

Finding Gold!!! Uncovering the Secrets of Slashing Small Business Expenses

"Beware of little expenses. A small leak will sink a great ship."

Benjamin Franklin

Introduction

In this Business Nugget Special Report we will uncover some little known secrets of how to save money for your business. Although we always recommend when you look at your expenses you attack the larger controllable expenses following the 80/20 rule, we also encourage you to look at some smaller expense that could be completely eliminated. As Benjamin Franklin aptly puts in his quote, little expenses can sink your ship.

What you will find in this Special Report:

- **How to save up to 30% on your car rentals**
- **Find cheaper alternatives than extended stay motels**
- **Save 50% off of your next business meeting**
- **8 ways to reduce your legal expenses**
- **Where to spot bills where you are being over charges**
- **Ideas regarding how to barter some of your products for products or services you need**
- **How to find contacts in other countries which have lower wage scales**

Expense Sections

Leasing Expenses

1. Audit your CAM charges

Common area maintenance (CAM) charges include expenses common to all tenants, such as utilities, lawn care, janitorial, elevator inspection, insurance, pest control, and other repairs and maintenance. The landlord pays these expenses and passes them on to each lessee through the monthly lease payment or an annual billing. Unfortunately, two types of errors occur. Landlords sometimes include inappropriate expenses in the CAM billing or inaccurately allocate the charges to individual tenants. Because errors are not uncommon, tenants should audit these expenses.

2. Ask for free rent

The availability and market demand for lease space may provide an opportunity to negotiate for free rent. If un-leased space is high (more than 15%) in a particular area, a company generally can negotiate free lease space for its first few months of occupancy. One to three months is common, but more can be negotiated depending on lease term and market conditions.

3. Time Lease for Certain Periods of the Year.

Manufacturers and leasing companies are prone to give better concessions during certain periods of the year. Finding out when these times are can substantially reduce the company's lease costs. Most vehicle manufacturers increase prices after the first of the year; therefore, signing a leasing agreement in December can save money. Another example is the last week of the month for a car dealer. Car dealers usually have monthly sales promotions and offer better deals when trying to reach their goals.

Although car acquisitions are cheaper just prior to a new model year, it is a time to avoid for leasing since the vehicle has its lowest residual value compared with the sales price. Vehicle manufacturers offer extra credits or rebates during their model year changeover to deplete inventories. So, if the company leases during this period, be sure to get additional discounts from the list price. For most models this time is August through September.

4. Have employees work from home

With the progress in technology it is now easier than ever to work from your home. Calls can be easily routed, emails work seamlessly and with a broadband connection you can work anywhere. Try allowing “hoteling” where employees do not have a designated office space at the office (because they mostly work from home) and when they come in they have a movable filing cabinet, drawers that can be rolled anywhere where there is desk space.

5. Get a suite deal.

You don't have to run your office full-time from an executive suite to benefit from its services. Many home-based entrepreneurs find executive suites meet a range of needs, including access to a private mailbox and a receptionist to answer or forward calls to your home office. Visit the Office Business Center Association International [Web site](#) for more information.

Travel Expenses

1. Alternative to Extended Stays.

If the employee is going to be on an extended visit to a city, they should consider renting a home directly from the homeowner. Sites like www.vrbo.com help you find home. Homes, particularly during the off season can save you a lot over the rates charged by extended stay locations.

2. Subscribe to Travel Newsletters and Magazines.

Change is so characteristic in travel that companies can never keep up without a library of periodicals that provide news and analysis of emerging trends. For example, Runzheimer's *Reports on Travel Management* is very current and offers

recent research reports on corporate travel practices. *Business Travel News* is generally free to qualified subscribers. It features travel journalism of a high standard. Travel agency matters are the focus of *Travel Weekly*. *Travel Management Daily* provides the latest developments in the business travel community, including agencies, vendors and new entrants, such as software companies

3. Relocate Headquarters.

Surprisingly, many companies do not realize that their headquarters location can have a serious impact on travel expense. If a company is headquartered where few airlines offer service, air travel costs may be higher than in another location. Moreover, companies can drastically cut hotel costs in these situations by using an extended stay (or suite) hotel or apartment. Obviously, many other factors need to be considered before making a decision to relocate, but travel is one of the variables to address.

