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Which would you choose - the million dollar idea or people?

When considering the question, would you choose the million dollar idea/ process/ technology or people, I've found that 98%+ choose the million dollar idea. After all, it seems, why not? Of course, this is an exaggerated example, as we make countless decisions every day related to seemingly smaller dollar value decisions of ideas, technology, process, etc vs. people. It seems people might have a better showing at these smaller dollar values, but they do not. As I'm sure you've guessed since my newsletter is entitled, profit through people, my perspective is to choose people.

Let's start with a few examples. How many of you have either seen or been the one who spent hours and hours developing capital expenditure requests and determining what type of machine to purchase yet cannot find 30 minutes to dedicate to discussing employee performance? You are not alone - it is much harder than it sounds in today's business culture. Or, how many of you have had an easier time and spent considerably less time getting a major purchase approved than you've had obtaining permission to attend a training seminar that is far less expensive? Now, consider this.....thinking of the above examples, in these same companies, do you hear that people are an important asset? Most likely you do, but what matters more is what leaders DO; not what they say (unless it is consistently supported by what they do).

My perspective, as proven by numerous examples within several companies I've worked with is to be in the minority and choose people! For example, in one company, we faced unprecedented raw material cost increases due to rising oil and gas prices, which had a significant effect on product cost and thus profit margins (since raw materials was up to 70% of product cost). In this situation, we were successful mainly due to people - an amazing team of people formed that brainstormed and debated ideas and eventually developed solutions to offset the significant price increases in a way that did not affect product performance. Although some money was spent, the people were the critical success factor. In another example, the challenge was to reduce inventory levels by 30-50% within a year. Instead of following the latest fad or hiring a seasoned Harvard MBA type with awesome credentials, we developed a team of people who knew the business to brainstorm the best path forward - and empowered the team. And, the team delivered!

As easy as this seems to do, why do we continually choose to de-prioritize our #1 asset, people, when facing day-to-day choices? In my experience, I've found that Boards, CEO's and leadership choose the more complex solutions - perhaps it seems a significant business issue cannot be solved through simplicity? Or, in many cases, I've found that it isn't as "presentable" to the CEO etc- meaning, it doesn't seem to generate as much confidence in the result to present your people solution as it does to present the latest fad, technology, program, or credentials. I have to admit, it does seem compelling to go with the majority (and less of a risk to your career), and it does require a leap of faith to believe in the people solution. However, so long as the people solution is backed by the leadership elements required to ensure success (a performance based culture, backed with leaders focused on people development, providing tools, etc), it will provide the superior solution with far less cost every time! And, it is a far more enticing business environment to work in for the majority of your employees - after all, who wouldn't want to be valued as an important part of the company's success?

The reason I chose to talk about this topic this month is because I just had an example arise of a project that is choosing the opposite path to success at every corner, which can be extremely frustrating. However, in a conversation on Friday, it occurred to me that the positive piece of the puzzle is that no matter how bad the situation seems (and it is bad!), the recipients of the project are outstanding, so my renewed optimism for avoiding a disaster relates back to people! Be bold and give it a try. It doesn't have to be a huge company project - try it out within a limited scope / department. You'll be amazed by the results.

Lisa's Tips: Business and Financial Literacy

As we seem to be heading into (if we aren't already in) a recession, I thought an appropriate topic would be business and financial literacy, as it is one of the key skills that will help in the survival (and even thriving) through a recession.

1. Keep up with the news and world economics - I know my best friends will laugh when they read this because I used to be the worst culprit due to time limitations; however, I was wrong. It is critical to make the time to understand what is going on, and it will be valuable in understanding the big picture and how to steer your business or personal finances through a recession.
2. Read voraciously (books, internet etc) - related to #1, it is important to be well-rounded and informed. You never know when seemingly unimportant information will save you from a significant mistake.
3. Be able to read a financial statement - this might sound boring but it can be one of the most important skills to obtain. It's amazing the opportunities you will see in your business or for your personal financial situation as you learn how to read a financial statement.
4. Be open to mentors/ advisors - no one knows everything. Learn from the best and employ the best to advise you. It's amazing how NOT being a penny pincher by hiring free or so-so help vs. great help can come back to you ten or hundred-fold.
5. Develop a plan - this sounds incredibly simplistic; however, it can deliver enormous results. Learn how to develop plans, develop metrics and then execute against them.

Recommended Reading

["The Coming Economic Collapse: How You Can Thrive When Oil Costs \\$200 a Barrel"](#) by Stephen Leeb, PhD - I thought this was a fascinating book about how the world has evolved specifically in relation to the need for and availability of oil. It is a good addition to your library geared towards understanding economics and natural resources.

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