Corporate Streamlining Technology,
a Bolt from the Blue

by Ron Lutka, C.M.A., A.C.I.S., P. Admin.
President
Corporate Streamlining Company Inc.
www.corporatestreamlining.com

The Problem - 1

How are corporations, divisions, plants or large departments to be controlled? Why does any organization of modest to large size eventually break down from within? What can be done to halt this inevitable deterioration and increase the organization's potential for long term survival and prosperity? How can an organization, or a part thereof, that has broken down from within be repaired? These are very important questions, but to date few answers have been provided …until now.

For the first time, there exists clear, workable, consistent, standard technology that can be applied across all organizations both within business and other organizations, and across all industries.

The Problem – 2

How can a workflow management project, business process re-engineering project, or computer software conversion project ever be undertaken successfully without the organization first being cleaned-up, aligned and readied?   This too is a very important question, but to date few answers have been provided …until now.

Increase the success of such projects by tidying up the organization, clearing any backlog situations and re-connecting the many disconnects prior to the commencement of such projects. Almost all IT projects omit this step and approach these projects on too steep a gradient often resulting in large cost overruns and incomplete implementations or implementations of poorer quality than could have been realized. It is not the job of IT personnel to ready the organization in this way but it is their job to **demand that the organization be readied** prior to the commencement of an IT project so they can do their job.

"…poorer quality than could have been realized" is easy to understand when you realize that the project planners could not see the true essence of the organization they were asked to revamp because the as-is policies, procedures and practices were too broken. What is required is a **set-up** preparing the organization for such projects. Remove the debris and wash the basement floor before painting it.

Workflow management, re-engineering and computer conversion projects have a history of budget overruns and less than ideal implementations largely because the

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organization that was the target of the "betterment" was not brought up to a sufficient level of organization, standardization, consistency, transparency, re-connection of numerous disconnects, and cleared backlog to accept a workflow management, re-engineering or computer conversion load. Historically, the assumption has been such projects will eliminate these breaks and the chaos. Eventually they probably will eliminate a lot of it, but not all of it, but at a much higher cost in dollars and poor level of installation. And what will be lost forever is the opportunity for management to gain a deep insight into the organization that can only be provided by someone plowing through mountains of data at the worker, supervisor, middle manager and executive levels and across all departments over many months. This **perspective** alone and the potential opportunities that it brings can prove to be invaluable to an organization.

This failure to ready the organization for such projects is so prevalent and obvious in the industry that Connie Moore of Giga Information Group states in her article Best Practices in Workflow published in the 2003 Workflow Handbook (published in association with the Workflow Management Coalition) that the IT industry has dubbed the term "analysis paralysis". Some IT personnel become forever stuck in trying to figure out the as-is situation before planning change. Some IT personnel who are aware of the "analysis paralysis" problem avoid trying to figure out the as-is situation altogether and dive right in to effect the workflow management, re-engineering or computer conversion change. Both approaches are less than ideal because for one thing, dirty accounts receivable or other data might be dumped into the new system. And because it is dirty, thousands of dirty items might not fit into the new "pigeon holes". Problem! So the bottom line is the organization that is the target of the betterment needs to be **organizationally repaired** to some degree before commencing a workflow management, re-engineering or computer conversion project. To do otherwise is like trying to plow a field without first removing the many, many boulders.

Chief Information Officers would be wise to **demand** that administration, procedures, policies and operations are readied prior to any workflow management, re-engineering or computer conversion exercise. No matter how much an organization's existing administration, procedures, policies and operations are disliked they should first be put in good order.

Solution - A New Way of Thinking

Good corporate streamlining technology should be developed around the premise that customer organizations have as a goal, or should have as a goal no matter what else they choose as a goal, **"long-term survival and prosperity"** [although it is recognized there are special situations such as wind-downs].

Corporate streamlining technology should be designed to increasing the efficiency of organizations utilizing pretty much the resources the organization currently has *without large capital outlays*. Buying land or replacing major equipment can be fine but that is not the initial thrust of true corporate streamlining technology, although significant capital outlays might yield potential opportunities that are documented for management

to consider. And to reducing organizations' risks and the risk of their officers, directors and employees. Increased efficiency automatically brings with it lower costs, higher margins and increased capacity for output.

