



PRODUCTIVITY IN THE WORKPLACE

This White Paper outlines fresh ideas, strategies and tactics that will assist you in driving business productivity initiatives and lead to improved business performance. It covers the following areas:

- Understanding what business productivity is;
- Doing the right things, ensuring your business operations are Effective;
- Doing things right, ensuring your business operations are Efficient;
- Getting software to serve you, your people and productivity in the workplace;
- Using Productivity Drivers to self-assess your business and identify improvements (see attached self-help questionnaire).

WELCOME



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For more information on how Enabling are able to streamline your productivity to optimise your business – people, process and technology:

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OVERVIEW

“The significant problems we face cannot be solved at the same level of thinking we were at when we created them.” Albert Einstein (1879 – 1955)

Improving productivity is seldom about the drastic overhaul of procedures and process in a company where good, solid managerial processes already exist. It is more about management technique and iterative improvements in culture, procedure and process. Improving productivity in a well-established organisation is complex and needs to be well considered. There is no silver bullet – the experience of productivity improvements involves a fair bit of disturbance, patience and above all, perseverance.

WHAT IS PRODUCTIVITY?

Productivity is about measuring the outputs of an organisation against its inputs. It typically constitutes quantity and/or value of products and services (outputs) measured against the costs incurred or time used through the production of such outputs. Inputs can include capital, materials, tools, and employees.

HOW DO I MEASURE PRODUCTIVITY?

Productivity is measured by identifying the quantity and/or value of the outputs and dividing by the costs of the inputs or measuring it against them. Productivity can be measured in financial terms or simply by quantity. For example, in manufacturing, productivity might be measured by the number of widgets manufactured, divided by the amount of time taken to manufacture them.

- ***Do you measure productivity?***
- ***How do you measure productivity in your organisation?***
- ***Do you have a baseline against which to measure improvements?***

WILL I SEE AN IMMEDIATE INCREASE IN PRODUCTIVITY?

Before any increase in productivity can be achieved, a baseline and its components must be measured. Then a change can be made and the effect of that change can be measured to assess the gains.

Productivity gain = baseline + measured change

Any new initiative can take time to yield results. Initiatives that rely upon the responsiveness of the staff can have varying levels of impact in varying time periods depending upon the employees and the organisation’s culture. Employees can often be resistant and hostile in the face of new processes, especially if they are used to working in a certain way.

HAVE YOU CONSIDERED HOW YOUR ORGANISATION WILL BENEFIT FROM INCREASED PRODUCTIVITY?

Broadly, there are two ways in which an organisation can benefit from increased productivity:

- ***Increased outputs for the same level of inputs – assuming there is enough of a market to absorb the extra output.***
- ***The same level of outputs, but at lower costs – for example lower overheads by reducing staff numbers while maintaining the quantity of outputs.***

Understanding your organisation and the benefits of increased productivity will ensure that the initiative delivers the best possible results for you and your company.



EFFECTIVENESS AND EFFICIENCY

The two key ingredients of productivity are effectiveness (doing the right things) and efficiency (doing things right). Often the focus is on one but not the other, but the two are tightly integrated and need to both be worked on continuously for true productivity gains.



EFFECTIVENESS – DO THE RIGHT THING

Like migrating caribou, the herd needs to be heading in the right direction to be effective, and the whole herd needs to move together. Similarly, your business needs to have a clear direction, and the entire business needs to be aligned to that direction.

Your corporate goals set that direction, which should then cascade down through strategy, tactics and operational functions to every task and process within the organisation, so that everything that happens in the business helps to push the organisation in the right direction.

Essentially, our caribou herd heads towards the rich summertime feeding grounds.

