



# Doing More with Less

by

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# About the Discussion Leader

**John F. Levy, MBA, CPA**, is the CEO of Board Advisory, a firm that assists public companies with corporate governance, compliance, financial reporting and financial strategies. John currently sits on the boards of three public companies and three non-profits, serving as Chairman of one company and audit committee chair of another. He graduated from the University of Pennsylvania's Wharton School of Business. **JohnFL1689@aol.com**



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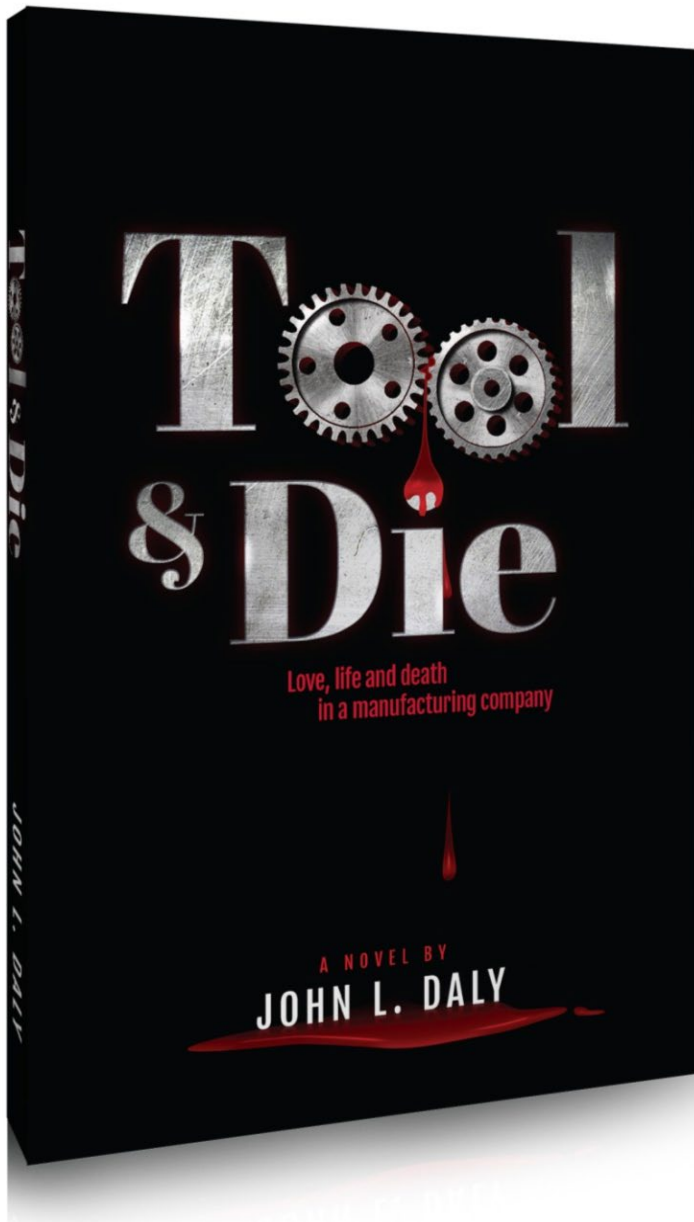
MBA, CPA

# About the Author

John is a former CFO who has worked in several different industries. He does pricing and costing consulting and authored *Pricing for Profitability* published by Wiley & Sons. His most recent book is a novel, *Tool & Die*.



**John L. Daly**



## The Human Story of Business

*Daly's tale contains plenty of business substance for readers interested in management and finance, but its charm lies in the human side of his story...*

- DMarie in SC

## Polling Question #1

# Inherit a Mess?

- a) Yes, multiple times
- b) Yes, once
- c) No
- d) I'm not sure

## Polling Question #2

# How's Your Staffing?

- a) We're severely short-staffed
- b) We're a little short-staffed
- c) We have the right number of people
- d) We have more people than we need
- e) I'm not sure

# Feeling Overwhelmed?

- Inherit a mess?
- No wonder he fired your predecessor!



## Case #1

# Reconciliations

- Make groups of 3 or 4 people
- How much time does your department spend auditing, reconciling accounts and fixing the errors that you found?
- Estimate hours/year



### Polling Question #3

# SUI Reconciliation Frequency?

- a) More than monthly
- b) Monthly
- c) Quarterly
- d) Annually
- e) Something else
- f) I don't know

## Polling Question #4

# Cash Reconciliation Frequency?

- a) Daily
- b) Weekly
- c) Monthly
- d) Quarterly
- e) Something else
- f) I don't know

# What First?



# Errors?

- Do the same errors happen – over and over?
- Why don't we fix the problem the first time?
- How much time does your department waste by not fixing it now?



# Eliminating Errors

- Errors cause work.
- ***Murphy's Law***
- Logical conclusion: Reduce the chances something can go wrong.
- Use the “5 Whys” to find root cause.
- Inadequate training is a common root cause of errors.

