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## The business case for productivity

Inefficient business processes, poor workflow and ineffectual management of the information created, acquired and maintained in the normal course of business can be a real drain on the mental and physical energy of executives and their staff.

Businesses spend a phenomenal amount of time looking for misplaced information as a result of these organizational defects. For those of us in business, we know that time is money.

Lost time, an intangible or "soft" cost, may motivate efficiency improvements in the work environment. Unfortunately, business leaders often do not take action until the pain of the status quo is greater than the pain of change.

In my experience assessing organizations' productivity issues and working with businesses of all shapes and sizes, it is rare to encounter an organization that is designed to support anywhere close to 100 percent productivity. I regularly see employees squandering 30 minutes or more per day. The root or cause of this waste can be attributed to factors such as excessive time spent looking for paper and electronic information, software training needs, inef-



### TACTICS

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cient business practices, cultural issues, etc.

Let's create a cost/benefit analysis sample for your company, and calculate lost revenue by assuming that your employees are also losing 30 minutes of productive time per workday.

First, take the number of employees in your organization and multiply it by the average hourly wage or compensation level within your firm, including benefits. Next, multiply that product by the number of hours lost each day because of disorganization. Finally, multiply by the number of working days per year.

Here's an example of how the formula might be applied:

Number of employees in the organization: 100.

x Average hourly compensation, including benefits: \$28.

x Time (in hours) lost each day due to disorganization: 0.5 hours.

x Number of workdays per year: 240.

= Annual cost of disorganization: \$336,000.

Our trademarked Business Case for Productivity is real and tangible. Business leaders understand that employee productivity has a real impact on their bottom line, and that disorganization carries a hefty price tag.

How can your organization begin to improve its productivity stance? There are four methodologies that, when employed effectively, create efficiency in corporate

work environments.

1. Building sound information management practices. Creating, acquiring and maintaining documents for ease of use throughout their business life cycle requires some thought. Some factors to consider are:

■ How are the records used within your business units?

■ Are they critical to risk management issues within your company?

■ How accessible should those documents be to personnel?

■ What are the storage and space requirements for physical and electronic records?

■ Does your company need to comply with legal and/or regulatory retention guidelines?

2. Establishing workflow processes. Workflow procedures and systems are unique to each business unit or team within an organization. Let's use a world-class orchestra as a workflow example. The performers in the orchestra all have unique assignments, right? The arrangement of notes and how those notes are distributed on scales are distinct from performer to performer and are based upon their individual instruments, much like job descriptions are created at an organizational level.

Additionally, between the instrument groups and within each group of instruments, there is a generally accepted hierarchy of leadership responsible for coordinating and leading the group, much like the role of department heads within a company. In modern orchestras, conductors also provide leadership for the collective group of musicians and direct the rhythm,

intonation, balance and dynamics of the music, as do CEOs of companies.

Identifying business processes and individuals' roles within them is like building a world-class orchestra. Identifying how information flows into and through the business unit to each employee, and then maximizing the efficiency of that flow, allows individual employees to produce results "in concert" with broader company goals.

3. Creating a culture that promotes productivity. Simply put, culture trumps strategy. Regardless of how much emphasis you place on improving productivity within a team or department, the overall culture of your organization will continue to drive the success (or failure) of your systems and your employees' ability to effectively execute your business strategy.

4. Developing procedures to promote compliance with company guidelines. Creating, maintaining and sharing information with employees about systems and procedures improves productivity and operational efficiency.

Turning the tide on revenue loss from impaired productivity doesn't happen overnight. Hiring an outside consultant to conduct an impartial needs assessment to determine the most cost-effective solutions that will address your firm's "pain" is an excellent way to begin the process of establishing a productive work environment and managing The Business Case for Productivity within your firm.

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