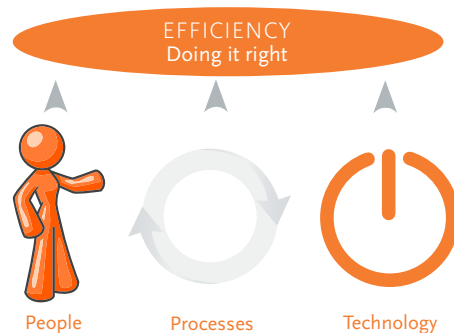
Once goals are established and percolated through the business, communication and measurement become the key factors for improving effectiveness:

- Communicating corporate goals and division or individual targets to staff members is a vital tool to increase productivity. Without clear and visible objectives, employees have no reason to improve their productivity. Further, it is unfair to expect employees to guess what their targets are.
- Measuring productivity is a vital component of any initiative to increase productivity levels, and appropriate key performance indicators will be derived from the corporate goals to assess whether things are actually working, or the effect that particular changes have on the business.

EFFICIENCY – DO IT RIGHT

Efficiency is achieved through people, processes, and technology, and is a relentless process of looking at each of those factors and asking how they could be improved. It's not just a top-down question – anyone and everyone in the organisation can be expected to contribute, and the business needs to be open to suggestions from them all.

How is this demonstrated for people, processes and technology?





PEOPLE

A key component to efficiency is people – the right people in the right places, well motivated, fully engaged, and well led.

Appropriate staff

- Fully utilising the skills of your team increases productivity and keeps staff motivated and energised by their work.
- Maintain an awareness of what they do well (and what they enjoy) and attempt to allocate roles that draw upon employees' strengths.
- Employees who work in jobs that match their skills and abilities typically perform better and enjoy their work. This is not only because they have the innate capability, but because they will experience a sense of satisfaction from their work.
- Encourage staff members who show an interest in developing their skills. Grow your people to be the best they can be.

Boost Morale

Boosting employee and team morale is achievable through what may seem fairly simple and well-known managerial techniques. Unfortunately these are often the ones that fall to the bottom of managers' lists of priorities:

- Listen to your staff and be approachable.
- Recognise and reward employees who perform well.
- Express appreciation.
- Encourage and motivate staff.
- Give staff feedback on performance.

Low morale often leads to unnecessary absence and, at its worst, high employee turnover.

Involve Employees in the Initiative

Your intention to improve productivity should not be a covert operation. Communicate your ideas and your objectives to your employees. Ask them for their input and encourage them to generate ideas about how to increase the productivity of the team. Your staff will bring a new perspective and may create new and exciting ideas about how to improve the team's performance.

Lead by Example

Drivers for increasing productivity rarely stem from the bottom and seep upward, but rather start at the top and filter down. Investing time and energy in encouraging employees to work hard and improve productivity will have little effect if you do not demonstrate productivity yourself. You should act as a role model to your staff and demonstrate how a productive member of staff behaves.

PROCESSES

Business processes can be physical, mental or data, but essentially entail the same approach to make them more efficient. Typically the low-hanging fruit are found at bottlenecks and decision points – for example: do all payments need to be approved by the Purchasing Manager, or just all those over \$10,000? The manager's time can then be released to add more value, for example by optimising purchases. Process improvements get harder to find over time as the easier changes are picked off, but they are no less valuable, and everyone in the business needs to be open to possibilities.

Introduce processes that are suitable for your employees

Be absolutely clear about which techniques will work well within your working environment. Attempting to introduce processes that are clearly unsuitable for your team will be ineffective and waste valuable time – it's like teaching a bear to sing – it won't work and just makes the bear angry. Set out your objectives before embarking on any new plan, and measure the results. Ensure your focus and drive is maintained to prevent the process becoming so overwhelming that you give up at the first hurdle. An initiative to increase productivity requires investment of money, time and energy, however when successful it will result in better outcomes.

TECHNOLOGY

Very broadly, hardware and computer software are the primary types of business technology, with communications and integration being increasingly important technology types in their own right.

Hardware is often very specific to each industry or task, and therefore the focus for the remainder of this document will be on software, with communications and integration included, and how they can improve efficiency.



