

Process is everything ... well, almost everything

by Garry A. Jones, Ventura Small Firms Interest Group chair

Looking at business competition is very interesting. The competition is, of course, fierce. Recently, I was a participant in a strategic planning meeting with a client. The client had been able to secure several contracts, but the results were less than expected. He asked all the obvious questions: What did I do right? Where did I go wrong? Once I know, what can I do about it? This client was truly interested in bettering his business. I arrived and met the "outsiders" who were friends of the client in the same industry.

We discussed and analyzed past practices and developed a good plan for the future. All the models we discussed were efficient and delivered the goods or services to the customer with a minimum of effort and

cost. All would meet or exceed the customer's expectations. The meeting went amazingly well. The part that amazed me the most, though, was that these younger and less experienced business people had a firm grasp on the need for process.

Unfortunately, process is something most business people choose to ignore. It is that "thing" that everyone knows they should do. It is that "thing" they have every intention of setting down, developing, and actually putting into practice. But most people do not follow through on their good intentions. As the saying goes, the road to hell is paved with good intentions, or should we say the road to bankruptcy court.

The concept of process is essentially the same for all businesses—big or small—to efficiently process the transaction and

meet or exceed the customer's expectations. Yet the general perception is that a well-laid out, consistently applied process is required only when there is great volume. Wrong! A business needs processing efficiency in every step. As we know, the low-cost producer has a distinct competitive advantage. However, their efficiency can not stop with the manufacture of the product or delivery of the service; it should continue through all aspects of the transaction, from initial contact with the customer to consummation and delivery, from billing and collection to the post-sale follow up. Therefore, a business must apply a well-developed process from start to finish.

"Benchmarking," a technique used to measure aspects *continued on back page*



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of an event by comparison, has yielded astounding results as information history is accumulated. The cost to process a similar transaction in companies can vary by more than three times. That is a huge range of costs with quite an impact to the bottom line.

There are many reasons why all businesses need to define and streamline their process. To name a few, they need to contain costs and stay competitive, to deliver a consistent product or service to the customer, and to provide a process whereby employees can effectively contribute.

Most people and businesses do not think enough about process. The immediate goal is to get the job done. They need to plan and continually refine their process to remain viable in the competitive business world. This is proven by the rapid advancement of the megastores—large sales volumes combined with an efficient process. While some businesses cannot generate the large sales volumes, they can be more efficient in their process and thus more profitable.

This is even apparent in the accounting process. Many owners are not accounting oriented and do not review and improve this part of the process. Most accounting processes can benefit from significant updating and streamlining leading to greater efficiency and better control.

Most businesses would welcome this process efficiency improvement. They need it.

Improve or be consumed by the competitive forces, the choice is simple.