

## **CLIFF BEACHAM**

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### **Glass Supplies of Zambia and Timber Merchants of Zambia**

He moved on to a greater challenge and opportunity at the two company group consisting of Glass Supplies of Zambia and Timber Merchants of Zambia. His mission (and he did choose to accept it) was to sort out the mess that the two companies were in.

He metaphorically and physically rolled up his sleeves and worked 16 hour days for 10 months.

It was worth the effort and he was extremely effective.

#### **The situation:**

When he started the department had a staff of 12 and documents were in piles all over the floor of the Shipping department.

It took an average of 12 minutes to file a document under the old system due to a complex system of registers.

The staff did not really understand the system.

The Goods-in-transit account in the general ledger had not been reconciled for a long time and the companies had no idea where goods were nor what the balance in the general ledger represented. This resulted in Inventory balance being inaccurate and unsupported and, as a result, company income being immeasurable.

#### **What Cliff did:**

He revised the filing system, the indexing system and used pre-printed folders to record shipment costing.

In order to implement his he was required to make the proposed changes to the director of their parent company. After he presented the new system the director asked him, "Do you know who designed the old system?" Of course, he was talking to him but the presentation had gone well and Cliff was given the go ahead to make the changes.

The result was now complete control (there could hardly have been less) over Goods-in-transit and trade accounts payable, completely effective and accurate control over the shipping documentation and records of **what** was on order, **where** it was while in transit, and **when** would it arrive. The costs reflected in the general ledger and income statement were fully detailed and supportable.

Through natural attrition he reduced staff to a lean and effective team of 4.

#### The lessons he learned from this were:

- Never be afraid to make radical changes when you believe they are right
- Take bold steps and make firm decisions
- Keep the system simple
- Lean is efficient fat systems are ugly - a slothful system is inefficient and ineffective
- To be effective a system must be established and followed
- Written procedures ensure continuity and consistent application
- Pre-printed and pre-numbered documents are a great aid to control
- A good filing system is at the heart (foundation) of a good system
- The manager achieves the goals; the workers enable him to do so
- Manually deal with the exceptions not the bulk (Parato Principle)
- Break the rules if you need to and then make new, more effective, ones

#### What was achieved:

1. The department functioned effectively and efficiently
2. Accounting for goods-in-transit was quick and accurate