Welcome

Welcome to the web site dedicated to exploring the concepts of *Efficiency & Effectiveness*. This web site is committed to creating *"conversations"* about *efficiency & effectiveness*. The dictionary defines a *conversation* as *a talk, especially an informal one, between two or more people, in which news and ideas are exchanged*.   The objective of this web site is to *engage* its visitors in these *efficiency & effectiveness* **conversations**.

I have spent the majority of my professional career working in the public accounting environment while, at the same time, developing extensive computer skills including designing & developing computer programs that saved tremendous amounts of time & resources. I have also worked for computer companies designing and writing software. Although my work experience was primarily in the public accounting environment, those experiences easily translate into other work environments and also into normal day-to-day activities.

This web site will select various topics/concepts within the fields *of efficiency & effectiveness* and create what we will call *"conversations"*. While some discussion points will be intuitive, other points may actually be counter-intuitive. Ideally, valuable areas of thought that were not apparent prior to the start of the conversation will be revealed. My observations are just that, *my* observations supplemented

with *my* opinions. I'm *not* asserting my perspective *is the only way* to interpret specific discussion points. Instead, my goal is just to have my observations provide additional ways of looking at those discussion points. Hopefully, the discussion will create a safe environment for diving deeper into the topics/concepts being discussed.

I am extremely excited that this web site will facilitate the exploration *of what it is to be truly efficient and effective* in your work environment and in your life. Now, let's get started with your journey …

My journey in the exploration of efficiencies interestingly enough began as a result of my personal ***inefficiencies*** at work. I graduated from the University of Maryland and was fortunate enough to secure a job with Seidman & Seidman, CPA's.   The firm engrained integrity in their work product which emphasized adherence to **accuracy**. To achieve this standard, I determined my work would *always* be 100% accurate, ***no matter how much time it took***. Therein lies the issue. It took me more time to complete my work assignments than was budgeted for the tasks I was performing. Thus began my extreme dislike for budgets and how they were utilized. **However, in the final analysis, my inefficiency in completing my work was actually a great thing because it motivated me to THINK, to think of how to perform tasks more efficiently and effectively.** I developed and tried alternative ways of executing my job; some ways worked and others did not. However, the important thing

was I was engaging my mind in the ***creative thought process***, and as a result, my experimentation with creating more efficient work processes was born.

Initial topic for conversation, ***BUDGETS***:

Budgets, specifically time budgets are important. However, they are really given too much emphasis in the public accounting environment as an evaluation tool ***of the personnel*** working on the task. They would be better utilized as an evaluation tool ***on the time allotted to perform a <u>task</u>***. A budget is after all, only an estimate. The true values of budgets lie in (a) accurately recalibrating an existing budget with the *actual* time specific tasks took *today* so that the *future* estimated budgeted time will be accurate & achievable, and (b) thru analysis, assisting in the determination of what methods/techniques can be utilized and/or developed in pursuit to performing one's work more efficiently (i.e., spending less time). Unfortunately, too often a budget is viewed as an exact measurement device akin to an immutable yard stick, as opposed to being viewed as a flexible retractable measuring tape that allows for reevaluation and adjustments in the pursuit of achieving an **accurate** measurement of the truthful required time to complete the task(s) at hand.

Now, let's discuss the *unintended* dangers budgets often create that harms the firm. On my 3rd engagement in my

public accounting career, I traveled to a West Virginia coal mine to participate in a financial audit. My supervisor had worked on the engagement for the previous 3 years. To "look good", he developed the infectious habit (common to public accounting) of "eating time" (i.e., not charging ALL of his time to the client) in order to bring the engagement *under budget*. While he may have achieved his myopic goal of "looking good", he also precluded any *accurate* time budgets from being created for future years. Let me elaborate. Every year, my supervisor would eat time equal to at least 10% of the budget, so after 3 years, it actually took approximately 30% longer to complete the audit than was budgeted. This excess time was never charged to the client, resulting in less revenue being collected by the firm. Additionally, each year, my supervisor's supervisor would trim the budget by approximately 10% under the belief that performing the audit in a subsequent year would naturally require less time as a result of the increased knowledge & experience gained while performing the previous year's audit. Therefore, by my supervisor's 4th year on this engagement (my first year on the engagement), the *budgeted* time was understated by at least 50%; *actual* time to perform to audit would require working twice the hours actually budgeted. That raised the troubling Shakespearian question everyone faces in public accounting, "To eat time, or not to eat time, that is the question." **What would your answer to this question be?**

The irony of the above situation, which occurs constantly in public accounting, is we all are in the accounting profession which infers **accountability**; however, timesheets are anything but accountable (and accurate) when the practice of "eating time" is exercised. Why didn't my supervisor realize he would be working more hours "off the books" (i.e., not recording <u>ALL</u> his time on his timesheet) as the years progressed? It appeared to me he actually did, however, he thought he could pass this *time problem* off to others. In fact, he threatened me both verbally & physically in an attempt to get me to "eat my time". Additionally, according to other professionals, every year he attempted to get other unsuspecting supervisors to take over this engagement, thus transferring the problem to others. **How productive can a firm be when these delayed time bombs (i.e., budget-busting engagements) are created by fellow employees and are set to explode in the future?**

While most employees publicly celebrate *'coming <u>under</u> budget'* even when they are aware they are actually way-over-budget, not charging **ALL** the time and thus not billing the client for *actual* time spent on an engagement is in effect **stealing**. It is stealing from the CPA firm because if the unrecorded time had been determined to be properly chargeable to the client (and not resulting from the inefficient usage of time <u>or</u> resulting from time spent correcting errors made by the CPA firm's personnel), the firm would have been precluded from receiving their properly

earned revenue in the current year and, possibly, in *all subsequent* years. All throughout my career, I constantly heard the choir of partners singing "clients do not really know the true value we provide to them nor do they compensate us for that true value we provide". Maybe, those partners should not have participated in short circuiting the evaluation process of evaluating **_personnel_** based on inaccurate budgets and should have adopted budgets as a sliding-scale guide to determine the honestly budgeted time a **_task_** actually requires. An honest budget begets employees not "eating time" that begets actual time being charged to timesheets that begets actual time being evaluated as to whether it should be properly billed to the client that begets increased revenue and profitability.

In the final analysis, budgets should be a tool that assists in making an engagement (or project) more efficient and effective, and not a vehicle that sabotages the engagement's execution. Budgets are the starting point, the foundation on which maximized efficiency & effectiveness work processes can be built upon. Once an accurate budget has established a strong foundation, other components can be applied in the process of building the functioning environment that will maximize the efficiency and effectiveness of the work processes to be performed. These components will be the subjects of upcoming articles. The journey continues …

You may be wondering what my reaction was to my supervisor's threats. **More often than people realize, _good_**

things rise out of <u>bad</u> situations (*as long as one is looking for those good things that rise out of the ashes*). *<u>My supervisor's threats against me were actually a pivotal point in my professional career</u>*. First, I reported him to management, and decided I would never let anyone intimidate me. Second, I vowed I would never "eat time" in order to "look good" and have since preached to the professionals *working for me* to never "eat their time". Third, and most importantly, I committed myself in searching for more efficient ways of performing my work. This commitment provided me with the path for my journey into the exploration of developing efficiencies & effectiveness in work processes.

My objective of presenting this conversation about budgets was to provide you with some insights that you may not have previously considered. Additionally, I hope this conversation stimulated you the THINK of *new* ways that you can create *for yourself* which will maximize your efficiency & effectiveness in the future.

Glenn Caviness

Author: Glenn Caviness
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