



Jim's Profit Accelerator 169 What Costs Are You Overlooking?

In theory every business is “always” looking for ways to be more efficient (cut costs), or boost quality, or both. The problem with improving efficiency or quality is that there are established “ways” to approach these improvements. There is nothing wrong with these established ways, and they’ve contributed much to many. But why not flip it around and ask about other costs or quality benefits that are eluding the usual search methods?

Here are some ways to seek them. What are the costs that you just “put up with”? These fall into three categories:

1. Time wasters:

- Sloppy meetings: no agenda or time limits, wrong people, no clear purpose
- Starting meetings late
- Vague project definitions
- Wrong people tasked with special projects
- Inadequate process revisions before launching new software
- Being late for meetings or conferences

2. Rework:

- Weak training
- “They all do that” **
- Machine settings that need updating but no time to do it

3. Vestigial ways of doing things

- I don’t know why we do it that way.
- The boss wants it
- My old boss wanted it

SPEED BUMP: It’s amazing what you’ll find if you ask, look, and listen.

**** “They all do that.”** When I worked at a trash hauling company, the chief mechanic dismissed many truck complaints by saying, “They all do that.” He got away with it because the drivers didn’t know better, and they depended on him to have their trucks ready to go each morning. The owner was a different story. Drivers gradually learned that when the truck malfunction was going to make them late, they could tell the owner, who was a “gearhead” himself, and he’d go see the mechanic, ask about the problem, and redirect the answer to something like “we’ll fix this one.” The excuse is legion, but knowledge can blow it away.

To get the knowledge you need, ask supervisors to ask each employee for one thing that wastes their time. Half the answers won't help, but the other half will provide some benefit. Ask again in a month, and folks will expect the conversation to continue. You'll get a smaller flow of usable ideas, but they'll continually upgrade your results.

SPEED BUMP: Have you seen a timewaster this month?

The trick is to look at processes or conditions instead of people. Assume that folks want to do a good job, and do it the easiest and quickest way to produce good quality and avoid failure work (rework). If you ask folks, "Why do you do it that way?" then you're on the way to an answer.

Another place to look is at "HR work." This is fundamental leadership monitoring and planning that is pushed off on the HR department, effectively killing any chance of improvement. Here are the starter questions: Which employees are not performing up to standard? Has the three-step correction process been implemented completely?

1. Finish training.
2. Ask in writing for better performance, and provide coaching
3. Move to another job with a better skill fit, either in or out of the company.

Every company I've worked with (more than 40) has at least one employee that is underperforming, and hasn't been given the three-step correction process. If a person can't or won't do the work, the kind thing to do is move them to a job that they can do. It's not punishment, it's life-restoring.

ACCELERANT: Where will you look and ask about silent opportunity?

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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