4. Consider Using EAAsy Sabre or Other Internet Systems.

Companies have learned that they can make reservations on a variety of services accessible on the Internet. Just use Keyword "Travel reservations" to search the WorldWide Web. With American Airlines EAAsy Sabre

(<http://www.easysabre.com>) and many others, travelers can look up air schedules and actually book them from their PCs. For anyone who is inclined, this is a quick and easy way to save trip planning time. Alternative systems using telephone contact are always more time-consuming because of information transfer factors and may produce significant errors. Also, since booking a flight is the most significant cost of a travel agency, many will provide rebates to travelers who perform this function for themselves.

5. Reward Savings with Cash.

Companies may wish to consider offering financial or other incentives to employees when they are inconvenienced by a travel option that saves the company money. For example, if a trip involves an intermediate stop which has a fare \$200 more than a direct flight you could split the savings with the employee. However, whether and when to use this approach will generally vary by type of employee: salaried, hourly, or commissioned. That is, employees who are hourly (and possibly salaried) should not object to a layover, but the company should compare the proposed hourly savings with the employee's hourly compensation.

6. Fixed Per Diem

Companies should set a fixed per diem amount for meals and lodging. When travelers are given a fixed amount, they will generally find ways of saving money

because they can keep the difference. Companies can save money by setting the per diem them lower than average food and lodging expenditures for a city.

7. Use Consolidators.

Particularly for overseas travel, consolidators offer net fares as much as 50% below advertised fares. Airlines use consolidators to fill seats they don't expect to sell through regular channels. To keep the low-priced fares low-key, consolidators can advertise fares, but not the airline. The only disadvantage is that the tickets can't be changed. Once the tickets are bought, they are generally non-refundable or non-transferable to another flight. Companies should watch for advertisements, usually in metropolitan Sunday newspapers, to obtain phone numbers for consolidators. Be sure to use a charge or credit card instead of sending checks because some advertisers may not be reliable.

8. Use Customer/Client Fares.

Many large businesses have an unpublished discount agreement with certain airlines. It is to their advantage to provide as much traffic as possible on these special fares since volume is the basis for most corporate discounts. If your business has large customers or clients you should ask whether they have special airline or hotel discounts and take advantage of them whenever possible.

9. Use Frequent Flyer Awards.

Companies with frequent travel can save a lot of money by using frequent flyer awards for business travel. If travelers maximize frequent flyer opportunities, they can reduce travel costs by as much as 20%. Thus, companies should consider requiring employees to turn in frequent flyer awards to the company. However, to avoid damaging employee morale, companies may wish to consider paying employees a bonus (say, 40%—50% of face value) when they use the awards for business travel. However, companies must carefully monitor airline selections to ensure frequent flyer awards are not driving the purchasing decision.

10. Respond to Travel Club Ads.

Travel clubs often advertise special programs with reduced fares. Some of these are charters that employees can legally fly on if they meet certain qualifications. Savings can be as much as 60%, but, like consolidators, you own your seat on a specific flight and date once you've purchased it. Watch for travel club ads, but be cautious of any ticket restrictions.

11. Negotiate Meeting Fares.

If there are more than 10 people—employees or otherwise—who must travel to a single destination at one time, ask your favorite airline to give a “meeting

contract.” These special contracts can provide discounts of up to 40% off certain fares. In exchange for the discount, the airline simply asks that you promote it to the attendees.

12. Consider Having your Meeting at the Airport.

Most airlines have member lounges where you can conduct business meeting. Not only are the meeting rooms convenient for out of town travelers, they are inexpensive and may allow a lot of the visitors to get out on a late flight and avoid the cost of an overnight stay. Some companies report savings of close to 50%.