Corporate streamlining technology should also be designed to help organizations close the gap between the point of accepting an order from their customers and delivering the finished product to their customers, all within the parameter of "a quality demanded by the marketplace". And all with a drive toward reducing that **cycle time** to the ultimate value of zero. And all with a drive toward reducing **costs** toward the ultimate value of zero also. -- One must at least try.

Executives, front line managers and staff are usually consumed by their daily responsibilities which often do not allow them the required time to step back and understand the flow of their business and to map it out and to put reporting mechanisms in place that allows top management to keep their **"finger on the pulse"** in the truest sense of these words. Nor do they have time to put mechanisms in place that put the attention of the employees on the exact actions that are required to run the business optimally, and to keep their attention there. The old financial models do little to help increase efficiency because for one they are far too late on the chain. For another, they are largely created for other party's benefits such as governments and creditors. And employees do not have time to delve into the issues of efficiency and streamlining because their immediate problem is usually of a more immediate nature - fires! Work gets backlogged to the point it takes a Herculean effort to bring it to current status, and large write-offs often follow in the wake.

No staff can find the time to organize the operation behind all this change, to streamline it and to hold it's form, and to put calm into the organization despite many good intentions to do so. Those of us who streamline organizations need to be **committed** to spending 100% of our working time and to putting 100% of our attention, ability and energy toward streamlining organizations driving them to potentially new heights.

Streamlining need not be a "hit and miss" strategy. It is my belief that the **"stops"** holding back every organization will yield to a systematic approach to streamlining. Organizations have grown so complex, including medium sized organizations, that any effort in the direction of corporate streamlining is worthwhile. There is always something to gain. Always some profit or improved customer satisfaction to wring out of the operation. Always some risk reduction opportunities. Always some calm to bring to a poor clerk's desk. Always! The only question remaining is "**How much gain** can be gotten for a particular organization from streamlining?"

The start point to the ironing out process is usually the **handling of backlogs and hot areas** within the organization that are causing management pain and dispersing both management's and employees' attention. This handling is often required to calm the organization down and to help it become better understood. This "clearing the burden" is usually followed by a company-wide **systematic function/business review** that is conducted department by department and which includes one-on-one discussions with

numerous personnel at all strata within the organization. This is a systematic process. It is a swoop with a net, a net that is designed to capture the greatest gains for the least amount of effort. It is not a perfect net. It is an intelligent net. Items that come up during the review are **handled** right away if possible or scheduled for later.

Finally, once the organization has been calmed down and better aligned it would be wise to apply some sort of **critical path monitoring system** by mapping out the critical path and identifying appropriate nodes to manage, and implementing an executive level computer based critical path monitoring system to put management's "finger on the pulse". Then one must **hold the form** of the organization moving forward.

As can be seen, the technology ratchets the organization into a more organized, efficient, productive, in control state along a gradient. The streamlining handlings are at first very rough and crude, though necessarily so, then they become more and more refined as the streamlining process progresses. It is important for anyone streamlining an organization to be aware that they need to take a **gradient** approach to streamlining for this is a necessary ingredient to success.

The new way of thinking addresses underlying principles and dynamics and is less interested in actual mechanics, for mechanics will naturally flow from properly understood dynamics and from properly applied principles.

Whereas most organization management focuses their attention on mechanics which sit directly under "wanted results" in our diagram below. the new way of thinking focuses first on understanding key **"dynamics"** of organizations then formulates **"principles"** to harness the power within those dynamics. And only then should the streamliner be willing to address mechanics for only then does the streamliner have a sound base from which to make intelligent mechanical decisions.

