

# Business Postmortems

BY MIKE SUTTON

**H**ow often does your organization conduct an autopsy on past business periods? While many companies hold planning sessions, particularly at the beginning of the year, to try to blueprint future opportunities or projects, not many look backwards to see if their previous efforts were effective and efficient. Of course, the major failures get scrutinized down to subatomic levels, particularly if they're public. Take, for example, Coke's decision a few years ago to alter a formula that had been tremendously popular for decades. Who says you can't argue with success?

Fortunately, most of our day-to-day activities don't cause us to risk our professional lives and limbs. However, that doesn't mean that the business decisions we make aren't very important.

In my experience, the reason we don't do a better job of measuring our past progress or lack of it is because it's hard to do. Now you may be saying "How tough can it be to measure past progress? Just take a look at the annual report or the profit and loss statement." And, my response would be what I used to say as a "spirited" kid in Chicago: "You have a point there, judge."

Here's the issue I'm trying to express: Not everything is reported in the boxcar loads of paper turned out by America's army of MBAs. The true cost of products or services is often greater than we think.

Let me give an example. As a result of a decision to reduce their IS staff, XYZ, Inc. has implemented a distributed processing system in its branch offices. As a result, people with little, if any, data processing experience were asked to take on additional responsibilities as LAN administrators and so on. There is a finite cost associated with asking people to take on additional duties and responsibilities for which they may not be trained.

First, because of these people's lack of IS knowledge they may make some serious mistakes with the new processing system, such as failing to make regular backups of the company's data. Or problems may arise in getting printed output that the business is dependent upon (e.g., billings, proposals, etc.). Second, the primary jobs of the new inductees into the "Little Shop of IS Horrors" may not be performed adequately due to lack of time or inability to focus on the day-to-day issues. This can result in lost business opportunities or actual business loss for a variety of reasons including inattention.

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The costs of these activities are rarely captured and reported, again because doing so is difficult. So, now the IS department of XYZ, Inc. is touting the corporate savings and patting each other on the back ... at least those who are left. No where in this equation is the outboard cost of the company's actions computed. If it were, it might be discovered that the perceived savings were not realized. In fact, in some cases it cost more to make the changes than it would have to have left the situation as it was.

There are two expressions that I have come to hate:

- ◆ "We have to learn to do more with less." I first heard this in Southeast Asia as the war in Vietnam was winding down.

There was a cost associated with that approach that is commonly referred to as "defeat."

- ◆ The corollary to the "more with less" line is: "We have to learn to work "smarter" not "harder."

Now, far be it from me to ever suggest that people and businesses should not strive to improve what they do and how they do it. But, to think that the "more with less" philosophy can be applied without experiencing a cost for doing so displays a naiveté that rivals belief in the Tooth Fairy and Easter Bunny.

In many ways management is becoming increasingly easier by virtue of the myriad of tools available today: such things as decision support, data base queries that allow almost instantaneous "what-if" scenarios to be run, spread sheets and communications improvements that existed only in our imaginations a few years ago. There may be a downside to these high-tech tools, though.

Management still requires individual common sense. With all the Luke Skywalker tools now at our finger tips we may be losing sight of that fact.

One thing is for sure. So far, we haven't seen any breakthrough in the ability to clone or inject common sense into our leaders in business or government. 

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NaSPA member Mike Sutton's Vietnam novel, *No Survivors* (ISBN 0-8338-0226-7) is available from Marshall Jones Co. at (800) 258-1505. Mike is donating 33 percent of the royalties from his book to the Center for Homeless Veterans.

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