

GDI Consulting & Training Company
Friends-of-the-Firm Mini-Briefing

Our Most Precious Corporate Asset

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I wish corporate America could re-invent the format of the balance sheet and income statement. If this could be done, I would strongly recommend that we rethink the asset section of the balance sheet and the expense section of the income statement. By doing this, we could bring to life a whole new understanding of what "real" corporate assets are and what the real expenses of running our businesses can be.



The most precious corporate resource in America is people. It is not machines. It is not technology. It is not robots. It is not the Internet. It is not "corporate culture" or TQM thinking. It is people people who execute plans, add value to raw material and provide a service that Americans and other countries' consumers need. It is people who exploit market niches, not machines.

If we are to succeed at building the productivity machine that America desperately requires to remain a world competitor, we must invest in the maintenance of this most precious asset. Leaders must begin investing in training as well as technology. No longer can we afford to think that buying a new system, buying a new robot or buying a new piece of machinery will solve problems. When we do try to buy our way out of a problem, all we ever succeed in doing is spending a lot of our stockholders' cash while never implementing the new tool effectively or as we promised the board of directors. This is usually because we "installed" the new device or system and failed to train, train and retrain our people. We apparently believe that people in our company are bright and have the motivation to learn through osmosis. Nothing could be further from the truth!

Implementing a new information system in your company without implementing a recurring and formalized way of training is like installing a computer without any consideration for preventive maintenance. Eventually it is going to break and it is going to hurt. **Instead of waiting for the pain to stimulate a response, why don't we implement "preventive maintenance" for our people asset?** Why don't companies develop training departments that execute training for all levels throughout the organization? Why can't training be considered part of the job?



During the next two decades, America will both prosper and maintain its position in the world marketplace or it will become a nation of hamburger flippers, day traders, law clerks and service clerks. Foreigners, who always seem to want to build things, will own the mortgages on our buildings, our factories and our homes.

There are many tasks that need to be performed to preclude productivity gains from eroding probably none more important than the development of recurring training programs in our manufacturing companies. And I do not mean classes on how to weld, how to solder and how to assemble. I mean classes on how to plan, schedule, manage quality levels, measure performance and lead others.

Recurring, formalized training programs should be considered part of the cost of maintaining human assets, not an expense to be cut at the first hint of trouble. When you don't continually train your people, you are saving short-term cash while mortgaging your future.

As the wise man once said, pay me now or pay me later!