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## the bottom line

# Do More With Less

## Innovative Ways to Increase Performance and Profits Without Adding Resources

By Bob Prosen

**C**ompanies in search of proven ways to reduce costs while increasing profitability are in luck. The key is to harness the power of operational excellence. In its simplest form, operational excellence is about efficiency, productivity, eliminating rework and improving quality.

### Make Productivity a Priority

Leaders are always looking for ways to improve employee productivity. Since personnel costs often represent the largest P&L expense, companies want to ensure a maximum return on their investment. One of the best ways to accomplish this is through time reporting whereby employees record how they spend their time every day. But be careful: The data is useless unless someone analyzes it to determine if people are spending their time on activities that directly contribute to achieving the organization's top objectives. Used correctly, time reporting is a powerful management tool.

Here are a few of the benefits: Maximize time spent on revenue generating and customer support activities; minimize administrative time such as meetings, e-mail and complete internal reports; maximize margins; improve quality and reduce rework; and finally, identify areas ripe for automation. To get the most from your time-reporting system, follow these simple rules:

- Design the system with a minimum number of accounting categories.
- Avoid using a catchall category like "other." Time reported as "other" isn't specific enough to aid decision-making.
- Train everyone how to use the system.
- Enforce reporting requirements or people will not comply.

What's important is to get started. You might be amazed at what you will find, and more important, what you can do to increase efficiency. Every dollar saved goes straight to the bottom line.

### Eliminate Recurring Problems

One of the most effective ways to reduce unnecessary cost and boost profitability is to have a robust quality process that utilizes root-cause analysis (RCA) and irreversible corrective action (ICA). These techniques ensure the company removes inefficiencies and reduces rework by doing the right thing the first time.

RCA in its simplest form means being able to determine the root cause of problems and inefficiencies instead of dealing with symptoms. Once you identify the root cause and implement ICA by training the purchasing department, you will prevent the same problem from recurring. You also will improve customer satisfaction and margins. ICA ensures that the root causes of problems are resolved so they never reoccur. This is a high standard to maintain, but well worth the investment.

Bob Prosen is the author of the soon-to-be released book *Kiss Theory Goodbye: Five Proven Ways to Get Extraordinary Results in Any Company* (Gold Pen Publishing, August 2006); [www.kisstheorygoodbye.com](http://www.kisstheorygoodbye.com).

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