

How to resist to this economy?

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With the market shrinking before our eyes, what remains to most Portuguese companies to maintain their sustainability? Since the trend is to lower sales hence also the tendency of revenue, the response can only come at the cost side and also on from commercial efficiency.

On the cost side, it is necessary to reduce all operating and administrative component, especially - often the most concealed without necessarily being the least significant, and often even with the greatest potential impact. How? Is there any magic recipe? No, no there is not. However there is a suggested path, simple and concrete: delete each existing paper with a recurring role in the activity of the company and that is not reporting, meaning that is registration. The same principle applies for each Excel sheet. Often it's as simple as that, remove and simplify.

We all remember when the Portuguese state led 6 months in bureaucracy before a company be legally created, now is possible in 90 minutes, including a registered trademark! Let's consider the relationship with taxes and income? The integration of information, land registry, queues IRS, VAT ... and many other examples. Compared with this change, what private companies did? The paperwork has decreased? No, not really. More orders, smaller orders, more papers, more paperwork and more Excel spreadsheets. The reality tends to be this. How much it costs to create and maintain manual parallel records? What are the costs of the inconsistencies between them? And customers service faults related with this practice? Very often and most certainly, more than is perceived.

Commercial efficiency, because commercial costs cannot increase by the opposite, they should decrease, and the market sizes tends to reduce, the only way to maintain or increase sales is increasing commercial efficiency. With better control, as mentioned in previous Opinion Bulletin and management, directing the sales force to the clients with more potential, keeping it there. How do we achieve this? By conceiving an approaching to these customers, systematizing it,

controlling and managing its execution. Of course, with a systematization, management and control without papers or spreadsheets, other than reports.

So we wonder if we have all have in mind, always, that: a) each euro of costs is one euro of profits when removed? b) With the same sales force, each euro of additional sales to the same clients or to new ones is a premium of one euro in sales.

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