# **X ENGAGE**NCY

How to reduce costs and make your marketing organization more agile for the years ahead.

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The bad news is that with increasing instability in the world (from natural disasters to communicable diseases and disruptions in the market) you may be talking internally about how to reduce costs and make your marketing organization more agile in the years to come.

The good news is that marketing is absolutely essential to the survival of any company, especially in hard times. So your job is safe – but you're going to have to make some tough decisions.

With the frequency of these disruptions increasing, now's the time to take a hard look at your options.

You want to set up your marketing organization to weather the storms ahead, and come through on the other side. Here are some ideas you might consider:

### 1. Move full-time employees to contractor status.

From a pure-cost standpoint, this approach feels attractive. You can keep the existing team you have, with all of their tribal knowledge, while cutting a significant amount of their overhead and fixed costs. You also get the flexibility to pay resources on an as-needed basis, and better align investments with valuable initiatives.

However, this option is the most risky, as your former employees (now contractors), will be doing everything they can to make ends meet so you will be competing for their time. If you choose this option, you should be prepared for slower response times, drastically reduced engagement and morale, and lower productivity. You will likely lose them altogether to another employer who can offer them stable employment.

Think twice before you make this decision. Loyalty will be lost.

#### 2. Cut deep and ask your key people to do more.

This option is the most common response to any downturn or recession, and seems to be a favorite among enterprise companies. This seems like the best way to keep life "normal" for your most productive employees.

However, many companies just accept that morale is going to be part of the collateral damage – and don't consider the lasting mental impact it will have on the people left behind. This approach is extremely stressful for them. They're already reeling from watching their co-workers lose their jobs and now you're asking them to take on the job of two to three (or more) people.



So again, think twice before you make this decision. Burnout is a real thing.

#### 3. Implement a four-day workweek.

This one may just be the most radical, as we're all accustomed to a five-day workweek. But when you consider the benefits, radical might just be a pretty safe bet.

First off, this is the best way to cut 20% off your fixed salary costs without having to let people go or giving them a bunch of PTO.

Multiple studies have proven time and again that the four-day workweek is better for companies and employees. After switching to a four-day workweek, companies like <u>Microsoft</u> and others have reported productivity gains of 20% to 40%, reduced electricity and operations costs up to 60%, and 27% reductions in worker stress levels.

A four-day workweek optimizes productivity because people show up to work, feeling more refreshed and ready to do their jobs. They've run the errands they need to, spent time with loved ones, gotten exercise, and really had the time to prioritize their own needs – which affords them greater quality of life.

#### 4. Leverage outside vendors to provide ongoing support.

Another option is to operationalize your marketing support budget, by hiring outside vendors – at least until things get back to normal. With an outside vendor, you often see higher productivity and a higher level of expertise, which ensures your marketing initiatives don't lose steam while keeping costs manageable.

You may be paying a higher hourly rate for this, but you're gaining the flexibility to turn work on and off at a moments notice, allowing you the freedom to optimize your spend.

This allows you to maintain a maximal level of expertise and output, without any of the associated costs of having in-house employees (hiring, training, retention, firing, ramp up time). Those are your vendor's problem – not yours.

If you're looking to replace a whole team of Sitecore developers, for instance, then you may consider a 1-year contract with a <u>Sitecore Managed Services</u> provider to get the best possible rate. If you're looking for a little help every month, but without any long term obligations, then you may want to have a conversation with your Managed Services provider of choice about a 6-month or month-to-month contract.



The benefits of outside vendors go beyond the obvious reduced costs. You also get to reap the benefits of working with a partner who is always up-to-date on the latest technologies, and advising you on how to leverage them in your own business. You have a team of people who is highly motivated and invested in your success, because your success equates to a longer-term, more profitable relationship for them.

Finally, you'll be working with people who can apply the knowledge they've gained from working with dozens of other companies, so you can have a fast-track to implementing something new without any of the mistakes.

## Which route will you take?

While building up internally seems to make sense when times are good, you need to be prepared for any situation. As each disaster causes a disruption in your market, the pressure to find ways to reduce salary, benefits, and overhead will increase.

The optimal way to safeguard against future surprises is to adopt an agile resourcing model with a dependable and well trained Managed Services provider. We can't help you with options 1, 2, or 3 but if you want to discuss option 4, let's talk.

Learn more about our Sitecore Managed Services. <u>Schedule a time to talk now.</u>