

**TITLE: "THE FIRST THING WE DO,  
LET'S KILL ALL THE BEAN COUNTERS"**

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Since 1971: *"Software for the finest computer - the Mind"*

*"Business is about people, not just numbers."  
- Bryce's Law*

**INTRODUCTION**

Nope, its not the lawyers; its the "bean counters" that are ruining business. Let me give you an example, I know of a large machine-tool operation in the Midwest who used to be heralded for producing quality products. To this end, the company established an in-house school who taught their machinists how to build products, not just any old way, the company's way. The school was led by the senior craftsmen of the business who took pride in their workmanship and passed this on to the new employees. When an employee graduated from the school, a machinest not only knew his job, but took pride in his work and became loyal to the company due to its reputation. Even if an employee dropped out and went elsewhere, he would always recommend his former company's products because he knew they were built with quality. This school went on for a number of years and became a part of the corporate culture. However, in the 1980's the company hired a team of MBA's to look over their operations and make recommendations for improvement. You must remember, this was a time when cost cutting was the norm. After looking over the financial statements of the business, the management consultants concluded the school represented a costly overhead and convinced the company to close it down.

Shortly after the school's closure, the company started to experience a drop in morale, absenteeism and tardiness began to rise, and craftsmanship began to deteriorate. Product quality dropped significantly and the company began to lose customers, so much so, they eventually sold off their machine-tool operations and went into a totally new line of business. Keep in mind, prior to this the company was a leader in the machine-tool industry and generated substantial profits from it.

Obviously this story isn't unique as we have witnessed several such changes in the corporate landscape during the 1980's and 1990's. The point is, the bean counters have taken charge of business which has triggered sweeping changes in how we deal with our customers, our vendors, and our employees.

**LOSING THE PERSONAL TOUCH**

Under the bean counter approach to business, numbers are all that matter. Of course, paying attention to the bottom-line is always important, but this should not result in a callous way of operating a business. To me, studying the numbers is analogous to watching the dials and gauges of a machine. It is like watching the speedometer of an automobile. But if I observe an emergency vehicle approaching or see a drunk driver nearby, I am going to ignore the gauge and do what is proper. I am going to make a human decision and do what is best for my passengers and myself, as well as the other surrounding vehicles. If I only did what the dials and gauges told me, I would probably harm others.

The bean counter approach to business represents a very mechanical way of operating. Let me give you an illustration. I have a friend here in Florida who is the state sales manager for a home health business (a lucrative business for a retirement state like Florida). The company was recently purchased and a new management team put into place run by bean counters. After studying sales figures, management found a salesman who wasn't making his quota and, consequently, instructed my friend to terminate his employment. My friend knew the salesman in question and realized he was experiencing some personal problems. After considerable discussion with corporate management, he convinced them to let him (the Sales Manager) work with the salesman a while longer to see if he could help him. He pointed out to management, the alternative was to start the laborious and costly process of recruiting and teaching a replacement. Management acquiesced and granted the salesman a stay of execution. Over the next few weeks, the Sales Manager was able to work with the salesman, helped him overcome his personal problems and rebuilt his confidence. Since then, the salesman has gotten back on track and has been exceeding quota ever since.

Bean counters do not understand or appreciate the true business of a company. They make knee-jerk reactions based strictly on numbers, not on human intuition or

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social interaction. It is no small wonder the corporate world has become dehumanizing. I know of a medium sized semiconductor business in the Southeast who also experienced a similar phenomenon. The company was founded by a man with little formal education, but a lot of "street smarts." He took a hands-on approach to the startup of the company which grew in leaps and bounds. As the company settled into maturity, the founder began to slow down and brought in a new management team to take over the reins. His new management team had some pretty slick business school credentials but, inevitably, they were nothing more than bean counters. Under their watch, corporate growth was arrested and the company's stock diminished radically. Today, a company that was at one time a robust and thriving business with loyal customers and dedicated employees is a mere shadow of its old self.

Conducting business is more about our interpersonal relations with customers, vendors and employees, than it is about watching dials and gauges. As the famed W. Edwards Deming once said:

*"Profit in business comes from repeat customers, customers that boast about your project or service, and that bring friends with them."*

Keep in mind, Deming understood the need for statistical analysis and watching the bottom-line, but he also realized they were nothing more than the dials and gauges of the business.

## **CONCLUSION**

Under the bean counter approach we have lost the personal touch for conducting business. Companies have become cold and calculating, certainly not the types of businesses we want to work for or with. Always remember that bean counters believe conducting business is simply manipulating numbers, not in building products or servicing customers. Yet, for some unfathomable reason, we have put them on a pedestal and expect them to competently guide our companies. But the only thing I see them guiding is our foreign competitors who take over our market share.

To paraphrase William Shakespeare, *"The first thing we do, let's kill all the bean counters."*

**END**

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