13. AAA Cards

Consider buying AAA cards for the employees that travel frequently. They offer discounts on flights, trips and hotels that usually more than pay for the card.

14. Off Airport Rental Agencies

Many companies use car rental firms with on-airport facilities. This strategy can spoil travelers and cost the company money. If travel is frequent to a city, explore the use of a dependable off-airport car rental agency and negotiate a deal. Savings typically amount to 30% or more.

15. Refuel Rental Cars before Returning.

Most travelers who have paid for refueling by a rental car company already know this, but its worth mentioning again. Rental car companies charge exorbitant prices for the fuel they sell. If a traveler wants to avoid paying substantial per gallon prices for fuel, they should return the rental car with a full gas tank.

16. Use Suburban (including Airport) Hotels When Feasible.

Suburban hotels are much more competitive than downtown hotels. Travelers who fly in during the evening should consider taking a comfortable hotel near the airport or a close suburb and plan the logistics to get downtown or elsewhere the next morning. By staying at the airport, the company also saves at least one day's rental car rates if the traveler was planning to use a rental car.

17. Consult Hotel Consolidators.

Hotel consolidators are probably one of the best sources for quickly finding information on hotels in particular cities. Because of their buying power, hotel consolidators offer small to mid-size businesses rates that are comparable to those major corporations can obtain. In fact, a recent comparison showed the consolidator's rates were across the board lower than negotiated rates offered to a major corporation with over \$14 million in annual travel expenses. In the cities

they serve, consolidators offer rates 40%—60% below the rack rates and up to 30% off corporate rates on a wide price range of properties. Consult the following nationwide hotel consolidators when looking for properties in a particular city:

- **Quikbook (www.quikbook.com).** This consolidator is a free discount reservation service covering 7 cities and about 100 hotels (over $\frac{1}{2}$ in New York City). They do not require pre-payment for hotel; travelers pay the hotels directly. Callers can get hotel information over the phone or a list will be mailed on request. Their toll free number is (800) 789-9887.
- **Hotel Reservation Network (HRN)(www.180096hotel.com).** This consolidator offers a free reservation service covering 16 cities (including London and Paris) and almost 500 hotels. Unlike Quikbook, HRN actually purchases blocks of rooms in advance to ensure availability. Thus, they require prepayment for rooms when reservations are made. Because of this prepayment feature, they claim their rates are generally lower than Quikbook. Rates are generally priced on a refundable and nonrefundable basis (usually about a \$10 difference). In other words, a company can pay a \$10 premium and obtain a cancellation privilege. Their toll free number is (800) 964-6835.

18. Get Government Rates.

Similar to the corporate rates companies that are government contractors (or subcontractors) should find out whether they are allowed to use the government rate. In many cases, they are permitted to do so and can save substantial dollars.

19. Get Weekend Rates on Wednesday Night.

Most hotels offer deeply discounted weekend rates. Most travelers do not realize that this rate can sometimes be obtained in midweek, especially in secondary markets. For example, call the hotel's reservations office and ask if they have a weekend rate. If they do, say you want it for a Wednesday. While often they will resist, almost as often they will agree to it and give a sharply reduced rate for a peak day. This tip will obviously not work in primary markets, such as San Francisco, where they haven't built a new downtown hotel in eight years.

20. Use Access Codes to Avoid High Hotel Surcharges.

Many hotels charge exorbitant connection fees or surcharges for local calls and even for toll-free calls; in New York, it's about \$1 per call. In addition, many hotels charge a premium of 40% or more for direct dial calls placed from the rooms. To avoid these charges, place all calls using a long distance credit card and

access your carrier directly using their toll free access number. The toll free numbers for the three major carriers are as follows:

- AT&T: 1-0-1-0-2-8-8-0 or (800) 3210-ATT
- MCI: 1-0-1-0-2-2-2-0 or (800) 950-1022
- Sprint: 1-0-1-0-3-3-3-0 or (800) 877-8000