BUILDING A CLEAR UNDERSTANDING

The foundations for effectiveness and efficiency are tightly interwoven, and therefore understanding how People, Processes and Technology work in your business is essential to be able to identify opportunities for productivity gains.

UNDERSTAND YOUR PEOPLE

Your organisation already has roles defined, either formally or informally. Your people in their assigned roles carry out your day to day business processes via a series of Processes, Activities, Tasks and Steps. This happens according to rigorous rules or in some modified form based on their personal capabilities and the tools they have at their disposal. They may be suited to those tasks, sometimes they're not.

UNDERSTAND YOUR PROCESSES

A thorough, accurate understanding of your current business practices is essential. This understanding needs to be based on actual processes followed on the "shop floor" and not solely on documented procedures. It is important to have an accurate picture of "already modified" processes.

UNDERSTAND YOUR TECHNOLOGY

Technology means shop-floor machinery, communications, information technology (both hardware and software), which may be well integrated or a loose collection of electronic and mechanical gear.

WHERE CAN IMPROVEMENTS BE MADE?

Use the self-assessment questionnaire at the end of this paper to help identify potential changes which may improve productivity.

The next section provides more detailed guidance on how software can serve you better.



GETTING SOFTWARE TO SERVE YOU

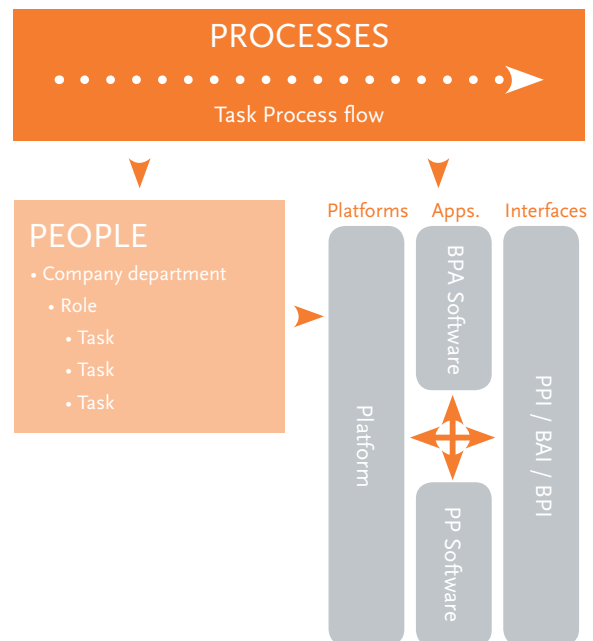
Businesses don't develop insights or make decisions. Businesses don't close deals, invent new products or find new efficiencies... People do. But they need the tools to help them be the best they can.

