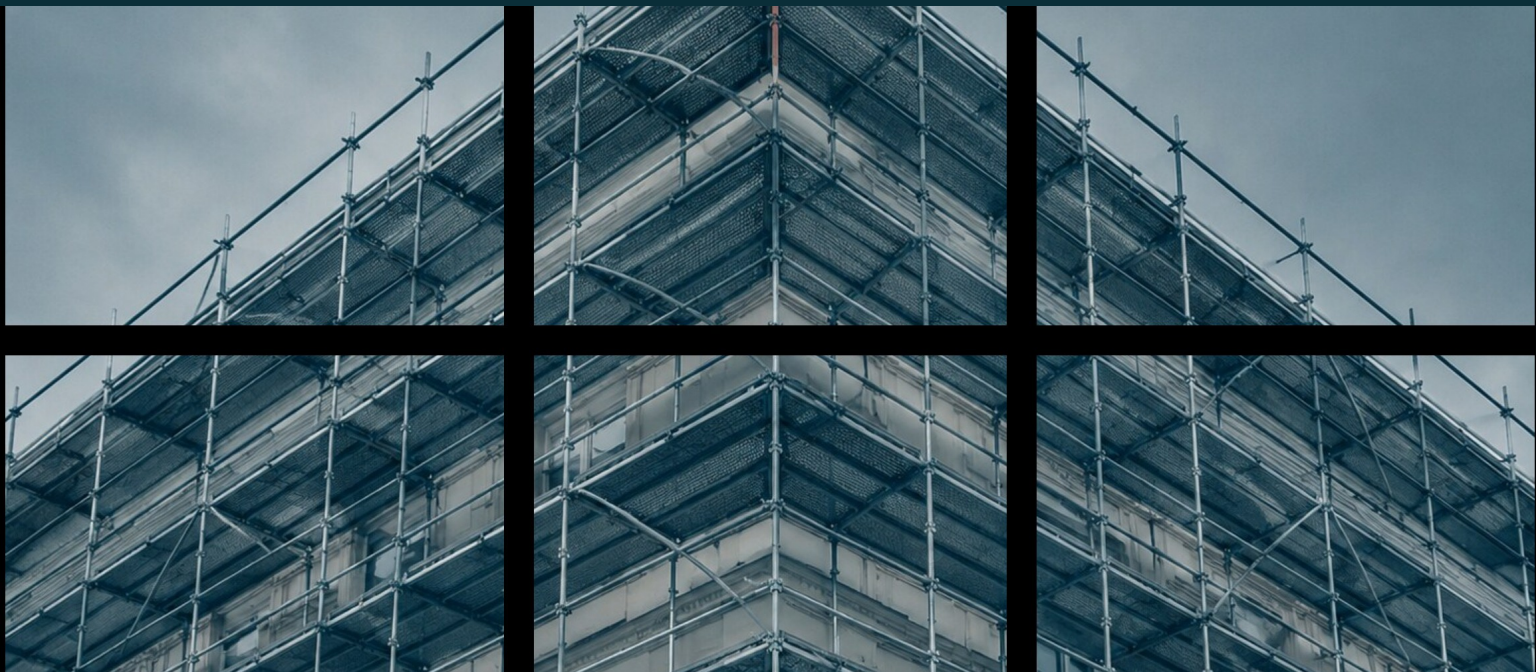


BEYOND THE SLOGAN

Doing More With Less Is Not a Strategy — It Is a Slogan

How the language of transformation disguises the reality of the cut — a view from inside the downturn



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“You can cut fast without cutting blind; the discipline is to protect the knowledge even while you shed the cost.”

1. The mandate that came down in January

Somewhere in the last few weeks a version of the same meeting has taken place in a great many organisations. The finance director puts up a single slide. The revenue line for the year ahead has been revised down — not catastrophically, but enough. Cash is tighter than it has been since the autumn. And the instruction that follows is nearly always phrased the same way: we need to take fifteen per cent out of the cost base, and we need to do it without losing capability. We need, in the words that have become the anthem of this downturn, to do more with less.

I have sat in that meeting more than once, in this cycle and the last one, and the phrase always lands the same way — as though it settles something. It does the opposite. "Do more with less" is not a plan. It is a slogan, and like most slogans its work is to make an uncomfortable decision sound like an inspiring one. Beneath it sit two entirely different activities that the language is careful to blur: cutting cost, and transforming it. An organisation that cannot tell those two apart will spend the next eighteen months believing it is doing the second while actually doing the first — and it will pay for the confusion long after the recession that prompted it has passed.

2. What the phrase is built to hide

Strip the inspiration away and "do more with less" resolves into three possible meanings, only one of which is honest.

The first is do less with less: reduce the resource, accept that output falls, and be candid about it. There is nothing shameful in this. In a real crisis, choosing to stop doing things is often the most disciplined move available. But almost nobody says it aloud, because "we will do less" is not a sentence that survives contact with a board.

The second is do the same with less — hold output flat while removing the people and the budget that produced it. This is the meaning most leaders privately intend, and for a while it appears to work, because the slack in most organisations is real and the first cuts land on genuine waste. The trouble is that slack runs out before the target does, and what looks like sustained output at lower cost is frequently output borrowed from the future: deferred maintenance, skipped controls, the experienced people who take a severance cheque and walk out of the door with the knowledge that made the process forgiving.

