

STRATEGIC SALES PERFORMANCE.

Why Automate a Workflow?

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MARCH 21, 2006

Workflow is a discipline, a practice and a concept. The Workflow Management Coalition defines workflow as “ An automation of a business process, in whole or in part, in which documents, information or tasks, are passed from one participant to another for action, according to a set of procedural rules.”

Why Automated Workflow?

Labor is still the largest expense in most businesses. The US Census Bureau indicated that labor makes up between 15.6% and 51% of total expense for large businesses. Most of that labor cost is not made up of creative thinking or value creation. Most business labor consists of repetitive manual tasks. It is sorting, routing, filing, duplicating, couriering, pieces of paper from one location to another. Labor costs are on the rise. According to the US Department of Labor, labor cost for non-farm businesses sector rose 3.3% in fourth quarter 2005, while output only rose 1.7% for the same period.

An extensive study completed by LaTrobe University, Centre for Ergonomic and Human Factors, in 2000 showed that 52% of manual tasks take less than 60 second, 30% take one to five minutes and rest take over 5 minutes to perform. Their study showed that stress was increased by high mental workload, low motivation and short cycle times. This stress injected errors into the process. The level of error grew over the course of the day.

Automating a repetitive manual task via a computer based workflow solution attacks this very problem. As a document moves through the mundane business process it is subject to increased error. As the day wears on and the tasks do not change, over confidence and indifference set in. Decisions that are made based on firm management guidelines become more arbitrary. Many of these errors do not trigger errors within software applications but do expose the firm to escalated risk. Some errors like data entry transposed numbers or letters that can be verified via code within the programs. Many other errors are just lapses in judgment. The cost of lapses in judgment may not be obvious or immediate.

Consistency

The ideal business process would be repeatable and predictable. Every document that traverses the process would follow the same path during the same timeframe with the same results.

Human error would be minimized. If the process followed the same path each time, it would be easier to determine where there was room

But change must always be balanced with some degree of consistency.

Ron Burton

for improvement. As the process is changed, to take advantage of potential improvements, the impact of these changes can be measured. Changes that

produce improved performance can be kept and those that do not can be discarded.

Without this predictability, changes become ad hoc. It becomes harder to determine if the change in the workflow was the catalyst for improved performance or just an aberration. Periodic improvement could just be the natural by-product of the varying approach each employee uses during the workday. Many improvements implemented at the individual level are not translated to other employees.

One of the most important aspects of automated workflow is that documents are not lost or misplaced. The manual process of sorting, routing, moving and filing documents provides the perfect environment for loss. Documents fall between or underneath office furniture and equipment. They are sometimes set aside for further processing just to be over looked. When workloads build, more difficult tasks are sometimes left for later, delaying their completion. When an employee leaves or is unexpectedly absent, work must first be located before it can be reassigned. All of this increases cost and many times reduces revenue and cash flow.

Measurable

Automated workflows have the added value of being able to collect specific metrics that will help optimize performance. Management can determine what metrics are germane to improving performance. All the details of the workflow can be collected or it can be limited to just those metrics that are deemed important.

These metrics provide two levels of performance monitoring. The first level is the higher level of overall process improvement. Service Level Agreements (SLA's) can be implemented and monitored. Specific business requirements to process a document or set of documents within a targeted interval can be monitored. There may also be a need to document and verify that certain steps were performed in accordance with existing laws or internal policy. Automated workflow provides the ability to easily demonstrate compliance. This is particularly true with regulations like Sarbanes Oxley.

What can be measured can be managed

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At a more granular level, individual or group performance can be monitored and reported. This information is ideal for improving the performance of an individual, group or the entire process. Bottlenecks can be easily identified and resolved. The need for increased training or mentoring can also be identified. Performance standard can be established and improved. Recognition can be delved out to those members who exceed expectation. Rewards become objective as opposed to subjective in nature.

It is important that we do not concentrate on treating symptoms, but actually understand the underlying disease. Treating the source of the pain provides a longer lasting relief than just covering up the pain. If Workgroup A is not performing up to the level of other workgroups there is a problem. But what is the problem? The problem could be with the quality of the employees in Workgroup A. The problem might be with their familiarity with their given tasks compared to others; it might be that the group which works upstream from them is not doing their job completely. Without valid measurement tools in place this would be hard to resolve. Ad hoc solutions could be expensive and not treat the underlying problem.

How do I know if I can take advantage of it?

The key questions are “How do I measure success?” and “Am I happy with my attainment against that goal (s)?” More times than not a manager has an idea of how they measure success. That measurement might be in cycle times, unit work per period of time, level of rework, etc. What stands out is how they measure it. When a manual workflow is in place, many times the only method of measurement to a manager is work-studies. There are two basic problems with work-studies. First, the employee knows the study is taking place and is on their best behavior. Second, it’s not spontaneous. There is a significant lag time between the request and the results. So, does the manager really know the answer to either of these questions? How critical is the answer to the operation of the business?

