Three Dangerous Myths of Efficiency

Myth 1: Efficiency means reducing costs
Reality: Efficiency means maximising value

Myth 2: Efficiency means cutting staff
Reality: Efficiency means getting the most out of your people

Myth 3: Efficiency means people working harder/longer
Reality: Efficiency means working smarter

As all good managers know, efficiency is about doing - and paying for - *all the things that are necessary to deliver value to your customers*; and **not doing** - or paying for - things that are *not necessary*.

In order to achieve efficiency therefore, it is absolutely essential to understand:

- what your customers value and

- where your current system of work is wasting money.

With more and more direct customer interface with your organisation's systems, and increasingly computer literate customers, now is not the time to make ill-informed decisions about IT management. Cuts which *eliminate waste* contribute to business prosperity. Cuts which deliver a short term saving at a huge future cost will simply drive your business into the ground more quickly and more surely.

It is undoubtedly the case that business IT has grown somewhat complacent in an economy which had money to burn on technology solutions, and it is essential in these straightened financial times for IT professionals to grasp the nettle of delivering maximum value for the available budget. IT systems management should be subject to the same discipline as all other aspects of the business.

An objective, comprehensive investigation into where your current system of work wastes money, skills and time is the essential first step to improved efficiency. Only by expert, in-depth analysis of what is *really* going on in *your* organisation's software supply chain can you work through answers to *your* organisation's issues.

The SMS Symptomatic Diagnostic of Business Effectiveness

The SMS Symptomatic Diagnostic of Business Effectiveness is an objective survey of your software intensive systems which shows you where waste of money, skills, or time is occurring in your processes and work practices

Reducing costs vs maximising value

Everyone is under pressure to spend less and make the money they have go further. The global economy has spent years living on credit and the bill has now arrived. There is simply less money in the system.

Business practices based on a continual growth model are no longer viable. If there is a finite amount of money available to fund a project; a service; an activity; then the desired outcome MUST be delivered within that budget.

Efficiency is about making every penny of your budget work to maximum effect. If you don't have an objective measure of where you are wasting money now, you cannot make the changes which will ensure you achieve the maximum benefit from current or future budgets.

The first step to better budget management is therefore to measure your current effectiveness and identify which steps in your processes add value and which do not.

Getting the most out of your people

95% of performance loss is due to the system of work itself. That means 'employing good people' can only ever influence performance by 5%. Staff under continual threat of losing their jobs, or having their pay cut, will disengage no matter how good their cv was when you engaged them. Efficiency and effectiveness will both suffer, and your best people are likely to vote with their feet.

Several studies have shown that while low pay is a **disincentive** to high performance, high pay does not of itself incentivise staff to engage in delivering the desired business outcome. Job satisfaction, a sense of worth, team spirit, the ability to apply expert skills and an open learning culture which offers the opportunity for workers to hone their skills and develop new ones are all far more important factors.

Good management practice focuses on enabling staff to use their skills and talents to deliver real value to the business.

The first step to delivering better value from your people is to look at how effectively your organisation currently manages skills and talent, and where it can improve.

Working smarter: managing time

Time is a non-renewable resource. Time cannot be either expanded or contracted. Like financial budgets, time should be managed to deliver the best results not be squandered on non-value-add activities. 'Making time' for one thing means stealing it from something else - such as giving your highly skilled staff sufficient 'downtime' to think and to re-charge their batteries.

The first step to **better time management** is to take a long hard look at your current work systems to see where time is wasted. Are people required to spend time on activities that add no value? Are these activities essential, or are they an artefact of poor management practice?

What you measure is what you get

Don't measure activities. Measure results. If the results aren't what your organisation needs, ask why.

At least five times.

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