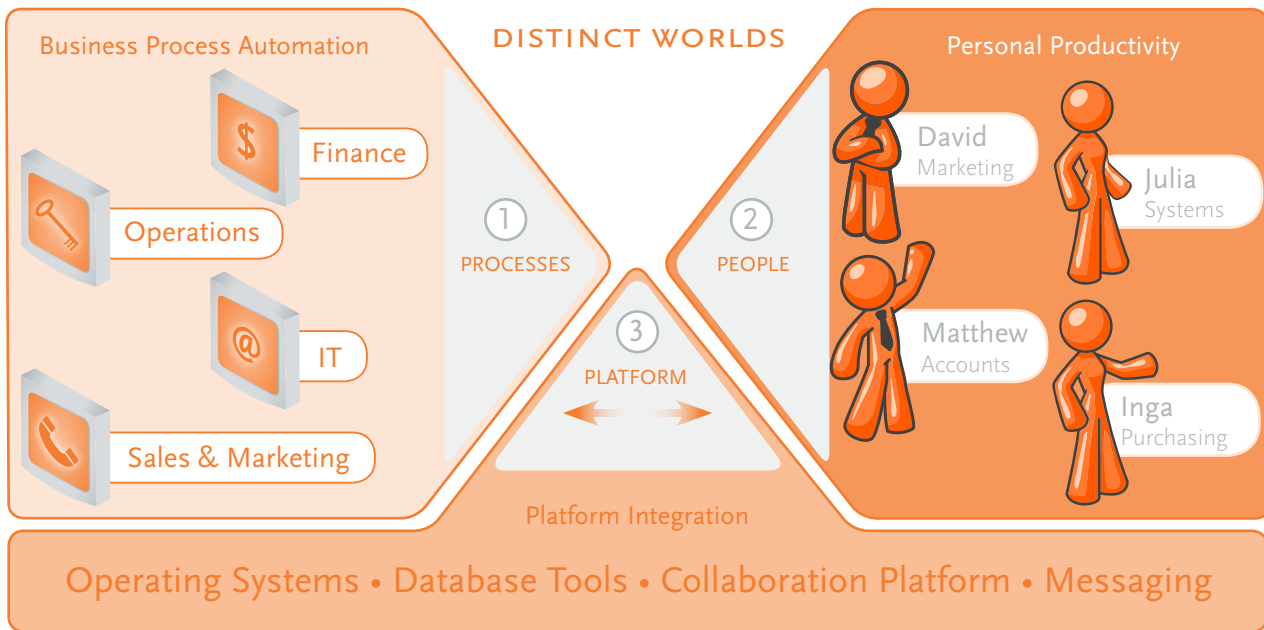


UNDERSTAND THE USER INTERFACE

Based on an individual's role there are three possible interfaces with software:

- **Business Application Interface** – Some people spend most of their day working within the Business Application software and have neither the need nor the interest in leaving it. They would like information from other systems and applications such as their personal productivity software to be dealt with directly in their Business Application Interface.
- **Personal Productivity Interface** – Some people spend all day in their personal productivity applications but occasionally need information from the Business Application software. They would prefer this to be available to them in the PP software directly so they don't need to learn additional applications.
- **Business Portal Interface** – Some people only interface with applications for a specific process. For these people software needs to combine all the elements they need in a set of simple web based screens or reports.





THREE DISTINCT WORLDS OF SOFTWARE TO IMPROVE PRODUCTIVITY

- 1 THE FIRST WORLD**
involves business process automation (BPA) software which automates processes in areas like accounting, sales and production. This software has proven to be very good at automating specific tasks, but in some instances it can be inflexible and hard to change.
- 2 THE SECOND WORLD**
is personal productivity (PP) software, the tools that we all use daily e.g. Word, Outlook, Excel and the Web.
- 3 THE THIRD WORLD**
is platform software, i.e. software platform that supports both the business process automation software and the personal productivity software. This software is typically out of sight and resides on big boxes called Servers. It consists of Application and Database Server Operating Systems, Email and Database software as well as Collaborative software tools.

