LOOKING FOR COST SAVINGS IN ALL THE WRONG PLACES

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Like love, many BSC's look for cost savings in all (some of) the wrong places. The typical industry approach is to run leaner staffing at the job site, look for less expensive (lower quality) supplies/suppliers, or compensate people less. While generating reasonable savings, these options may, in turn, yield more customer service problems, which could become a self-perpetuating cycle of cost reduction, increased customer complaints (sometimes leading to contract terminations), and subsequent labor or supply increases.

So, how can BSC's save money without either setting off the cost reduction cycle, or saddling key people with micro detail? There is a hidden pot of gold and it is in the BSC's core work processes. For example, assess the hiring process. Find out what the steps are, who is doing it, with what information, and through what advertisements. Are those steps efficient? Does it bring the most qualified, most likely to stay for a while candidates? Who is spending the time doing the hiring? Site supervisors cost less doing the hiring than area managers. So, who should be doing what?

What about the supplies purchasing and distribution process? Who does it, how do they do it, with what information do they do it, and with how many required signatures? If the distribution process is inefficient, untimely, or riddled with inaccuracies, why not redesign it and save $ without having to search out less expensive suppliers, and questionable products. There are many suppliers who do the inventory control and the distribution process as part of their service. BSC's usually control their own internal processes, the marketplace often controls the products, outside services, and supplier costs.

Other key processes include the billing, accounts receivable, and sales proposal process. Are people spending an inordinate amount of time chasing down elusive information with a higher than acceptable error rate? Are the company's key processes written, documented, and clear for all using them? If people are either uncertain, or invent their own way, the potential for inefficiencies is rife throughout the company.

A place to start is if the key processes are in place. If they are in place, decide what the key measures are-timeliness, accuracy, consistency… See how well the processes deliver the intended outputs. If they are not in place, design them. It will save new employees a great deal of "mastering the learning curve time", and substantially reduce the "wild west, make it up as you go along" way. And, it is great reminder to existing employees how the company does its business.

Savvy managers can always monitor the typical expenses. They can be doubly savvy finding hidden opportunities by viewing not just *what is done*, but the *how it is being done*. Between the two there's a lot more potential stones to uncover.