



**HIGH-YIELD METHODS**

*for customer-aligning business strategy, process & technology*

## **Why the Sudden Emphasis on Office (Human) Process?**

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**H**ey, we've managed to avoid dealing with messy, inefficient office process for years. So what's the rush to fix it now? Well, maybe "rush" overstates things a bit, but more and more smart companies are beginning to seriously address process issues outside of manufacturing.

Now, if you're a rational thinker you might speculate that office work being the last untapped opportunity for cutting labor costs is driving concern over office process design. And to underscore your conclusion you might add something about business dotting over 90% of process attention on the less than 10% of U.S. workers remaining in manufacturing jobs. And that all adds up.

Well, let me share a well kept secret. Most businesses don't have a clue about the potential labor savings available through office process redesign. And when we demonstrate how our clients can achieve on-average 15% reductions in FTE (full-time-equivalent) count, we're often met with shock and awe. How did they miss such glaring inefficiencies? And what a bonus deliverable beyond improving office work quality, shortening cycle times and otherwise reshaping work to add new value to customers—the typical goal of our engagements.

But that begs the question, why does labor-savings remain a bonus, rather than a primary objective of office process redesign? And our primary concern here, what's starting to stimulate office process redesign despite business being blind to the cost-cutting

potential? The first answer merits an article of its own—which I’ll be happy to write once I finally figure it out myself. But we know the answer to the second question, and it has little to do with cost control.

Most companies now addressing office process are reacting to increased pressure from customers—customers demanding they clean up their acts across the entire spectrum of customer-affecting work. Customers don’t much care if your finance department is hosed up. But Sprint-style customer service doesn’t cut it anymore, as Sprint’s atrocious retail customer desertion rate bears out. It’s getting like ships leaving a sinking rat. Nor does Circuit City-style sales, bouncing back and forth between heavily commissioned “sharks” and unmotivated, salaried “know-nothings” (hired because they’re cheap). Nor does under-trained employees, un-empowered customer contact staff, error-prone billing, overly aggressive collections, customer-insensitive product design, sloppy engineering or mismanaging customer information.

All these customer-turn-offs result from poorly designed or outright un-designed office work. And companies savvy enough to realize they have to work extra hard these days to hold onto customers are starting to take office process seriously. But, and you may be surprised that I say this, reacting to customers is insufficient motivation—and often not the best motivation—for companies to start fixing office process.

Most companies have to see something in it for them, first, before they’ll do the right thing by customers—at which point they’ll discover that streamlining their office work provides most of what customers want—smart, empowered employees; shorter turn times; improved quality and accuracy; properly managed and leveraged customer information. Not often that what’s right for one side is so right for the other.

Perhaps the sinking economy will make companies so desperate for cost reduction that they’ll finally fix their office operations. And then holding onto customers will be the bonus benefit. Greed is usually the stronger motivator than “doing right by customers.” And I’m in favor of whatever’s right for customers, no matter what the motivation for doing it.

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