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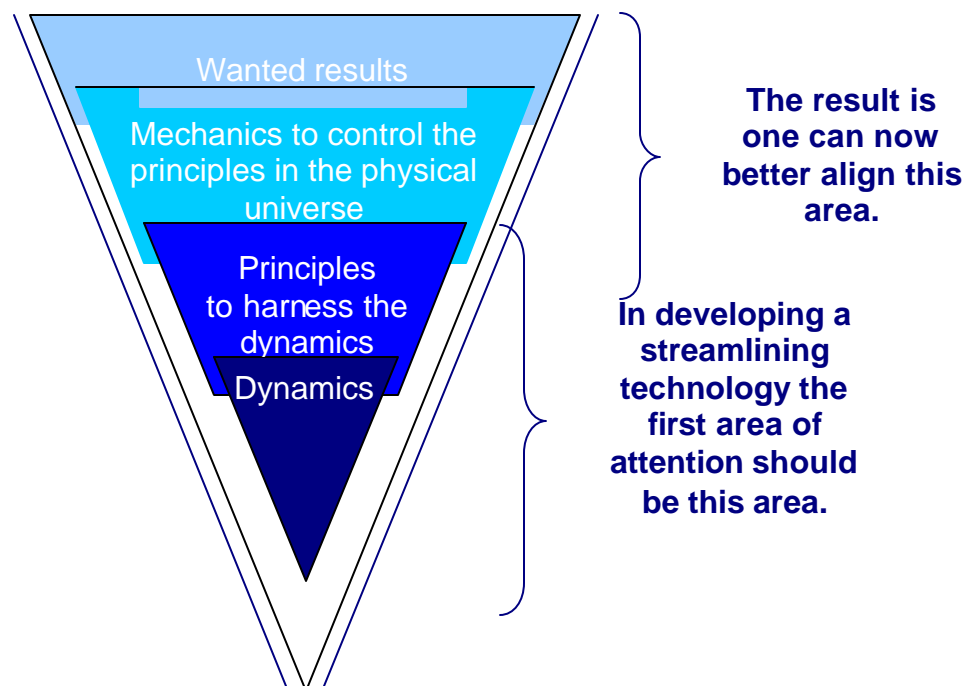
A Few Samples of **Dynamics of Organizations**:

1) Organization composition includes "flows", "particles", "intentions", and "cycles";
2) Cycles can be broken and flows can be stuck;
3) Organizations contain a critical path(s) or "sweet spot";
4) Organizations can experience pain, confusion, ignorance, neglect, hostility, betrayal, overwhelm, suppression, doubt, apathy, fear and other human elements and these experiences can cause dramatic detrimental affects on the organization;
5) Organizations can be opaque or transparent;
6) Management can do no better than the data it is presented with or the data it seeks out;
7) To the extent organizations have limited resources they are closed systems;

A Few Samples of Subsequent **Principles**:

1) To obtain best organizational results organizations should be viewed as organisms that utilize mechanical tools rather than the organization itself being a mechanical tool;
2) Drive customers, documents, phone calls, bodies, supplies, and products into predetermined optimal flows;
3) Standardize forms, procedures, products as much as possible;
4) Review the organizational health of the organization at the lowest unit of organizations then execute repairs;
5) Relieve the organization of pain, confusion, ignorance, overwhelm, suppression, doubt, apathy, fear and other human elements that are causing dramatic detrimental affects on the organization;
6) Develop data integrity to the degree it does not exist;
7) Make ample use of policies, procedures, manuals, edit checks, checklists, worksheets, reconciliation, balancing, and logs;
8) Approach streamlining organizations on a gradient.

Solution - Clear the Burden

The first step along the road to streamlining an organization is to **clear the burden** of any stress impinging upon the organization.

Many organizations are under severe stress in one form or another. Organizations are cloudy at best so for stress to become visible makes it a severe matter. "Obvious stress" might not be obvious initially, however it should become obvious after some probing. So the first thing to be done when streamlining an organization is to **relieve any obvious stress** impinging upon the organization.

Stress impinging upon the organization can take many forms such as: backlogged situations; a fouled accounts receivable sub-ledger; absence of structure; suppression; a collection of very bad attitudes; absence of any meaningful planning; significant environmental non-compliance issues; serious cash flow problems; chronic late

delivery; chronic sub-standard products produced; a failed service department; a fouled order taking or shipping process; contracts that cannot be lived up to. The stress need not be negatively oriented. It can be mass confusion caused by a recent merger or upheaval caused by a relocation or internal reorganization or by a sudden boom in sales. The point being, the source of the stress needs to be resolved before moving to the next step in the streamlining process. Clearing the burden clears the source of that stress.

<u>Solution - Conduct a Company-Wide Systematic Function/Business Review</u>

With the systematic function/business review we are now deep into the belly of the streamlining process.

A systematic function/business review, if conducted diligently, will produce magic. **We know of no other technology that will yield so much discovery for so little effort** as a properly designed and properly conducted systematic function/business review. It is true that the systematic function/business review might take three to five months or more to conduct depending on the size of the organization and manpower available, however the results will likely dwarf the time and resources invested.

The items that might be discovered during the review are as extreme and diverse as identifying that the creator of a worksheet did not know that the recipient needed it by the 15th of each month and that is why it was always delivered late. To, the factory does not have a costing system to keep the sales department in check and the sales department is selling simply by undercutting all competition, including the Chinese, by 10%. Anything and everything can potentially be uprooted by the systematic function/business review.

