



January 2014

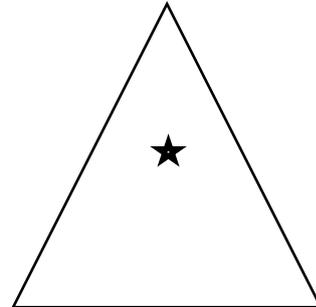
## New Year Plans & Illusion

### 1. Is a Illusion holding your business to ransom

At this time of year after the turkey has digested, and the last mince pie is a reduced to a lone crumb many business people turn to reflecting on the year just ending. It is not unusual to find oneself thinking of that knotty business issue and what we are going to do about them in the New Year. IBM report says that one of the major reasons why business projects fail to deliver (over 60% do fail and 15% are halted with no benefit at all) ... [solving the wrong problem](#).

Christmas is a time for teeth grindingly poor cracker puzzles so I thought I would generate my own.... Is the centre of the star in the triangle opposite closer to the top of the triangle or to the bottom.

Well as you probably guessed the answer is that it is in the centre, yet at a meeting of 40+ accountants and lawyers specialising in business change, transformation and turnaround ONLY ONE GOT IT RIGHT. Strangely just asking the question tips us off, yet we are still gripped by the illusion & what our eyes think they see seems to over-rule everything else. Now the position of a star in a triangle is a cracker puzzle, but can what we think we see have a negative impact on our business—I believe it can through the decisions it can lead us to make.



### 2. Is this really a problem.....

An example is a high tech business facing warranty costs that were 10% of revenue—the directors felt that obviously as it was a warranty issue the problem must be in build quality and looked no further. For 4 years they trained, harried, hired and fired multiple Production Directors and team members and spent a fortune on production consultants—and all the time the losses were mounting. Business Transformers Ltd undertook a project to look into this and within a week identified another cause .... poor management of sales specification. A process change was put in place and within 3 months warranty costs were down to 5% of revenue and went onto fall to 1.5% of revenue over the next 18 months. All savings fell to the bottom line! Strongly held beliefs about efficiency, scrap etc. which may well have been true in the past can become invalid and cause us not to investigate and thus miss simple improvement opportunities

### 3. Business Transformers offers a fixed price “Investigate & Report (with proposed actions) service

[Contact Business Transformers Ltd by e-mail](#) ,or by calling 0794 1161321 for a no obligation review and discussion. For more information on change management, business improvement, metrics & KPI's, plus information on funding options check out the [Business Transformers website](#).

