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T: 01235 770791

F: 01235 766701

E: information@a-t.co.uk

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In house refuelling

The economy is slowing down. Organisations are tightening their belts. Everyone wants to cut expenses. However, make sure you don't cut the wrong ones. Money is important, BUT: are you managing your cash flow or managing your company out of existence?

Despite the forecast recession, 75% of Fortune Top 500 companies are increasing their budget and commitment to management training and executive education even when redundancies are forecast, and increasing their recruitment spend to attract new talent.

When the economy slows down, companies impose financial constraints with the MD and the FD demanding numerical evidence to support proposed expenditure. "What difference does it make to the bottom line?"

It's easy to see that if you take X amount of clerical or middle management jobs out of the business, that will have an impact of £Y straight onto the bottom line. It's not always easy to see how any money invested in motivation, morale and staff empowerment impacts on the bottom line.

Good finance people ask great questions to make sure that they understand what impact any such expenditure is going to have on the business. They want to spend their money in a smart way. For instance, some departments or divisions may not be co-operating as well as they might and this is affecting performance and productivity. Or a new team is being formed and an away-day would enable them to get to know each other quickly, their motivation and preferred working styles to speed up the usual process of teams forming, norming, storming and performing. Or maybe there's been a re-structure, a merger or an acquisition. What is the impact on the people who remain? Even though they might be pleased to still have a job, they need to re-group and feel as secure as is possible about the future of the organisation. They need a boost. They need RE-FUELLING with motivation.

Re-fuelling is a vital part of any business plan. However, any re-fuelling must impact on both performance and the bottom line.

Smart questions:

- What will it cost if we don't spend the money?
- Is the expenditure focused on our aims and objectives?
- How do we propose to measure any difference?

Low morale and low motivation affect productivity and therefore, the bottom line. It's highly unlikely that you'd get rid of your doctor just as you were beginning to feel ill or stop using your car mechanic if your car was not working well.

So why is it that many organisations cut their training and conference budgets just when they can make an enormous difference to motivation, morale and productivity?

In times of a recession or slow down in the economy, keeping KEY talent will be vital. Keeping the experience you need and recruiting new, high quality people into the organisation. The *right* people will be your most important asset. Attract the best people and you'll accomplish great things. Everyone in the organisation needs to be focused, coherent, committed, co-operating, communicating effectively and moving in the same direction to make the best use of Corporate Energy. There will be less conflict and more co-operation and more ideas generated.

Without a constant flow of ideas, a business is condemned to obsolescence. Ideas come from PEOPLE.

Make sure that your organisation is taking as much care of its HI (Human Intelligence) as its AI (Artificial Intelligence).

Marie Mosely,
Business Psychologist