

Consultant Suggests **Steps To Avoid Outsourcing**

Business consultant Rebecca A. Morgan of Fulcrum ConsultingWorks Inc., Cleveland, has suggested seven ways to cut manufacturing costs without sending work offshore:

1. Invest in equipment maintenance. Unplanned machine downtime is much more expensive than planned downtime.

2. Don't make across-the-board budget reductions. It's highly unlikely equal cuts in every area will have equal impacts on the company overall. Fair is not the objective; effective is.

3. Consider the long-term impact and goal. Labor may be the easiest, quickest target, but improving processes may have the greatest long-lasting positive impact.

4. If a capital expenditure is justified based on labor reductions, make sure the labor will really go away or be used elsewhere profitably.

5. Before increasing the rate of output from a piece of equipment, make sure you understand the impact of that increase on other equipment and inventory flow.

6. Question everything. Much of the work we do is because "we've always done it this way." Don't do things that cost more than the value provided, unless legally required. Use the time to do something that matters.

7. Visual, simple and real-time information communicates quickly and effectively in many cases. Don't make it fancy unless there are real benefits of doing so.