

EFFECTIVE RESOURCE UTILIZATION

What is a resource?

A **resource** is a source or supply from which benefit is produced. Typically resources are materials, money, services, staff, or other assets that are transformed to produce benefit and in the process may be consumed or made unavailable. Benefits of resource utilization may include **increased wealth**, **meeting needs or wants**, **proper functioning of a system**, or enhanced wellbeing. From a human perspective a natural resource is anything obtained from the environment to satisfy human needs and wants.

In economics a resource is defined as a service, or other asset used to produce goods and services that meet human needs and wants. A resource is an economic or productive factor required to accomplish an activity, or as means to undertake an enterprise and achieve desired outcome. Three most basic resources are land, labor, and capital; other resources include energy, entrepreneurship, information, expertise, management, and time.

Financial Resources

Financial resources concern the ability of the business to "finance" its chosen strategy. For example, a strategy that requires significant investment in new products, distribution channels, production capacity and working capital will place great strain on the business finances. Such a strategy needs to be very carefully managed from a finance point-of-view. An audit of financial resources would include assessment of the following factors:

<i>Existing finance funds</i>	<ul style="list-style-type: none">- Cash balances- Bank overdraft- Bank and other loans- Shareholders' capital- Working capital (e.g. stocks, debtors) already invested in the business- Creditors (suppliers, government)
<i>Ability to raise new funds</i>	<ul style="list-style-type: none">- Strength and reputation of the management team and the overall business- Strength of relationships with existing investors and lenders

	<ul style="list-style-type: none"> - Attractiveness of the market in which the business operates (i.e. is it a market that is attracting investment generally?) - Listing on a quoted Stock Exchange? If not, is this a realistic possibility?
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Human Resources

The heart of the issue with Human Resources is the skills-base of the business. What skills and competencies does the business possess? Are they sufficient to meet the needs of the chosen strategy? Could the skills-base be stretched to meet new requirements? An audit of human resources would include assessment of the following factors:

<i>Existing staffing resources</i>	<ul style="list-style-type: none"> - Numbers of staff by function, location, grade, experience, qualification, remuneration - Existing rate of staff loss ("natural wastage") - Overall standard of training and specific training standards in key roles - Assessment of key "intangibles" - e.g. morale, business culture
<i>Changes required to resources</i>	<ul style="list-style-type: none"> - What changes to the organization of the business are included in the strategy (e.g. change of location, new locations, and new products)? - What incremental human resources are required? - How should they be sourced? (alternatives include employment, outsourcing, joint ventures etc.)

Physical Resources

The category of physical resources covers wide range of operational resources concerned with the physical capability to deliver a strategy. These include:

<i>Production facilities</i>	- Location of existing production facilities; capacity; investment and maintenance requirements- Current production processes - quality; method & organization- Extent to which production requirements of the strategy can be delivered by existing facilities
<i>Marketing facilities</i>	- Marketing management process- Distribution channels
<i>Information technology</i>	- IT systems- Integration with customers and suppliers

Intangible Resources

It is easy to ignore the intangible resources of a business when assessing how to deliver a strategy - but they can be crucial. Intangibles include:

<i>Goodwill</i>	The difference between the value of the tangible assets of the business and the actual value of the business (what someone would be prepared to pay for it)
<i>Reputation</i>	Does the business have a track record of delivering on its strategic objectives? If so, this could help gather the necessary support from employees and suppliers
<i>Brands</i>	Strong brands are often the key factor in whether a growth strategy is a success or failure
<i>Intellectual Property</i>	Key commercial rights protected by patents and trademarks may be an important factor in the strategy.

What Types of Information Resources Does your business need?

Every business needs information to help it succeed. Information or knowledge, is the source of innovation to create new products, services and processes. A combination of internal and external business information resources is necessary to evaluate current performance and plan future progress. Knowing the types of information resources that are most critical to business can help companies plan for capturing, analyzing and using that information most effectively.

Internal

The first source of information that businesses should turn to is the information they already have. Every business will have the ability to gather information about employees, about sales and about customers. Setting up systems and processes for gathering the right information can help business owners track, trend, analyze and act upon business that gives them clues into such issues as what drives employee satisfaction, the products most demanded by customers, areas of employee and customers satisfaction and dissatisfaction.