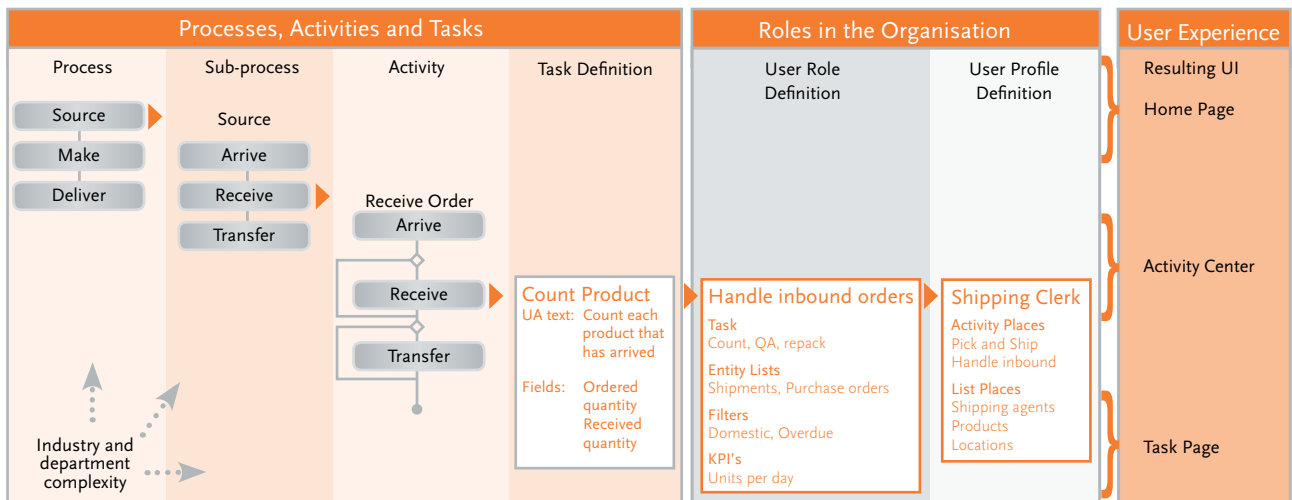
INTEGRATION

The current goal of business software is to integrate the user friendliness and familiarity of personal productivity (PP) software with the user experience of business process automation (BPA) applications, so they have the same look and feel. Further, integrating the two means that people can get up and running quickly with less training and support, and are inclined to do more with familiar tools.

Technology can bring together people, processes and technologies to help drive business success. Productivity and effectiveness can be increased by automating and streamlining financial, customer and supply chain processes – such as exporting shipping documents as a data file from the system, that can be directly imported into the customer's system.

ROLE-BASED APPLICATIONS

In order to identify how a software application can best aid any particular role in an organisation, an understanding of what specific jobs and tasks people need to perform is needed. The first stages – People and Processes – provide tremendous insight into how company-wide productivity can be influenced and therefore improved, and sets the stage for productivity gains from better, or better use of software.



UNDERSTAND HOW THEY INTERACT AND NEED TO INTERACT

A business operates in a changing world. The complexity of the environment and processes are key influencing factors in what specific roles an individual holds and therefore the processes they will participate in. It also determines how intricate a process is and how the process breaks down into activities and tasks.

To the far right of this diagram you can see how the user experience in the application itself is derived.

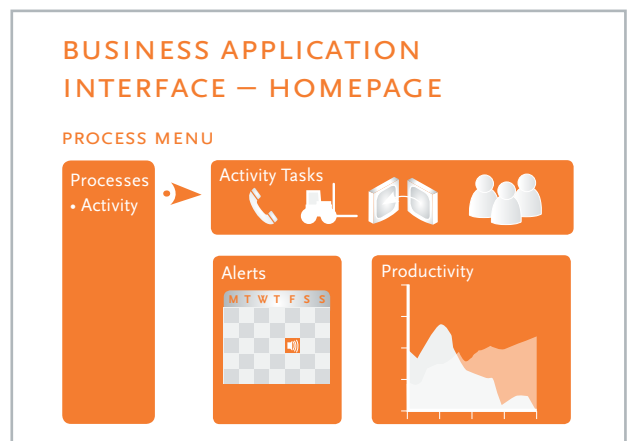
At the highest level, the combination of roles a user has translates into a personalised User Interface or “Home page” which helps them access the tools they need for the processes they participate in. Within the navigation structure on the home page, a user can access a variety of ‘Activity Centres’ with all the tasks the user performs in a specific process. Finally the tasks for each process step are available in a Task Page.

BUSINESS APPLICATION INTERFACE – HOMEPAGE

The BAI Homepage will primarily provide access to Business Applications.

