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## Local Accountant warns North Shore businesses about the hidden costs of staff cutting

By RES Business Development and 10X North Shore

136 views

### NORTH SHORE CITY

#### Local Accountant warns North Shore businesses about the hidden costs of staff cutting

Leading accountant Butch Mawdsley advises North Shore business owners that staff cutting can be detrimental to your business. Instead, strong leadership is the key to helping your business survive the recession.

Resorting to staff downsizing in an attempt to cut operating costs is one of the biggest mistakes a business owner can make under the current economic downturn, according to business improvement specialist Butch Mawdsley, partner of local accounting firm RES Business Development and its business development division, 10X North Shore.

In fact, as Butch Mawdsley points out, recent studies as detailed by the Certified Practising Accountants of Australia (CPA) have shown that **half of all businesses that cut down on staff do not reduce their operating costs, two thirds do not increase profit and over three quarters do not increase productivity**, showing that staff cutting does not ensure the ongoing success of a business.

According to Butch, "Shedding staff may seem like an obvious cost-cutting measure, but managers often don't realise the impact such a practice may have on workplace spirit and staff morale. Job insecurity is detrimental to staff motivation and is likely to result in reduced workplace productivity. Although management may have made the decision as a way to decrease costs, the opposite is often what actually occurs."

Butch has in recent times seen many local business owners fall into the trap of staff cutting in order to reduce expenses and increase profit. In line with new findings from a just-released report on Australian businesses, Butch suggests that instead of looking for ways to reduce costs, business owners should take more initiative and seek other ways to keep their businesses afloat. "In such dire economic times, what will differentiate a business from its competitors is strong leadership. **Business owners must lead with vision, connect with their employees, implement high performance management practices and have a positive attitude.**"

10X North Shore teaches business owners how to put these leadership strategies into practice. One of the key outcomes of participating in the 10X Coaching Club is a business owner's ability to apply powerful leadership in their business. The result has been that 10X Coaching Club members are achieving extraordinary results despite the economic downturn.

As a trusted industry advisor, Butch is more than just an accountant to his clients. "10X North Shore is committed to helping North Shore business owners realise their full leadership potential to improve their businesses at a time where business sustainability is more important than ever."

Butch Mawdsley has wide experience in Chartered Accounting and Commerce built up over many years working with companies from small right up to multi-national corporations. He has enjoyed particular success in the design and implementation of management systems and this is where he can really make a difference. He considers himself a Chartered Accountant with a difference - he has fun while helping clients achieve what they want in their business lives.

For further comments please contact:

- Butch Mawdsley on 09 918 3690
- Aimee Bridgman on 09 918 36 90 or [aimae@resbizdev.co.nz](mailto:aimae@resbizdev.co.nz)

Further reference information:

- [www.10x.com.au/northshorecity](http://www.10x.com.au/northshorecity)
- Reference: "Recession Proof Your Business - Win Their Hearts & Minds", Tony Vickers-Willis, VWC Corp, January 2009, available at [www.vwc.org.com.au](http://www.vwc.org.com.au)

#### TOP STORIES - TODAY Tuesday, 7 July

##### BASKETBALL

FIBA U19 World Championship

60

##### BUSINESS

A blueprint for business

##### TRIATHLON

Port of Tauranga Half Ironman sells out in an hour

##### ORIENTEERING

Junior World Orienteering Championships - Sprint

##### CYCLING

Houston no rookie today



##### MOTORCROSS

Coppins loses out in Sweden



##### MOUNTAIN BIKING

World's largest 12 hour Mountain Bike Event



##### BIRTHS

More NZ men ready to diet for fatherhood than Aussie would-be Dads

##### TRANSPORT

EW and TCDC to seek more info after ferry developments

#### TOP STORIES - Monday, 6 July



##### FOOD

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##### FOOD

Multi award-winning chef takes NZ to the Orient

##### INTERNET

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##### TRIATHLON

Entries open tomorrow for NZ Long Distance Triathlon Championship

##### ATHLETICS

Athletics New Zealand results

##### RELIGION

Dalai Lama Tickets Go On Sale



##### MULTISPORT

Finnish Xterra Championships

##### TRANSPORT

Commuting patterns in New Zealand