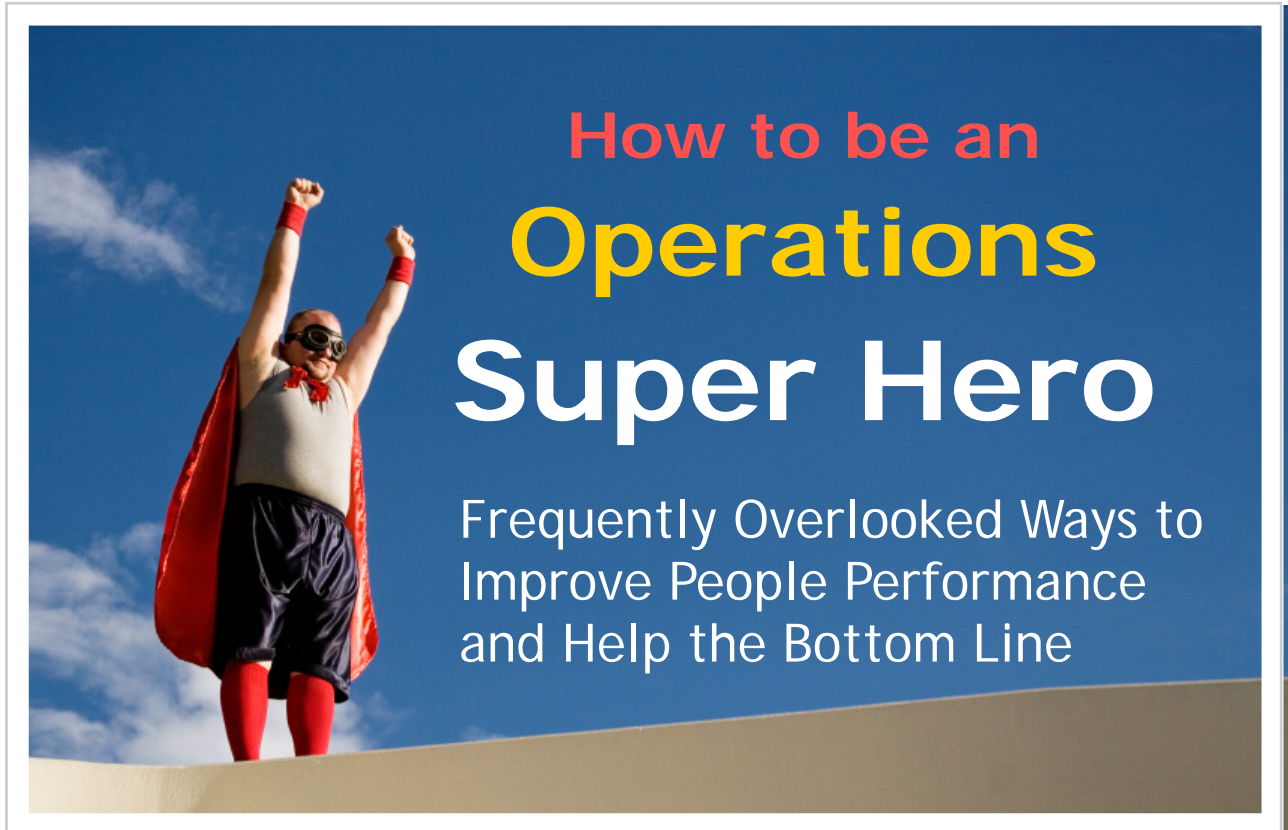




Build a smarter, more agile, ever-perfecting business



The Streamlined Business
e-book Series

by
COMPROSE, Inc

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Foreword

About this e-books Series

Coordinated with our complimentary [30 minute Webinar Series](#), this series of topical e-books covers a wide-range of topics including operations performance, staff training, managing change and growth, regulatory compliance, and more. Through this easy to access series you can pick up practical tips to streamline your organization, solve tough problems, get a fresh perspective, and get valuable "lessons learned" from other's experiences.

COMPROSE specializes in "operations under control." Over the past 20 years we have worked with hundreds of organizations in all industries to help them improve performance by streamlining operations. We've helped our clients increase profits and drive better performance by putting the right kind of structure, systems and controls in place.

