

IT and Workflow Improvement Projects Where Have All the Savings Gone?

There are a lot of reasons for improving your IT and workflow capabilities -- improved customer satisfaction, better quality, faster service, greater consistency and the one that is always important, lower costs. Successful companies never move ahead with one of these changes unless it creates a financial benefit that's worthwhile.

Identifying this financial benefit, unfortunately, is a lot easier to do than actually getting it. Areas where these benefits are most frequently (and perhaps most easily) attained and even surpassed seem to be those where your IT Department experts have the most control. These include areas where new hardware, architecture and internal operating systems are clearly faster or have new capabilities that will lower your IT costs and improve its capacity and speed. The areas where companies have the most difficult time in reducing costs is when these savings come from more efficient workflows and staff reductions.

It's easy to understand why this happens. The initial cost benefit analysis that determined the financial benefits from the new system (computer change and/or workflow improvement) was the job of the project team. They were convinced this new system was a great idea. They are naturally optimistic. Reducing staff is the responsibility of the operational departments who will use the new system. They are naturally cautious. They're concerned the new system may not do everything it's supposed to do. They're not sure they'll be able to meet their performance standards and customer satisfaction expectations, especially if they have any type of problem.

This caution can create a lot of unnecessary and actually harmful activity beyond the normal system testing that has to be done. Understanding why these benefits are hard to get doesn't mean you should condone or allow it to happen, however. Your stakeholders expect and need these efficiencies. So, how do you ensure they get them? First, you have to do all of the things that everyone knows must be done. They include; doing a cost benefit analysis at the beginning of the project so everyone understands and supports the financial benefits that are needed and expected from the project, having your operational people involved in systems development and testing so they are confident the new system will do what it's supposed to do, having a strong implementation plan that includes a timetable for delivering the expected staff savings and ensuring that your operational people have a meaningful reason for wanting to attain these results.

There is a tool that will help ensure you attain these savings. It doesn't replace any of these other necessary steps. Instead it enhances them and helps them work better. It is a new form of computer staffing model that you develop as a part of your design and implementation efforts. It tells you how many and what type of positions are needed to get the work done in your operational departments. It also allows you to modify all of the variables that affect these numbers so you can predict staffing needs under a variety of circumstances. It is based on the process maps that define the way work is done.

By creating staffing models for both the old and new way of doing your work you have a clear (and unavoidable) understanding of the difference in your staffing needs. This difference is your savings. The staffing models also help you manage to these new, lower numbers in the most efficient manner. By removing the subjectivity from this process you ensure you will get the financial benefits from your new system - and in a timely manner.

If you'd like to know more about how to achieve the results you need from IT and workflow implementations and how to create staffing models to help you, please call me or visit our website at McDonaldConsultingGroup.Com. We'd love to help. It's what we do.