Before conducting the systematic function/business review the streamliner needs to **ensure the burden has been sufficiently cleared** as noted above. All it will likely take is one systematic function/business review where the burden was not sufficiently cleared for the streamliner to appreciate this point and to obtain an accurate feel for how much burden should be removed before conducting the systematic function/business review.

This is so because the streamliner will wish that more burden had been cleared because the remaining hot spots or areas exerting stress upon the organization will be seriously hampering the systematic function/business review. The streamliner will find himself having to stop the systematic function/business review because it is becoming too cluttered to manage because of all the disconnects and dropped balls and fouled and omitted processes it uproots. That is how powerful a properly designed and properly conducted systematic function/business review can be.

The streamliner documents problems, opportunities and issues that he observes or that he pulls out of customer staff. Do not underestimate the value existing staff can be for they live with problems everyday and after a little encouragement and after giving them

a moment to think about it their top problems, opportunities and issues will usually be presented to the streamliner.

The items listed should be split into **"immediate fixes"** and **"possible improvements / opportunities (less immediate)".** The reason being that it is sometimes best to handle some smaller quick fix items immediately as they present themselves rather than stacking up a long list of to-do's that clutter the streamliner's work and cloud the larger issues. This also gives the organization gains along the way, which is why the streamliner is streamlining.

Data starts to **pocket** as the streamliner performs the systematic function/business review. The fact that an employee is weak starts to show. The fact that an employee is destructive starts to show. Damage from a policy implemented several years ago starts to show. Vulnerability to the organization starts to show. Understaffing or overstaffing or unbalanced staffing starts to show. Lack of leadership starts to show. A faulty computer implementation starts to show. Apathy among employees starts to show. Any anomaly that is potentially destructive to the long term survival and prosperity of the organization can start to show. So the streamliner needs to be alert to this occurrence and use this tendency to make the organization better.

After the systematic function/business review has been completed time is spent combing over the data as a whole extracted during the systematic function/business review interviews, and time is spent formulating thoughts around **the big picture** for it is here that the streamliner will help shape his customer's organization into the future.

Solution - Toggling Between Micro and Macro Viewpoints

Ladies and gentlemen, there is no way around it. To resolve most organizational issues plaguing most organizations most of the battle must be fought in the "trenches" and in the "weeds", not in the executive offices. But this is rarely the case.

There are times for fighting the battle in the executive offices that is for sure: to plan organizational strategy after considering the findings at the lower levels; to develop and implement policy; "expand/contain" or "build/ do not build" or "price structure" decisions. But from a point of view of time, effort, manpower and money usually the vast majority of these resources should be spent reviewing and repairing at the middle management, supervisor and worker levels in the trenches and in the weeds.

When an organization loses its alignment and data collected loses its integrity then management will obtain the wrong answers and therefore continually make the wrong decisions. This is a serious matter.

Too often the "solution" chosen by management is to **wipe out** the lower level of problems through prematurely implementing a massive re-engineering or rebuild or by prematurely implementing a new computer system. This is possibly the **most common method** organizations currently employ to attempt to get the organization functioning

optimally again. Unfortunately, doing so without first aligning the organization in its as-is state can have a huge cost.