The Streamlined Business™ is our unique program of professional services, training programs, and Zavanta software technology.

For more information about COMPROSE, The Streamlined Business, Operations Mapping, or Zavanta software, visit us on the web at www.comprose.com.

Acknowledgements

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Striving to “be the best,” but frustrated with the Status Quo?

Does your organization aspire to run a “World Class” operation, but cannot seem to get there? The same old frustrations and barriers never go away?

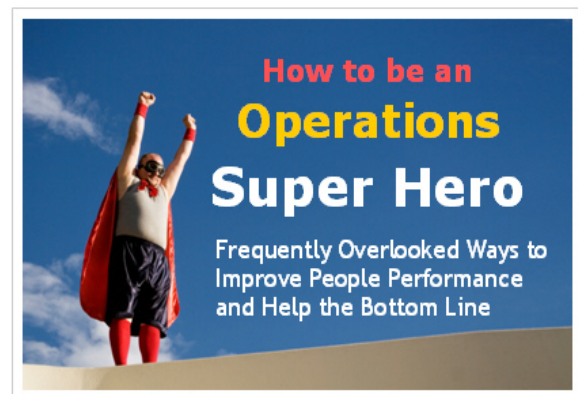
If so, you’re not alone. Thousands of organizations in every industry find themselves locked in the Status Quo. Many companies go years—even decades—tolerating known problems without ever making significant headway.



Have you ever wished you had Super Powers so you could finally change the status quo to create permanent improvements in your company's results?

Looking for Real and Lasting Performance Changes?

Over the past 20 years at COMPROSE Inc we’ve worked with hundreds of organizations of all shapes and sizes, and if we haven’t “seen it all,” we’ve certainly seen and heard most of it by now—the day-to-day problems, operational challenges (and, yes, the excuses) holding companies back. Along the way, we’ve learned what works—and what doesn’t—for achieving lasting operations change and “World Class” results.



This e-book explores how paying closer attention to operations details can transform your organization and how—just by focusing on 3 overlooked areas of operations—you can become a real-life Super Hero to create positive change in your business—FAST. Whether you want to see improvements in your own department, or across your entire organization, anyone can implement these streamlining strategies to get measurable results—on a small or large scale.



Who's Your Business "Super Hero"?



When you think of a Super Hero, who's the first name that pops into your mind? *Iron Man... Wonder Woman ... Superman ... Captain Marvel ... The Flash?* Why isn't there a block buster movie series called **BUSINESS MAN!** Or **Lara Croft: Corporate Operations Lead?** Maybe there should be!

If you need to call in a Super Hero to make your business more successful, what "**Super Powers**" do you need? Who are you going to call?

Fortunately, you don't actually need Super Powers to be an Operations Super Hero. It's possible for anyone to make positive change happen when you know where to focus for big returns.

Here's a quick **Super Hero** quiz:

What element in the following list is the MOST important to an organization's success? **People?** **Products?** **Services?** **Sales?** **Systems?**

Having trouble picking just one? Of course, they are ALL important. But the Super Hero answer is Systems. Why?

Good Systems are the key to raising all the other elements up or bringing everything tumbling down.

We explore why good systems are so critical to operations success in the following pages.

Q. Which is most important to success?

People?
Products?
Services?
Sales?
Systems?



Operations and Execution

"Competitive advantage lies in the ability to execute." You'll find this truism everywhere on the business Bestsellers list—from Jack Welch to Jason Jennings, quoted here. But what does that concept actually mean?

Business execution is all about getting things done, and your company's "systems" are the way you do things, the way you execute—or fail to execute—your mission.

Operations is all about, people, processes, tasks, regulations, work flows, facilities—the actual way your business works. That's your unique "system." Well-managed operations lead to excellent execution. Poorly managed operations lead to poor execution. How can you tell at a glance the "State of Operations" in your company?

"In today's climate . . .
competitive advantage lies
in the **ability to execute**."

—Jason Jennings, best-selling author of [*It's Not the Big that Eat the Small . . . It's the Fast That Eat the Slow*](#)



Which looks like a **typical day** at your company?

