

Focus on operations goes straight to the bottom line

BY LINDA SWERLING

Smart companies that thrive in good times and survive in down times understand the how and why of business operations, accounting and sales. A focus on operations can make the difference between a company that just makes it and one that succeeds for the long term.

Any company can improve its bottom line by fine-tuning four areas:

- Optimizing current technology to decrease additional capital expenditures
- Improving workflow to increase ROI
- Using accounting systems to analyze information for improved profitability
- Developing better standards and processes to boost productivity.

Optimize current technology

Technology should be the thread connecting every part of the business. Because technology changes so quickly, companies must understand how to make change an advantage.

Ensure that the systems share information easily between and among all parts of the business. Any piece of information should exist in one place and be accessible by the entire organization as needed.

Before investing in new technology, make sure that you are taking advantage of the applicable features and capabilities of the hardware and software you now use. Few companies understand the full functionality of their technology. So what you have now may solve some of the problems you're experiencing. Read your manuals and check the vendor's Web site. And train your staff well.

Use the Internet and your Web site to their fullest potential. There are cost savings in creating useful self-service for your clients, prospects and employees.

Improve workflow

The workflow in an organization is the combination of various functions that the business needs to get products and services out the door such as accounts receivable and payable, product or service deliv-

ery, sales, employee management, R&D.

By looking at specific activities for these deliverables across every function, you can identify gaps and redundancies that can be changed to improve efficiencies.

You can do this internally with the right team. List all of the functional areas the

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business needs, for example:

- General and administrative — accounting, financial management, IT, legal, office management, facilities management and HR
- Product/service — development, order fulfillment and technical support
- Sales and marketing — account management, lead generation, trade shows and public relations.

Then record all the activities that occur under each functional area in the course of the business. Review each function and activity and decide who could fulfill it. Next assess how well suited or trained he or she is to do that job.

Once done, revise job descriptions to reflect employees' new roles and responsibilities and hire staff to fill the missing slots.

Using accounting systems

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improve them. Invest in a system based on how you expect your business to grow.

Before searching for an accounting system, rework the back-room operations by developing these new workflow processes:

- Have employees from all functional areas list the forms they use, what information they need and suggestions for making them more streamlined.
- Determine what types of data are important for tracking and who needs that information.

Then research accounting systems using the following search criteria:

- Relevant to your business
- Web-enabled for customer access
- Scalable to meet long-term company goals.

Standards and processes

The art of standardization goes a long way toward improving operations and productivity. Begin by identifying frequent errors and problems in the day-to-day functioning of the business. Create a list of all the problems so you can begin working on the ones where you will get the biggest payback.

Now refine and prioritize the issues and identify possible solutions to establish a plan of action. Design and document new procedures and train employees via e-mail, Intranet and workshops.

Your work environment will become calmer and employees will become less frustrated because they can spend more time doing their jobs. The consistency the processes provide will result in fewer mistakes and errors and eliminate ambiguity. ROI on the improvements should be good, with improved profitability and productivity.

Focus on these four areas and you will be in business for the long haul.

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