



# Productivity at the Center of Everything

By Mahendra Balasuriya, MBA (PIM-USJ), CMILT

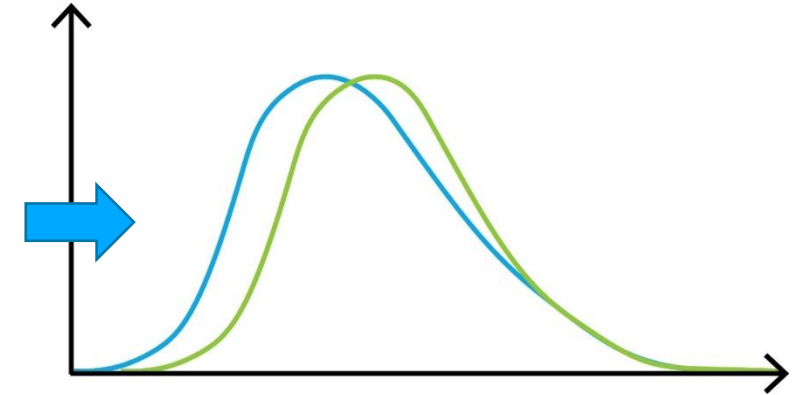
Asvinta Global

HOW CAN SOFTWARE CHANGE YOUR BUSINESS

ASVINTA

- Why target productivity?
- Universal approach to productivity
- It always works?
- What “done” looks like
- First steps

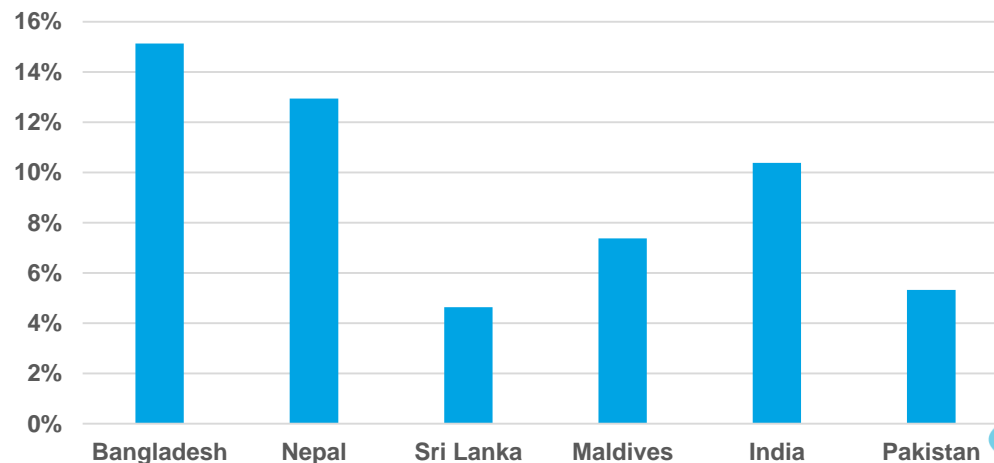
- Do you want more productivity? Or less?
- Obviously, more is better...
- But why? What is it?
- As participants in organizations, we treat “productivity” as the sum total of our perceptions about the conversion of expenditure into income
  - If we can get the same income by spending less, productivity is increased
  - If we can get more income with the same costs, productivity is increased
  - Other factors: management stress, happy people, customer satisfaction etc
    - These too, ultimately will impact income or costs
- So why, today, am I targeting productivity as a topic?



PER CAPITA					
	2014	2015	2016	2017	2018
<b>Bangladesh</b>	\$ 1,110	\$ 1,220	\$ 1,370	\$ 1,520	\$ 1,750
<b>Nepal</b>	\$ 770	\$ 780	\$ 770	\$ 850	\$ 960
<b>Sri Lanka</b>	\$ 3,640	\$ 3,760	\$ 3,810	\$ 3,880	\$ 4,060
<b>Maldives</b>	\$ 7,320	\$ 7,650	\$ 8,140	\$ 8,670	\$ 9,310
<b>India</b>	\$ 1,560	\$ 1,600	\$ 1,690	\$ 1,830	\$ 2,020
<b>Pakistan</b>	\$ 1,320	\$ 1,360	\$ 1,420	\$ 1,500	\$ 1,580

Source : World Bank Data Bank

PER CAPITA GROWTH 2018



- You pay skilled operators serious money to perform many tasks, and many of those are repetitive, boring and error-prone tasks
- You have competitive pressure in a price-conscious market; you must improve
- What do you do?

