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**Government Should Learn From Private Sector**  
*by William Gindlesperger, Chief Executive Officer, e-LYNXX Corporation*

Federal agencies (they spend more than \$500 billion annually of your tax dollars) have been instructed to reduce their budgets by 10% in 2013 per a directive from the Office of Management and Budget, the largest office within the Executive Office of the President of the United States. This certainly comes as no surprise as a stubborn economy persists, minimal jobs are being created and very little is being invested in businesses.

Even though the Great Recession was supposed to have ended in June 2009, we have seen the largest two-year drop in “labor compensation” – wages and benefits – since the early 1960s. The foreclosure crisis continues, and for the first time, the number of “99ers” – unemployed Americans whose benefits have run out – has pushed past the two million mark. According to the Bureau of Labor Statistics, the number of U.S. residents who said they had two jobs was 7.3 million in 2010, up from 4.5 million in 2007, the year the recession began.

These are just some of the indicators cited by national media to illustrate that these remain tough times for the economy – one that is supposed to be the international pillar of strength. Repeatedly our elected and appointed government officials have been admonished and told that the engine for job creation must be the private sector. The purpose of government in a democracy is not to create jobs but to support an environment in which the private sector can thrive and create employment opportunities.

With that in mind, decision makers in Washington should embrace measures that would both reduce government spending and boost private sector jobs. Here are two ways to help accomplish both:

- Enforce compliance with Title 44 of the United States Code which directs federal agencies to channel all printing through the United States Government Printing Office (GPO). For decades, GPO has had the best of all government procurement programs. Printers nationwide depend on the millions of dollars that GPO awards annually to the private sector for the production of envelopes, tags, color copying, kit folders, cut sheets, four-color process materials and promotional specialties to mention a few categories of print jobs. Most printers vying for this work are small businesses with 20 or fewer employees, and their livelihoods depend on the \$2,000 to \$5,000 average per GPO job. GPO has said it annually awards contracts to more than 2,500 vendors nationwide. This represents some 50,000 jobs. The total number registered to do business with GPO is around 16,600 vendors, representing potentially 332,000 jobs. The key word is potentially. If the estimated \$800 million in print work now being done in agency print shops were stopped that huge volume of printing would be channeled through the GPO where costs would be reduced by as much as 50% compared with agency plants. If that were done, the potential annual savings for taxpayers would be at least \$400 million, and this is an historical fact. However, the \$800 million is based on government accounting which is strange and excludes many of the costs the private sector includes in its accounting. In real numbers, the government controls many billions of dollars in printing (as everyone recognizes, government runs on paper). More private sector jobs would be needed to handle the increase in work that would flow through the GPO procurement program, and this would be a welcomed boost for job seekers and the economy.
- Embrace new procurement technology that is enabling private sector organizations to reduce their cost for goods and services by 25% to 50%. Antiqued procurement programs that have not been updated in 20 or more years are as effective as typewriters in today’s computer age. One example of a private sector initiative that is lowering costs by an average of 42% on jobs awarded is the automated vendor selection (AVS) process. Driven by AVS Technology™, vendors carefully screened and objectively qualified are automatically selected to compete for work and in doing so lower their prices to fill gaps in their production schedules. The buying organization benefits from lowered pricing from qualified vendors, and the winning vendor is awarded work that it otherwise would not have. The competitive bidding environment provides a level playing field for all qualified vendors. For the buyer, there are additional benefits. When the technology is used with a robust web-based workflow and communications system and best practices, the process delivers total transparency, full accountability for all participants (buyer and vendor), strengthened quality controls and significant efficiency gains. Also, an indelible and auditable task-by-task record of each project is established for future reference. This approach, already licensed by a host of private sector industries, can be used for a wide range of applications including specialty products, commercial printing, temporary staffing, direct mail, construction services, publications, packaging and transportation. Using the 42% average savings of current AVS Technology private sector licensees as the benchmark, a

government program (local, state or federal) with \$1 billion in procurement costs could achieve \$420 million in cost reductions for procuring the same goods and services. In government parlance, that is \$4.2 billion in cost savings over 10 years for each \$1 billion in present costs. It is even more when considering that the savings of taking people off unemployment and putting them back to work in non-government jobs.

