Can Small Business E-Commerce Software Reduce Operational Cost?

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Today, most e-commerce businesses revolve around IT investments and technology as they are constantly striving to meet the ever changing business needs. The two main basic e-commerce business models are: the B2B (business to business) and B2C (Business to consumer). Irrespective of what the model is, the most viable means of boosting business profits is cutting on costs.

Businesses, in the real world, incur a lot of expenses in managing inventory, adding stock and increasing sales channels. To this, adding IT costs is not a viable option. However, with small business inventory software, a small business has the lucrative option of using technology to not only increase ROI, but also improve business growth without incurring additional operational costs.

Today, small businesses are well equipped and confident of facing the bigger players in the market. Using online e-commerce software is, undoubtedly, the most cost-effective way to reach out to your customers. The e-commerce software solutions currently available significantly lower the operational costs in a variety of ways.

Here are a few cost benefits of an effective and efficient e-commerce software solution:

i. Cloudsourcing: Finding and hiring new employees incurs considerable costs but with the software solution, the employees can now be hired online and work remotely at a fraction of the cost. According to a study by EDI, labor time and cost are reduced in the following areas:

Document Preparation

Error Detection and Correction

Reconciliation

Mail Preparation

Telephone Calling

Data Entry

Overtime

Supervision Expenses

Automation of labor intensive routine tasks saves considerable time, which has a direct impact on operational costs.

ii. Reduced Advertising and Marketing costs: Your business can reach a wider audience globally and pay much less than it does to traditional advertising such as print, television or radio. The speed of response is also comparatively quicker in the virtual world. The cost of marketing shoots up considerably if you hire a professional company. With the retail POS software, most of the work can be handled by an individual (business owner) or one of his employees.

iii. Efficient Distribution Network: Costs are reduced when businesses cut down on middlemen involved in the distribution of goods.

iv. Reduce Costs for Inventory Management: Inventory management is much simpler with the software. Costs are drastically reduced because of:

More Accurate Demand Forecasts

Reduced Cycle Time

Placing an order is just a click away with the software. Reduced cycle time is accompanied by reduced shrinkage and carrying costs. A wide reach globally also reduces the investment costs.

v. Reduced Cost To Establish Store Front: An e-commerce business is drastically less expensive than setting up an actual physical store. The Customers don't have to travel long distances to reach a store location. It's all done with a few mouse clicks with the software.

E-commerce solutions facilitate in establishing a prominent web presence of companies across different industries. The small business inventory software is developed by experts who customize it to the specific needs of the business model. The e-commerce software is now the need of the hour for any small business that is contemplating a cost-effective means to reach out globally!

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