**Launch a productivity drive, and only retain the highest value, high touch service enhancing interactions**

**Only in this way, can you *decrease overall costs and increase service levels at the same time***

“We usually think of suppliers as other firms, but labor must be recognized as a supplier as well, and one that exerts great power in many industries. There is substantial empirical evidence that scarce, highly skilled employees and/or tightly unionized labor can bargain away a significant fraction of potential profits in an industry.”

— **Michael E. Porter**, [Competitive Strategy: Techniques for Analyzing Industries and Competitors](#)

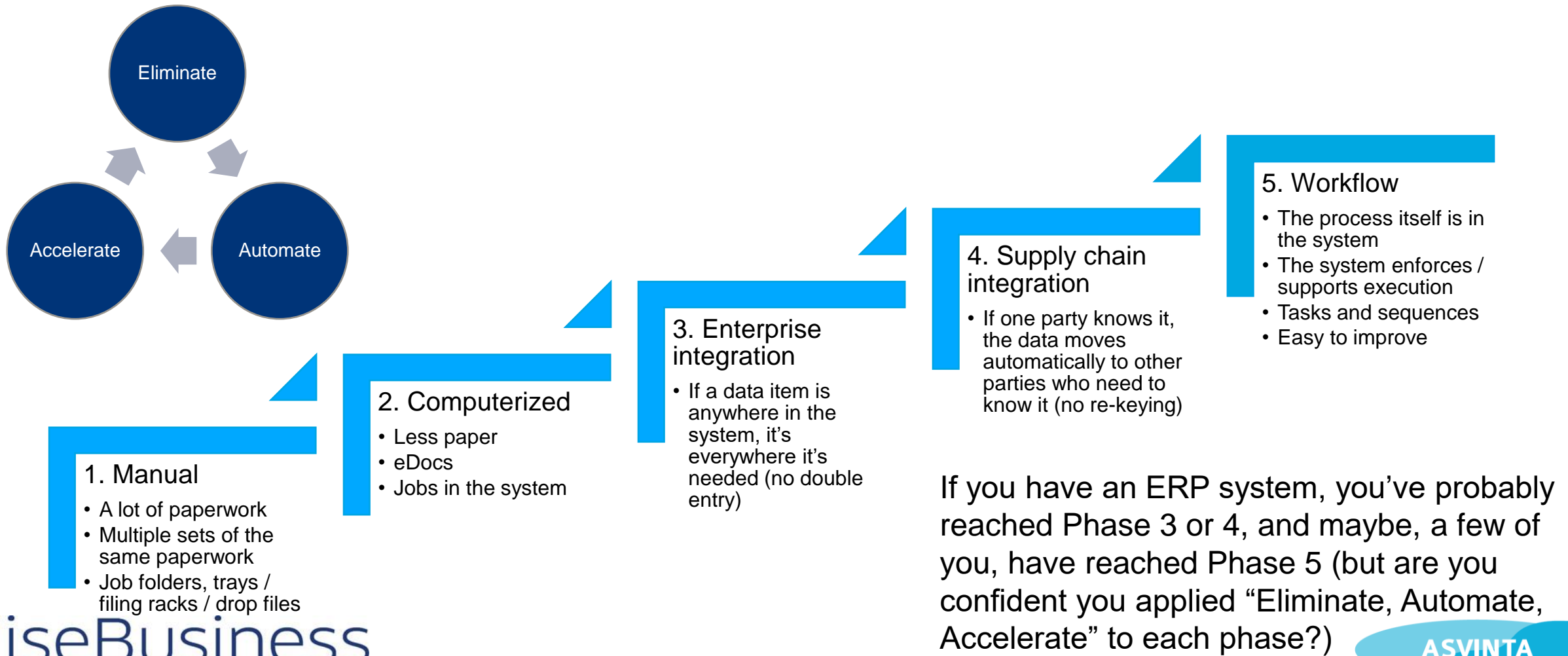
- Productivity (in the sense that I will present now), is the only access to a decisive competitive advantage. . .
- A decisive competitive advantage requires that you:
  - Compete more efficiently (provide the same thing, but at a significant cost advantage)
  - Avoid competing (sell what others cannot)
    - Avoiding competing is a different productivity topic – as powerful, but not for today
- The labor (services) component of any offering is an obvious target for competing more efficiently; if human resources can process outcomes at double the current rate (and you can get the sales), then a massive jump in profit is an inevitable outcome
- Is doubling outcomes (notice I didn't say output) a reasonable objective?

