

KAREN SAYS

MORE THAN JUST A NUMBER

EARLIER this week, I had a serendipitous meeting with Prof Charles Fine of the MIT Sloan School of Management, a professor who has not only conducted research in operations management, supply chain strategy and value chain road-mapping, but also applied that research and consulted with many large organisations over the years.

Serendipitous, because this week, we chose to revisit the notion of cost-cutting exercises or its euphemism “right-sizing” – initiatives which may strike fear in the hearts of our people if not managed well. Notwithstanding the fact that innovation and change allows greater efficiency and improved outcomes, we all know that the people factor can have far-reaching effects.

I observed for example, how people left a company by the hundreds (entire teams decimated) mainly because senior leaders had announced impending changes, however took months to clarify the impact throughout the organisation. Inevitably, the implosion spilled over to affect external relationships.

Roshan Thiran stresses the point that even when our teams accept that change is necessary – whether for cost-optimisation or in response to an external crisis – effective leaders take into account the “heart” part of the equation when leading their people through change.

And because we recognise that early exposure to skills and the right tools can help grow young leaders, we look at the leadership trait of endurance – instilling this in schools, universities and corporations. Chong Keat Lim focuses on imparting skills to youth, while Andrew Lau and Elisa Dass zero in on university students and corporations respectively.

There are times when “right-sizing” really does have the reduction of cost and size of labour in the crosshairs – and Dr John Sullivan shares a checklist of cost-cutting strategies. To complement this, Fabio Malagisi walks us through six effective steps for cutting costs.

Just earlier today, a few of us were chatting about how a recent addition to Leaderonomics, a mechanical engineer, can easily draw parallels between a smooth running machine or device and a well-functioning organisation. John Walter Baybay is more inclined to see organisations as living organisms (yes!) and rather than focus on cost-cutting, suggests that leaders focus on cost alignment – where one might consider investing in processes that have a positive impact on cost rather than performing “amputations”.

In *Starting Young*, Divya Chandy reminds us how old the inventors of life-changing innovations like Braille, the mechanical calculator and the telephone were (hint: they were teenagers!). Highlighting some young inventors of our time, Divya also shares the five key traits that young inventors have in common.. just in case you moms and dads out there wanted to set up your own incubators!

Onward, upward!

KAREN NEOH
Editor
leaderonomics.com

TUNE IN

Want practical tips for success on your way home from work? We're on

CAPITAL FM in the Klang Valley
88.9FM
107.6FM in Penang

every Monday from 7am to 8am.

JOIN US!

TRY THIS!

Do you have an **opinion** you'd like to share with us? Visit leaderonomics.com or write to us at editor@leaderonomics.com. Please provide your full name, occupation (designation and employer) and telephone number.

Want more content sent directly to your email? Subscribe to our **Leader's Digest** by emailing leadersdigest@leaderonomics.com

SETTING UP AND STICKING TO A BUDGET

By **TARA THIAGARAJAN**
editor@leaderonomics.com

FOR students studying in college or university, it can be hard to keep track of our finances as many of us have been thrown into the world on our own for the first time, without a clue as to how we should manage our expenses.

Yes, we often hear the age-old piece of advice, “why don't you just keep a budget?” but many of us may be clueless as to how we go about setting up a budget.

1 KNOW HOW MUCH YOU ALREADY HAVE

According to Bank of America, knowing how much money you already have, in this case, probably how much allowance you get per month, is the first step to estimating a sensible budget.

Be it a weekly or monthly budget, once we know how much money we currently have, we should have a basic idea of the means within which we should spend.

2 TRACK YOUR EXPENSES

One way that can ensure us that we keep within our budget is to document the amount of money we spend on a daily basis.

Since almost everyone has a

smartphone these days, tracking our expenses is easier through the use of apps like *Level Money*, which syncs with your bank and credit card accounts so it can display how much money you can afford to spend according to your day.

3 CHECK IN EVERY MONTH

Lastly, one effective way that can help us stick to the budget we've made is to total up all our expenses at the end of each month.

During the first month of setting our budget, we may want to do this to get a basic idea of how much we spend in a month so it can help us come up with a more realistic budget that we can commit to.

CONCLUSION

At the end of the day, it is important to remember that setting and committing to a budget takes a lot of self-control and discipline.

Budgets are not just meant for short-term usage as they can also help us organise our lives in efforts to save money for our futures.

Learning to budget is a useful skill to have because it can help college students ease into working life at a better pace as it teaches us responsibility as well as the value of a ringgit.

QUOTES

The opinions expressed in this career guide are those of the writers or the people they quoted and not necessarily those of Leaderonomics.

- “Time spent in nature is the most cost-effective and powerful way to counteract the burnout and sort of depression that we feel when we sit in front of a computer all day.” – **Richard Louv**
- “Technology makes things faster and more cost-effective, but it's not perfect. It requires you to be as flexible as you can be.” – **John Phillips**
- “Efficiency is doing things right; effectiveness is doing the right things.” – **Peter Drucker**
- “Obviously, the highest type of efficiency is that which can utilise existing material to the best advantage.” – **Jawaharlal Nehru**
- “A sustainable business is resource efficient, respects the environment and is a good neighbour.” – **Phil Harding**



EDITORIAL
Adviser
ROSHAN THIRAN
Editor
KAREN NEOH

Contributing editors
PREMA JAYABALAN
NINA TI
LIM LAY HSUAN

Sub-editor
LEE KAR YEAN

Layout, Art & Design
TUNG ENG HWA
ZULHAIMI BAHARUDDIN
AHMAD FADZUL YUSOF
ADZNAM SABRI

HAFIS IDZLA
SHANKAR
MOHD KHAIRUL
MUHD HAFEEZ
RAZZIAH

Writers & Contributors
TARA THIAGARAJAN
CHONG KEAT LIM
ANDREW LAU
ELISA DASS AVIN
DR JOHN SULLIVAN

DR VICTOR S L TAN
FABIO MALAGISI
JOHN WALTER BAYBAY
DIVYA CHANDY

