

## Spring Clean Your Small Business Expenses

Each of us who runs a business has fixed expenses: rent, telecommunications, shipping, credit card fees. This monthly overhead takes a big bite out of our cash. Over time, these costs slowly creep up—and they certainly add up. At least once a year, sit down and go over all these costs. Then screw up your courage, contact your vendors, and start negotiating.

Here's the plan for your Spring Small Business Savings:

- Collect the most recent statements of all accounts you pay regularly, not just monthly, but quarterly, semiannually, and annually. Remember to check your credit card statements for accounts that bill automatically, such as online services or Web hosting.
- Gather prices, advertisements and promotions for all the services you use—both from your vendors and their competitors. Check newspaper ads, online and direct mail offers. Ask other business owners what they're paying. These give you ammunition when negotiating.
- Set aside a few hours, preferably in the morning, to make phone calls. If you're going to negotiate with your landlord, you may want to make an in-person appointment.

Now get ready to make calls. For each account, call your sales representative, agent, or the customer service number, and do the following 3 steps:

- **Ask to lower your rate.** Yes, this seems hard, but it's surprisingly uncomplicated. Just say, "Hi, I see I'm paying a rate of xxx. You're offering a lower rate to new customers; I'd like that rate applied to me." Or, "I'm considering switching suppliers, (cancelling my service, credit card, whatever), unless you can offer me a substantially lower rate. What can we work out?"
- **Negotiate.** Don't take a simple "No," or "That's our standard rate" for an answer. Ask to speak to someone who has authority to discount your rates. Most companies will offer you something—especially if you're a good customer. Mention the other prices or deals you've seen or been offered by other companies.
- **Be courteous.** The goal is to have vendors want to keep you as a customer. If you're belligerent, they'll be happy to see you go.

Be certain to re-evaluate these expenses:

- **Phone service.** You may, in fact, want to switch to VoIP—or "Voice Over Internet protocol," which is incredibly cheap, if not free. Check out [Skype](#) and [Google Voice](#).
- **Internet hosting, DSL, cable, or other telecommunications.** There are many specials and package deals for new customers, ask to have those applied to you or switch providers.

- **Wireless/cellular service.** Examine past bills to see if you're paying for too many or too few minutes, resulting in high per-minute charges. Ask for special concessions such as a "good customer" credit before ever signing another contract.
- **Credit cards.** In this environment, it may be difficult to lower your rates, but you can easily lower—or eliminate—any annual fees. Call!
- **Rent.** Just because you have a fixed lease doesn't mean a landlord won't negotiate. You may be able to get a much lower rate if you give them an incentive, such as extending your lease or taking additional space.
- **Insurance.** Ask your agent to review all your policies and suggest alternatives. I lowered our health insurance substantially by switching to Health Savings Accounts (HSAs).
- **Shipping.** At least once a year, compare shipping rates. Ask for volume discounts. Even if you want to stick with your current shipping company, try to negotiate more favorable terms or discounts.