

Sage HR & Payroll

Reducing Employee Costs and Improving Efficiencies



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Long-term profitability versus cost cutting and efficiencies



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- Long-term business success is driven predominantly by innovation and investment and not efficiencies and cost-cutting.
 - Cost cutting is usually a short-term approach and not sustainable.
 - Apple is not the biggest because they are efficient or cut costs but because they innovate and invest.
 - However, innovation and efficiency are not mutually exclusive concepts – you can be efficient whilst being innovative.

Be more efficient by being output focused



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- Clock watching is “old school”.
 - Very few jobs require you to be in the office at 8am.
 - I would rather have someone doing a great job than being on time for work.
 - Set clear and measurable KPI's and incentivise your people accordingly.
 - This speaks to flexible working practices – give people the freedom to work how and when they want – as long as they get the job done.
 - If they do more than what is expected, pay them more.
 - Smoking is bad for your health but ironically good for business.
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A focus on execution



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- Get the balance right between talking and doing
– no 2 hour meetings.
 - Who will do what by when?
 - Minutes of meetings – follow-up and control.
 - Hold each other accountable.
 - What are your most expensive people doing today?
 - Challenge and stretch your people by setting high expectations.

A focus on execution (continued)



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- Prioritizing - doing the right things instead of doing things right.
 - A clear vision will help your people to do the right things = strategic alignment.
 - Don't try to do too much at the same time, finish one thing before moving on to the next.
 - A-class execution with B-class strategy beats B-class execution with A-class strategy.
 - Avoid e-mail at all costs. E-mail should be the last resort. Face-to face, TelePresence/Skype, telephone and only then e-mail. Try to cc as seldom as possible.

Managing employee costs – the ROI of salaries



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- Measure salary costs as a % of turnover per division.
 - KPI of divisional manager is to improve or at least maintain salary ROI.
 - This also applies to “cost centres”, e.g. finance & admin as a % of total turnover.
 - Monthly re-forecasting of 12-month forecast is critical to ensure you remain on track.
 - Annualization effect can be seen in a 12-month view.
 - This approach gives divisional managers options, either appoint less people or grow revenue.

Automate in-house processes with workflow to become more efficient



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- It reduces paperwork and pushes work back to the employees.
 - Making it available on mobile devices further improves efficiencies, do it from anywhere.
 - Fairly inexpensive to develop. Generic workflow platforms are available.
 - Can relate to any action in your business – training, performance management, expense claims, leave, recruitment, scheduling, invoicing, time & billing, terminations.

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- Staff requisition process kicks off in workflow and job description flows from HR into Career Portal and Applicant Tracking System (ATS).
 - ATS automates upload of CV's.
 - ATS automates shortlisting process by setting filters.
 - ATS automates regret letters.
 - ATS handles scheduling of interviews.
 - Integrate ATS with HR/payroll – import successful candidate into payroll.
 - Automate on-boarding process – ID & bank account verification, issuing equipment, scheduling training, setting up e-mail account, arranging security access.

Efficient customers service and support



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- On-line training e.g. live WebEx sessions – more profitable for you and also cheaper and more convenient for your customers.
 - On-line support e.g. on-line chat and e-mail support. It gives customers more options at no extra cost.
 - Self-help tools e.g. e-learning – more profitable for you and cheaper and more convenient for your customers.

Questions



Thank you

