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In this issue of Food for Thought, I have discussed how an organization can capitalize on its most valuable resource – its people – to achieve productivity increases. I have also provided an example of how one of our clients actually accomplished just that. I hope you will find that this article truly provides you food for thought today...

Amazing Productivity Increase with No Additional Resources

By Scott Playfair, President, P Squared Consulting

There are many ways to improve productivity – investing in technology, utilizing time management techniques, outsourcing purely administrative tasks – even proper document control. But the one thing that all organizations have in common are people and the processes that they perform.

Frequently, issues affect those people and processes resulting in less than optimum productivity. Lack of clearly defined job responsibilities, unclear work flow, no clear mission guiding employee focus, redundant or out of control processes, and lack of teamwork - these are some of the factors that contribute to substandard productivity. Today's global business leaders depend on significant productivity increases to maximize the bottom line. Consequently, employees are asked to do more each day with less, many times resulting in inefficiencies and loss of productivity. Fortunately, employee productivity increases can be achieved by knowing more about how your employees spend their time performing the processes that they own.

Operations of all types of companies from manufacturers to service providers to distribution are comprised of a series of business processes. Using proven methods, obtaining employee ownership of those processes is simple - by working with the process owners, map out their processes and have them identify problems and opportunities for improvement. By streamlining and clarifying processes, eliminating waste, and applying common sense process improvement tools, an organization can vastly improve their bottom line.

The approach P Squared uses for team based process improvement provides breakthrough results by empowering employees to understand their own processes and to take the initiative to identify those opportunities that improve your bottom line. They understand how to not only identify the projects that offer the most substantial benefit/return, but also how those projects can be efficiently and economically implemented. Implementation is most often the biggest single challenge for the organization.

Clarifying and streamlining an organization's processes, making straight forward improvements, and allowing the same resources do more, not only increases productivity but also translates into significantly improved morale. All of these activities result in a better bottom line.

Consider this example: Recently, I was doing a one year review with a P Squared client who had completed a significant process improvement project with us in early 2007.

Before the 2007 project completion, I had asked the head of the company what the business outlook for 2007 was forecast to be. He said revenue / profit would be flat –

not because more business wasn't available but because he did not have corporate approval for added resources and therefore couldn't capitalize on opportunities to grow organically.

Does this sound familiar? It seems that many companies are in similar circumstances these days, especially in the booming Houston economy. It's a great problem to have but what a frustrating situation for leaders.

During the one year review, we talked about many things, primarily focused on the implementation of process improvement. Our conversation evolved to the subject of how the business was doing since I last inquired in early 2007. The head of the company told me that profit was up 20% or more.

I said "That's great! So corporate did allocate the added manpower and capital that you were requesting?" He told me that nothing had changed in that regard and he had the same people utilizing the same equipment as when we had completed the project in early 2007. I naturally asked, "If all was the same with resources, how could profit be up over 20%?" He said, "It was the process improvement effort!" His company was doing over 20% more with the same people and equipment. The only thing that changed was the improvement of how they performed their processes and their committed ownership for the success of the improvements.

They were not working any harder. They were working smarter, resulting in increased productivity, volume, efficiency, morale, and profit.

This story really drove home to me that any business's only "true" competitive advantage is their people. The key to capitalizing on that competitive advantage is "team-based continuous process improvement" with the support of a committed management team. An elegantly simple management philosophy that always, always holds true.