

ELIMINATE WASTE BY CREATING VALUE

How does a business become profitable? I believe you will not be able to do this unless you develop a habit that would "Eliminate Waste by Creating Value!" I have learned that increasing sales will have little benefit if you are not able to control your expenses.

When I say "control your expenses," I do not mean buying the cheapest raw materials and paying the lowest labor cost, because these may be detrimental to your business. Instead, I mean eliminating the "wastes" that add cost to your expenses.

"Wastes" are not only the unwanted by-product of the things you do. "Waste" is anything that does not add value to your business and make your money leak away. There are many major sources of waste in a business but they are too many for me to explain in this post. On the other hand, there are subtle sources of waste that people often brush aside because they feel they are insignificant to worry about. Yet, they actually impact expenses in a major way.

For example, conflict is a source of waste. When team members do not work in harmony, expenses will go up because they would take a longer time to finish their task. There will also be a lot of rework along the way because they will not do their best for each other. Also, keeping things in storage, like defective equipment and unused materials, is a source of waste. They take up valuable space and can be the cause of accidents. When you allow these things, your expenses will go up, your productivity will go down and your profit will suffer.

I am an entrepreneur who started with very little, so I cannot afford to waste my resources. Because of this, our farm is very conscious about eliminating waste so that we can preserve our profit. However, eliminating waste is not our end goal. Instead, it is to find ways to convert waste to something of value. This is why we have a vegetable business! Since I believe that God owns our farm, I considered the manure our hogs produce as holy. So I refused to throw them away. Because of this, I processed them and used them as fertilizer in our vegetable operations.

Do you know that Jesus taught about this concept also? After feeding the 5000, in John 6:12 He said (NLT), "Now gather the leftovers, so that nothing is wasted (or lost)." If you want to understand the different sources of waste in business and how you can eliminate them, join us in the Semilya training entitled, "The Essentials Of Business." Sana we can help some of you make your business profitable and your life fruitful.