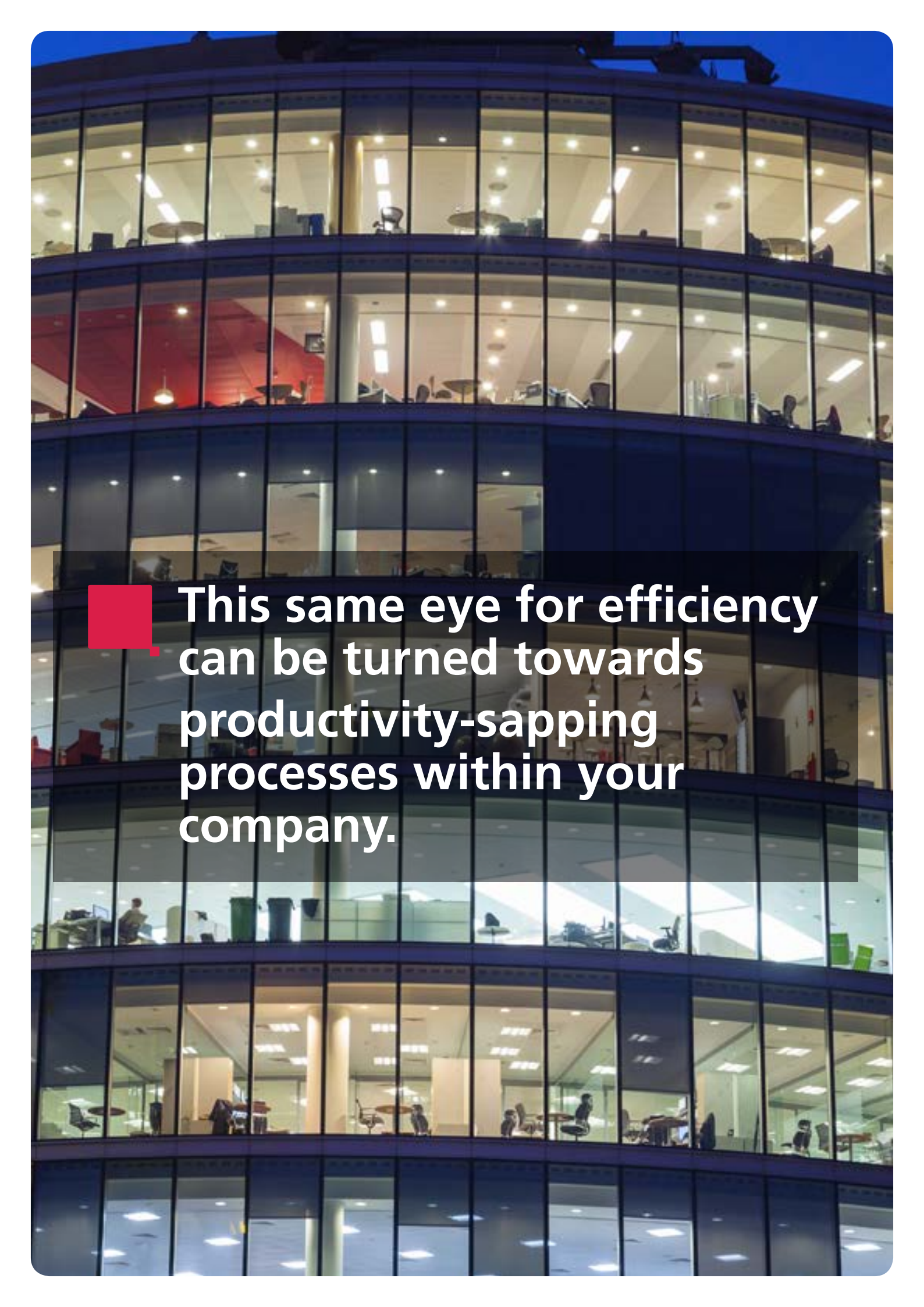




 The **SMALL BUSINESS**
PRODUCTIVITY Playbook



This same eye for efficiency can be turned towards productivity-sapping processes within your company.



Productivity is a time-honored business obsession.

Self-help books about the subject fly off shelves, enterprises embrace process-improvement doctrines with cultish zeal, and Australian businesses spend more than \$78 billion on technologies that promise to make them more effective.¹

The irony of this obsession is that one of the main behaviours it elicits – working longer hours – is fundamentally unproductive. Some of the reasons are intuitively obvious; overwork strains the happiness and wellbeing of employees which can lead to reduced motivation and expensive turnover. However, there is a well-established body of evidence indicating that it makes us outright worse at our jobs as well. Cognitive ability and focus suffer, judgment is impaired and mistakes become more frequent.

