



Cutting Costs with a Scalpel, Not a Chainsaw



Presented by:

Curt Finch

CEO

Journyx, Inc.

Today's Agenda

- Time To Cut? Now What?
- My Experience
- The Scientific Method
- Q & A

Curt Finch has 19 years of software development and distributed workforce management experience. In 1997, Curt created the world's first Internet-based timesheet application. He has managed development teams creating enterprise-level software solutions since 1985.

His involvement with distributed workforce management began in 1988 when serving as a consultant for the staffing company Pencom. In 1992, Finch led the team porting Tivoli's product line to the AIX operating system, which led to the company's acquisition by IBM. As a member of the executive team, Curt helped launch TKG, a venture-backed firm that grew to 50 employees and \$7.5 million in sales by the time he left.

Curt has a B.S. in Computer Science from Virginia Tech.



Curt Finch
is CEO of Journyx, an
Austin, Texas, USA-based
provider of web-based
timesheet software.

Cut 10% Right Now

Imagine you are running a 100 person department and your boss says,

“Cut 10% of your HR costs in the way that’s best for our company.”

What do you do?

Advice From PMs

Don't Hurt Anyone

- Analyze indirect costs & other expenses
- Ask your team for ideas
- Move some people to another group that's lacking
- Look for creative solutions such as timeshare
- Leave open positions open for now
- Eliminate overtime
- Pray you're not part of the 10%
- Make your boss explain him/herself and justify

Advice From PMs

Okay, Maybe We Have To Hurt People

- Which work areas can be consolidated?
- Use employee performance scoring, figure out who provides the “best bang for the buck”
- Reduce management
- Reduce in least critical areas

My Personal Experience

Step 1: Get depressed

Step 2: Try to avoid it

Step 3: Grow up

If you are keeping underperformers around,
you are hurting the whole company – and
you're hurting that person, too.

The Scientific Method

- Fire:
 - Unprofitable customers
 - Non-strategic projects
 - Overbearing, unhelpful processes
- Fire *projects*, not people.
- Cut more than you are supposed to. Once. Don't trickle it out.

What's Profitable?

- Profit = Revenue – Costs
- Proxy for revenue
 - Strategic value
 - Cost reduction effects
- Most knowledge worker businesses do not know their costs per-project, per-process or per-customer
- Revenue/Benefit may be estimated

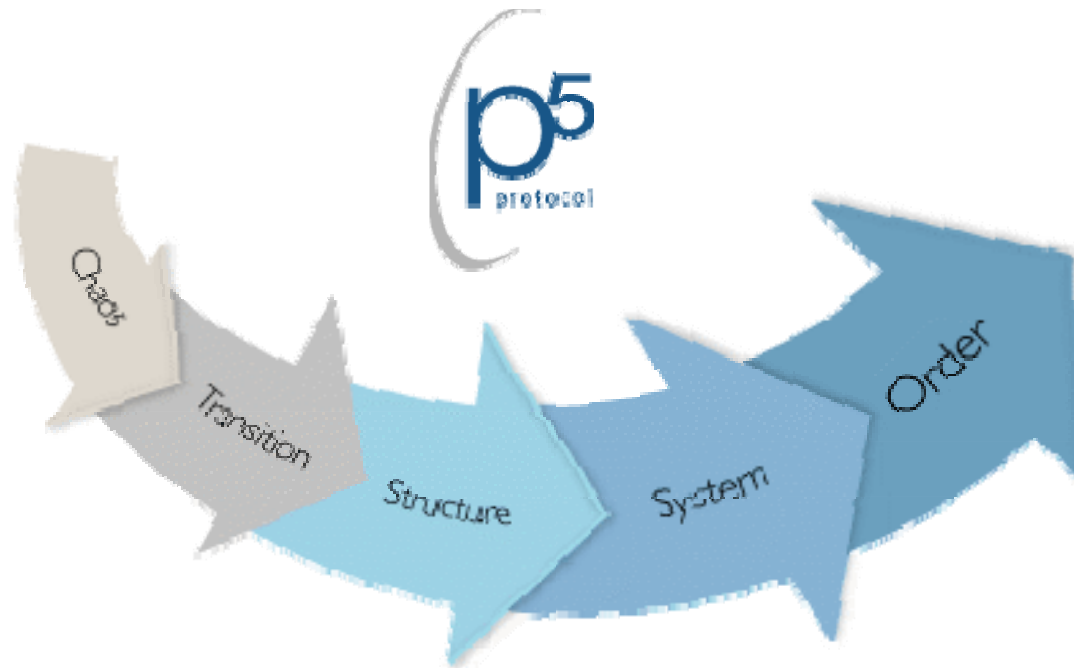
Track Time Per-Project

Discover your true costs

Everyone hates timesheets

- I'm too busy to track my time.
- Why am I doing this?
- I'll get negative feedback from "Big Brother."
- I can't remember what I did. I multitask.

P5 - Per Person, Per Project Profitability™



Chaos	Transition	Structure	System	Order
Overcommit, processes abandoned in crisis, can't repeat past success.	Track project labor hours on all projects – basic costs/schedules visible to management.	Track time/rates and expenses on all projects – complete direct costs known.	Allocate indirect costs.	Integrated with CRM or accounting systems, AKA Nirvana.

From Recession to Recovery

P5 data enables you to:

- Know which projects to resume & which aren't worth it
- Allocate resources to the right projects, maximizing productivity
- Keep tabs on project status to avoid failure



info@journyx.com

(800) 755-9878

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