Before either of these cost reduction measures can be implemented to the benefit of private sector businesses, job seekers and taxpayers, government leaders have to change their ways. They must rein in government agencies that are duplicating services already provided in the private sector. It makes no more sense, for instance, for government agencies to operate printing plants than it does for them to manufacture their own vehicles. Leaders must demand that government agencies outsource work to private sector businesses that already are set up to perform a particular job. The role of government is not to compete with the private sector. Government's role is to implement the laws of the land, working in partnership with the private sector – the only legitimate creator of jobs in the United States.

### About e-LYNXX Corporation

e-LYNXX Corporation patented the technology integral to e-commerce. Endorsed by Educational & Institutional Cooperative Purchasing (E&I) and Printing Industries of America (PIA), e-LYNXX drives results through its three divisions. • AVS Technology™ licenses the patented\* automated vendor selection procedure used in e-commerce and procurement systems. • American Print Management provides web-based system, services and patented AVS Technology™ to reduce substantially the procured costs of direct mail, marketing, publications, packaging, labels and other procured print. • Government Print Management offers effective U.S. GPO bid services and strategies. [www.e-LYNXX.com](http://www.e-LYNXX.com) – 888-876-5432

\*U. S. Patent No. 6,397,197, Patent No. 7,451,106, post-Bilski Patent No. 7,788,143, and Continuing Application 12/855,423 (collectively, the AVS Technology™) – This thicket of patents covers all custom goods and services, not just print. To inquire about licensing, contact Anthony Hawks at 888-876-5432 or Michael Cannata at 905-773-2207.

### About the Author



William Gindlesperger is a nationally recognized entrepreneur, inventor, author and consultant. He founded ABC Advisors and its successor, e-LYNXX Corporation, in 1975. Profit, non-profit and government organizations alike have benefited from his strategic insight and innovation that result in measured and substantial cost reduction.

Mr. Gindlesperger's sound advice and counsel have yielded results for those with fiduciary responsibility and the authority to take action to reduce costs. He has directed major initiatives in both the private and public sectors. He has testified before the U. S. Senate Committee on Rules and Administration regarding government print and procurement policy. He has worked directly with numerous Congressional and Senatorial members and staff and has advised Congress on the development, operations and future of government procurement.

He has been a lead fund raiser for senatorial, congressional and gubernatorial elected officials. He was a founder and chairman of Printing Industries of America's (PIA) PrintPAC (political action committee) and has been recognized for his contributions to PIA and services to the printing industry. He was inducted into PIA's Ben Franklin Honor Society of print industry leaders in 2009 for his lifetime contributions to the print industry. *Supply & Demand Chain Executive* honored Mr. Gindlesperger by including him in its 2010 listing of the most influential leaders in the supply and procurement profession in North America.

Mr. Gindlesperger invented the Automated Vendor Selection Technology™ -- the technology that is integral to e-commerce and optimizes cost reduction in the procurement of *all* customized and specification-defined goods and services. He has been granted a series of Automated Vendor Selection patents, including Patent No. 6,397,197, Patent No. 7,451,106, and post-Bilski Patent No. 7,788,143 (collectively, the "AVS Technology™").

Under Mr. Gindlesperger's leadership, e-LYNXX has grown into the leading print management and procurement licensing firm in North America. e-LYNXX has been exclusively endorsed by Printing Industries of America (PIA) and has been named one of the top 100 procurement firms in North America by *Supply & Demand Chain Executive* magazine.

His firm handles more than 200 on-going consulting assignments at any given time. Among its contracts is one with Educational & Institutional Cooperative Purchasing to assist colleges, universities and other institutions nationwide with procurement and spend management.

A native of Chambersburg, Pa., Mr. Gindlesperger is a graduate of Dickinson College in Carlisle, Pennsylvania.