The third meaning — do more with less taken literally, more output from fewer resources — is the only one that would earn the word transformation. And it is real. It is also rare, slow, and almost never achieved by the mechanism a cost programme reaches for first.

The tell is in the timeline. Cutting shows its results this quarter and sends its costs along later. Transformation costs something now and shows its results later. A programme that promises the savings of the second on the schedule of the first is doing the first and calling it the second.

3. Cutting and transforming are not two sizes of the same thing

The comfortable assumption is that cost cutting and cost transformation sit on a single spectrum — that if you cut hard enough and cleverly enough, cutting shades gradually into transforming. It does not. They are different activities with different mechanisms, and the difference is not one of degree.

Cutting removes resource from an unchanged process. The work is still done the way it was always done; there is simply less of it, or fewer people doing it, or a cheaper supplier doing it. The cost of producing whatever the process produces is broadly untouched — you have bought less of the same thing. Transformation changes the process so that a unit of output genuinely costs less to make, and then removes the resource the old design required. The order matters, and it is the order almost everyone gets wrong.

Cost cutting	Cost transformation
Removes resource from the existing process	Redesigns the process, then sheds the resource it no longer needs
Unit cost of output roughly unchanged	Unit cost of output structurally lower
Savings visible immediately	Savings visible once the redesign lands
Reversible — and usually reversed	Durable — the old cost cannot easily creep back
Counted in headcount and spend	Counted in the cost of producing one more unit

Consider the signature move of this cycle: pulling a scattered back office into a single shared service centre. Done as a cut, it looks superb on the business case. I watched one such consolidation take a finance operation of roughly three hundred and forty people across three sites down to two hundred and ten in one location, booked as a six-million-pound annual saving and approved in an afternoon. What the business case did not model was that the underlying process — the same reconciliations, the same exceptions, the same fifteen local variations that each site had evolved for its own good historical reasons — had been moved, not simplified. Within eighteen months the centre was carrying an error-and-rework load that consumed the equivalent of forty of the posts supposedly saved, on top of a layer of coordination and hand-off management that had not existed when the work sat next to the people who understood it. The saving was real on paper and roughly half fictional in practice. Nobody had done anything to the process. They had changed its address.

The transformation version of the same move is unglamorous and slow: you standardise the fifteen local variations first, while the work still sits where the knowledge is, prove the leaner process holds, and only then consolidate what remains. It saves less in year one and a great deal more by year three, and it does not come back. But it cannot be promised to a

January board as an in-year number — which is precisely why it is so seldom the version that gets chosen.

4. The strongest case against waiting

There is a serious objection to all of this, and it deserves to be met at its strongest rather than waved away. It runs like this: in a downturn, cash is the binding constraint, and cash does not care about elegance. When the covenant test is ninety days out, a saving that arrives in year three is not a saving, it is an insolvency with good intentions. The patient, redesign-first approach is a luxury of good times; when the house is on fire you do not re-plumb it, you carry out what you can and get everyone into the street. Cut now, cut visibly, cut fast — and transform later, if there is a later.

Every part of that is true except the word "later." The premise is right: when survival is genuinely in question you cut first and you cut fast, and no amount of process elegance should be allowed to slow it. But two things follow that the fast-cut camp tends to miss.

The first is that how you cut decides whether transformation later remains possible at all. Cutting that sheds capacity indiscriminately — open voluntary severance, so that it is the most capable and most marketable who take the money and go — forecloses the redesign you will need, because redesign depends on exactly the deep process knowledge you have just paid to send out of the building. You can cut fast without cutting blind; the discipline is to protect the knowledge even while you shed the cost.

The second is that the crisis is not the enemy of structural change. It is the rare window in which structural change is possible at all. The local variation that was untouchable in the good years because a powerful function defended it; the duplication everyone knew was duplication and no one would surrender; the sacred monthly report that fed no decision — these become movable in a downturn in a way they simply are not in growth. The organisations that come out of this period genuinely stronger will not be the ones that cut the deepest. They will be the ones that used the cover of necessity to change how the work is actually done, while for once everybody accepted that something had to change.

5. The discipline the slogan removes

So when the mandate lands — and in this climate it will land — the useful response is not to salute the phrase but to interrogate it. Which of the three things are we actually doing? If it is do less with less, say so, and choose what to stop honestly and deliberately, rather than letting attrition and accident choose for you. If it is do the same with less, be clear-eyed that you are spending slack and borrowing from future capacity; know how much of each you hold, and do not book the borrowing as a permanent gain. And if you genuinely mean transformation, accept the timeline transformation actually runs on, protect the knowledge that makes it possible, and use the window while it is open.

“The recession will end. What you did to your cost base under its cover will still be there — either as a structure that costs less to run, or as a hole where the capability used to be.”

The phrase is not going anywhere; it is too useful to anyone who needs an uncomfortable instruction to sound like an aspiration. But we need not be governed by it. The most valuable thing a practitioner can do in the months ahead is quietly refuse the blur — to insist, in every programme that carries the word transformation on its cover sheet, on knowing whether the thing underneath is a redesign or merely a cut in the costume of one. Doing more with less is not a strategy. Deciding, precisely and honestly, what you will do less of, what you will do differently, and what you will genuinely do better — that is a strategy. The slogan is where the thinking is meant to begin. Too often it is where the thinking stops.