Focused. Energized. On-Mission. All Systems Go! Or, Impaired vision. Employees all pursuing separate agendas. Uncoordinated. Slow. Error prone. Out of Control.

The difference between these scenarios is the way your organization manages your internal systems, and how well employees understand and execute day-to-day activities. That's what **Operations and Execution** are all about.



Daily Operations and the Bottom Line

Super Hero Secret #1: X-Ray Vision

Operations Super Heroes see what ordinary managers miss— and do something about it. It's really surprising, but in too many organizations day-to-day operations details get very little serious attention from the "powers that be." Let's face it. Managing the nitty-gritty of business operations isn't on many people's "Glamour Sports List."

Too many executives don't want to know the details. They set strategy, delegate, and hope for the best. As a result, **no one** sees **the entire picture**: how strategy, tactics, and details fit together. The organization gets "silo-ed." Communication breaks down. The right hand doesn't know what the left is doing. Costs escalate and performance degrades. Although it's a common state of affairs, overlooking the importance of systems can be a SUPER-SIZED mistake.



Big Headaches, Big Costs

It's easy to see the high costs of a lost contract, a security breach, a catastrophic error, regulatory sanctions, a lawsuit. These are the issues that keep upper management awake at night because it is *obvious* these are problems that can hit the bottom line like a run-away train.

However, because often no one is paying close attention, few people recognize how day-to-day operations problems also hit the bottom line hard and undermine profits in a major way. Day-to-day operations—regular processes and work systems—are where Big Headaches are born—and also where they can be prevented.

Operations Super Heroes "get that." They understand the connection between Big Picture goals, detailed work activities, systems, and results. And, they understand the high costs of failing to proactively manage operations.



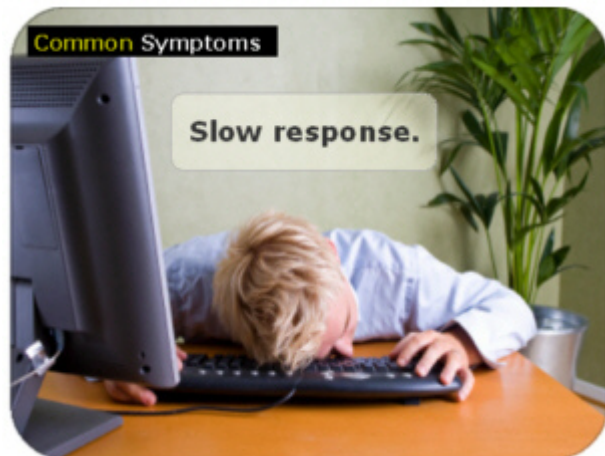


Operations Headaches? Common Symptoms

Sometimes we see the problems without recognizing the causes. Let's take a closer look at some day-day-operations issues. See if you recognize any of these common symptoms of operations problems in your own organization?

It takes FOREVER to get anything done around here.

Ever hear this complaint or make it yourself? That's a clue you probably have operations problems somewhere. Slow response and low productivity almost always can be traced back to problems with one or more of your "systems." Is a particular process convoluted, confusing and full of mystifying "red tape"? Are there missing components no one understands? Is it often unclear to employees what needs to be done and why? These are classic problems that can drag your organization down and prevent effective execution.



Bottlenecks, back logs and delays

Bottlenecks are another symptom of "systems" trouble. Maybe everything flows smoothly until suddenly progress comes to a screeching halt at a particular phase, milestone or department. Work starts backing up and getting delayed. Deadlines pass. Customers complain. Bottlenecks and backlogs result from competing priorities, misallocation of resources, and errors in work estimates. But, you can ultimately trace all *those* problems back to a problem with your overall *system*.





Overtime considered “normal”

When employees routinely rack up lots of Overtime hours to fix errors or put out fires—and this is considered NORMAL—you’ve definitely got operations issues.

Managers at one 80 person financial services group were shocked to discover that one department was routinely **expending almost 17,000 Overtime hours a year**—at a cost of almost \$400,000—just to catch and correct errors made by frontline employees in another department. This kept on for years, because no one had stepped back, looked at the big picture “system,” and added up the costs to the company as a whole.

