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## The Problem

Major players in all sectors are reporting less than expected earnings. As a product manager, a project manager, or a documentation and training manager, you are tasked with getting products out the door on time and within a budget while still being expected to adhere to the following corporate directives:

- Reduce product development costs
- Reduce operating costs

Yet, how can you accomplish this with fewer resources to work on the project and a dwindling number of capital resources to support the project—by outsourcing your product documentation and training deliverables to a company that writes pertinent, effective, and accurate technical and training documentation. How is this possible?

## Product Documentation Costs

Outsourcing your documentation and training deliverables reduces the costs in your product development life cycle. Let's take a look at how this is possible. For example, if you have just even one full time writer (because you have more than part-time work but less than full time work) your average costs are approximately the following:

### Annual Salaried Product Documentation Costs

	Costs	Total Cost
(1) full time writer's salary <sup>a</sup>	\$64,210	\$64,210
Payroll expenses (Unemployment tax, benefits, etc.)	~30% salary	\$19,236
Equipment, workspace, tools	~30% salary	\$19,236
Training	~10% salary	\$6,421
	Total: \$109,103	

a. Average annual wage across all levels (entry, mid, senior) of technical writers, USA. From Society of Technical Communication Salary Survey, 2008.

What factors could affect these costs? Your costs are higher if:

- If you have more writers on staff.
- If you have a mid-level writer instead of an entry level writer, or a senior-level writer instead of a mid-level writer on your staff.
- If your writers are based in an area with a higher cost of living,



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If your product development life cycle consists of approximately two releases a year, then this writer has nothing to do for almost a month after each release. This means that you pay *nearly* \$9,000 during this “down” month for this writer while they add little to your product development life cycle. Instead, this time is spent on paid vacation, perhaps paid training, and so on.

Now, let's look at costs if you hire Spectrum Writing as your product documentation outsourcing company on an as-needed basis for 10 months a year, with an average of 25 hours per week.

#### Spectrum Writing Product Documentation Costs

	Costs	Total Cost
Approx. 1000 billable hours @ \$65/hr.	\$70,000	\$70,000
Payroll expenses (Unemployment tax, benefits, etc.)	N/A	N/A
Equipment, workspace, tools	N/A	N/A
Training	N/A	N/A
	Total: \$70,000	

Spectrum Writing consulting saves you nearly \$39,000—*that's just over 35%*—over your salaried writer.

## Customer Support Costs

*Pertinent*, effective, and accurate documentation can reduce customer support costs. Usability testing<sup>a</sup> shows customers want product documentation to quickly provide the information that they need to help them *immediately* with the tasks that they need to accomplish. Other testing shows that 80% of customers use about 20% of the total available functions of a software or hardware product and that heavily documenting these core functions reduces customer support calls about these functions by half of this figure - an almost 40% reduction in calls.




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### Phone-based customer support

Pertinent, effective, and accurate product documentation can reduce product support costs. Consider the following example—a staff of three full time support personnel with one full time Customer Support manager.

#### Annual Salaried Customer Support Group Costs

	Costs	Total Cost
(3) full time CSRs' salaries <sup>a</sup>	\$45,000	\$135,000
(1) full time CS manager's salary <sup>b</sup>	\$60,000	\$60,000
Payroll expenses (Unemployment tax, benefits, etc.)	~30% salary	\$58,500
Equipment, workspace, tools	~30% salary	\$58,500
Training	~10% salary	\$19,500
	Total: \$331,500	

a. Association of Support Professionals, Technical Support Salary Survey, 2001

b. Association of Support Professionals, Technical Support Salary Survey, 2001

And the numbers simply can get worse. The following table shows the percentage of total company revenue that is spent on customer support.

#### Annual Salaried Customer Support Group Costs

Company Sales Size <sup>a</sup>	Percent of Total Revenue
\$100 million or larger	7%
\$10 million to \$99 million	6%
\$5 million to \$9.9 million	15%
Under \$5 million	20%

a. Association of Support Professionals, Technical Support Cost Ratios, 2000

If your total company gross is under \$10 million, then 15% of this revenue is going directly to customer support costs. If your company grosses only \$5 million, then you are spending \$1 million simply on supporting your products.



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### Web-based support costs

If your organization has moved some or most of its customer support to a web-based model, then your average costs are as follows:

#### Web-based customer support costs

	Costs	Total Cost
(3) full time Knowledge Base writers' salaries <sup>a</sup>	\$45,000	\$120,000
(1) full time CS manager's <sup>b</sup> salary	\$50,000	\$50,000
(2) full time CSRs' salaries <sup>c</sup>	\$45,000	\$90,000
(1) full time web developer/designer's <sup>d</sup> salary	\$50,000	\$50,000
Payroll expenses (Unemployment tax, benefits, etc.)	~30% salary	\$93,000
Equipment, workspace, tools	~30% salary	\$93,000
Training	~10% salary	\$31,000
	Total: \$527,000	

- a. From Association of Support Professionals, The Economics of Web-Based Support, 1999
- b. From Association of Support Professionals, The Economics of Web-Based Support, 1999
- c. From Association of Support Professionals, The Economics of Web-Based Support, 1999
- d. From Association of Support Professionals, The Economics of Web-Based Support, 1999

From The Economics of Web-based Support, web-based knowledge support typically answers support questions for only 42% of your customers. That leaves 58% who call your support team, or worse, they return the product, forcing you to incur an unacceptable return rate.

In the above example, Web-based support and phone support costs combined are an astonishing \$858,500 annually, which means that for a small organization, support costs could easily exceed 20% of its gross revenue.



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## How Spectrum Writing Can Help You

Granted, there is always a percentage of users who will ALWAYS call customer support—there is absolutely nothing that you can do will stop them. But, there is a way for you to reduce these costs—by having Spectrum Writing, LLC develop, implement, test, and maintain pertinent, effective, and accurate technical and training documentation. Pertinent, effective, and accurate technical and training documentation reduces customer support costs because your customers can read the documentation and quickly and easily find the answers that are needed to solve the task at hand. They do not need to call customer support. And, even if your customers have never read the product documentation before they call, when they do call, your CSRs can use the exact same documentation to help the customer find the solution to the problem. The next time that the customer needs help, they will look in the product documentation before calling, if they need to call at all.

And good product documentation can greatly increase the market perception of your product. In a private study referenced by Anthrobytes Consulting<sup>a</sup>, customers were surveyed about the perceived quality and reliability of a consumer product, based solely on the product documentation. Initially, the customers rated the product low in both quality and reliability, but after the documentation was redesigned, reorganized, and rewritten (unbeknown to the customers), the exact same customers rated the exact same product high in both quality and reliability—again, based solely on the product documentation.

So, if you want to:

- Reduce the cost of your product development life cycle
- Reduce the cost of customer support
- Increase the market perception of your product
- And, gain an overall edge on your competitors

then outsource your technical and training documentation needs to Spectrum Writing, LLC.

For a free no-hassle, no-obligation consultation, call us or email us at:

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We would love to develop, implement and maintain your quality documentation that fully supports your products and gives you an edge on your competitors.



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