

Eliminate Waste – Reduce costs Perform a Business Tune-up

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In these uncertain times, most businesses have already taken a hard look at their sales and expenses. In order to insure profitability, they have taken the most effective step of reducing overhead by reducing staff. In most cases, the remaining employees have needlessly to say, been pressed to perform the work of their laid-off associates. In some cases, there was bloat caused by underperforming employees, and consolidation of overall business activities was justified. In many cases, the remaining staff could not satisfactorily pick up the slack, causing reduced company performance and possible loss of customer satisfaction. The net result was not always as expected.

In addition, since IT budgets were also reduced, their staff was forced to focus mainly on maintaining mission-critical systems pushing development to the back burner. Often, this development work could have resulted in reduced operating costs and better efficiency.

While performing their normal IT consulting work for their clients, Odyssey representatives have often found examples of wasted efforts by observing staff involved in repetitive tasks which were not automated. This was mostly because no one was ever assigned to evaluate these operations or management assumed that those staff members knew the best way of accomplishing those tasks. Just because an employee can use a computer, has knowledge of Windows, Word and Excel, and was trained on their core application, does not imply that doing their job is always in the most efficient way. Many times, simple procedures or applications can be developed to improve this efficiency if properly recognized. Depending on the amount of time saved and the number of employees performing the same tasks, significant savings can be realized.

The rest of this article gives a rather detailed description of how to accomplish the desired goals of eliminating waste and reducing costs by applying the Odyssey Business Tune-up™ principles.

First steps:

- Obtain written (preferred) buy-in by executive, involved business and IT managers
- Assign, contract or hire an individual with both savvy systems analysis (SA) (not solely programming) and related business skills
- Develop necessary forms to track the mini-projects, the analysis and any development effort expended – with the ability to evaluate the time and costs savings, if any¹
- Begin with a handful of targeted departments or individuals
- Ask the involved managers or employees to identify areas they think could use improvement
 - Assure these individuals that these suggestions will be used to reduce their individual work load
 - Maybe use a contest to stimulate and clarify their suggestions
- Simultaneously, have the SA observe the targeted individuals' activities in a non-threatening manner, noting his own suggestions
- Gather all suggestions and record them in detail on the previously developed form(s)¹
- Analyze all suggestions, determine the course of action and evaluate a handful that would produce the most “bang-for-the-buck” and then prioritize those
- Get written sign-off of required executives and managers
- If some programming is necessary to effect the solution, decide on the language or software² required, assign or contract the appropriate individual, and start the project(s)
- Prepare any required systems or end-user documentation
- Prepare any required training materials
- Test and debug any procedures or programs
- Train the involved employees
- Observe, note, record and evaluate the actual time and cost savings
- Review results with related executives and managers
- Decide if process was cost effective and next courses of action to be taken
- Acknowledge and reward winning contestant(s), if appropriate

Next steps:

If management realizes the expected savings and if approval has been given to proceed:

- Pick the next candidate(s) for improvement
- Do it all over again until there are no other suggestions worthy of improvement

Examples of worthy candidates:

- Simple retraining of employees in the use of efficient keyboard, shortcut keys and mouse procedures – can be a significant time saver
- Repetitive use of cut, copy and paste operations – can often be improved by minor automation
- More complex operations, often by more advanced users, to query or download data from one application and imported into another disparate application – generally requires more design and programming, but well worth the effort
- Immediate validation of data entered into one application, normally done in a following application; such as: data entered into a spreadsheet which then becomes batch input to a core application – significant cost savings can also be gotten here

A few successful client stories:

1. One client in the factoring business received and processed sales information (data files) from most of their customers on a daily basis. This data was sent as e-mail attachments to a single user at the client's business, namely the Accounts Receivable manager. Although each client agreed to send the required information, they did not want to conform to any single file format. In other words, the order and size of the data fields was not uniform for all clients.

Over the years, the IT Department necessarily developed a single conversion program to handle the data files received from each customer. It then became the A/R manager's responsibility to receive these e-mails, decide who they were from, move them to the proper folder and invoke the corresponding conversion program. This was repeated throughout the day and every day. Needless to say: it was boring, tedious and time consuming work which took about four hours away from her normal work. In addition, it was so specialized that others would have difficulty filling-in for her, whenever it was necessary.

Since I frequently passed by her location, I noticed her stress to finish her work daily. I then inquired about this process and determined that some automation could help. After obtaining the necessary approvals I designed, programmed, documented, etc. a mini-application that assisted her with the process. Consequently, her time spent on this task was reduced to a single hour per day, saving her and the company three hours per day to do the more important management tasks she was hired to do. Since the work was semi-automated and now properly documented, others could be more easily trained to take on this task when required.

2. Another client in the insurance business who was deluged by all kinds of paper documents, decided to purchase an imaging system from a well known vendor. The initial process of scanning and indexing already existing documents was a nightmare in itself, but was too involved for this example which mainly deals with the daily operations.

The imaging system was a LAN-based, stand-alone, Windows application. There were several scanning and indexing stations for loading new documents into the database. These operators scanned all documents related to a particular policy, viewed the pages on their workstations, and manually entered indexing information from what they viewed on their screens. The minimum required indexing information was policy number, name and social security number.

Once entered into the database, hundreds of employees were given search, view and annotate capabilities through another supplied LAN-based Windows application. These employees also had access to their core business AS/400 insurance application, which was not integrated with the imaging system.

Needless to say, because there was no validation of entered indexing data against the AS/400 database, retrieval became a tremendous problem. Much time was spent searching, rescanning and re-indexing documents due to manual errors.

After hearing about the myriad of problems, I offered to look into and resolve these issues. The solution was relatively simple. I created a mini-application that ran on each scan station, which automatically picked-up the policy number as it was being manually entered into the indexing application. If there were formatting errors, they were immediately reported to the operator. If not, the policy number was used to query the AS/400 database (using ODBC, if you care). If the policy number was not found in the AS/400, again it was immediately reported to the operator. If it was found, the name and social security number was returned to the indexing application and automatically placed into their respective fields on the operators screen. The operator then made the final decision to proceed or not.

Once the input errors were corrected, or significantly reduced, retrieval became second nature. Hundreds of hours of lost time were thus saved by this relatively simple integration process.

Footnotes:

1. Working examples of such manually-maintained forms are available on-line at www.OdysseyData.com, or use your own project tracking system. Many clients prefer Microsoft Project.
2. The language we use for most automation is WinBatch – www.WinBatch.com

About the author:



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