- Actually it's not so hard, if you follow this process (three levels of access to productivity):
  - **Eliminate** the process/step – engineer it out of existence
  - **Automate** the process/step – push it out of YOUR system (to a computer, customer, supplier)
  - **Accelerate** the process/step – use tools to increase leverage and efficiency
- This is intuitively obvious
  - In each case, the labor in the process/step is reduced entirely, or partially transferred to another step; a significant net reduction

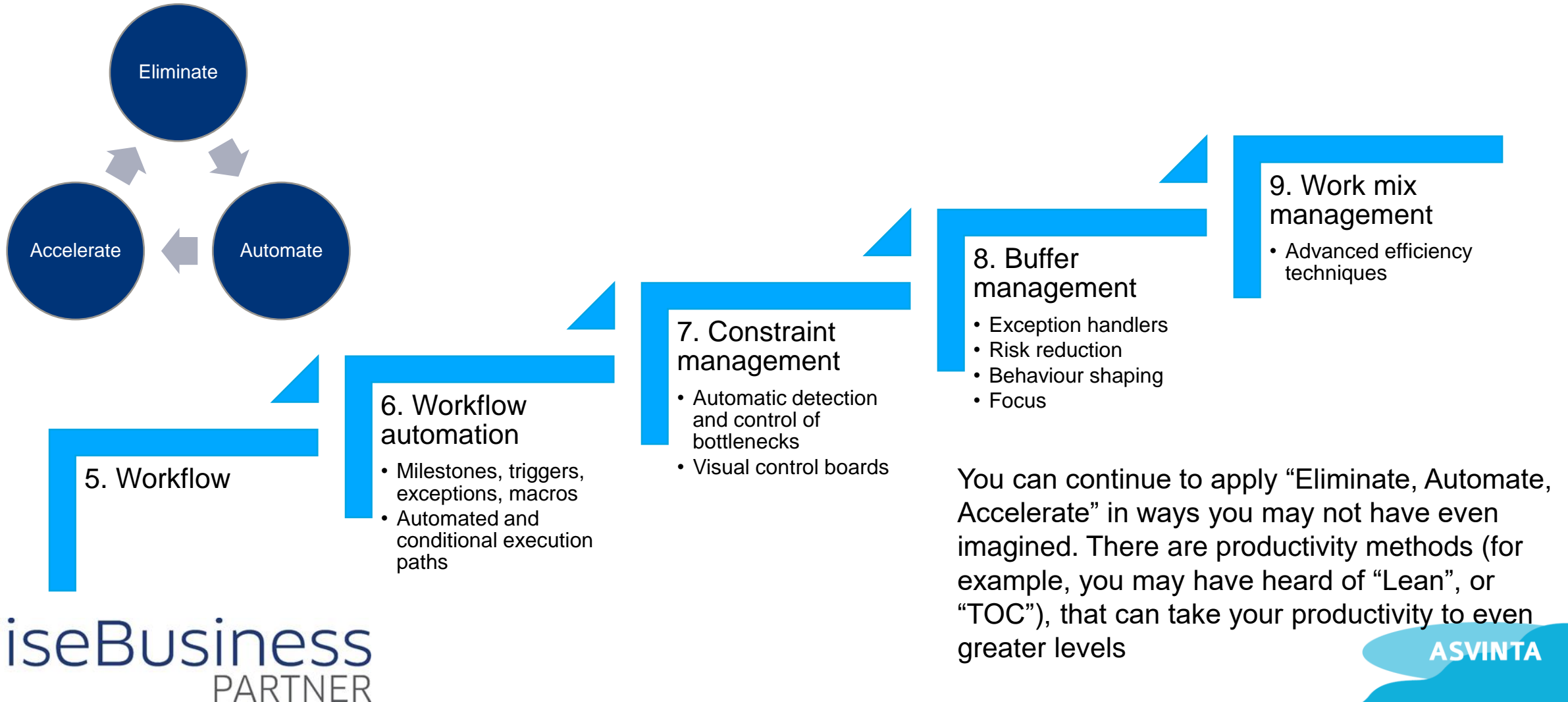


- Eliminate, Automate, Accelerate... it always works
  - It's like gravity, it works whether or not you believe it's working
- We know that the “Eliminate, Automate, Accelerate” philosophy works, because we use it ourselves, and we see the effect on productivity in our business
  - This provides us with very productive software development processes
- We also apply this philosophy to create high-value software, to help our clients Eliminate, Automate and Accelerate their business processes
  - This provides our clients with access to new levels of productivity

- The three levels of access can be cycled over and over again, but with a twist. . .
- After a few laps, you have to change the target of the process; enter a new “phase” of change: the next two slides show nine phases to your productivity journey
  - Each phase is a step change
  - If you targeted one phase per year, starting from the first phase, this would take eight years
  - Realistically (hopefully) you are not starting at phase 1, and you’re willing to tackle more than one phase each year
- Each phase adds to productivity in new ways, building on the earlier phases
  - Ideally, you’d transition the entire series in 3-5 years



If you have an ERP system, you've probably reached Phase 3 or 4, and maybe, a few of you, have reached Phase 5 (but are you confident you applied “Eliminate, Automate, Accelerate” to each phase?)



- Why are so many businesses only at Phase 4-5?
  - Because most managers assume that the HUGE gains they’ve had already, are probably all that there is
