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A Bit of Common Sense

Several weeks ago I was amazed when I heard of a corporate program that seemingly relied on its budget-cutting methodology and ability to impress other programs and departments within the company.

Budget cutting is a key component of all companies. Money must be saved and profits must either be increased, or at the very least, remain stable in the short and medium terms, depending on the overall economic outlook of the country and of the particular business and industry. Managers have a grave responsibility to strategize for their departments and ensure that they are cost-effective and streamlined in all businesses and the large corporate entity acts, or should act, in the same way as the small-to-medium business in this regard. Cost-cutting strategies should exclude false or 'face-saving' measures that usually detract from the bottom-line component.

This entity was sending one person to a meeting. In an effort to get the person into the meeting at a lower price ($25.00 lower) the manager embarked on an extraordinary set of measures that involved six different people; some at different locations. After lengthy communications, and presumably lengthy collaboration between the six people involved, the matter was finally 'salvaged'. The $25.00 'saved' was followed up with couriering the payment to the recipient.

The major aspect of frivolous 'savings' in this transaction was the overwhelming number of people involved – apparently at several levels of management.

It would probably be beneficial for every company to do an audit of all 'cost-saving' procedures and processes. This may, on first sight, appear as another layer of bureaucracy and needless oversight. Perhaps it may even be viewed as an exercise in future futility. However, an analysis of cost-cutting events by the various departments of a business might yield much senselessness and future futility embedded deep with the psyche of employees.

It is all to easy for employees, particularly at middle management and supervisory levels to delve into cost-cutting – masquerading as cost-saving – maneuvers to impress their bosses and to amass a large number of cost-saving items and events throughout their financial year.

Most managers and directors want to see such documented shenanigans. The "make me look good" syndrome can, and is, often carried to lengths of such extreme nonsense that if a true analysis of each item were to be performed, the company would, in all probability, see substantial unnecessary expense. The expense is mostly embedded in the time, effort and man-hours expended by individual employees – at the behest of their

supervisors and managers; manipulating the situation and ensuring the proper 'pat on the back' is given to all the right people in the chain of command.

The 'pat on the back' is a vital tool of management to publicly and positively reward saving implementation and best practice policies either within departments or at corporate level. It is key however that all cost-saving decisions, procedures and policies have been adequately thought through to ensure they are not duplicating other procedures or policies and that they are truly relevant.

The lower-level employee who was tasked with the hapless 'cost-saving' mentioned above was doing his job. He was tasked with saving the company $25.00 over several communications and several days. It is not apparent that the saving will be long-term or will affect large numbers of employees.

It is reminiscent of a hotel manager telling me of a conference they were hosting when one gentleman who wanted in at a membership rate argued at the reception desk with the employees that he was a genuine employee and member of the hosting organization. All the while he was wearing the t-shirt of his company (an entirely different company) with his name emblazoned on the garment.

In a fit of pique, the gentleman would not accept defeat and book a room at the hotel for normal rates. He lumbered off and could only find a hotel room approximately 30 miles away at a much higher rate. Such lunacy and petty argumentation is neither cost-cutting nor sane. It ends up a case of cutting off one's nose to spite one's face – or an abundance of testosterone.

Senior management should have some means of overseeing cost-cutting maneuverings of their employees. In the long run it will prevent embarrassment, save valuable time and credibility and leave a huge 'feel good' image that will not necessarily outlast the sour grapes of petty penny-pinching.

I would appreciate your yarns of such cost-cutting incidents, anonymous and/or otherwise, so when I next give a presentation on the subject I will have even more sane ammunition to proffer to employees who should never contemplate such cost-saving projects. Employees should be encouraged to adopt an attitude of ensuring their managers understand the stupidity of such time-wasting jobs and become fearless in their advocacy of a bit of common sense.