

Experience Matters

empowering the 50+

Mike is a recently retired partner of a major accounting firm who now has a portfolio of public and private sector roles where his experience can add value.

Experience helps get 'best value'

'Getting the best return for money spent' was how I have described this, cumbersome perhaps but I wanted to avoid clichés like 'best value', 'maximum ROI', and 'effective use of resources'. I think experience tells us what this means- spending money wisely - on what we need and in getting a fair price. I also wanted to emphasise that when spending money it is useful to think of it in terms of an investment with a return rather than an outlay that is dissipated. So what are the tips and why does experience matter?

The general theme surprisingly is that our experience tells us that we must retain our common sense and think about what really matters. Hence my first tip is that we should not be frightened to say that we believe that the expenditure is a complete waste- contributing nothing to the objectives of the organisation. Waste is an expression much used by the current administration but I think they go a little over the top - not all of the expenditure we can cut back on is waste: we know that a lot is waste but a lot is not. Hence we are able to bring a reality check on the expenditure by asking sensible questions. I do not think much unnecessary expenditure is eliminated by bland global statements but by sensible searching questions that allow people to reach agreement without taking entrenched positions.

My second point is that we will, if given the chance, encourage colleagues to work together to achieve goals. We will help them move away from the positions where they want to defend their own narrow agenda and think of what the bigger picture will require. The golden rule here is to ask what the expenditure does for the customer, what value does it bring to them and how will they judge it. We do this all the time as consumers of goods and services of course; we just have to keep putting ourselves in the customer's frame of mind when looking at it from the opposite angle. I find this a particularly powerful approach with charities who have a habit of spending what they have available if you are careful. It is always useful to remind charity colleagues of why you are there- who is the expenditure supposed to benefit. And to ask if there is a better way of spending that money to reach a specific outcome - for the customer.

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Even now I find it rather odd that when we talk about using resources, the first thought seems to be about buying what we have before for a lower price rather than taking a step back. The classic example of this in recent years is the switch to using mobile phones and the internet to communicate key messages to customers. I was very impressed recently when I was invited to a seminar and the invite came by email, the reminder came by text and email and the feedback form was also by text or email. The cost saving on paper and postage must have been significant- and allowed the firm to make a better impression on me. What especially pleased me that the firm made a better connection with me at lower cost- so better value, lower price- a great outcome?

When we ask about a better way, we should extend our questioning to cover whether a goal can be achieved by asking about the cost being shared with other people. We often seem to think that sharing somehow dilutes what we are trying to do. There are some obvious examples of sharing lifts and of course the current debate is about public organisations sharing services. To most of us it is a fairly obvious step but of course people can be rather frightened to suggest such things as they may be accused of rocking the boat, or shooting themselves in the foot by putting their own role under threat. But it has been obvious to many of us who help with charities for example that for years there was duplication between organisations trying to meet the same needs. So sharing accounting and personnel functions for example - especially the one off tasks like annual accounts- has become quite common place but there have also been many examples where particular customers or clients were being dealt with by different people from the same organisation who were not joining the service up and so increasing transactions costs considerably. Modern technology has made this much simpler of course because there is now really no excuse for sharing information so that the costs the organisation incurs can be more effectively deployed in achieving what its purpose is. There is also no excuse for thinking that you won the customer- a common fault in times gone by.

This short piece has been designed to help you come to that glimpse of the blindingly obvious - that having some miles under your belt does help organisations get a better return for the money they spend trying to achieve their goals. I have not mentioned sensible budgeting and financial controls which might have been expected as I am an accountant. The reason is quite simple- you already know that, I wanted to remind you that your experience helps in other ways too - in ways that less experienced people may not yet

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have realised do work.

Your contribution will be all the more valuable if you are able to express the purpose of the organisation with clarity. This is not high level technical stuff; this is the common sense that reminds those around you what you are all there for. I would suggest that many firms lose that clarity all too easily, smaller ones less so than large ones, but all can be infected, so be the awkward so and so that brings them back to earth; in doing so you will be providing a valuable service. You will be reminding your colleagues that when they want to spend money and resources, their objective should be the overall outcome for the customer or the clients not meeting their own needs.

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