

Jim's Profit Accelerator 2: Does Speed Matter?

Speed is such a cliché that it's easy to make it about others: startups, digital, athletics, Amazon, anyone but me. In fact, speed matters to every leader and every organization of every size, both for-profit and not-for-profit.

Customers, suppliers, and employees live in an Amazon Prime World. The reason Prime works and is copied feverishly by an exploding realm of others is simple: it's fast. Customers get what they want quicker and easier, with no sacrifice in quality or cost. Who doesn't want that?

Here are three reasons that speed matters in your organization:

1. **Time is money**
2. **No leader ever has enough time**
3. **Action sooner beats action later**

Time Is Money

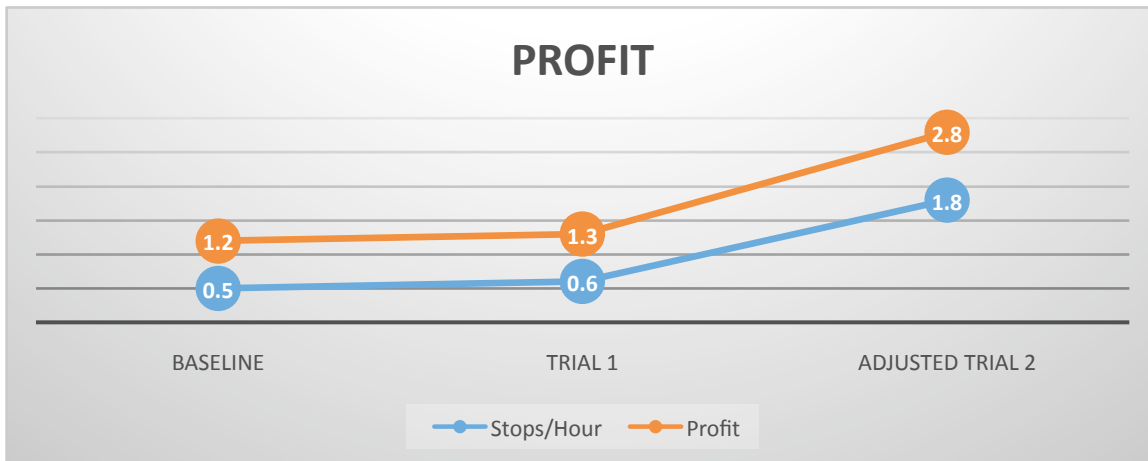
Money is rented (and compounded) by the second. The value of your business depends on its profitability per second. For convenience we talk of results in days, weeks, months, years; each is built on seconds. Startups talk about their "burn rate"—their life expectancy without additional income. Their urgency has a vital message for all leaders: move it or lose it!

At Miller's Sanitary Service, a trash hauler where I worked, one truck and driver cost \$110/hour, or 3 cents per second. Doesn't seem like much, does it? We increased the company's net worth by 20 percent by updating all the routes. That was possible because we began to let drivers go home when they were finished, uncovering the true minimum drive time for each route. Note: Improvement doesn't usually come from working faster. It comes from changing what people do in select parts of their work. The only thing we changed was driver routes, and we tracked safety and service to prevent sloppiness.

Speed Bump (Read carefully): Forget about working faster. Speed is about how quickly results come, not how fast you work.

Think of your business as a truck with a tank of "time," burning fuel to pick up income at a stop. The more stops per tank (shipments/hour) the better.

What is your profit per second?



No Leader Ever Has Enough Time

Strangely, we all have the same amount of time: 86,400 seconds each day. It's not about more time, it's about priorities. Like the truck, what matters is the output, not the time spent. Embracing the daily struggle with priorities and dropping all but the most essential ones effectively "creates time." Like the driver who sticks with the most time-efficient route, leader output per day goes up, and so does organizational performance.

Surely you know why texting while driving is stupid, right? If you're not sure, here's the reason: someone could die. Do you know why? Because most of us can't do two things well at the same time. Even superb leaders can't. So pick one priority, set the rest aside, and see your output per second soar.

What is your output per second? Per day?