21. Encourage Use of “Free Breakfast” Hotels.

Selected hotels are now offering free breakfasts to their travelers. Since full breakfasts are now becoming more expensive than many lunches, a free breakfast can be a money-saver. When evaluating hotels, consider this option. Some hotel chains that offer this benefit include:

- Embassy Suites (full breakfast)
- Crown Sterling Suites (full breakfast)
- Hampton Inn (continental breakfast)
- Fairfield Inn (continental breakfast)
- Drury Inn (continental breakfast)

Legal Expenses

1. Use Small Claims Court When Appropriate.

Companies should consider taking lesser claims to small claims court when negotiations or less-costly alternative dispute strategies do not work. Requirements and dollar limitations vary between states, but claim limitations generally range from \$500—\$10,000. Often, attorneys are not allowed to appear in small claims court.

2. Determine Minimum Billing Increments.

Companies should ascertain minimum billing increments for the firm. For instance, minimums generally range from 6 minutes to 15 minutes depending on the firm. Thus, a two-minute phone call to a partner with a \$300 billing rate would cost you \$75 using a 15-minute billing increment. Over a period of a month or a year, these additional billings can become significant. In addition, ask if the firm charges for short phone calls. Some firms will waive any charges on these calls. At a minimum, insist that calls be billed in actual time or six-minute increments since most lawyers round their time upward.

3. Do as Much as Possible Yourself.

There is a lot that you can do yourself instead of having a professional “on the clock” for it. Ask your lawyers for a listing of things that you can do for them

rather than paying their firm for the same work. Another big waste of money is photocopies and disbursements. Many lawyers are out of control on these. When it comes to having duplicates made of agreements, tell them that you'll make the copies.

4. Plan your Calls.

If you will have an ongoing series of questions to ask your lawyer don't call them 10 times a day with a single question. You are better off to call once and ask 10 questions. Organize your thoughts before you call them. Ask your questions in a logical sequence. Take good notes on everything they say so you won't have to call back for clarification. By the same token, when they do explain something, make sure you understand it. Some of the things you will encounter may be new, so make sure that you are clear about what they mean.

5. Use Email

Do as much as you can via email or phone. The beauty of email is that there is no time wasted on niceties like you would on the phone (i.e. "Hi, how are you? How was your weekend?"). Email allows you to be brief, and people generally answer email quickly. Also, many per-hour professionals don't charge for email responses. If it is not urgent, then emails will be very useful.

6. You're in charge!

Stay in charge and in control. Simply because a lawyer has several degrees and initials after their name does not make them any smarter than you – only more specialized in a certain area. Do not allow them unlimited flexibility. You must determine what work they will do for you. If you set the borders too wide or don't set any at all, you will pay enormous fees and things simply will not get done in a timely manner.

7. Barter for services

Barter is an exchange of goods and services, and it will always be favorable to cash transactions. Whether you own a lawn service, restaurant, dry cleaner, appliance repair shop or consulting practice, try to utilize these products or services to pay their bills. If the business is a restaurant, offer to cater their Christmas party (value of x amount) instead of paying that much of their bill. It will cost you less than the actual cash would because you will value it at full selling price.

8. Junior versus Senior partners

Unless you work with professionals who operate by themselves, their offices are generally structured to include "Junior" and "Senior" people. Except for complicated issues, the Juniors will be doing most of the work, even if you hired a

Senior. There is no problem with this as their work will be supervised and scrutinized. In fact, you can take advantage of this situation. Let your lawyers know that the Juniors are not only welcome on your account, but you “expect” them to do a good part of the work.

8. Insist on a Cap or Maximum Fee.

Ask the attorney to set a reasonable cap or maximum fee for each project. However, some attorneys will use the cap to justify expanding the work to reach that amount. To offset this risk, after the attorney sets a maximum, also ask for minimum and most likely estimates. In any event, make sure the attorney sets a trigger-point amount, which requires the attorney to contact you when it is reached. For major projects, trigger points should be set for each major component.

