

Good Boss--Smart Boss. The Path to Efficiency and Profit

At some stage in the foggy past it was considered all quite fine to treat your employees with as much contempt as you fancied, kick them about a bit and pay out but a pittance while you amassed a great fortune.

However the world moved on and common sense and fair play demanded just a few little improvements to those conditions of engagement.

It's most likely the greatest majority of those currently self-employed and those that would now aspire to be in that same fortunate position of being their own boss, at some time in their earlier productive lives have had to go through the mill of being an employee for an employer.

Obviously all businesses manage themselves to their own idea of best and the larger operations take terms and conditions of employment seriously and have professional human resource managers too. No doubt, if you've held a variety of employed positions there were probably quite distinct differences in each post as determined by management and fitting within the standard legislative requirements.

It's these differences that need some discussion because if you're considering or even currently engaged in the management of others, to all intents and purposes your direct influence makes you either the proxy or genuine employer. To all intents and purposes, the same thing here.

Firstly, anyone with management experience (or just plain common sense) will understand that the task of management (of others) is to ensure the timely provision of all equipment, facilities, stocks, support, information, guidance and training in order for their employees to go about their suitably allocated tasks in a safe environment as per sensible work practices.

In probably less than 15% of cases, the outcome of all this will produce a modicum of almost predictable profit. For larger more automated organizations often pure volume of output is the only factor that allows for some realistic prediction, where in smaller businesses of course the output can be extremely variable, simply due to the stop-start nature of workflow in smaller organizations and lack of entirely viable resource utilization (an earlier article).

As the true responsibility of any employer, regardless of business type, is to establish the most effective and economical output for the greatest returns, this entire workforce management issue is a subject that deserves a great amount of thought, consideration, input and monitoring.

If you've just gone through that last sentence, sadly many readers will be thinking now of ways to improve their output...trim this, demand that, put machinery closer, clean up bottlenecks, reschedule, have lots of management brainstorms and force it to be all more efficient.

Unfortunately, while all these things should indeed be dealt with in time, my experience has always found that by generating co-operation between work centers, getting the workforce actually involved in a process where they are asked to propose moves and changes that might enhance their workflow, create operational efficiencies, make for safer work in a more pleasant environment, provide assistance for specific tasks and to watch each other for safety issues and potential dangers, then the results for me have been quite literally, astonishing.

Naturally, if you as manager calculate the value of the increased efficiency and higher quality output, then a random bonus round should be made that might share the extra values output over your original costings.

To put your workforce in the correct frame of mind I can only suggest you take the time to draw up an agenda of what you would propose be adjusted, where you have first mapped out the obvious benefits of correct equipment placement, any station task to only be seen as completed when delivered in perfect condition (passed by recipient) to the next process station under a delivered-to-next-operator rule.

It isn't efficient to have operators fetching components, as this can readily waste more than 25% of potential output either through goofing off, chatting to others or simply because they aren't producing. Management's job is to ensure each process is provided with everything required to function effectively. Even a junior can be used as a re-supply manager to ensure skilled employees have what they need, ready on hand.

Each time I've implemented these simple corrections with a more involved and directly responsible workforce, created batch-teams and ensured supply, output has improved beyond 30% (increasing profit by almost double as overheads and wages are already accounted for).

It does make a 10 to 15% bonus look profitable to all doesn't it?

Of further interest if these types of practices and brought into play is that output costs will be genuinely less, which if used strategically for such as developing new clients, reducing prices for multiple purchases, allowing discounts for early payments, creating a marketing initiative etc, then output can really climb and fill those extra floor spaces made when equipment was repositioned for less travel and smarter flows.

For you to ponder:

The Illogical Logic of Failure

If you go about your life believing deep down that you are not worthy to be where you're aiming, or that you will probably not succeed, the great contradiction in life is that **you will succeed.**

You will indeed succeed in your deep belief that you will fail!

Think about it.

It is not what you want that will come to be, but what you truly believe you can achieve, that comes about.

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