

## **You Must "Walk the Talk"**

As an owner or manager you must demonstrate your commitment to a program of total cost control if you are to maximize your results. **You must walk the talk.** You cannot say one thing and do another. Doing so will result in far less than optimum success.

Let me give you a real life example. The division head pulled up in his brand new company van having just returned from an out of state convention of highly questionable value that took place in a warm weather state in the middle of a cold northeastern winter. Later that day, his brand new executive conference table and chairs were delivered. The employees watched as the delivery folks rolled the brass and leather chairs down the hall to his office.

Things must be going awfully well they thought. Profits sure must be high. Thoughts of big raises immediately came to mind.

How do you think they felt later on that day when they were told there would be no raises that year due to low profits? Do you think that manager had any credibility? How anxious would you be to do all you could to control costs?

How do you think the employees felt when they heard about the \$300 dinner at a French restaurant the manager enjoyed while at the convention? Or how about the \$200 rounds of golf each day at a private country club? What about the \$450 a night room rate?

Do you think these employees would be giving this company all they had? Do you think they had any incentive to control costs and reduce expenses? If you do, you had better think again.

If the owners or managers do not have and demonstrate complete commitment, the employees never will. It must start at the top. Think about how destructive it is to ask your employees to dedicate themselves to a program of cost control and cost reduction while management goes around wasting money in a thousand and one ways.

**It will not work.** It will create resentment. I have seen it happen first hand. **All efforts to improve your company and increase profits will fall short of what they could be if a strong and committed ownership and management does not exist.**

Employees follow the lead of management. They follow your example. If you think they will work as hard as they can to control and reduce costs while you do not, you had better think again.

Let me give you just a few examples of the type of things I have seen firsthand from owners, managers, supervisors, division heads, and many others in some management capacity who have no right to expect employees to embrace a program of total cost control:

- Working short weeks.
- Leaving early and coming in late.
- Having employees handle personal work.
- Buying expensive cars that are not needed or justified.
- Having the company buy products for their personal use.
- Having the company pay for nights out.
- Spending more time on internal politics than they spend on doing the job.
- Wasting money on conventions and trade shows that amount to little more than a free vacation.
- Having excessively large offices furnished very expensively.
- Putting personal agendas and activities ahead of corporate objectives.

**We are talking about show and tell. You cannot tell your employees to do one thing and show them something else.** They will do as you do, not as you say.

If the owners and managers are not committed to a program of cost control, you will never get the results you should or could be realizing.

You can put out all the memos and edicts you want but without accompanying action, support, and commitment from the owners and management, your results will not be as successful as they could be.

Employees will not bust their butts to reduce or control costs, improve quality, or improve service if they see the owners and management throwing money away through stupid and careless mistakes, abuses of position, procrastination, extravagance, repeated bad decisions, or anything like this.

Would you?

Instead of developing a common goal and improving morale, you will have poor morale, resentment, and an attitude of "to hell with them". Your actions could create dissension and foster an "us against them" mentality. This will be true even if you have an incentive or savings sharing program.

In fact, it will be especially true in this case as employees will feel management is robbing them of income or recognition through their actions, inactions, incompetence and lack of commitment.

**They would be right!** Simply put, they will feel they are doing the job and management or ownership is either reaping the benefits or sabotaging their efforts and costing them and the company money. This simply will not work.

**How can you expect commitment from employees if it is not demonstrated by management and ownership?**

The result you may see is an attitude of "why should we support this program when they don't or when they spend or waste all we save?", or "we fight to keep costs down, improve the product and process and they spend the money thereby depleting our incentive pool". They will not fight for nickels and dimes while others throw away dollars.

**People will follow your actions not your words.** If you demand they do one thing while you do another, which do you think your people will mirror? If you preach cost control, increased productivity, honesty, and integrity and then take time off from work on false pretenses or use company labor and materials for personal projects what do you think your people will do?

You will be laying a foundation of abuse, dishonesty, lack of integrity, and poor morale. Abuse by managers and owners sets the pattern and example for abuse by employees. If you do not care or do not live by the rules you expect them to, neither will they.

**Your actions cause a reaction.**

Excellence has a price. The price is commitment. Without commitment you will never achieve excellence.

You cannot have it both ways. **You are either committed to excellence or you are not.** There is no in-between.

**How committed are you? Are you willing to put in the effort required to ensure the health of your business or of your career?**

Complete commitment must be demonstrated at the top. Like a pebble dropped in a pool of water, the effects ripple out. There must be a commitment demonstrated, not just talked about, at the top.

This edition of The Welch Report has been provided by Derrick Welch the author of **'In Pursuit of Profits: How to at Least Double your Profits Without Increasing Your Sales'. Including 1,000 Cost Control, Expense Reduction, and Income Producing Strategies You Can Start Using Today To Dramatically Increase Your Bottom Line.**

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