving the unit costs to the lowest possible amount their vendor will offer. Vendors will usually provide very low costs for the most common office supplies (paper clips, staples, etc), counting on the firm to procure other, and more costly items at higher rates to generate profits. While this should obviously reduce cost, it is only a part of solution. To maximize expense reduction, it is also important to manage the procurement of office supplies.

Here are some simple steps you could take to reduce your average monthly spend for office supplies:

Develop “par” levels – “Par” levels identify the amount of each supply that should be available in a given location. For example, a convenience supply area may include the following:

- 3 boxes of medium binder clips
- 1 box of staples
- 3 dozen black stick pens
- 3 dozen blue stick pens

These should be developed for each location, and reflect the specific items required in that area (supply needs may vary among practice groups). A week’s worth of supplies should be fine. It is okay if you do not know how much is required in a week at first. By using “par” levels and

tracking them over time, you can adjust the types and amount of items required at each location, ultimately providing end users with the key supplies they need.

Reduce stock of duplicative and “special” items – Most office supply vendors can deliver just about any supply the next day. Reduce expenses by primarily stocking the most common items ordered and only a few “options.” Here are some examples of duplicative items that could reduce office supply expenses:

Pens – Many firms offer a significant variety of pens, in different colors, with different point sizes and ink types. Here are just a few that could be in your supply rooms:

*Blue, Black & Red “stick” pens in medium point, fine point and extra fine point – these are your basic pens.

*Blue Black & Red “grip” pens in medium point, fine point and extra fine point – these are the pens that provide a “grip” of some type.

* Blue, Black & Red “gel” pens in medium point, fine point and extra fine point – these pens have a “gel” – like ink.

The above represents a total of twenty-seven (27) possible options for end users who need to write. To reduce expenses, only stock medium point, stick pens, in blue, black & red. This results in a total of three (3) options, a reduction of 89% of the possible options. In the event that another type of pen is requested, inform the requestor that the pen can be ordered

and will arrive the next day. Then, offer them one of the pens in stock until their order arrives. Finally, only order the smallest number of pens possible (often this is a dozen) and send them only one or two, keeping the rest in the supply center.

Redwelds and/or file folders – Redwelds and/or file folders are offered in a variety of sizes and expansion potentials. Rather than stocking all of these, consider using a legal size with the largest expansion. Although many firms have indicated a desire to reduce the use of legal size paper, the use of a legal-size redweld will ensure that documents submitted by clients and other third parties will be able to easily fit into the folder.

Post-its® – There is a huge selection of post-it notes: various sizes, colors, shapes, etc. Monitor your usage over a few weeks and select one or two to keep as stock items. For flags, only keep two to three different colors in stock.

Specialty stamps – Very often a need for a specialized stamp may be required. Customizing stamps can be expensive. There are stamps that allow you to create the message on the stamp. Consider procuring one or two of these and keeping them with your office supplies coordinator. This should provide a resource to quickly and inexpensively address these needs, particularly for short-term projects.

Shop around – Just because your vendor has provided you with contract pricing and specific items does not mean you cannot shop around. Many of the vendors provide for on-line ordering, showing the price, based upon your pricing agreement. Often there are multiple items that fit what you are looking to procure. Look beyond the first few items that come up when you do your search. Sometimes, the same or similar items can be procured at prices lower than your contract rates. When you find these items, order some and test them to confirm that the quality meets or exceeds your current product. If it does meet your requirements, continue to procure them, and have your vendor make those items your contract items at the reduced cost.

Substitutions – There are various manufacturers producing many of the same types of items. While you may be accustomed to procuring a certain item from a specific manufacturer and/or a specific brand name, explore your options. Purchase less expensive envelopes, printer labels, legal pads, file folders, redwelds, etc. and have key users test them. You may find that only some of the items are acceptable, but every acceptable item should result in savings. An example with a two-fold benefit is to utilize compact fluorescent light bulbs (CFL's). Energy Star rated CFL's use about 75% less energy and last up to ten times longer than incandescent bulbs.

Eliminate catalogs – Not only will this help reduce paper consumption, but it will assist in reducing off-contract, typically more expensive requests for supplies. Instead of providing a catalog of thousands of possible items to your end users, work with them to identify the products they require and then provide an appropriate list of options with pricing.

Bulk purchases – Ask your vendors about the possibility of purchasing items in bulk. Many vendors will allow you to purchase or commit to a certain volume of items at a reduced cost. A great example of this could be paper – purchasing paper

by the truckload may result in reduced paper costs. You will also have to determine how the paper is to be stored and delivered when needed, which should also be factored into the cost. With many Firms looking to be environmentally responsible, bulk purchases may offset any increased prices for recycling. Also consider for draft or information-only documents, print double-sided or set your printer options to two pages per sheet.

While unit prices are important, effectively managing the purchases made can have a significant impact on the bottom line. This does not mean that you should develop a reputation as “difficult.” Instead, tactfully challenge purchases that are “off contract.” Track all purchases to make sure you have the most commonly required items “on-contract” and appropriately stocked/accessible. Work towards an environment where you procure what your customers need to effectively complete their work. Finally, and most importantly, document your success in “saving money!” ■

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Mattern & Associates was founded in 1997 as unbiased advisors for the Support Services (copy, fax, mail, records, cost recovery and office supplies). They are experts at assisting law firms and corporations develop strategies that deliver value and profitability in the support services areas.

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