

## The Butler's Shoes

On his first morning at Eton College, a student was asked by his housemaster to write a short essay on poverty.

He began...

'There was once a family that was so poor that the Butler was forced to wear second hand shoes....'

Whenever I have changed my job and gone into a new organisation and culture I have kept this little story in mind. People will normally tell me that they have cut and cut and the costs are as low as they can be. But like the new student, understanding the **reference point** is all important.

Every organisation has a sort of exchange rate based on the value of the various activities it is involved in. Company A may be obsessive about travelling expenses yet have a blind spot for money being spent in another area – possibly with far greater consequence. Often it is a matter of history.

Stepping back and considering whether the reference point is consistent and correctly pitched is, of course, easier for the incoming Boss but maybe you should do it before he arrives?