Mail Expenses

1. Clean Up Addresses and ZIP Codes.

A common waste of postage is bad addresses or ZIP codes. According to the USPS, this causes at least 15% of the mail to be undeliverable. First-class mail is returned to the sender and time is lost searching for the correct information. Often, long distance telephone charges must be incurred to obtain the information. Once the correct information is obtained, a new envelope, plus postage, is required to resend the mailpiece. Thus, correcting mailing lists, customer files, and vendor files for bad or incomplete addresses and ZIP codes can save money.

Companies, especially volume mailers, should consider using the free USPS service to cleanup its address list. However, it is a one-time service, so carefully choose when to use it. This service will correct addresses and ZIP codes and add the appropriate +4 Code. Call (800) 238-3150 for more information, or the nearest postal business center.

2. Use Postcards.

Postcards can significantly reduce mailing costs. A business should use cards when a simple response is needed, such as placing or confirming orders. Cards can also be used for invoices and statements. You could save 35-40% of your mailing costs.

3. Ship the Invoice with the Product.

If the company's product and sales invoice are sent to the same address, consider sending the invoice with the product. Postage and possibly even the envelope cost

are eliminated. Put the invoice inside the product's package or box, or affix it to the outside of the package.

This tip works best when products are shipped to the end consumer because the product is inspected immediately and the invoice is promptly delivered to the accounting department for payment. This tip does not work well when the product is shipped to one address and the invoice is mailed to a different address.

4. Use a Presort Vendor.

Most companies can use mailing services presort vendors for postal savings on First-class and standard mail. Presort vendors are also referred to as lettershops. These vendors collect and combine mail from several companies, then take advantage of volume mailing discounts. Typically, the company and the vendor split the postal savings. The company should use a presort vendor to obtain postal discounts for small mailings, or mailings the company cannot presort on its own. A company sending a first-class letter can usually save 7% by using a presort vendor.

5. Send Electronic Payments.

Consider sending vendors' payments electronically and eliminate the cost of envelopes and postage. Most major banks offer automated clearing house (ACH) processing at a very low charge or no charge at all.

6. Set Up Automatic Bank Draft.

Companies with regular or standard payments should consider setting up automatic bank drafts. These payments usually occur at the same time each month and are the same amount. Some examples of regular or standard payments ideal for automatic drafting include:

- Lease payments.
- Insurance premiums.
- Note payments.

Other benefits gained from bank drafts are reduced employee processing time and reduced chances for clerical error. In addition, some vendors offer additional prompt payment discounts for automatic drafting, and some banks will discount their loan rates.

7. Join a Cooperative.

Some overnight delivery carriers give discounts to area purchasing cooperatives. A company can combine its express volume with other local businesses for

substantial discounts. Check the local Chamber of Commerce for a list of cooperatives or associations in your area.

8. Be an early bird. Send mail early in the day, and you can usually expect to get one- to two-day delivery for the price of a first-class stamp.

Phone Expenses

1. Be Careful When Intrastate Calling Is Significant.

If most calls are intrastate (as is the case with many small businesses), you should be especially careful when selecting a long distance carrier. It is much easier to select the wrong intrastate service than the wrong interstate service. In fact, companies using one of the major carriers are probably paying higher per minute rates for intrastate calls than interstate calls. Thus, you should carefully evaluate intrastate per minute rates when selecting a carrier and a particular plan if you have a high percentage of intrastate calls.

As a general rule, companies with mainly intrastate long distance calling should choose a reputable regional carrier to serve them. Their rates are typically lower because most of their networks are concentrated within the region.

2. Avoid Phone Tag.

Phone tag can be a time-consuming and frustrating game. Some ways to help employees reach parties on the first attempt include the following:

- **Check Time Zones.** Four-hour time differences separate the east and west coasts. Before calling out-of-state companies, check time zones to ensure the call is not being made before work, during lunch, or after work. Most telephone directories include a time zone map.
- **Set Phone Appointments.** When a secretary is reached instead of the party you are calling, set a time for calling the person back. Better yet, when appropriate, ask the party to call you back. This technique also works when voice mail is reached.

