

# How online ordering saves time and money

SAVE 37%  
ON PROCESS TIME!



## Tony orders by phone

It takes him a long time to find the right products to order, because he does not use an online ordering system that makes product suggestions or remembers what he's ordered before.

He does not benefit from quick ordering using the phone, because every order is started from scratch using the phone. He waits a long time for his order confirmation to be faxed to him.

Inconveniently, Tony has to order only within working hours.

Tony's traditional ordering process usually takes 40 minutes on average.



### STEP 1 12 MINUTES

Search for the right product by phone and the Internet

### STEP 2 8 MINUTES

Choose from a bewildering array of unorganised options

### STEP 3 5 MINUTES

Order by phone

### STEP 4 15 MINUTES

Receive order via email, print out, sign and fax order back to vendor

**TOTAL 40 MINUTES**

## Olivia orders online

She logs into RSONline, a reputable eCommerce website. Her order history is available. Relevant suggestions are made. She saves time searching for the right products to order.

Olivia's order is processed immediately online, cutting out laborious admin. She approves the order and receives an email confirmation of delivery details.

She likes ordering early before business opens; possible with online ordering.

Olivia's online ordering process takes 25 minutes on average.

### STEP 1 10 MINUTES

Online search at RSONline, an optimised eCommerce website, while logged in

### STEP 2 5 MINUTES

Choose from suggestions and previous orders

### STEP 3 10 MINUTES

Order and confirm online, check invoice online, approve order and receive online confirmation of delivery details

**TOTAL 25 MINUTES**



## Time saving example

Process time (ordering products) =  
Labour minutes used / Orders completed

### Traditional Tony



40 minutes

1 order

= 40 min per order

### Online Olivia



40 minutes

1.6 orders

= 25 min per order

## Calculation

25 min - 40 min = -15 min

$\frac{-15 \text{ min}}{40 \text{ min}} = -0.37 \times 100$

= **37%** less time used

## Result

For the same time investment, Online Olivia can complete 1.6 orders, compared to Traditional Tony's one. A 37% time saving while processing orders, therefore results in a 60% increase in productivity.

With online ordering, Online Olivia is 60% more productive than Traditional Tony.

## Conclusion

Online ordering improves labour productivity and saves cost by reducing transaction process time.

## Note

The examples used in this infographic are hypothetical. These instances are not based on empirical evidence. They simply highlight research-based theory. The theoretical underpinning of the comparison between traditional and online ordering is detailed in RS eBook 3 in the RS eCommerce Series: *How online ordering saves time and money*. This eBook references a variety of quality research studies that prove how online ordering saves transaction process cost. In one such study, it was concluded that online eCommerce can save 37% on process costs: *The effects of business-to-business eCommerce on transaction cost*, by Luis Garicano and Steven N. Kaplan, published by the National Bureau of Economic Research in Cambridge, Massachusetts, USA (2000).

Download this eBook [here](#)

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An infographic from RS Components

