

January Newsletter – If It Ain't Broke, Don't Fix It

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Evaluating Current Spend for Immediate Bottom Line Benefits

If it ain't broke, don't fix it? Would you wait until your computer crashed and lost all your data before you upgraded your system or external memory? You spend lots of time and resources planning, budgeting and setting strategy for growth - but are your support processes and systems - the actual systems and personnel running your business operations poised to support this growth? The questions are asked annually - Where we can achieve cost savings (consolidate expenses) across the company and how can we generate additional cash flow? A simple strategy that is easily overlooked - **evaluating current spend** in some basic support areas of the enterprise. The spend is already in the budget but are you getting the best/up to date functionality/scalability for what you are paying? And what will your 3-5 year projected spend look like if your company grows according to your strategic plan?

HR Admin, payroll, Benefits? You have added employees over the past 3 years- time to evaluate your current spend for HR Benefits and Admin vs. support staff and your growth projections; Yes you sign a contract annually or every 3 years, and your vendors are quick to tell you they are not increasing your rates ☺ but have you really evaluated the function of these systems and mapped the corresponding business workflow to your growth projections and what THAT cost looks like? Business workflows - are the supporting departments aligned with company sales and revenue goals? And not only the tangible costs but *the intangible costs* - the time your employees are taking away from core responsibilities to deal with antiquated systems, systems toggled together from mergers, making copies of employee files that should be web based and online, having to manually convert excel into PDF? (We are not kidding!)

A real world example - A large multi-million \$ company in the hospitality industry had not looked at their HR Admin and Payroll functions in 4 years - they were busy "growing" and it wasn't broke. ResiliEnt was asked to assess the HR Admin and Payroll functions, look at projected 5 year growth and costs and the potential need for additional personnel as they were poised for rapid multi-unit growth over the next 5 years which meant the # of employees was projected to grow 15%-20% per year as well resulting in an additional 1000 new employees in 18 months. First up was providing a cost analysis and projected growth analysis so senior management could actually "see" what 15%-20% growth really looked like in spend. Next up was the renewal of the upcoming HR Admin and outsourcing contract. This was a great deal for their current vendor who "wasn't going to raise their outsourcing or admin costs for another multi-year renewal" - but they didn't have to! By the mere fact that this company was growing 15-20% each year, this vendor was generating increased revenue because this client was increasing the number of employees and in effect their spend for the outsourcing contract! After completing an HR and Payroll Operations Assessment and submitting recommendations, it was decided that an immediate change in outsourcing vendor and software was needed and would provide all the efficiencies and scalabilities for the next 5-7 years projected growth with current technologies and better price model to accommodate growth and a company of this size. Additional personnel were not needed at this time as the efficiencies provided by the system upgrade was sufficient (web based applications, reporting, integration to POS, and cloud accessibilities). And the icing on the cake - all this functionality at a 10% decrease in spend - cash going immediately to the bottom line!

ResiliEnt consultants work with our clients to identify the connection between the current process and procedures that drive strategy and cross - functional operations. The on-going assessment of fundamental operations, oversight and financial strategies for efficiencies and how they are integrated is a key differentiator in companies that succeed in the execution of long-term strategies and improved operations and performance. Equally essential to strategy and execution is the development of operational, governance and financial strategies to manage risk effectively. This may be an enterprise wide initiative or the need to assess and document specific risks in operations and regulatory compliance.