

# YOUR PEOPLE: THE BIGGEST WASTE IN YOUR BUSINESS

Submitted by: Mitchell Phoenix Ltd

Tuesday, 24 February 2009

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FOR IMMEDIATE RELEASE

The recession is going to be longer and deeper than initially thought. In its latest quarterly economic forecast the CBI has predicted that the UK economy will shrink 3.3% in 2009 and only begin its recovery in the second half of 2010.

Businesses which were not running lean previously have either had to make reductions in expenditure or are still spending money fast, and one of the most significant costs in any business is the wage bill.

Yet despite the fact that people are one of the largest items on a business's balance sheet, they are the least susceptible to lean methodology and often represent the greatest waste of money in any business.

Given the choice, no company would allow a manufacturing machine to run at only 60% efficiency. It would be simply unacceptable. And yet most people in any organization are not working anywhere near their full potential.

In their report *When Good Management Shows: Creating Value in an Uncertain Economy*, Accenture's Jane Linder and Brian McCarthy analysed the financial performance of 850 companies, concluding that, "the winners [in a recession] manage for value all the time and pull away from the pack when a downturn highlights their distinctiveness."

How, then, can we manage for the value in our people, and release into our business the potential which exists in all of our staff? Kevin Yates, MD of Mitchell Phoenix, explains: "Training which concentrates specifically on producing results and focuses overtly on the creation of culture within an organization will release the latent potential in staff."

Stuart Taylor, MD at HSBC Private Bank, remarks that Mitchell Phoenix' programmes have "assisted in creating a common management culture, a greater focus on results, heightened awareness on adding value, a much greater focus on planning and preparedness, encouraged more focused communications and ultimately, increased effectiveness within the business."

If we are serious about reducing the waste in our businesses, we must address the wasted potential in our people. After all, our people are only as good as they are allowed to be, and it is up to us to create an environment which maximises our investment in those people. Only when we have done this are we truly running lean.

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Mitchell Phoenix has been inspiring change in some of the world's most demanding companies for over twenty years. We provide a unique and powerful influence that transforms the way leaders think and act. With offices in London, New York and Singapore, Mitchell Phoenix closes the gap between knowledge and understanding, bringing new insight and solutions. Our programmes build on core business strengths that are the source of all business results, and leave a permanent legacy both corporately and personally.

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