Super Heroes realize right away that investing just a fraction of that time and money in finding and fixing the source of the original errors was a much smarter use of time.



You can’t get new people hired and trained fast enough

Whether it is caused by rapid expansion, high turnover, or an economic roller coaster, staff training and staff ramp up is a critical issue for any organization wanting to succeed.

You might be thinking, “Why would an Operations Super Hero be concerned with that? Isn’t managing staffing a job for Human Resources?”

Getting people with the right knowledge in the right place at the right time is the very core of successful operations management.

Although it’s absolutely true that good people are essential to the success of every organization, it’s not always for the reasons that a lot of people think it is.

Let’s look at why.





Super Hero **Secret #2:**

People don't run businesses . . .
Systems run businesses
and **people** run **systems.**

Michael Gerber, *E-Myth*

Poor systems harm good people.

The most talented people in the world, all doing their own thing can create chaos in a New York minute. If you've ever been in a fast paced, high-change environment where everyone does their own thing you know.

Results aren't predictable. It's not that results are all BAD, it's just you're never quite sure what's going to happen next.

Everyone is just reacting. This type of "non-system" leads to wasted time, effort, and money, as well as frustration and conflict.



No Clear Accountability

When there is no clear system of responsibilities and accountability, the greatest team in the world can start behaving like a troop of monkeys—no matter how good their intentions are, no one knows what's going on or who is responsible, and trouble follows.

Lack of a culture of accountability can lead to all the other symptoms and a whole lot more. But without a "system" of clear boundaries and expectations, you can't have true accountability or consistent results.





Overlooked Strategies for Rapid Improvement

OK. You can tell you've got the symptoms of Operations problems.

So now what can you do about it?

Obviously, operations management is a complex activity. There's a lot involved to getting it right. If it were *easy*, you wouldn't need an Operations Super Hero.

But the good news is there's a lot anyone can do by focusing on key areas.

In the following pages, we explore 3 proven but frequently overlooked strategies that you can apply to get measurable improvements FAST—no matter what your role or where you are in the organization.

These strategies work on both a large or small scale—in a single department or across the entire organization.



3 Super Hero Strategies

- 1. Day-to-day process efficiencies**
- 2. Managing Time-to-Competency**
- 3. Disaster-proofing critical operations.**

Strategy 1: Day-to-day process efficiencies



Day-to-day Process inefficiencies are some of the most commonly overlooked opportunities to see a fast improvement. You might think “Why sweat the small stuff?”

Although the routine tasks that happen day in and day out in your company may escape your notice, even seemingly small issues can add up in a hurry.

Why care about a 20 minute task?

Here’s an example as reported in *Healthcare Executive* magazine of how an inefficient 20 minute task turned out to be *very costly*. After an operations audit, one large hospital discovered their staff was *incorrectly* entering “check in” information **70% of the time**. It took 20 minutes in rework on every bill to correct those errors. At **1.5 million bills per year**, that one inefficient process created **500,000 hours** of unnecessary work. But, before the audit, no one realized they had a significant problem because no one had measured the cost.

No one noticed the “human system” they used for check in was broken. Who cares about 20 minutes here or there, right? Simple routine tasks done on a daily basis are often completely overlooked but have a big cumulative impact. Even small improvements can net tremendous payback. In this case, fix the one broken system, eliminate the errors, and save 500,000 hours of wasted staff time a year! That’s a big return.





What if you could gain 35-40 extra productive minutes a day?

That's 3.5 weeks per employee over the course of a year. A 100 employee company could gain 13,750 more productive hours a year. That's like gaining 7 full-time employees at no additional cost. Consider what your company could accomplish with those extra hours? Eliminating day-to-day process inefficiencies is a huge overlooked opportunity.

What's even more amazing is that it doesn't take huge changes to make an impact. Just a 10% improvement in productivity from process streamlining can give you that return.

Operations Super Heroes consider the "routine" systems that others overlook and make them better. They look around and say, our current system might "work" like the wall plug arrangement at right—but is it "good"? Is there a simpler, better way?

