



Doing More with Less: A Business Perspective

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The Big Ideas Emerging From a Changing Landscape: Networking, Collaborating and Achieving Greater Efficiency

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This paper offers insights on how businesses can grow, even in an economic downturn if they look to transformational change. This means tapping into an organisation's leadership which, as Feargal contends, does not depend on hierarchy. Rather, real leaders are dotted throughout the organisation and they 'stand-up' in different times. From a business perspective, key points emerging from this paper include: companies – irrespective of size – must be prepared to adapt to changing circumstances; businesses must be prepared to differentiate themselves from others; emphasis must be placed on improving the performance for the client; and finally the staff, while the largest cost, are the business's greatest resource. These are all messages that resound for businesses working in the border economy, but also for cross-border bodies and non-for profits involved in community development.

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Introduction: Two Waves of Change

Leadership in the corporate setting is centred on the ability to deliver change, and I believe that only adaptive organisations will endure in today's rapidly changing business environment. For businesses in general, and FPM in particular, the recent economic downturn has provided a sense of urgency and focus to implement 'change strategies' that may have been unpalatable in other times. The majority of these changes focus on cost reduction and maintaining market share. These changes could be classified as transitional or "Wave One" changes, where the organisation is simply attempting to weather the storm.

However, looking towards the future, we need a whole new type of change – from transitional to transformational change. This will be critical to maintain and grow market share, and protect the bottom line. This change needs to focus on growth drivers identified through strategic positioning and the meeting of long-term objectives and desired outcomes. This "Wave-Two" change is transformational and needs to take into account new externalities: the dramatic changes in the macroeconomy in the U.K. and the Republic of Ireland; and the expected increase in inflation and interest costs.

Leadership: The Key to Managing Change

The uncharted and shifting economic context raises two important questions that any business must consider: how do we make ourselves more valuable to our clients and our customers over the next 12 months to 3 years? and how do we help our clients and customers succeed?

In answering these questions, the quality of leadership, more than any other factor, will determine the success or failure of an organisation. I have never held the view that leadership depends on hierarchy or position. Rather, from my perspective, leadership is far more about your attitude, your passion, your hunger and your ability to make things happen.

Furthermore, in the future progressive businesses will not have the option of standing still. They will have to embrace lateral thinking to side-step, and indeed survive, in these very difficult circumstances. They must also create a unity of purpose, and convert that natural anxiety that is out there at present into a passion to deliver positive results. This can only be done when a business values people, and those relationships around which it can build a common theme – with a common purpose and a common vision.

“For recovery to take hold – confidence must replace fear.”

How are we going to do it?

Very briefly, the following points outline key issues businesses should consider as they chart a destination and also prepare themselves to take the necessary risks¹.

¹ I firmly believe if you don't have a destination you will never get there – “failing to plan is planning to fail”. Additionally, the greatest risk of all is to take no risk at all.

1. Improve International Competiveness

Organisations must strive to sharpen their performance to be more efficient and more effective. In terms of FPM, and many service businesses, staff is the largest cost – and yet the greatest resource. Therefore, within FPM we strongly argue that all staff – individually and as a collective unit – must make a super effort to improve individual and team productivity efficiency. Indeed, we desire staff in FPM to be ‘warriors’.

A case in point for the 75 people who work in FPM – we have had no redundancies in recent years. Our turnover fell by 40% but we succeeded in replacing that 40% in one year; and, as a result, nobody ever lost their job. The reason we could do this was because individuals wanted to become warriors; they wanted to hold on to their jobs; they wanted to sustain their jobs; and they knew I couldn’t do it for them! Rather, they had to do it themselves. In the current environment, you need every individual to stand up and be counted.

Leaders are not at the top; the real leaders are throughout an organisation and it’s the real leaders who stand up in different times.

2. Collaboration / Networks

As promoted by *InterTradeIreland*, the whole area of collaboration and networking is fundamental to enhancing international competitiveness. Such networks, and the growing culture of collaboration on the island of Ireland, are recognised internationally. Certainly, FPM participates in a number of networks, both across the island of Ireland and internationally, and we have found these invaluable; they also provide an opportunity for shared resources and sharing services.