In the main pane of the screen we see a number of key user interface elements or ‘parts’ that are used to define the user experience. These parts are consistent across different roles, but the information they serve up varies for each person depending on the set of roles they hold and processes they participate in. In this case we see:

- **Processes** – These are the processes associated with a particular role.
- **Activities** – These are associated with each process and consist of related tasks.
- **Alerts** – These are exceptions to the standard processes and workflows that require immediate attention.
- **Productivity** – This provides immediate access to Email and Calendar information.



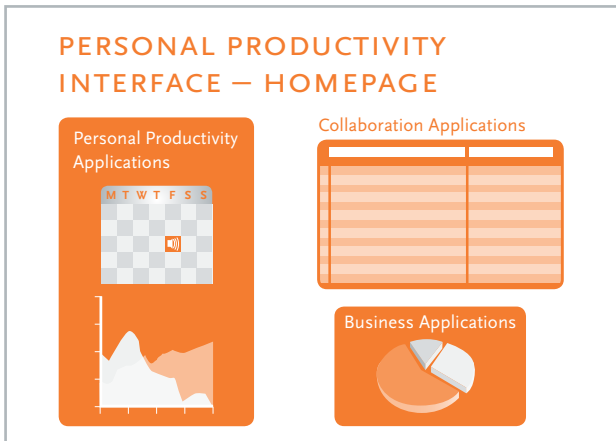


PERSONAL PRODUCTIVITY INTERFACE

In the main pane of the screen we see that a number of user interface elements are dominated by easy access to multiple applications. These are typically from three groups which are consistent across different roles, but the information they expose varies for each person depending on the set of roles they hold and processes they participate in.

The groups are:

- **Personal Productivity Applications**
Applications like Word, Excel, and Outlook.
- **Collaboration Activities**
These are associated with specific business processes and enable mass communication across all roles and tasks.
- **Business Applications**
This can take the form of alerts or specific access to Business Application functionality.



BUSINESS PORTAL INTERFACE

This is predominantly about the dissemination of information.

For example, a Portal might be a company intranet home page. This would provide access to information on your Company, Product, Process, Procedures and Policies. Another portal might provide access to industry specific information, such as shipping schedules or bank rates. A third portal may offer customers access to the data they frequently need to interact with your business – such as stock levels and locations.



SUMMARY

In summary, productivity improvement is a relentless process of ensuring the business is both effective and efficient.

Effective means ensuring that the whole business (people, strategy, processes, tools, data and activities) is dedicated to achieving the same goals, and that the whole business is moving in the same direction.

Efficiency means ensuring that people, processes and technology are regularly examined and improved wherever possible, to remain competitive.

In practice, the two are tightly interwoven and need to be addressed together.

Careful planning, good management, and a relentless dedication to productivity are the key ingredients – there are few quick fixes.

This paper has focused more on the current software landscape and how it can be used to achieve greater productivity, but gives general principles and other areas that can be worked on to make your organisation the best it can be.



APPENDIX – SELF ASSESS YOUR BUSINESS!

EFFECTIVENESS – ARE YOU DOING THE RIGHT THINGS?

1. **Review your business position.**

What does your business do? What are your customers looking for, or expect? What constitutes success?

The world is constantly changing and periodically your goals need revision. Are they still valid for the current economic, political, social and environmental conditions?

2. **Is the business strategy supporting those goals?**

Take a step back from the day to day pressures and decisions and look at what you're doing to achieve the business goals. Look at what evidence you use to find out whether you're making progress or not. Is that information available? If not, take the time to find the sources and get the information.

Examine your core competencies, particularly your strengths and weakness and build on what works. Outsource what you don't do well or spend some time and effort (and maybe money) improving them. For example, you've built some very smart, useful electronics but their appearance is 'uncool' (the classic engineering versus design stereotypes). Is it time to bring a design team into the company, or concentrate on innovation excellence and outsource the final design stage?

All your high level business processes (purchasing, sales, financing, etc.) should be contributing to your strategy.

