



HIGH-YIELD METHODS

World leaders in outside-in process design

Can You Walk Away From An Opportunity To Safely Reduce Office Staff By 15%?

By Dick Lee, High-Yield Methods

In today's times, the opportunity to reduce front and back office staffs by 15% should be too good to ignore—provided, of course, office staff consolidation won't adversely affect customers, work capacity or work quality. Nonetheless, the vast majority of companies (not to mention educational institutions and government) do walk away from this opportunity. And to pour salt on the wound, *properly-designed, process-based* office staff cuts of this magnitude almost always *positively* affect customer relations, work quality and throughput potential—further escalating the opportunity cost of failing to redesign office process to run at optimal staffing levels.

Why you shouldn't walk away

Well-executed, customer-centric redesign of office process (also called “human process”) gives customers, channel partners, vendors and other external stakeholders more of what they want from you—less bureaucracy; less interference with front line staff decisions; fewer time-consuming, quality-lowering “touches” of work; and fewer employee-to-employee handoffs. Plus, delivering all these customer benefits actually does require fewer FTEs than currently in place—not more, as commonly perceived. Sounds improbable, I know, but the combination of a.) Designing office process within silo walls instead of across silo walls; and b.) Not using proper automation tools and not

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using the ones in place wisely—together virtually guarantee a high office inefficiency quotient, typically 15% or more in our experience.

Makes you wonder how an opportunity this big can stay invisible to companies and organizations desperate to reduce labor costs, doesn't it? But as you'd suspect, some powerful factors come into play here.

Seven reasons why companies do walk away

Obviously, business doesn't leave big money on the table for no reason. But business as well as other organization types will leave money on the table for bad reasons.

Reason #1: Management can't "see" the problem. You'd expect 15% overstaffing to slow the work pace, extend lunch hours and breaks and populate water coolers—giving visibility to lots of slack time. Not the case. Most office employees work hard, often putting in considerable overtime. Why, amidst excess staffing? Because poor work design has a voracious appetite—and eats up tremendous amounts of employee and management time both. Which leaves office staff working hard on both necessary and unnecessary work—and leaves management saying, "What's the problem?"

Reason #2: No one's responsible for office process. And if someone is, that person usually has limited office process skills (other than gut instinct) and even less familiarity with designing information flow and automating office work. Designing the information flow component of office process takes on huge importance because workflow and information flow are inseparable in the office environment. Unfortunately, designing workflow and information flow in tandem lies far outside the manufacturing process skill set, thus thwarting efforts to "borrow" a process specialist from the production side.

Reason #3: IT is responsible for office process. While a few companies imbed skilled process professionals into IT (almost all manufacturing specialists), office process managed by IT almost always winds up subordinating process to technology, which produces very negative outcomes.

Reason #4: Companies try addressing office process issues with manufacturing process approaches such as Lean or Six Sigma. In the dozen-plus years we've been designing office process, we've yet to see one of these initiatives work—and least not to the standards we set. Six sigma, in particular, does face plants in the office. To understand why, just review the following chart.

Process Type Comparison

Office Environments	Manufacturing Environments
Low repetition	High repetition
Decision-based business process	Fixed business process
Adaptability critical	Consistency critical
Hundreds of key workflows	Dozens of key workflows
80 - 90% of defects up at workflow level	Majority of defects down at work process level
Majority of work activities interdependent	Many work activities independent
Invisible defects	Visible defects
Empowered staff	Compliant staff
Resist "external" input	Accept "external" input
Business process <u>is</u> the work	Business process guides the work
Fully joined workflow & information flow	Partially detached workflow & information flow
High-dependence on application software	Partial dependence on application software

Reason #5: Laying off white collar workers, or even repurposing them, hits too close to home for managers. Management works at a distance from manufacturing. People are numbers and shifts, making manufacturing layoffs emotionally easier than office layoffs, which touch friends and colleagues. Eliminating roles of direct reports or people you greet every day hurts.

Reason #6: Budgets are frozen. Because no function has primary responsibility for improving office process, office process budget champions are nowhere in sight. Moreover, business, education and government all struggle with the concept of spending money to save money—even with immediate payback.

Reason #7: Companies can't find an alternative to manufacturing process approaches. Spurred on by bad business conditions, an increasing number of companies are starting to see the problem and want to address it. But where's the end of the knotted up ball of string that's office process? And how do you untangle it?

Where do most companies stand with office process?

Until recently, most companies were failing to address office process for the first four reasons—with reason #5 always lurking in the background. But now that recognition of office inefficiency and ineffectiveness is showing up on at least some radar screens, “walk-away” factors have started migrating to reasons #6 and #7. Either budgets are frozen, and only a much firmer grasp of the ROI potential fixing office process unlocks will thaw them—or companies coming up with the resources required to redesign and automate office process don’t know where to start or how to proceed.

Educating business in new concepts –like investing a little in office process design to save a lot on office salaries—is always a tough nut, and tougher than normal in this case. What’s the solution? We have to keep educating and educating and educating—and hope organizational self-interest overcomes resistance to office process change. But as for finding an effective office process design approach that’s finally getting easier.

In addition to our office process methodology, Visual Workflow, other office approaches are finally coming online. Better late than never.

If you’re interested in learning more about the Visual Workflow office process approach, please visit our website, www.h-ym.com and download our free white paper.

