



THE HALLMARK

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Tighten up now, before it's too late

What a dandy run we all had from 2002-2007. The U.S. economy hummed along, home construction boomed and credit, sweetened by temptingly low interest rates, flowed to anybody able to draw as much as a single warm breath. Who needed an ATM machine? The equity in our homes spit out cash for everything from pleasure boats to professionally designed and installed landscapes.

Many of you were as busy as you wanted to be, and you crammed as much production into your schedules as manpower and systems allowed.

Wasted time? Wasted materials? Yes, when you're running that fast and furious, details tend to fall through the cracks. Who's brave (or foolish) enough to attempt to change a tire when you're screaming along at 90 mph, right?

Even when things didn't go as smoothly (or profitably) as you would have liked on some jobs, you felt you could make it up on the next one. In most cases, you did. When the work was relatively easy to get and cash was flying in, you might have felt that you could afford to turn your head to a little sloppiness.

That won't cut it anymore.

Market conditions are nasty, the competitive

environment is getting bloodier and business casualties are mounting fast.

There's no reason for us to go into the sorry details of how our economy got into the mess we now find it in. It's history, so let's plow ahead and give ourselves a better chance of succeeding tomorrow and beyond.

That means streamlining our companies now — before we get into breakneck production. What we do in the next few weeks will be critical in preparing our companies for the scariest economic conditions we've yet faced.

Some of you might be going into 2009 confident that you will remain profitable. Others might be struggling to survive. It doesn't matter. Everyone's systems can be improved and made more efficient. Think back to this past season, and you'll agree with me.

Even when you were cranking out work like there was no tomorrow, didn't you sometimes feel like you needed too many last-minute fire drills to complete routine tasks? That too often it wasn't clear who was responsible for what in your company? That there was too much unnecessary duplication of effort?

Dissect your processes from start to finish. Break them into categories — sales, production, quality control, administration, etc. Huddle with key team members and analyze your systems one at a time, step-by-step. Look for wasted time, effort and materials. Be ruthless. Start with the small processes and work toward more complex ones. Small changes often result in big payoffs.

Once you've gone over a process or system, document the changes, communicate them to your employees, implement the changes, then monitor the improved processes to make sure they don't revert back to their inefficient ways. This is a continuous process. Once you start, don't stop.

And don't wait until the season gets hot and heavy. It will be almost impossible to make changes on the fly, and it will almost certainly be too late.

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