  - AND because sometimes more advanced techniques require expert consulting support or education, and cost-conscious business managers who are already doing well, may not believe it’s worth the investment
- WTG are productivity obsessed; there’s a Chief Productivity Officer
  - A huge amount of Research & Development goes into productivity enhancing deep functionality; Eliminating, Automating, and Accelerating at every Phase
- WTG invest time, money, and effort into the Wise Partner network, to provide certification, training, and development programs for Partners, so that customers can trust the quality of the consulting expertise

- Let’s talk more about Phases 6-8...

### **Phase 6. Workflow automation**

- Process driven, process controls
- Visibility of tasks, milestones
- Automations of information flow
- Exception management

### **Phase 7. Constraint management**

- Visual control boards
- Focus attention
- Reduce stress
- Fast flow of work

### **Phase 8. Buffer management**

- Rapid effective flow management
- Radar Ability to detect and respond to a threat much earlier
  - Detecting and rapidly responding to spikes in workload
  - Detecting potential service violations early
- Identifying training and cross-skilling opportunities



- Put “Productivity at the Center of Everything”

**“If it’s worth doing three times, it’s worth not doing it at all”**

- More precisely, if you’re willing to invest time, money, and effort in repeating a task (or an entire process), then consider investing time, money, and effort in not having to do it at all...
- Your first step: Launch a “Productivity Program”; repeat the Eliminate, Automate, Accelerate cycle over and over on every step of your processes, and reinvest the gains in speeding up that cycle
- Make a start

***“utilizing” a resource means making use of the resource in a way that moves the system toward the goal. “Activating” a resource is like pressing the ON switch of a machine; it runs whether or not there is any benefit to be derived from the work it’s doing. So, really, activating a non-bottleneck to its maximum is an act of maximum stupidity”***

— **Eliyahu M. Goldratt, The Goal: A Process of Ongoing Improvement**

End



