

Give your business a comprehensive spending review

The long term solution to the government debt crisis comes from future economic growth. However, while growth is currently low, the government must cut spending to give confidence and reduce debt without compromising its future economic growth.

Many business managers face the same dilemmas as Chancellor George Osborne. They must continue to cut their costs, but without adversely affecting their ability to respond to improvements in the market. Companies of all types should take a leaf out of the Chancellor's notebook and undertake a short, sharp review of their business functions:

Corporate strategy

The business world moves on very quickly and responding to emerging business needs is critical to gaining and maintaining a competitive edge. Access to the correct information is crucial to this and a modern Business Information system can add significant value to a business by allowing it to:

- Have the agility to respond quickly to changing business conditions.
- Provide managers with accurate up-to-date information about how the business is performing.
- Identify areas where you can cut costs without sacrificing capability.
- Prepare accurate forecasts to make decisions and assess different growth scenarios.
- Remove departmental boundaries allowing employees to use and understand business data without total reliance on the IT department.
- Analyse all aspects of the business to make better business decisions on where to save money by ceasing activities and where to invest to make more money.
- Get the right information to the right person at the right time, especially product, project or contract costs, sales trends and profit margins, to drive strategic decisions on where to invest, how to grow revenue and how to strengthen margins.

Marketing and sales strategy

When times are tough it is critical to keep customers loyal through high level service, while grabbing every opportunity to offer them new products and services and attract new customers. Look to streamline customer service and strengthen customer relationships by:

- Providing everyone in the sales and service departments real time information and tools to cross-sell and up-sell, converting a customer encounter into an opportunity for building a more profitable relationship.
- Using more sophisticated analytical techniques and tools to determine the effectiveness of each marketing campaign and save money.
- Analysing customer relationships and identifying highest-value customers, and targeting them with offers relevant offers based on their history and potential.
- Ensuring that you have accurate pipeline information to justify forecasts.
- Identifying shifts in buying patterns and rapidly respond to new trends and opportunities.
- Maintaining a consistent brand presence and inventory management across all parts of the company that deal with customers across, multiple channels.

Financial performance

Effective financial management maintains the viability of the business and supports business growth, and the finance team must be capable of fulfilling all these business requirements and:

- Give users throughout the company access to accurate information to monitor performance, identify waste and inefficiency and make meaningful decisions.
- Produce reliable budgets and forecasts based on realistic figures.
- Identify areas where waste is hurting the business most.
- Identify if all significant risks have been assessed and appropriate internal controls put in place.
- Ensure the accounting system allows the finance department to manage financial accountability and compliance, promote fiscal responsibility and provide transparency.
- Collect and analyse information from all of the organisation's departments and processes.
- Identify unnecessary costs.
- Track and trace all tasks and deadlines related to regulatory compliance.
- Provide executives and managers with key risk indicators to avoid future costs.
- Give employees and line managers tailored views of their work and tasks that need immediate attention.

IT systems

In the modern world, more and more people in a company are demanding greater functionality from IT systems, and challenged to do more with less, many IT departments are finding that the cost of maintaining legacy business systems is excessive. They should aim to:

- Reduce IT costs by simplifying and streamlining common IT tasks, including integration and data management across diverse computer systems.
- Ensure all parts of the organisation have the right electronic information and software tools they need to efficiently and effectively manage their role in the business.
- Reduce support requirements by simplifying, streamlining and eliminating common IT tasks through automation, self-service and eliminating duplicate data entry.
- Identify if the Cloud forms part of long term strategy.
- Constantly look for ways to make innovative use of new technology to drive down costs and improve productivity.
- Ensure that all business software integrates with other IT systems.

Operations

The operations department is responsible for effective execution of a wide range of processes, including purchasing, manufacturing, logistics, distribution and supply chain management. Effective relationships and automated links with teams in all supply chain partners are critical to effective operations and minimising cost. Here are some areas you can target for better efficiency:

- Help workers communicate and collaborate across all departments.
- Have an on-going plan to eliminate time-consuming and error-prone data re-entry in multiple disparate systems.

- Ensure that the company is providing the right products and services, at the desired quality at the right time.
- Exchange electronic data with business partners, vendors and suppliers across the supply chain.
- Give everybody in the business the right tools that easily connects them to the right processes and to each other.
- Identify waste in time and material usage throughout your internal supply chain.
- Automate common tasks and use “self-service” techniques to let users generate their own reports.

REMEMBER

Experience from previous recessions shows that the companies that invest in marketing their brand and improving their employees skill base, survive and go on to grow stronger. As we emerge from this recession company failures will rise and redundancy levels will increase, as those companies that hope to get out of their difficulties drop away and are replaced by leaner, meaner companies that are investing now for a better future. Start that process with a health check and make sure you survive where others fail.