



weLEAD Online Magazine

leadingtoday.org
©2008 weLEAD Incorporated

Organizational Efficiency Quiz: Is Your Organization Operating Efficiently

By Andrew Miller



Miriam-Webster defines efficiency as "...productive without waste." In business, waste means money. So being efficient has a direct impact on your company's bottom line.

Is your company doing things efficiently?

My guess is that there are opportunities that are not being taken advantage of.

Take This Simple 4-Question Organization Efficiency Quiz to Discover Exactly How Productive Your Organization Is.

1. Do you have standard processes and procedures?

This is a simple concept, but requires a great deal of discipline and executive support to complete successfully. Essentially, it means getting everyone in your organization to do things the same way. A large banking client of mine had various methods of contacting suppliers to place orders for products. Some employees would send emails. Others would telephone. And, still others would send faxes. As a result, suppliers were delivering products two or three times per day to the same location. Each delivery had a \$35 charge and the company was spending *more than \$25,000 per year* on delivery charges *from only one supplier!*

Deliveries were reduced to two times per week simply by standardizing the ordering process and having the supplier consolidate orders. Costs were reduced to *less than \$5,000* annually. That is an 80% cost reduction and a \$20,000 savings just by changing the processes with one supplier.

Extrapolate that over your entire supplier base and you can see the opportunities that are presented to your organization.

2. Are you using current technology?

There is some amazing technology out there and it is good advice to start using it. When possible, use web meetings, conference calls and especially e-commerce solutions. This reduces travel and operating expenses by a significant amount. One of my clients reduced their paper usage by *more than 80%* by sending purchase orders and invoices through an e-Commerce solution, and storing their purchasing documents in an online repository.

A pharmaceutical client implemented an electronic ordering system to replace their paper-based system. Before the new system, nine employees reviewed a typical order before the order could be sent to a supplier. It took as long as six weeks for the supplier to receive the order and fulfill it. Currently, suppliers now receive *more than 95% of the orders within 48 hours*.

3. Are you making everyone accountable?

A couple of years ago, one of my healthcare clients had created an organizational structure with no accountability. *Simple decisions would take weeks*, include many different resources and were often revisited after the decision was made. After some analysis, we implemented a new organizational structure where roles and accountabilities were clearly documented and understood. Employees were given clear decision-making responsibilities and knew when escalation was required. Productivity improved significantly and most *decisions were made quickly*.

Does everyone in your organization know what their exact role is? Are they accountable for their successes and failures?

On any successful sports team, there are superstars and role players. No team wins a championship with only one or the other. You need a mix of both.

All successful companies have their superstars and their role players. The key is to create a structure and culture that supports the goals and objectives of your organization and removes ambiguity about people's roles and responsibilities.

4. Are you striving to improve your business efficiency on a regular basis?

An organization should *never be satisfied* with the status quo. Most of the top-performing companies are constantly improving on what they did yesterday. Through employee feedback, waste reduction, better use of technology and improving customer service, organizations will improve results directly related to their bottom line. Those results may come in the form of increased customer retention, increased profit, improved employee satisfaction and reduced administrative costs.

If you found yourself not taking advantage of the opportunities in my organizational efficiency quiz, you are not alone. But if you want to benefit from reduced costs, increased profit, better employee retention and improved customer satisfaction, then you need to take action today. Now, who could refuse benefits like that?

About the author:

Organizational Efficiency Expert Andrew Miller of ACM Consulting improves organizational efficiency, increases productivity and reduces costs for companies who want to remove waste from their businesses. You can discover value-added strategies that will improve employee productivity, increase value through strategic investment of time and money, and decrease processing and administrative costs. To learn more about Andrew or his organization you can visit <http://www.acmconsulting.ca>

This material is copyright protected. No part of this document may be reproduced, in any form or by any means without permission from weLEAD Incorporated. Copyright waiver may be acquired from the [weLEAD website](#).