External

Industry Information

Every business can consider itself part of at least one industry, if not more. And every industry has an association connected with it that can serve as a rich source of business information. Joining the appropriate trade and professional associations can help businesses gather information about industry trends, best practices and resources.

Competitive Information

No business is without competition and gathering information about competitors is critical. Fortunately, this is easier than ever to do with the advent of the Internet. Through search and through participation in social media--sites including Twitter, Facebook and LinkedIn--businesses can gain competitive intelligence about what others are doing. This information can also come from business forums, networking or by attracting staff from the competitors.

Government

The government provides an enormous amount of information of use to small businesses, much of it available online. Keeping up with legal and regulatory trends is a key area of business information need and one that can be managed effectively

What Are the Different Types of Strategic Resources?

Strategic resources refer to those possessions of a business that give it some form of leverage or advantage in terms of its business activities. The advantage of the strategic resources could be in the form of its value as a form of competitive advantage, or it could be in the form of other identified advantages that enhance the profile of the business and provide it with a stepping stone that can be used to achieve greater sales and strategic positioning in the industry. These strategic resources are unique to the industry, the market and the company under consideration due to the fact that the factors at work in various industries present different challenges to the businesses.

As such, strategic resources could include the financial resources available to the business, the human capital that the business possesses the network of the business in terms of its physical presence and reach in different corners of the globe, and the existence of effective supply and distribution facilities.

The financial strength of a company is an important strategic resource due to the fact that access to such funds opens the door for the company to engage in growth-related activities that include the purchase of new plants and machinery, construction projects aimed at fulfilling the vision of the company in terms of capital growth, and other related factors. This particular strategic resource can be obtained through internally generated funds from the sale of shares, through issuing debentures, or through equity investments. Companies that lack adequate funding often encounter financial roadblocks in their quest to expand due to the lack of resources with which to carry out any expansionary plans.

Another inclusion in business strategic resources is the possession of stellar human capital in the form of a highly trained and educated staff. The reason why this is such an important strategic resource is due to the fact that such gifted employees can serve as an engine that will propel the business into greater growth. This is in contrast to those businesses that lack educated and motivated employees who will bring their skills and wealth of experience to the company. Business strategic resources also refer to the reach of the business or company in terms of its

influence in the specific industry, or in the global business world. Such an influence can be converted to a form of strategic resource that will benefit the company.

Minimizing wastage of Resources

Waste minimization is the process and the policy of reducing the amount of waste produced by a person or a society.

Waste minimization involves efforts to minimize resource and energy use during manufacture for example, which means you produce more with less.. For the same commercial output, usually the fewer materials are used, the less waste is produced. Waste minimization usually requires knowledge of the production process, cradle-to-grave analysis (the tracking of materials from their extraction to their return to earth) and detailed knowledge of the composition of the waste.

The Importance of Waste Reduction for Business

By taking steps to reduce waste, a business can

- save money on supplies
- conserve natural resources and energy
- reduce current waste disposal costs and hedge against increased disposal costs in the future
- give customers what they want: "green" products and environmentally conscious businesses
- avoid adding to the environmental burden caused by producing and disposing of unnecessary materials
- boost employee morale by giving staff members an opportunity to work together on an environmental project
- reduce the risk of future liability associated with the disposal of solid wastes.

How to Reduce-Reuse-Recycle

Reducing Waste Production

The most direct way to cut your disposal costs is with source reduction: that is, by reducing the amount of waste your business produces. You have less to get rid of if you purchase and discard less material. By analyzing your business' waste stream, you will probably discover that you can eliminate much of the waste your business produces.

Reusing Waste Material

A cost-efficient method of reducing waste is to reuse products in their present form. It is usually cheaper to clean or repair products so that they can be reused rather than to buy new or recycled ones.

Recycling

Many of the products that cannot be eliminated or reused can be recycled. Energy and natural resources are saved and environmental pollution is reduced when products are made from recycled rather than new materials. Your business can also cut disposal costs greatly by recycling.