3. Install Interoffice Paging System.

To enable your employees to take more of the calls they receive rather than having to return calls (at your company's expense), install a paging system in your office. Make sure your employees can hear the page from anywhere in the building—employee lounge, rest rooms, equipment, rooms, etc.

4. Call Office Using Toll-free Number When Out of Town.

The long distance rates for toll-free numbers are typically much lower than collect calls or credit card calls. To illustrate, the following presents a rough range of rates using the three options:

- **Toll-free Calling.** 10-18 cents per minute.
- **Credit Card Calling.** 25-45 cents per minute, with surcharge from zero to 800 per call.
- **Collect Calling.** 25%—50% above a comparable credit card call.

Thus, companies with toll-free numbers should encourage traveling employees to call their toll-free number when checking back into the office instead of calling collect or using a credit card.

5. Send Faxes through E-mail When Possible.

For companies that send faxes using modems, they should consider subscribing to an e-mail service. They are usually easier, faster, and less expensive than sending a traditional fax. You typically pay a per month fee plus the long distance toll charge. Although the three major E-mail suppliers (MCI Mail, Sprint Mail, and AT&T Mail.) all accommodate fax sending, a less expensive E-mail alternative is available through the Internet.

6. Eliminate Costly Cover Pages.

Reduce long distance cost (and paper usage for stand-alone fax machines) by reducing the size or eliminating entirely the cover page. Reduce your cover page from a full-size (8.5” by 11”) page to 8.5” by 3” cover page by eliminating unnecessary graphics and logos. Set up a form that contains the basic information needed to direct the fax to the proper party. Eliminate it entirely by purchasing preprinted fax post-it notes. 3M produces fax post-it notes in various sizes that can be placed on the first page of a fax with all necessary information without adding a page.

7. Minimize Cellular Use When Traveling.

Cellular phones typically carry a high per minute long distance rate. Moreover, when traveling outside your home cellular area, cellular airtime can be as extremely high. Thus, companies should minimize their use whenever practical. Techniques for minimizing cellular use include:

- **Pager.** Use a pager to receive notices of incoming calls. Employees can then return calls using a pay phone or other business phone when practical.
- **Two-way Radio.** Better yet, consider using a two-way radio, instead of a cellular or pager, for communicating with the office. These radios allow

two-way communication for about the cost of a pager, and they have a fixed monthly cost regardless of call volume.

- **Deactivate Follow-me Roaming.** When a caller calls your cellular number, the service locates and rings your phone wherever it is. If your cellular carrier provides this service, you should deactivate it whenever possible. You are billed for all charges of the incoming call-cellular roaming airtime, long distance, and daily surcharge. A six-minute call can run \$10 or higher.

8. Ask Cellular Carrier for Pooled Minutes.

If the company is paying for cellular service based on a certain amount of usage per phone, request pooling of your employees' minutes and pay based on the total for the pool.

Marketing Expenses

1. Local College Interns.

Consider hiring college interns to conduct some market research or do some business planning for you. They benefit from the practical experience and you benefit from the low cost of labor.

2. Cross Promote your Business

Work collectively with one or more small businesses to produce a newsletter. Obviously, you want to work with other businesses that are complementary to your own. You will benefit from reduced expenses, larger distribution list and less writing than if you did the newsletter on your own.

3. Expand Your Advertising with Every Touch Point.

Including advertising material in other mailings, such as in invoices, saves postage and other costs. Likewise, make the most of your point-of-purchase opportunities by tucking coupons, newsletters or other promotional fliers in the bag with customers' purchases.

4. Offer expert advice.

Teaching a class, speaking at a community meeting, participating in online forums, writing a blog or an article for a local paper not only makes you look like an expert but garners low-cost attention for your business.

