

Concepts...

"Concepts" is published by Daedalus Oversight to raise as many questions as it answers. It is driven by the belief that the industry, its products and its services are ever evolving. The ideas reflect the challenges faced in the continuous journey of innovation and improvement.

Title: Doing More with Less

"The productivity of work is not the responsibility of the worker but of the manager." - Peter F. Drucker

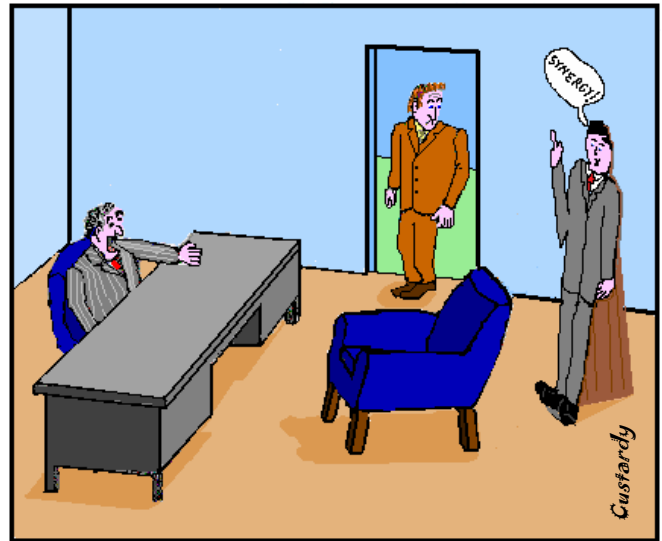
In periods of austerity there are cries to increase productivity by doing "more with less". Unfortunately, in the pursuit of profits, the emphasis tends to be on "less" expense as it is the easier target. The result is, at best, doing the "same with less" or worse doing "less with a lot less". Outlined below are five ways you can obtain the illusive "more" for less.

Resources: If you are going through a downturn, there should be a drop in throughput of your organization in all functions. If your organizational goals have changed then organize a participative discussion on your key priorities and use the staff to generate ideas, objectives and plans on how they can be met. This is a creative and inclusive way of engaging your people.

Process: Similar to your people, your processes have a natural excess capacity, which will have increased. Can it easily be used for other products or services? With less items being processed, the responsible staff can be directed to identify and correct redundancies; review cause analysis and generate preventative measures for errors; identify areas of collaboration and synergy. As well as reducing cost and increasing quality, all these measures will create even more capacity and flexibility for the upturn.

Technology: Your development needs should be more focused and your investments reduced. Now is a good time to apply the resources here to reduce infrastructure costs; identify purchased data redundancies or opportunities to consolidate current data. Identify creative and effective means to leverage under-utilized platforms e.g. PC's, internet/intranet, corporate platforms etc.

External Resources: - Although discretionary budgets for consultants will be reduced, there are creative ways to get a better bang for your buck. Utilize limited time commitment contracts or retainer-based "as needed" engagements. Look for opportunities to defer payment



"See! Same advice, zero cost!"

based on results or offer profit/equity stakes to reduce upfront costs as well as sharing risks.

Outsourced Resources: Rather than just increasing outsourcing, improve its effectiveness. Every service provider or vendor you have is an already outsourced resource. Review your relationship plans to ensure that you are receiving the maximum return on the fees you pay. Look for any complementary or additional services which you may not have been aware of. Engage these resources in your turnaround plan. They will be willing to engage their own under-utilized resources on the basis of potential, future business and growth. Finally, remember that in this environment, now is as good a time as ever to negotiate favorable agreements.

All of the above items have a positive and liberating impact to your organization in what otherwise can be a negative and demoralizing environment. To paraphrase Drucker: a better way to manage productivity.

Daedalus Oversight would be pleased to discuss the realization of these concepts with you further. We thank you for your consideration.

April, 2009

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