

Activity IS NOT Necessarily Progress!

It's tempting to meddle especially when things are less than optimal.... I for one have to pull myself up now and again I have a tendency to 'take the back off' things and have a look inside to see if it can be improved but sometimes progress is about persistence with something that's working rather than constant change, it's certainly about pace and setting achievable goals. A bit counterintuitive from a consultant who earns a living designing managing and implementing change? well maybe but it depends on your goal, if it's making clients money as a way of building long term relationships then no, if the goal is short term fees then yes.



It's the same with some managers they see change almost as a comfort blanket, it's doing something and as a useful by product for some failing managers it makes tracking progress way more difficult. Nothing like a bit of chaos for hiding underperformance. If you change too many things at once and especially interrelated processes then cause and effect get way more difficult to track especially if you don't measure the right things in a simple and repeatable way. People can only cope with a certain pace of change, and that pace is variable depending on the individual so going too far and too fast even if the change is positive and the right thing to do does not achieve progress, it makes progress impossible for your team.

The goal of 'Cost Reduction' is reducing cost yes?

.....of course not!!

There is a quote attributed (arguably) to the Roman General Petronius Arbiter in 210 BC - *"We trained hard . . . but it seemed that every time we were beginning to form up into teams we would be reorganized. I was to learn later in life that we tend to meet any new situation by reorganizing; and a wonderful method it can be for creating the illusion of progress while producing confusion, inefficiency, and demoralization"* Roman Generals' quote or not, and it'd be lovely to think it was, it's certainly true. the bigger and more complex the task the more this effect comes in to play, managers try to eat the elephant in one bite..... and choke in the process.

Cost reduction is another area where activity and progress get mixed up often because the wrong goal is set. *The goal of 'cost reduction' is reducing cost yes? of course not!! the goal of cost reduction is **more profit*** a whole different thing. If you simply measure the success by reducing cost then it's doomed to failure (we'll NEVER get

cost to £0 unless we shut the place!) and if reducing the cost affects the throughput then it's a pretty simple exercise to see where those two graphs cross. You'd think every accountant would do that exercise but you'll often see the sales team as the first target of cost reduction. Fine if they are useless or we are overstaffed for the task and consequently have an unnecessary cost but cutting the ability to increase or retain throughput? a classic case of confusing activity with progress.

Less obvious are some of the 'hidden costs' that may actually increase by cutting capability. Reducing customer service, reducing deliveries, reducing stock can all lead to reduced customer satisfaction and increased churn, both factors that cost margin and revenue..... clear cause and effect but often overlooked. Headcount is down, transport costs are down and stocking costs are down all sounds great but if you don't do the other side of the sum then you confuse your activity with progress. These costs are not of course hidden, rather they are overlooked often because they are difficult to manage and because senior management set the wrong goal - cost reduction.

So sometimes the cry is Constancy to Purpose!! and not 'All Change !' We have a client that likes to joke that my cry is 'do nothing different'..... but sometimes that's the right thing to do, do nothing different..... just do it better.

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