3. Innovation And Creativity /Differentiation

There is also an old saying in business, ‘if you cannot differentiate yourself, then shut the door’. This means that businesses must differentiate themselves from their competitors by creating a competitive edge, and establishing a reputation for lateral thinking, innovation and organisational excellence. In effect, we can design the future by putting things together that deliver a value added solution that meets or exceeds the client/customer’s expectations and therefore delivers market differentiation.

Good ideas do not disappear in a recession, actually the opposite is true. Good ideas and innovation translate into wealth for the discoverer.

“Innovation is the change that creates a new dimension of performance”.

Peter Druker

4. Creative Use of Technology

In the current environment, it is critical that we “sharpen our performance”. This will create an organisational priority to enhance the creative utilisation of technology to improve process efficiencies, staff competencies, office mobility and services to clients. We must recognise that technology can have a profound effect on the way in which we achieve positive outcomes. In terms of FPM, examples of how we have been embracing new technology to enhance efficiency include: use of an off-site data centre for computer infrastructure, encouraging the growth of ‘in-home working’, developing real time information, and offering hot-desking services to staff.

5. Cost of Profit Measurement Systems

Businesses need to have good cost and profit measurement systems, so that when they go into a targeted customer segment with product and service offerings, they are not only going after sales but are also going to make money! The last thing businesses want is to have growth with products and clients that are unprofitable. Businesses need to establish a strong base for costs and profit measurement because that is going to validate their strategy – where it is working and where they are making money, but also where it is not working so well and where they are losing money.

6. Customer-Led and Sales-Driven

In difficult economic times, we must become more pro-active in the selling process, i.e. we must be customer-led and sales-driven. This means adding value and getting the client service right. In order to be effective, marketing must be grounded in the overall strategic objectives of the company; and feed into the business plan, the organisational structure, including management and sub-committee team agendas, and information systems.

Best practice also shows that there is a growing alignment between human resources (HR) and market planning. As such, market or “business winning” objectives are increasingly being built into the personal career development plans and the key performance indicators (KPIs) for individuals.

Importantly, the emphasis must be on ‘relationship-selling’ and not the ‘hard sell’. The hard sell means pushing products or services as quickly as possible, and for the highest possible price – and often results in resentment and resistance. In contrast, relationship-selling is based on building rapport with clients. It removes the pressure of selling and enhances customer lifetime value, commonly referred to as the boomerang principle – that is, encouraging the customer to come back.

7. Cost Control and Working Capital Management

At FPM, we require an ongoing focus on cost control and a continuous commitment to improving working capital and cash-flow management. This is even more critical for firms during challenging economic times.

Doing More with Less: Concluding Comments

The current challenge entails embedding the lessons learnt, and driving growth in an economic environment that continues to present challenges at every juncture. Businesses can survive by innovation and creativity - anybody who tells you otherwise has not been in business too long. As business people, we must be prepared to take difficult decisions in the short-term because if we don't change with the changing circumstances, we're not going to be around for very much longer!

There is no doubt that persistence will beat resistance, and we must approach the future with confidence and with great hope in our own abilities.

It will be important to offer good practice in whatever we do in our businesses. There will be demand – even in a diminished and changing economy – and firms can gain a market-share if they know how to bring identified and acknowledged good practices into their work. In effect, somebody's problem is somebody else's opportunity.

The emphasis over the coming years must be on action and implementation. It must be to deliver results. As a business man with many years experience, I have learned a lot over the past two years – probably much more than I did in the previous ten – and recognise that I still have an awful lot more to learn. We didn't have much time to think about it; we had to get on with running the business and delivering results.

We must all be prepared to adapt to the changing circumstances – and there can be no shortcuts for those who want to be proactive and courageously look for a better future. Within the business community, we must develop a culture of “givers” – rather than just “takers” – to ensure a caring environment. We must also have a clear strategy and an ability to differentiate our business from its competitors.

In order to grow, nurture and develop what is within our control, we must continue to encourage creativity, assess and manage risk, and refine our business plans in light of changing economic circumstances. The emphasis must now turn to action and implementation, since actions speak louder than words.

“ONWARDS AND UPWARDS”