Action Sooner Beats Action Later

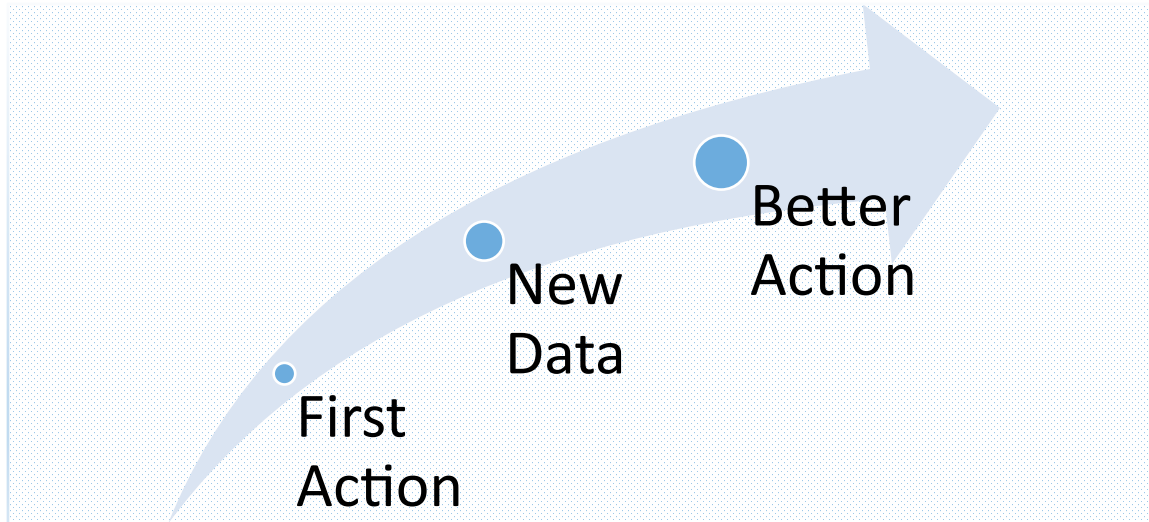
Time spent in burnishing a plan beyond about 70 percent is time wasted. Instead, build a quick trigger and even stronger measures and adjustments. The power is in the capacity to adjust quickly, without penalty. If your people see that, they'll launch sooner, and good results will come more quickly. That combination almost always beats delaying for a better plan.

Quick action often produces new data, which can drive better action. It uncovers possibilities that weren't visible or didn't seem valuable earlier. It's like walking down a winding road in the forest: you can only see to the next bend, but when you get there, a new vista opens up.

My first week as president of a metal parts maker, I led a delegation to Daimler Trucks North America, our biggest customer. Daimler was 25 times our size, and their top corporate people (eleven of them) met to tell the three of us that unless quality improved dramatically and soon, they'd cancel our contract. The next day we named a new manufacturing manager, only to learn in two weeks that he was a lousy listener: a fatal weakness in a leader. Now we had to look harder, eventually finding an expeditor who would become the best manufacturing manager I've ever worked with. We didn't see him at first and likely would have missed him if we'd spent more time polishing information about the

candidates we thought we had. Oh yes, we saved the contract, dramatically improving our results and profit.

QUICK ADJUSTMENT: Faster Path to Better Outcome



My brother is a dentist. I asked him how he knew how to fix a problem tooth. He said, “I don’t. I pick up the hand piece and go in there (drill) and look. It’s usually obvious.”

From the Vault: What priority will you delay to next quarter, and which one will you act on this week?

Call me.

For more information, visit www.grewco.com.

Jim Grew is an expert in CEO-level strategy and executive leadership whose clients refer to him as the Business Defogger and Accelerator. Jim helps leaders swiftly discover the hidden opportunities within their businesses and exploit them for dramatic results. Nearly three decades of success as a COO and CEO coupled with his experience running nine thriving businesses provide the foundation for his consulting work as president of the Grew Company. He presents regularly to industry groups, mentors business leaders, and shares insights on his blog, BizBursts.com: <http://bizbursts.com/>. He holds BA and MBA degrees from Stanford University.

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