5. Free Market Classifieds

Rather placing a classified in the local newspaper, try listing it on www.craigslist.org it's free and the website is one of the most popular sites on the internet.

Recruiting and Employee Expenses

1. Outsourcing.

Consider outsourcing a portion of your business. Many companies have found that for non core activities other companies can do it better, faster and cheaper. There are many sites that offer access to freelancers such as www.elance.com and www.guru.com. Here you will find companies or independent freelancers from all over the world and you can benefit from the lower wages paid for overseas work. For example an administrative task that may cost \$8 per hour in the US, may only cost \$2 in India. You can also benefit from the time difference for example one company emails hand written notes for presentations and when they wake up the following day, a completed PowerPoint presentation awaits them.

2. Use the Internet to Get Answers to Your Business Related Questions.

Whether you are looking for an answer to a technical or business related problem, companies are finding the information online rather than hiring someone to solve it for them. For example you can post a question on www.smallbusinessforum.com and get feedback from other small business owners or consultants.

3. Try Hiring Alternative Resources

- Recruit Senior Citizens that are looking for extra income. This is a growing workforce of employees with plenty of experience.
- Ask employees to help recruit, you may want to offer a referral fee. You will find that you will reduce your recruiting cost and you will find better employees.
- Hire a customer. They are familiar with your products and you may already have a good relationship with them and understand their capabilities.

4. Try Shared Training Programs

Ask your customer if you can participate in some of their general training programs i.e. customer service for a small fee or join up with other small companies and pool your resources and facilities together.

5. Sharing Technology Platforms

Are there companies in your building that could benefit from a person dedicated to IT but can't afford the expense. Could you share servers, help desk support, calling systems with another company? Consider sharing resources with another company and hire an independent contractor to support you and split the cost.

Office Expenses

1. Buy recycled printer cartridges.

Check Google or your Yellow Pages for a local recycled printer cartridge supplier.

2. Get free software.

Visit Download.com to try hundreds of software products for free through trial downloads, freeware and limited versions of the full product. Visit our Complete Guide to Software to find the best software options for small businesses, including many links to the free trials of those brands. Another tip: If you haven't found what you're looking for through Download.com or our software guide, check out the manufacturer's site. Most offer free trial downloads.

3. Buy used equipment.

Save up to 60 percent by buying used computer equipment, copiers and office furniture from stores such as the nationwide Aaron Rents & Sells chain. Auctions and newspaper classifieds are other good sources of used equipment.

4. Time your payments.

Ask suppliers if they give discounts for early payment. If not, it's to your advantage to pay your bills including utilities, taxes and suppliers as late as possible without incurring a fee. The longer funds are under your control the longer you can earn interest on the balance.

5. Avoid Office Supply Stores

Avoid office supply stores when you can. In many cases, the largest volume materials that you will need are available at discount warehouse locations like Costco, Sam's and BJ's.

You will certainly have to buy more in bulk like a whole box of pens instead of one at a time or 3 printer cartridges instead of one, but it's not cost prohibitive to do so and you can easily save 30%+ or more.

6. Pool Software Licenses

Purchase software products together with other business owners that you know. You will be able to purchase multiple “software seats” or licenses at discount rates instead of everyone buying an individual license. This is great for things like accounting software where you can get 5 seats for the cost of 3 individually purchased licenses.

Just be sure that you have agreements about the software as to who holds the original copy and privileges.

Insurance Expenses

1 Save by association.

When looking for insurance, check with your trade association. Many associations offer competitive group insurance.

2. Raise your deductible.

Raising the deductible on your insurance usually lowers your premiums. Even if you end up having to pay the deductible, it's likely to be less than the amount you save. Consider a High Deductible Health Plan (HDHP) with a Health Savings Account (HSA) which provides traditional medical coverage and a tax free way to help you build savings for future medical expenses. The plans offer you greater flexibility and discretion over how you use your health care benefits.