



DO BUSINESS FASTER™

Jim's Profit Accelerator 279 **Do More with Less**

This tired bromide is back, riding on the chaos of sudden change in growth direction. If your business is growing faster than before, slowing sharply, or just moseying along, this tip's for you.

SPEED BUMP: The secret is in the "more," not the "do."

A prime reason that do more with less doesn't last (and seldom works) is that folks hear it as "work faster." Work faster seldom produces anything other than errors, fatigue, and friction. So then what could it mean?

When I've asked folks how they know how they're doing, most (sadly) say, "No one's yelled at me yet today." What a terrible way to go through life!

Think about most job descriptions you've seen that list activities ad nauseum, and occasionally responsibilities. They rarely list outcomes, yet that's what jobs are for, are they not?

Activities are inputs, actions, and behaviors that leaders hope will deliver a good outcome. The problem with inputs is that they are a spray shot at a pinpoint target. Managing inputs is herding cats, since it's trying to control activities across a wide array.

SPEED BUMP: The best leaders focus on outcomes, not activities or methods.

Yes, I said that. A problem with LEAN techniques is that folks mistake the emphasis on methods for the core of LEAN. The best lean operators test methods for the best outcome. The weakest leaders focus on the methods and guess at the outcome.

So, what's an input? Look at activities or even responsibilities on a job description. They list actions that presume to be helpful but assume that someone else will asses their impact or effectiveness. Worse, evaluations focus on activities (sorting the bills on time) instead of impact (receivables dropped from 75 to 61 days).

What's an outcome? Receivables dropped from 75 to 61 days. It measures an impact simply enough for rapid understanding. It also enables tracking over time, to enable comparing results this week and last week, month and year to date. This tracking shows quickly where the inputs (activities) are falling short and might need improvement.

SPEED BUMP: Free advice about cash—shorten average receivables.

When a worker quotes a boss as saying, “I like that,” he’s describing a small business approach that depends on unusual acumen and heroic attention to detail by the boss. It works but doesn’t last.

SPEED BUMP: The best leaders ask, “What’s the evidence?” rather than saying, “I like that.”

Your action assignment:

1. Choose an activity cluster that has high impact on profit.
2. Name the impact on profit.
3. Define a measure of the impact.

That measure is now an outcome that can be managed.

ACCELERANT: What profit driver will you define and measure this week?

For more information on how you can accelerate revenues and profits in your business, please call or email me.

A note on **SPEED BUMPS:** Use them to click quickly with an idea that can immediately be implemented in your life as a business leader. Think: “How can I use this today?” or “Who can use this?”

For more information, visit www.grewco.com.

Jim Grew, the Business Defogger and Accelerator, helps leaders discover hidden opportunities within their businesses and exploit them for dramatic results. Jim has led 9 businesses, worked in 31 companies at C-level, and is an expert in strategy and executive leadership. He presents regularly to industry groups, mentors business leaders, and shares insights in his Executive Letter (above). Jim holds BA and MBA degrees from Stanford University. In his new book, *The Other Side of Succession*, he shares how to plan for the future by growing your business now.

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