



# “Just-in-Time Staffing”

## An Innovation in Staff Management

JIT translates directly to the bottom line. This is especially true in volatile industries where business horizons change quickly.

The new economy environment has companies searching for new ways to reduce costs, improve margins, and maintain competitiveness in the face of an entirely new way of doing business. An alternative to looking for new methods is to borrow successful ideas from other disciplines. One idea which could have profound implications for companies of all sorts is “Just-in-Time” (JIT) inventory

As its name suggests, JIT practices enable manufacturers to minimize inventory by stocking only what is needed for the next day or week’s production. Stocks are rebuilt as they are depleted, with regular shipments from suppliers. To prevent “stock-outs,” vendors maintain automated linkages with client information and/or manufacturing systems.

JIT translates directly to the bottom line, because the cost of goods sold is reduced. Capital costs of holding excess inventory as well as warehouse space and physical handling costs are minimized. Non-manufacturing concerns could use JIT techniques to manage another sort of inventory—the management staff.

Unlike production or support staff, management staff is traditionally viewed as a fixed unit. The workload of an organization builds until it is clear that another professional is needed, so a new analyst or manager is hired; the “management inventory” is added in chunks, as opposed to as needed, or just in time. Consequently, there are regular periods where the organization is understaffed and stressed or overstaffed and bloated.

This is especially true in volatile industries where business horizons change quickly. Technology companies are notorious for a “boom & bust” mentality that prompts massive hiring when times are good and wholesale layoffs when the business cycle weakens. Similarly, advertising agencies face major capacity problems whenever resources are marshalled for a new business pitch for a national account.



The right expert can be brought in to develop and implement a new systems architecture, for example, while a more junior, less costly, manager can be hired to run the ongoing operation.

Seasonal businesses seldom vary the management staff. It has long been the practice for such businesses to staff the support or “non-exempt” functions for the low-volume period and then “backfill” the peak periods with temporaries. However, few consider variable staffing in the management ranks, staffing these positions at or near capacity. This results in a steady state management level which is above the theoretical floor.

Similarly, organizations often “stock” seldom-used resources to make sure they have them when necessary. So that skill, whether it be risk management or producing the annual report, is deployed in some other way the rest of the year. This is sub-optimal, since the fill-in work usually need not be done by someone paid a specialist’s wage.

JIT staffing could have an immediate bottom line impact in any of these scenarios. By adding staff incrementally, labor costs can be reduced. Excess capacity created by adding “whole bodies” is immediately eliminated when part-time or project resources are deployed as an alternative. With JIT, companies can better match production needs with productive resources.

Staff “binging and purging” could become a thing of the past, since companies could use JIT to handle volume fluctuations. Contract professionals could be added to handle business increases or special projects. These outside managers could be eliminated as business activity slows, enabling companies to layoff fewer actual employees.

Similarly, in cyclical businesses, contract professionals can staff peak periods allowing a company to maintain a leaner, permanent professional staff. This is especially true in professional services firms, where business activity levels may change dramatically due to a large new piece of business.

By buying only what you need when you need it, JIT enables companies to save on specialized resources. Similarly, a needs approach affords better long-term economies. The right expert can be brought in to develop and implement a new systems architecture, for example, while a more junior, less costly, manager can be hired to run the ongoing operation.

Similarly, in cyclical businesses, contract professionals can staff peak periods allowing a company to maintain a leaner, permanent professional staff.

JIT inventory enjoyed widespread adoption because several factors converged:

- Competitive pressures requiring drastic measures
- Technology developments which enabled precise monitoring of stock levels and online access to suppliers
- Increased sophistication of the transportation network allowing timely delivery of materials

Similarly, new developments are driving the idea of JIT staffing:

- Demographic changes creating a large cadre of expertise available on a project or part-time/JIT basis
- Advent of intermediaries creating efficient ways to tap this talent reservoir and locate the precise skills needed
- Global pressures to maintain the most competitive posture

But perhaps the biggest catalyst of JIT staffing is the nascent trend away from bureaucracy. Companies are recognizing that traditional organizational structures designed by management scientists decades ago are outmoded. Success within the organization no longer depends on one's title or level on the organization chart, rather success is contingent on performance and the demonstrated ability to achieve business goals.

As companies begin to organize around goals instead of a traditional bureaucracy, JIT techniques become even more appealing. Effective JIT Staffing enables a company to bring together the resources it needs when it needs it; enabling them to develop, execute, implement, and profit from a project—just in time.