

## Dollarizing the Dumpster

Turn your employees into aggressive cost cutters. I want to discuss sharing more information with your employees. HOWEVER, we need to define more. My definition is – more information employees truly understand, and most importantly, more they genuinely care about.

Several years ago, I met a gentleman who was the new CFO at a large company. After getting his feet wet for a few weeks, he began to express concern over the sheer quantity of information that was being produced internally. He had a magnificent idea. He stopped producing and communicating all information and reports... and waited for the emails and calls to come. After a few days people started asking, “hey, where is my such and such report”? His response was, OK I will get that for you. This went on for a few weeks. At the end, what he discovered was about two-thirds of the information being produced was evidently not being looked at, since no one called looking for it.

At the next staff meeting he reported his findings and followed up with two questions to the management team. **What do you need to know? And, how often do you need to know it?** In my experience, they may have been the best two questions any CFO/controller or Senior IT manager ever asked. Those two questions can and should be asked of every employee of the company. If they are engaged and invested.

In that light... why is it, at the top of the organization the only language spoken is dollars, yet elsewhere in the business we speak everything BUT dollars? A favorite illustration we use is “**dollarizing the dumpster**”. When touring of a manufacturing facility we always seek out the area where the scrap or defective product is piled up. I grab a couple of employees and ask, “what is this”? They typically come up with a product definition. Then I ask, “what’s it worth, how many dollars are here”? 99 times out of 100 they have NO IDEA!

To the CFO the pile of rejected product is \$100,000. To the employees it’s just stuff. Valueless stuff. Make more, make less... I still get \$15 an hour. That is a serious disconnect. The workforce is neither engaged nor invested. They are exchanging time for money, totally disconnected from business outcomes. There may be different illustrations, but this condition applies to many businesses.

It is imperative that employees know the value of what they produce and the value of what they are consuming. Absent that, a fundamental component of organizational performance is sorely lacking, and you are leaving millions of dollars of output and cost reduction on the table.

Employees must be participants culturally and financially in the value centers of the business. If they are not, then they are simply paid spectators.