No Left Turns

Here's a great example. In 2004, after



evaluating their CO₂ emissions, UPS announced

that its drivers would avoid making left turns. UPS calculated that reducing the amount of time trucks spent idling waiting to make a left turn would save millions of dollars in fuel costs every year. According to an *ABC News* report, UPS saved as much as 28,541,472 million miles, and three million gallons of fuel in 2006 by making "right" turns whenever possible. A simple change to their "system" made a huge impact.

Do you have processes in your company or department that would look like a Rube Goldberg machine if you mapped them out? If you're honest, chances are you do. Everybody has a crazy idiosyncratic system or two that grew up over time, but that on closer inspection just doesn't make a lot of sense beyond "It's just the way we've always done it!" Those are great opportunities. Often the fixes aren't hard to implement at all and the payback can be significant.

What could
YOU do
with **more**
productive
staff time?



Day-to-day process
efficiencies

Maybe there's
a **better**
way?





Take a step back and look at the actual “systems” in use in your company. Do you need an EASY button somewhere?

Look for opportunities to simplify and streamline.

As Yogi Berra, said, You can observe a lot just by looking. You can simplify on a large scale, but sometimes just making incremental improvements in one or two processes can get a rapid payback so don't overlook that simple stuff.

Word of caution: Some Good Systems are simple, some good systems are necessarily complex. You've got to REALLY understand your systems to improve them. Super Heroes aren't superficial. They take the time to understand the Big Picture AND the Details. What's more they map it out and write it down so everyone can see it. A good system can't be just in your head—even if you're Albert Einstein. It has to be VISIBLE so everyone can see it.

Good systems help good people excel

Remember Super Hero Secret #2? People don't run businesses . . . Systems run businesses and people run systems. It's critical to understand the connection between Good people and Good Systems.

Good systems support good performance and drive good outcomes. Your systems represent Best Practices which allow good people to excel. Systems provide consistency and predictability, eliminate waste and guesswork, and free people up to perform at their best.

It's critical to understand the connection between Good people and Good Systems. They have to go hand in hand. Unless you have Good people APPLYING Good systems you won't



"The failure to align people with processes has the potential to negate the value of transformation efforts."

The Gartner Group



see results. That is one of the most common barriers we have seen in over 20 years of working with all types of companies. Operations is all about, people, processes, tasks, work flows all aligned and working together for success.

The greatest systems, the greatest technology, the greatest ideas in the world won't transform your business unless your people understand how to apply them! At ALL levels of the organization. Get the picture?



Strategy 2:

Managing Time-to-Competency.

That term might not be one you've heard much about before, so let's take a minute to define it.

Time-to-Competency is the time it takes to get people fully proficient in their jobs—meaning they can perform at acceptable standards for their position without close supervision or assistance. Another term for this is **Ramp up** time.

Now that you know what it is, why does this matter and why is it important to manage it?

According to the American Society of Training and Development, U.S. Companies spend almost \$80 billion dollars annually on internal staff training. Why so high? The national average cost for replacing an employee is 1.5 times their annual salary for recruiting, hiring, training costs, as well as productivity losses during ramp up. That's where time-to-competency can make a huge difference.

It takes an average 13.5 months—one year and 6 weeks—for a new employee to become fully proficient. For some positions it takes even longer. This statistic would be sobering enough if it weren't for the fact that the national average annual employee turnover rate is 10-15 percent.





That means 10% of your workforce is new every year. For a 200 employee company that fact translates into costs as high as **\$1.8 million annually**.

Turnover in Banking averages between 20-35%. In Healthcare it is reaching a crisis with 20% turnover considered "good" and reports of turnover in home health care as high as 86%.

Experts expect the acceleration of "Baby Boomer" retirements in coming years will make an already bad situation worse.

13.5 months? Why So Long?

Why does it take so long for employees to ramp up? That's a good question. This is an area where the traditional approaches often don't work very well. Let's take a look at some of the reasons.

A good Super Hero trick is to look at how quickly a new person could step in to perform a critical task. Assume the new person is qualified—meaning they have basic knowledge of their functional area but they don't have any knowledge of how your company works.