# Begins With Design

- Good financial management begins with process design.
- Good design prevents errors.
- Go talk to your customers, ask:
  - “What do you want?”
  - “What do you need?”
  - “How do you use this report?”



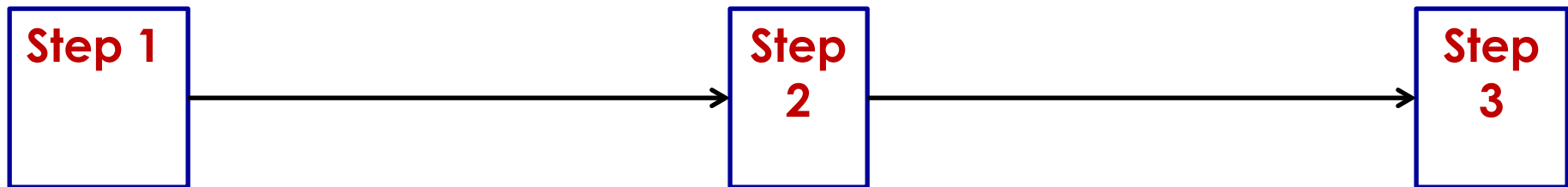
# Probable Findings

- You will probably find your department:
  - Creates reports with too much detail.
  - Fails to integrate financial and operational data in a meaningful way.
  - “Pushes” information to user.



# Understand Current System

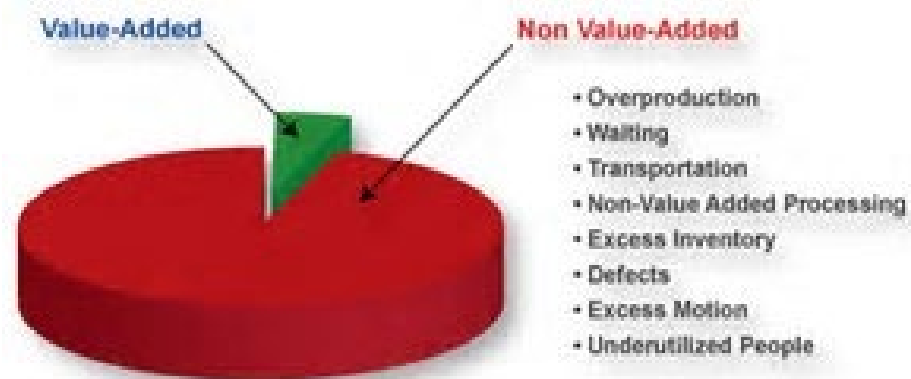
- Commonly flowcharted using a time or distance scale





# Non Value-Added Steps?

- Most processes have few value added steps so improving them will not amount to much
- Focus on reducing or eliminating non value added (NVA) steps



# Reduce Throughput Time

*“If you want to find the rocks, lower the water level in the river.”*

- Common Inventory Management saying



**Class V Rapids**  
California

## Polling Question #5

# Been Whitewater Rafting?

- a) Yes, multiple times
- b) Yes, once
- c) No
- d) I'm not sure

# Make a List of Things to Stop Doing

- Don't collect what you don't use
- Reduce routine reports, make data available on demand
- Better yet, provide dashboard data



## Polling Question #6

# Clerical Staff Get CPE?

- a) Yes, at least 40 hours
- b) Yes, 24-39 hours
- c) Yes, less than 23 hours
- d) Some informal, internal training
- e) Other
- f) No
- g) I'm not sure

# Investing in Your Resources

- Our job is to train and develop processes
- Delegating to untrained people multiplies errors and makes *us* appear unqualified.
- Quick payback on good training.

# Investing in Your Resources

- Are you a 'coach' or a 'drill sergeant'?
  - Support or command issues
- How much time do you spend with each team member, training them?
  - Track your time
  - You develop their career path and plan



# Continuous Improvement

- The *Dunning-Kruger effect*.
- Malcolm Gladwell in *Outliers*: It takes 10,000 hours to be an expert.
- Benchmarking helps give us (or our team members) a realistic performance assessment.



## Polling Question #7

# Read Malcolm Gladwell?

- a) *Blink*
- b) *Outliers*
- c) *The Tipping Point*
- d) Other
- e) More than one
- f) No
- g) I'm not sure

## Polling Question #8

# Formal Team Meetings?

- a) Annually
- b) Quarterly
- c) Monthly
- d) Weekly
- e) Other
- f) I'm not sure

# A Culture of Improvement

- Hold quarterly planning meeting with each team member.
- Seek a commitment for 5 projects.
- Give feedback contemporaneously.
  - Do not wait!
- Focus on *future* performance, not past performance.

## Case #2

# Doing More with Less

- How do you create a culture of improvement?
  - In your department?
  - In your organization

# Conclusion

- The goal is to add value!
- Why does every CFO seem to say “We’ve got to cut costs!” in a budget meeting?”



# Thank You!

Please share your thoughts and comments:

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