



Doing more with less; it's time to deliver!

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In this article

1. What did we do?
2. Does it matter?
3. Can anything be done?
4. Conclusion – Just do it?

Doing more with less; it's time to deliver!

Post recession we see a European business landscape that has taken something of a beating. Almost every company has had to change; most are leaner and more focused organisations. Many are struggling to come to terms with the implications of greater demands but fewer people. While the bottom line may have benefitted in the short term, how can organisations hope to take advantage of recovering markets in the future when they are failing to cope at the moment?

What did we do?

Business is cyclical; we all know that and so we are used to the need to take advantage of favourable conditions while they exist and then ensure that in tougher times belts are tightened. The most recent recession in Europe may have been different however. As always in tough times, it became more difficult to deliver top line growth and therefore cuts have had to be made to make any kind of acceptable bottom line number. Promotional budgets were slashed, headcount reduced and every line of cost scrutinised for savings. 'So what?' you may say, as before in recovery surely things will return to something more 'normal'.

This time it may be different for several reasons:

1. Europe isn't that important any more. For large, increasingly global businesses, Europe doesn't offer much in terms of growth. So the attention, the investment (and often the location) of senior management is shifting to Asia and Latin America. This seems to be a trend that will only accelerate as China and India in particular become more important, not just in terms of size but because of the need to build share in anticipation of continued growth.
2. Businesses were already pretty efficient. So the cuts that have taken place in 2008, 2009 and part of 2010 have left many private sector organisations running with structures that are close to or below the minimum needed to be effective.
3. The digital revolution. This is impacting businesses in so many ways; it is creating ever greater transparency on price, allowing easier comparisons and it is encouraging consumers to share experiences of service and quality.
4. We can measure things as never before. Well run businesses look at many more metrics than just financial ratios; whether it is advertising investment or the effectiveness of a salesperson, we can assess the return on investment very accurately.

Does it matter?

We think it does; as the economy begins to recover one of the key challenges businesses are struggling with is the difficulty of taking advantage of the opportunities. Individuals in key leadership positions must

deliver and new hires make an impact very quickly. We are seeing companies struggle in both areas and we believe the reason are in part due to the points above.

1. The emphasis internationally on non European markets make it essential in many senior roles for the job holder to understand the pace and dynamism of the emerging economies. With more and more leaders coming from these countries, senior teams need to know how to work effectively with individuals who may operate and think very differently than those in the 'old' economies of Europe. Senior managers in post may not have these skills and it is hard to find them externally.
2. Leaner organisational structures with fewer layers mean more autonomy and more time in a role before it is possible to be promoted. Successful people need to be self directing and to excel at deciding what is important; there simply is not enough time or resource to do everything.
3. It is important that leaders (and future leaders) are comfortable with the opportunities presented by the digital revolution. Things will not return to the way they were and it may be necessary to reinvent parts of previously successful business models to survive. This is hard for individuals who may have been in a company for a long time to fully appreciate.
4. Being commercial has always been important. The volume of data available now though mean that familiarity with different measurement tools is critical. It helps immensely to be able to look at return on investment using new and often more creative tools. Our experience is that these tools are often being bought in from consultancies rather than being developed in house.

Can anything be done?

We think there are major implications for businesses looking to do more with less;

1. Every senior role is now a much more critical one as part of a smaller team with (often) broader responsibility. The demands on each person are greater and so the process used for internal promotion has to be broad ranging and rigorous. Succession planning should be a higher priority and the training budget may need to be resurrected!
2. With flatter structures comes the challenge of motivating people who may have to stay at a level longer before the opportunity of promotion comes up. Companies are finding creative ways around this, for example offering sideways moves to gain experience to allow the gap to be bridged and providing more opportunities for visibility and responsibility outside the day to day role.
3. External recruitment is not a simple solution; we know how challenging is it at the moment to find people who can make a real difference in this new world. Again there are many solutions being used, including talent mapping for key functions/roles and working more closely with recruitment consultants to ensure they are able to represent your business as well as possible.

Conclusion – Just do it!

We think the world has changed for good. While Asia and Latin America may get more resource and greater focus, Europe is going to spend the foreseeable future trying to do more with less. Our experience though is that many businesses are delaying taking action. Perhaps they think everything will work out fine if they just keep on doing what they have always done and wait for the cycle to move into a phase of growth. Please have a look at your business; be honest about your ability to take advantage of opportunity. Have you got the right people in the right places to provide the clarity of leadership you will need? Are they really up to the more complex, more demanding leadership roles of the future? Does your business recognise that with fewer people you cannot do everything and so can you (and do you) ruthlessly prioritise so that the most important things (rather than the most urgent) get done?

Have you been honest with your talent? Is it clear to them that promotions may come less frequently in a flatter structure and do you have in place mechanisms to give them stretch and development without a change in job title? Can your grading and pay scales cope with this? Have you, as many companies have, disengaged from the recruitment community and brought some or all recruitment in house? We see some forward-thinking businesses taking a different view; actually engaging more closely with recruitment partners and being proactive...asking them to share best practice with them. Are you challenging recruiters to come up with flexible and creative approaches to talent identification and engagement or are you just waiting until a role comes up and briefing them as normal?

Take a first step...

Give us a call. We are passionate about these issues. The world has changed and we can help you adapt!

A word from the partners

We hope you've found this piece interesting and useful, and we'd love to hear your thoughts on this subject. If you would like us to explore this subject in more detail, or if you would like to suggest other topics, please don't hesitate to contact us.

We look forward to working with you.

Best wishes

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