What's the actual learning curve for the position?

Let's say the picture at right is your Network Engineer's office, and he just left for a vacation in Tahiti. Could anyone step in and fill in for a month? How hard would it be for a new person to get up to speed?

Unclear, undocumented systems dramatically increase Time-to-competency for new employees and overall costs to the company. Not to mention the risk if the Network goes down and no one knows the re-start protocol. It's a big liability.

Think that's not a real scenario? Think again. It happens every day all across the globe.

It takes an average
13.5 months
for a new employee to become
fully proficient.





Learning On-the-Job

“On the job,” informal training is one of the most common forms of new employee Ramp up that companies use. Supervisors and co-workers “teach” the new employees the ropes—all the little tricks, nuances and idiosyncrasies of their internal systems.

Unfortunately, this can be a slow, inefficient approach. Schedule gridlock is common. New employees sit around with little to do waiting for someone to help them while supervisors and co-workers are too busy trying to keep up with the work load.

It becomes impossible to delegate because key staff are the only ones who know how to do certain tasks. Until they can pass on their knowledge, the work and the stress piles up. Everybody suffers.

“They’re smart. They’ll figure it out.”

Some companies take a *laissez-faire* approach to ramp up. Managers say, “I hire good people and leave them alone.”

But the “They’re smart, they’ll figure it out” attitude can be a VERY costly one.

Of course, they’ll figure it out. Eventually. And they’ll figure it out their own way.

After 13.5 months they’ll learn what their predecessor knew on Day 1. Sometimes new employees figure out a NEW way to do something. Sometimes their way is better than the old way. Sometimes it’s not. Often, it’s just re-inventing the wheel.

Re-inventing the wheel—over and over and over again—is a very costly choice but one that can easily be avoided when you have a clear system and pay attention to minimizing ramp-up time.





Operations Super Heroes look at ways to MINIMIZE ramp up time by actively MEASURING time-to-competency. Minimizing "Ramp Up" reduces costs, reduces supervisory burden, and increases staffing flexibility.

Super Heroes calculate the costs and implement better techniques to minimize waste and maximize productivity.

Let's look at a quick example: Take a company with 500 employees and a modest 10% turnover rate and a \$20/hr loaded

average wage. Do the math and you can easily see how a decrease in ramp-up time—even by just a small amount—can make a big difference. Reducing new hire ramp-up time from 12 weeks to 6 weeks can save \$240,000 a year.

The faster that employees become fully productive, the more they can contribute toward helping your organization "execute" your mission. It's shocking how little attention gets paid to this critical area. What's the average ramp up time in your organization?



Strategy 3:

Disaster-proofing Critical Operations

The third commonly overlooked strategy you would think would be a "no-brainer." But apparently there are a lot of Operations Managers who are OPTIMISTS. The glass is always half-full. Nothing bad will happen, right? Well, optimism is good, but what if the light at the end of the tunnel is . . . OOOPS . . . an oncoming train!

Not every disaster can be prevented, but a lot of them can be. Here's a little piece of trivia that you might not know. Who initiated the Standard Operating Procedure Manual as a way to better manage operations? According to Management Historian Joann Yates, it was the American Railroad Industry starting around 1887. Why? You guessed it. To prevent train wrecks!





Running a successful, profitable, and safe railroad required careful coordination of people and systems. Everyone had to understand and follow common best practices or the train could literally jump the tracks.

A lost contract, a security breach, a catastrophic error, regulatory sanctions, a lawsuit, these can all hit the bottom line like a run away train. Operations Super Heroes understand that it is the day-to-day operations—processes and work systems—where train wrecks can start—and where they can be prevented.

Super Heroes proactively examine their RISK areas and **put systems in place** to prevent train wrecks. They also put Emergency Systems in place so they can respond quickly if the worst happens any way.



Plan Today to Prevent Disasters Later

Does your company have an Emergency Disaster Plan? Do employees know what it is or even *where* it is?

“Yeah, we’ll get to that someday.” That’s the attitude that makes this one a huge “Overlooked” Opportunity. You know you SHOULD, but for some reason you don’t.