However, there are some processes, such as information systems administration, bookkeeping, or preventive maintenance, that don't directly contribute to revenue generation, but are still a necessary part of the business.

Those support processes should still be backing the business strategy whether through legal compliance, risk reduction or customer satisfaction and therefore need to be clearly justified, ideally with solid data.

3. **Are all activities within the business contributing to the main business processes? Review staff roles and tasks.**

Are all activities relevant to the business outcomes? A caveat to this point is that there may be some activities, such as marketing, which have a long-term influence and cannot be justified immediately. For example: If you're in the business of import and distribution, ask why you have a fleet of delivery vehicles. Is this an integral part of your customer service (a marketing activity), or a revenue-earning activity in its own right?

4. **Does everyone understand what the business is trying to achieve?**

5. **How are outside influences affecting your business? Is your business sustainable (in all senses) in the long term?**

6. **Where do you gather the information needed to run the business? Look at what your decision making processes are based on.**

If the answer to this question is 'uncertain' then it may be time to reassess the business in the light of hard information. (See also the Enabling paper on Best Practice Reporting).

Take time to gather the information (how the business is going, how it is going relative to similar businesses in this country and elsewhere, SWOT analysis, and so on). Also consider how you will gather information in the future. Will it be regularly or intermittently? Will you use your internal information system, external data sources, word of mouth, news reports or your own discretion? Is your progress based on impressions or hard data?

7. **Has a baseline productivity been measured? Can you measure (or detect) any changes?**

EFFICIENCY – ARE YOU DOING IT RIGHT?

People

1. **Regularly involve all staff on the shop floor.**

They're the guys at the sharp end. They can see where the problems are and often where the solutions lie. They're the people that talk to customers, work at customer sites, and get the feedback on what customers really want, and what they like or don't like about your company. Listen to them. They might not have a view of the business as a whole or an understanding of the economic environment that you're working in, but on the other hand they might open up opportunities or save time and money. If their view is way off the mark, this is your opportunity to make them aware of a bigger picture. It will also give them a better understanding of what you want to achieve, and get better buy-in from them.

2. **Again, does everyone understand what the business is trying to achieve?**

3. **Do you have the right people in the right places?**

There has been volumes written about this, and clichés abound. Generally employees are happiest when they're doing what they do well. Your challenge is matching what they do well to the job(s) you want them to do. Be aware that staff members have often been promoted out of their comfort zone simply because they're good at what they do. A gifted engineer may be promoted to being a poor engineering manager, which is a loss to the company and makes an unhappy employee. Explore other reward mechanisms to give them the challenge, recognition, title or whatever they need to keep them as productive as they can be.



4. Make sure that your employees have the information and the authority to make timely decisions at the appropriate level.

For example, should a junior sales rep have the ability to offer discounts, or should they get approval from a senior rep? Do they know the circumstances in which a discount can be offered?

5. Who is responsible for each process, decision and result? Do any of these responsibilities conflict?

Processes

6. Review how work flows through the company.

Start with where work comes from and what triggers it. Trace every step the work passes through, including where it branches elsewhere. It should be assessed until the job is complete and invoiced. You know every step is necessary because you've already worked through them during the Effectiveness stage described above. Now you're looking for ways to make things better, faster, cheaper.

Key things to look for are:

- Decision or approval points:
 - Who makes the decision or authorisation: senior manager, suitably qualified engineer, workshop foreman?
 - Do they have the responsibility, authority, expertise and incentive to make the decision, and/or make a good decision?
 - Do staff members have the information to make the decision accurately and in good time?
 - If they are busy, who else could (or does) make that decision?
 - What makes the decision necessary: statutory requirement, quality control, complexity of the work, the situation, or as a financial safeguard?
 - What would happen if that decision point were removed? Could it be consolidated with other decision, inspection or approval stages? Is the reason for the decision point historic and the world has moved on since? Does the checkpoint only come up with infrequent or trivial errors that can be avoided elsewhere in the work flow?
- Is the work held up at a particular place? There could be a number of reasons, such as:
 - Dependence on key staff members. Are there backups or alternative staff to call on or could the process be carried out by someone else at a lower level? Can the key staff be replaced?