Simple Ways to Reduce Waste

Here are examples of some easy ways to reduce the amount of waste that your business produces. Most of them involve simple changes in procedures and work habits.

Writing and Printing Paper

- Buy recycled paper.
- Keep mailing lists current.
- Reuse manila envelopes.
- Make scratch pads from used paper.
- Circulate memos, documents, periodicals, and reports rather than making or buying individual copies for all personnel.
- Use outdated letterhead for in-house memos.
- Proofread documents on the computer screen before printing them
- Save documents on floppy disks instead of making hard copies.
- Reduce the amount of junk mail you receive
- Use remanufactured office equipment.
- Use centralized files for hard copies.

Packaging and Shipping

- Order merchandise with minimal packaging, in concentrated form, or in bulk.
- Ask suppliers not to over-package orders.
- Request that materials you order be shipped in returnable containers.
- Reuse foam packaging pellets ("peanuts") and cardboard boxes or find someone who will.
- Set up a system for returning cardboard boxes and foam pellets to distributors for reuse.
- Return, reuse, and repair wooden pallets.
- Replace cardboard boxes with durable, reusable boxes for shipments to your branch offices, stores, and warehouses.

Equipment

- Use remanufactured office equipment.
- Invest in equipment that helps reduce waste, such as:
- high quality, durable, repairable equipment
- copiers that make two-sided copies
- Use dishwashing equipment (so that you can use durable dinnerware).
- Use rechargeable batteries.
- Recharge fax and printer cartridges.
- Install reusable furnace and air conditioner filters.

Landscaping and Organic Wastes

- Choose a landscape design that requires little maintenance and water.
- Compost grass clippings and leaves to make a valuable soil amendment (or make sure your landscape contractor composts).
- Purchase compost for use as a topsoil amendment (or request that your landscape contractor do so).
- Use a worm bin to convert non-fatty food wastes into high-quality potting soil (vermicomposting).

Food and Personal Services

- Instead of paper, use cloth towels, tablecloths, and napkins.
- Avoid using disposable tableware when serving food and drinks to the public; use durable dishes, flatware, cups, and glasses. You will need a dishwasher, but the cost savings will quickly pay for it.
- Use cloth roll towels in the restrooms.
- Encourage employees to use durable cups and dinnerware for their food and beverages.

You and your business can also help reduce waste by influencing your customers' behavior. Here are some ideas

- Teach your customers about the importance of reducing waste. Effective tools for getting across the message include promotional campaigns, brochures and newsletters (printed on recycled paper), banners, newspaper advertisements, product displays, store signs, and labels.
- Encourage reuse of shopping bags by asking customers if they have their own bag, complimenting customers who reuse bags, providing a financial incentive for reuse, and implementing a promotional campaign.
- Offer customers waste-reducing choices alongside their waste-producing counterparts. Examples include
- items sold in bulk
- durable, reusable cloth products, such as diapers, coffee filters, towels, and napkins
- solar-powered items, such as watches, calculators, and flashlights

- rechargeable batteries
 - products packaged in recycled and recyclable materials
 - razors with replaceable blades
 - durable picnic dinnerware
 - high-quality merchandise
 - repairable merchandise
- Reward your customers with a rebate when they return grocery bags, containers for bulk items, or coffee mugs and soda cups to be refilled.

Keys to a Successful Waste Reduction

Developing an effective waste reduction program for your business involves three main steps: **planning, laying the groundwork**, and **carrying out the program** as part of your business' daily activities. Here are the tasks to be carried out at each step.

Planning and Preparation

- Study the waste stream and the costs associated
- Develop a waste reduction proposal and gain the support of your management team.
- Assess employees' interest and encourage their support.

Laying the Foundation

- Select a waste reduction and recycling coordinator.
- Set goals.
- Decide on waste reduction measures, procurement policies, and what will be recycled.
- Locate markets for waste materials, or select a recycling service.
- Identify sources of recycled products.
- Design a waste collection and storage system.

Getting the Program On-Line

- Educate your staff.
- Promote and implement the program.
- Establish monitoring and evaluation procedures.