To regain control management will likely need to implement programs at the **lower levels** to reconnect the many, many disconnects and to handle the people fouling up the organization as unearthed by the streamliner in his work. And to piece by piece add, repair, or replace procedures, policies, business controls, computer programs and systems or manual systems on an as needed basis. Or to at least clear any backlog and line up the organizations policies and procedures and practices BEFORE a large-scale workflow management project, re-engineering project, or computer conversion project is undertaken. Conduct the repairs by rolling up the organization, then once this has stabilized the organization somewhat an intelligent assessment of the situation can be made and the bigger shifts and re-shaping can now be rolled down the organization from the executive offices to the clerks and plant floor. **Roll up before rolling down**.
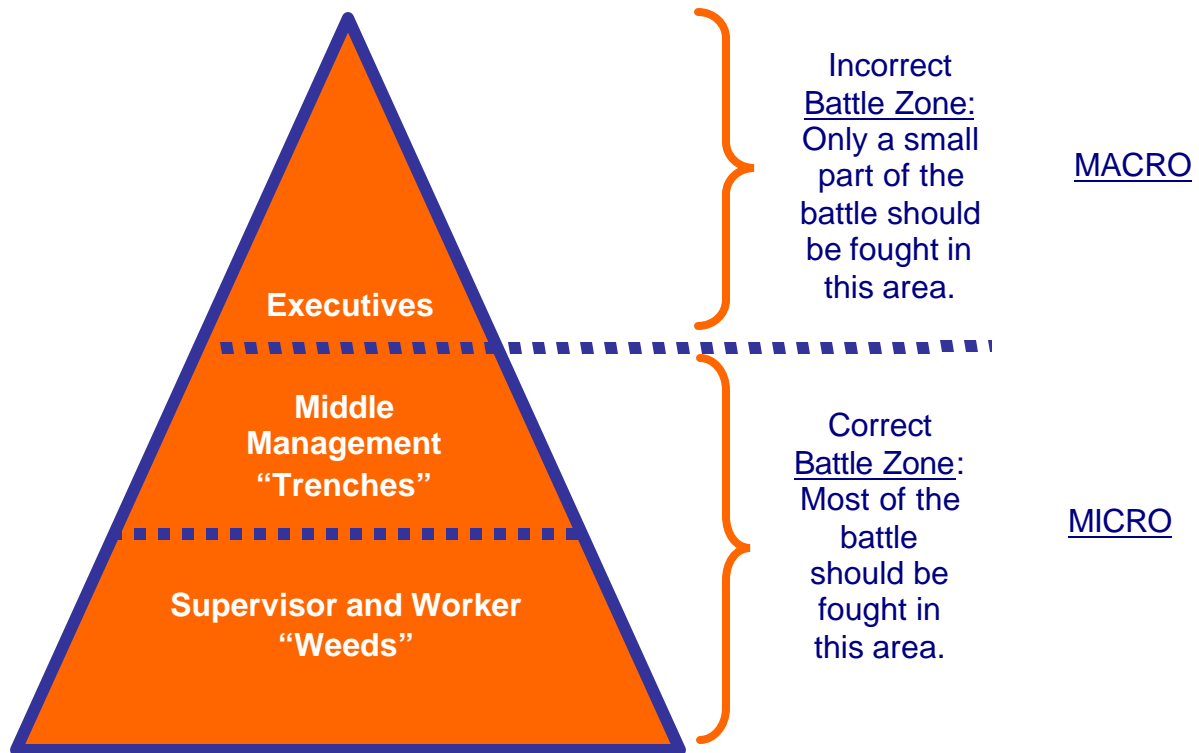
Although the vast majority of the battle for a more efficient, more effective and more stabilized organization is not fought in the executive offices their support, guidance, direction, directives, leadership, policy setting, and agreement are needed. The vast majority of the battle itself, however, is fought in the trenches and in the weeds beside workers, supervisors and middle managers as mentioned above.

And the vast majority of the *repair* is properly made from the bottom up **(micro view)**, not from the top down, but by lifting one's head above water periodically **(macro view)** to maintain a proper organizational perspective and to stay on track to realizing the organization's long term goals.

The streamliner and the organization need to **toggle back and forth** between **strategy and direction** put forward by the executive level and **executing that strategy** at the lower levels, much of which might already be in place but not being properly executed. And if sound strategy and policy is not in place at the executive level then work performed at the lower levels by the streamliner will certainly drive the need for such strategy and policy. And once such strategy and policy is then formulated piece by piece it is back to the trenches and weeds to execute those strategies and policies.

Do you see how there is a toggling back and forth between the "trenches and weeds" and the executive offices with most of the battle being fought in the trenches and weeds? Toggle up to the executive offices for strategy and direction and to provide executives with valuable input for shaping new strategy and direction, then back to the trenches and weeds to repair, implement and for more investigation, over and over again. And then **at some point the organization will be ready for a major shift,** a workflow management project or re-engineering for example, if that is what company management wants. It looks so obvious but it is rarely done this way.

So the vast majority of the repair is properly made from the bottom up, not from the top down. Most of the data for executive decision making comes from valuable data gleaned from the bottom. And execution and follow-up is applied at the bottom.

Incorrect
Battle Zone:
Only a small
part of the
battle should
be fought in
this area.

MACRO

Executives

**Middle
Management
"Trenches"**

Correct
Battle Zone:
Most of the
battle
should be
fought in
this area.