Many companies wait for a crisis or a “just missed” crisis to elevate this issue on their radar screens. That’s the wrong time. Operations Super Heroes know that the time to prepare for Stormy Weather is when the sun is still shining. They think through all aspects of operations and look for vulnerabilities. They anticipate. They prepare contingencies plans, and they make sure key staff know what they are, and **where** they are.

If you *know* better, but you don’t *do* better, . . . well you know the end of this one.

Taking action today is what Operations Super Heroes do.





The Final Operations Super Hero Secret



Here's the final Super Hero Secret, the one that encompasses all the others and makes them achievable. There is a NEW way of managing operations and thinking about process that leads to better results. The Standard Operating Manual that's been around since 1887 doesn't cut it anymore.

To really achieve results you must take a look at your company's operations from a "Systems" View. You literally Systemize operations whether for a single function or the company as a whole.

"Systems Thinking" produces measureable improvements.

What is a "Good" Business System? A good business system encapsulates everything about how your organization "does business" and how you are better than your competition. It's your detailed operating plan.

If you have a **good system**, anyone who follows it can get a **good result every time!**

If you aren't getting the results you want, you just change the system. Instead of always "reacting"—letting events drive your business—you drive desired performance outcomes by following your system. A good business system is your single roadmap for managing day-to-day operations, for training and for meeting regulatory compliance. Good systems (procedures, policies and best practices) lead to productivity, accountability, and transparency which lead to increased profits, improved performance and reduced risk.

As discussed earlier, execution is all about getting things done. Your company's "systems" are the way you do things, the way you execute—or fail to execute—your mission.

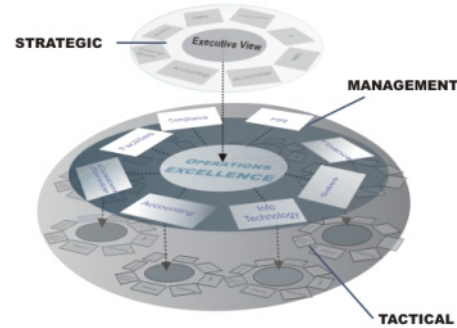




The most effective organizations focus on operations. They get things done by **connecting all levels** of the organization (strategic, management, and tactical) with clearly defined business systems they have uniquely designed to achieve their specific business goals.

This drives outstanding performance and separates the “world class” organizations from the rest of the crowd. Systemization is the biggest secret to Super Hero operations success.

Actively leverage employee **“know-how”** at all levels—to get things done.



Recap: **The 5 Super Hero Secrets**

All this Leads to . . .

Super Sized Results!



- ▶ Use your X-ray Vision to see problems others miss
- ▶ Focus on routine day-to-day efficiencies
- ▶ Actively manage Time-to-Competency
- ▶ Disaster-proof critical systems
- ▶ Finally, the key to them all, **Systemize!**



Ready, Set, Go: Take Action Today

Could you use some help putting the puzzle together to make positive changes?

Whatever your organization's size, situation or budget COMPROSE can help you streamline your business today.



Visit us on the web: www.comprose.com.

Sign up for our E-letter and Blogs.

COMPROSE can help you take your operations from where you are to where you want to be. Options to meet a variety of needs and budgets.

- [Educational webinars](#) to help you learn new concepts and dynamics of operations streamlining.
- [Consulting and Diagnostic Assessments](#) that pinpoint operations trouble spots and calculate your cost exposure.
- [Training](#) in the Operations Mapping method and "[Quick Start](#)" services so you can begin achieving performance goals fast.
- [Professional services](#) and implementation assistance to ensure your success, and if a tool suits your needs, our [Zavanta® software](#).

Operations Mapping™

Operations Mapping,™ COMPROSE Inc's proprietary method, is a foolproof way to "systemize" any business. You get measurable results faster and at less cost than other approaches. No other method "ties everything all together" at all levels.

Have a project or issue you needs immediate attention but don't know how or where to begin? Our experts can handle everything for you.

Call 800-719-8964 or
e-mail info@comprose.com for a no-obligation needs analysis.