A second important attribute to workflow is; how labor intensive it is? There are two halves to this question. First, does it involve a significant number of employees? Significant is a relative term and can only be answered by the business. If a manager can cut ten per cent or twenty per cent out of this labor cost, would it affect the bottom line? The second half of the question is “Do I have enough?” The process itself may, or may not, be labor intensive. But based on either business environmental issues or economic issues the manager may not be able to acquire and retain significant staff. How does this impact current performance, and what does it mean for future performance as business continues to grow?

The last big question that needs to be answered before much time is spent on analyzing the workflow is “Is it time sensitive?” Does the work in question have a time element that is critical to the business? Will performing the duties of the workflow faster have a measurable impact on company or group performance?

If any of these issues are important to you then you are a candidate for workflow automation. How much benefit you can receive is directly proportional to the repetitive manual effort currently in use. No business process follows the same

path every time. There are stipulation and contingencies that require deviation from the norm. This is where it is important to apply some variation of the eighty-twenty rule. Automation can only apply to tasks that are repeatable and consistent. Those tasks which are unique or variable can not easily be automated. Although some tools do exist that can include ad hoc processes into the automation.

The existing manual workflow should first be replicated by an automated process before improvements are applied. In most cases there isn't enough information to accurately predict the required change. Trying to implement change simultaneous to automation injects too much cultural change all at one time. The more change that is implemented simultaneously, the harder it is to isolate cause and affect scenarios. Trying to accomplish too much too fast may actually hurt results rather than improve them. Employees may abandon the new process as too complicated.

How Do I start?

I recommend a four step process. The four steps are Discovery, Design, Development and Deployment. As a company moves through the process there are natural breakpoints that assure that value will be achieved prior to investing more time and money into the process. This will help the company mitigate risk. Departmental workflow solutions should require only man-days to complete this process as opposed to man-months or man-years. Enterprise solutions may require man-years worth of effort too complete.

Discovery

Discovery is the initial process of understanding the business environment as it relates to the work to be accomplished. During this phase detailed data gathering takes place. The natural starting point is where the original documents enter the process. The documents are then followed from employee to employee until final disposition. It is critical to view each workstation as they work. There are a number of task that are performed intuitively. If you ask the employee they will typically not remember all of the small details of what they do everyday. Every employee develops short cuts and work-a-rounds that they feel are too obvious to mention.

During Discovery the minute details of the process are uncovered. These are the details that can make or break a project. If the employee can articulate the logic required to process the work, it can be automated. When decisions are based on visual queues or intuitive judgment the work may have to stay manual. There will always be manual processes in automated workflow. Total human interaction can not be displaced.

Once the discovery document has been developed it is reviewed for the potential application of automation. It is very important to start from a factual basis. Do not start theorizing a solution until the baseline information has all been gathered, documented and analyzed.

Design

From the discovery document the business has determined there is the potential for saving by automating the workflow. The Design Phase documents the details of how the automation must work, what information must be presented and source and nature of that information.

This is where the User Interface is designed. Continuous feasibility testing takes place. Ideas and concepts are fine tuned prior to actually producing a solution. Exceptions must be identified and appropriate process put in place to handle them. The outcome of the Design Phase is a detailed Statement of Work that provides the programmers with the required design specifications

Development

This is where the solution starts to come to life. The detailed design specifications are coded. The preliminary solution is tested to assure it meets the business needs. Performance testing and load testing assures the solution scales as needed. An implementation package is developed to reduce time and labor during deployment.

Deployment

Deploying the solution on site includes making sure it meets the requirements of the business, it has the performance levels required, and it is fully integrated into external systems where required. Typically a thirty day pilot is performed before the solution goes into production. During this time all appropriate end-user training takes place.

Conclusion

Most companies have the need to automate some of their work processes. The effort does not have to be a Herculean one. Start with a small well defined, labor intensive, high volume business process. Work through the questions asks above to determine the viability of automation. Once it is determine that the business process in question is a candidate, focus on only it. Scope creep, the natural inclination to include external process to the original process, is the major obstacle to successful implementation. If a small project is good, a large project must be even better.

This is not always true. Focus on a small success and learn from the effort. As a business becomes more comfortable with the effort required to implement workflow automation, it can then take on more complex projects. Remember that once the workflow is automated there are metrics available for continuous improvement.

Tomme Stevenson has been in sales leadership for over 30 years. He has run sales organizations with over 2,000 employees down to as little as six. Prior to starting FocalPoint Atlanta, Tomme's sales organizations finished over 100% 14 of the last 18 years. He integrates current sales methodologies with custom Key Performance Indicators to maximize performance.

Here is just a small list of his formal business sales training.

AT&T Consultative Selling Curriculum (Certification Board Chairman)
Massachusetts Institute of Technology Executive MIS Program
PDMA Product Development Methodology Training
Spin Selling - Huthwaite, Inc.
Strategic Selling/Conceptual Selling - Miller Heiman
Fox Training (Power Based Selling) - Holden Corporation
The President's Club - Sandler Sales Training
Relationship Strategies - Tony Alessandra
Sales Negotiation Strategies - Mack Hanan
The Psychology of Winning - Denis Waitley
Competitive Analysis - American Management Institute
Competitive Strategies - American Management Institute
High Trust Selling – Todd Duncan
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