MICRO

**Supervisor and Worker
"Weeds"**

Solution - Apply A Critical Path Monitoring System

Only after clearing the burden (removing any backlog and obvious stress impinging upon the organization) and only after conducting a company-wide systematic function/business review and only after handling the majority of whatever problems and opportunities come up during the review will it be safe to apply a **critical path monitoring system**.

Yes **"safe"**, because a critical path monitoring system is a squeeze technology and if one tries to squeeze a broken organization one will likely cause more breaks. So the organization must be gotten into fairly good condition before applying a critical path monitoring system.

Every organization has a **purpose** therefore every organization has at least one critical path.

A critical path is the path objects, materials or thoughts flow along which limits the speed of flow of the output of the overall organization. It is the path **limiting the overall flow**. The flow that restricts increased output of the organization.

The degree to which the stops and hindrances along the critical path can be relieved is the degree to which overall output of the organization can be increased. This definition of the critical path should give you an understanding of its importance.

When mapping the critical path there are no set rules except to get it right. However, the streamliner might find a good starting point to be mapping the existing order-to-cash process of the organization then expanding the critical path in both directions to include sales and marketing efforts, product development, market surveys, and customer service and satisfaction and other aspects of a complete business cycle. How much detail is the streamliner who is mapping out the critical path to get into? That question can be answered by the following two points:

1) the streamliner is not installing a massive workflow system within an organization with this step, and

2) the streamliner's **end product** to the mapping out exercise will be a series of reports summarized in a dashboard format that keep management's "finger on the pulse" of the organization.

From the above two points one can see that someone mapping out the critical path needs to get down to a deep enough level of understanding to intelligently determine what the best points (nodes) in the critical path are to monitor and manage the organization. But does not need to get down to a workflow management project implementation level. By "monitor and manage the organization" is meant to **monitor and manage the health of the organization from a functional point of view, and to maximize output** as opposed to, say, from a financial point of view.   This is accomplished by implementing a computer based critical path monitoring system.

Nodes need to be identified and the purpose of identifying nodes is to drive output, and this is best achieved by making **activity-responsibility-cause** connections. "Activity" means desirable activity. "Responsibility" means who is responsible for the activity. And "cause" means to cause something desirable to occur where "desirable" is usually something that enhances the long-term survival and prosperity of the organization.

The effectiveness of a critical path monitoring system lies in the streamliner's brilliance:

i)   in identifying important nodes
ii) in making correct activity-responsibility-cause connections
iii) in creating effective measurements to track and report on.

These are three areas where the streamliner can really apply him or her self and shine. They are also three areas that can make or break the success of implementing the critical path monitoring system.

What is wanted out of a critical path monitoring system is a timely reporting system that notifies executives the following morning of trouble anywhere along the critical path, what activity is under performing, and who is responsible for that activity.

Solution - Hold the Form of the Organization Moving Forward

The streamliner and his team and customer staff and management have gone through many long hours and much work and effort to give the organization badly needed shape, so it would be **unwise to lose those gains**.

There are three steps to undertake that will go a long way toward holding the form of an organization after the corporate streamlining process has been completed. And the three steps are:

1) **train** customer employees on some of the fundamentals of streamlining

2) **assign** responsibility to a customer employee to hold the form of the organization and provide him with sufficient training to accomplish this

3) **conduct** annual reviews

Solution - Fringe Technology

Besides the formal step by step approach to streamlining organizations there are other tools that can be used on an **"as needed"** basis and these tools are referred to as "fringe technology".

Fringe technology exists to help the streamliner apply the core technology. It is recommended that a good grasp of the fringe technology tools be acquired by the streamliner so that they will always be at the ready, for these tools can go a long way in aiding the streamlining of an organization.

To give an idea of some of the fringe technology tools available below is a list of nine headings where technology has been developed:

Implementation of Any Procedure
When an Area Needs Extra Special Attention
Iron Out Terminology Used by Organizations
Issue Work Orders
Feedback and Escalation Process (Routing Form Process)
Ratcheting Up the Organization
Ticking Time Bombs (the Probability Distribution)
Accountability and the Weekly Management Report
Line-Up the Thought Processes

The greatest gains by far are achieved when the corporation's top management has the courage to confront the situations unearthed and has the desire to improve the corporation he or she works for. Give me a company executive who is passionate about his or her company and I will give him or her a chance to increase the long term survival and prosperity of that organization.

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