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A myth that's sure to put your client behind the competition Bob thought his electronic parts business was doing well. Customer counts and revenue were up again last year. The accounting system he bought after Y2K gave him what he thought he needed — a report on who owed money and how much cash was in the bank on any given day. He was feeling relaxed and just cruising along. Little did he know that he had missed a few turns.

As the business environment around him was starting to change, Bob didn't realize that his turn-of-the-century business processes and systems were starting to break down. The first hint came with a courtesy call to Sam, a long-time customer. Sam's business was also up, but he had to admit that he wasn't buying much from Bob anymore. It seems that Sam's purchasing agent had a lot going on during the day and preferred to handle buying at night when there were no interruptions. He'd found a supplier with an eCommerce site that could handle his unusual hours and so that's where the business was going. It cost a little more with shipping, but it was convenient.

Across town, Sally was feeling pretty comfortable in her role as Operations Manager because she felt like she was on top of the expenses for the company's chain of casual dining restaurants. The daily sales analysis information was coming in from the point-of-sale system at the restaurants, and her accounting team was handling the data entry that allowed her to capture and report sales by location.

Her team also got the invoices from the vendors who supplied the restaurants. Most vendors sent one bill for multiple locations so the data-entry people entered the invoice as one total, never considering breaking out those expenses by location.

Sally reviewed the financials monthly, and, since the margins shown were about

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and pocketing the difference. The old method of tracking information just wasn't working anymore. The time had come — in fact, it almost passed them — to fine-tune the reporting and processes to track all activities down to the store level.

Do these stories sound familiar? Businesses invest time and money to put systems in place, and then everyone gets comfortable because they are running smoothly. The common theme: Don't mess with it. Or as you've probably more often heard, "If it ain't broken, don't fix it." With hindsight being 20/20, that's the kind of decision that can strike at the foundation of an otherwise healthy business. In today's competitive environment, it's dangerous to sit back. The driving mission, instead, should be toward continuous improvement.

### **Position Your Clients for Continuous Improvement**

"Excellence is rooted in continuous improvement," says Sam Allred, the founding Director of Upstream Academy, a leadership training institute. "It is never an accident; it is always the product of a purposeful effort. While few travel its disciplined path, those who do enjoy an uncommon view."

As a trusted advisor, you owe it to your clients to help position them for continuous improvement. Add to your annual checkup a recommendation that they make a corporate commitment to review their major internal business systems at least every few years. It's not likely that they'll need a total change, but it's better to find out earlier if they need to fine-tune and consider adding a new tool such as eCommerce (in Bob's case) to their mix of business tools.

### **Help Clients Take the Right Steps**

If you do uncover a hole (or holes), be sure that your client takes the right

steps to refine the process or patch it. Here are a few suggestions:

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consultative approach. They'll be more effective in uncovering business needs and better equipped to map out a plan and workflow to automate and streamline processes.

- If your client is large enough (or savvy enough), you might encourage them to assemble a permanent team charged with regularly reviewing internal systems. It can be done on a rotation, with quarterly meetings, perhaps, and specific systems to be reviewed each year. This would likely eliminate the need for a "major overhaul" at any one time, provided the team includes people from throughout the business. Teamwork is great, but be sure they assign a responsible point person as coordinator. If you don't, then it becomes a textbook case of "if everyone is responsible, then no one is responsible."
- Encourage your client to set aside a budget each year for systems projects. Make it what's affordable, but also fund it. There are no shortcuts; continual improvement requires continual investment.
- For most companies, "the accounting system" is the business system relied upon. The accounting system handles the basics of financial statements, paying bills, paying employees, tracking sales and inventory, project tracking, manufacturing, workflow, and more. This is the system from which the data mining is done, so it is only as good as the information that goes in. Help them in this area. Your client's success will improve if their financial systems provide good and timely information that enables them to make smarter business decisions.

There's no room for complacency in today's business climate. Help them see the "win" that they'll gain in developing a culture of "continuous improvement." They'll be happier and far more likely to continue to appreciate you as their trusted advisor.

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