- Production capacity. Is it time to improve machinery? What can be outsourced? To assess the true value of the alternatives, it may be worth building a business case for upgrading or outsourcing depending on scale and complexity. Do you have the information available to support such a business case?
- More exceptions than expected – has something changed?
- Lead times.
- The various work processes contribute different values to the business.
- Another option is to focus on the higher value work. Do you have the information to identify the more valuable work?

Review each process in the light of its overall contribution to the company, in terms of gross profit, efficiency (revenue/cost) and return on investment (if appropriate). Generally, for the processes that are giving the highest profit but a low efficiency, cost control is the key. If you find high efficiency and low profit processes build on the efficiencies and realise the profit gains.

Some are support processes (such as payroll processing) and therefore don't generate revenue, but are still an essential service.

Do you have the information to find out which processes are working well and which aren't?

- 7. What informal processes exist?**
- 8. Can any processes be automated?**
- 9. Are your customers happy? If not, why not?**

Technology

This is more than just information technology – it covers software, hardware (both IT and your industry-specific machinery), communications, and integration between them all.

1. Periodically review what's out there, and what key features you need.

It's very easy to get caught up in the excitement of new technology with lots of wonderful features that don't actually have practical value for you. On the other hand there may be some significant gains from taking advantage of those new features.

Engage your employees in this review process. They may come up with alternative uses for the technology that can give you the extra productivity you want, or even open up other opportunities. In the latter case, you will need to revisit the Effectiveness criteria to assess whether they would fit with the business goals, strategy or processes.



2. **Build a business case.**

Use a business case to objectively assess if some new or alternative technology looks appealing, or if the current systems seem to be underperforming.

The process of building a business case helps to differentiate the essentials from the nice-to-haves. The business case gives an indication of the costs and benefits (both tangible and intangible). The business case will be the substance behind any decision you make (even if it's to stay with the status quo), and will also give you the support you need for presentations to financiers, shareholders, directors, senior managers, et al.

3. **Shape the technology to suit your people and processes, or vice versa.**

You need to get the best out of your technology investment, and this means more than just buying the stuff and installing it. Factors to consider include:

- You need to have the right people working with the systems. A technophobe may be won over eventually, or may simply never 'get it'.
- The staff that have to deal with the systems must know what to do. Do they know how to handle exceptions, particularly when things go wrong e.g. customers change their minds or machinery breaks down?

Training and mentoring will go a long way.

- Your people need to be as committed to the technology as you are. The people on the front line are often the ones that can make or break a new system depending on how keen they are to use it. Get buy-in from them early, address their fears, keep them focused on the ultimate goals of the business and explain how this technology will help. Outline what's in it for them.

- Your processes must be appropriate for the technology.

Either adapt the systems to work with your processes, change the processes to suit the system or combine both. Simply replacing old technology with new will seldom give worthwhile gains unless there's a dramatic increase in performance, and that's not often the case.

This is your opportunity to review your processes. Fully explore any valuable features in new technologies, or to get new usage out of existing or new systems.

4. **Shape the technology to suit your stakeholders.**

Can you receive documents electronically from your suppliers or customers, or vice-versa? If your staff spend a lot of time keying data into your system, when that data was produced by another computer, then it will be worth looking at importing that data directly. Talk to your stakeholders and find out what suits them.

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WHITE PAPER AUTHORS AND CONTRIBUTORS:

Ken Livingston – Enabling Christchurch

Gary Tairaoa – Enabling Dunedin

Andrew Charlton – Enabling Sydney

Kim Olson – Enabling Melbourne

Sue Stubenvoll – Creative Logic Limited