This principle of diminishing returns is precisely why the 40-hour work week took hold in 1947.² Since the unions forced these a drastic reductions in working hours, studies have proven that the 40-hour work week has increased productivity and output in many organisations.³ The original performance spikes came from factory employees and other manual laborers. The negative impacts of long hours are even more pronounced for today's knowledge workers.

And there in lies the rub. As individuals and organisations we desperately want to be more productive. Unfortunately, our inclination to simply apply more elbow grease may be a self-defeating reflex. The problem is not that there aren't enough hours in the day, it's that we're spending too many of them at work.

So how do we reconcile our need to get more done with the fact that burning the midnight oil probably isn't helping us do so? It turns out that "work smarter, not harder" may be more than a convenient turn of phrase for the idle. If extending the day isn't effective, then it stands to reason that we should focus on maximising output between 9 and 5.

This challenge is particularly acute for smaller organisations, where each employee must cover more ground and an owner may also play the role of IT manager, HR director and head of finance. Fortunately, doing more with less is in the DNA of most small businesses. When looking to reduce costs you start by rooting out wasteful spending. This same eye for efficiency can be turned towards productivity-sapping processes within your company.

Small businesses are especially well positioned to benefit from this approach because meaningful improvements can be made much more quickly and easily than they can within large organisations. A little really does go a long way.

Removing some paperwork or automating a few processes can free up your employees to focus on the more important responsibilities they were hired for in the first place.

What follows is a guide outlining three scenarios that businesses often find themselves in. For each, we'll identify some common associated challenges and then provide information and resources to help address them. Think of it as a playbook to help you improve the productivity of your business.

A group of people are gathered around a table in a bright, modern meeting room. They are looking at documents and a whiteboard. The room has large windows and a white brick wall. The scene is brightly lit, suggesting a professional and collaborative environment.

ISSUE ONE:

Your finance team is drowning in paperwork

The Situation:

Like most small or mid-sized businesses, the team that handles your accounting runs lean. If you're lucky you have one or two dedicated finance employees. More likely someone on your staff manages it in addition to their primary responsibilities. Maybe you do it all yourself.

This arrangement works alright for your organisation. Customers are invoiced, the bills get paid and everything keeps humming along. It's not an area you're usually inclined to invest in because it isn't central to what you do. This is keep-the-lights-on stuff, a necessary cost of doing business.

The system is not without its problems though. Finance can be a bottleneck when something needs to happen quickly, such as opening a new PO. The team puts in long hours at the end of each month and errors are not uncommon.

The entire process is time consuming for all involved, with a lot of paperwork that must be repeatedly printed, filled out, scanned and emailed back and forth. There might even be some faxing in the mix.

So how can you make this more efficient without spending an arm and a leg? How do you reduce the strain on your employees if you can't afford to make a dedicated hire?



The Challenges:

Like most back-office functions, finance can suffer from an "out of sight, out of mind" mentality as long as the money is coming in and going out on time. However, pervasive inefficiencies have real opportunity costs. An

hour spent processing bills is an hour that isn't focused on improving your bottom line. If accounting isn't their only responsibility, other work might suffer as well.

> *Paperwork is still pervasive*

58% of companies still rely on paper documents for critical business processes⁴

> *Busywork abounds*

The average finance employee spend roughly half of their day on transaction processing (paying bills, sending out invoices, etc.)⁵

> *Bad processes add risk*

Disorganised accounting processes can increase the likelihood of security breaches, fraud or compliance issues

> *Mistakes happen*

60% of accounting errors result from simple bookkeeping mistakes or misapplication of easily understood accounting standards⁶



The Solutions:

DIGITAL BEATS PAPER

All those hours filling out paperwork really add up. Moving to digital processes can drastically cut down on the amount of time required to handle transactions and reduce costs to boot. Digital accounts payable solutions tend to be flexible, intuitive and easy to implement as well.

FOCUS ON WORKFLOWS

Once you've gone digital it opens up a world of opportunities around process optimisation and even automation. Invoices can be scanned directly into the system. Requests can be approved, sent back for adjustments or filled into accounting software with a few clicks. Work with your team to find the bottlenecks in your current workflows so you know where to start. Engaging with business process experts can also help you identify and address problems you didn't even know you had.

EDUCATE YOUR ENTIRE TEAM

It takes a village to make process improvements stick. Once you've got a good system in place it's important to ensure that everyone involved – not just the people that handle accounting directly – is trained and adhering to the system. Consistency and communication are integral to avoiding break downs. Implementing strict cut off policies for things like invoicing and expenses can reduce that end-of-month crunch time for more balanced workloads.



ISSUE TWO:

**Your HR processes
are a mess**

The Situation:

Most small businesses don't have much in the way of dedicated Human Resources staff. In many instances they don't have an HR-only employee at all, in which case those responsibilities often fall to the owner or office manager.

Organisations that don't focus on HR do so at their own peril. Functions like recruiting, onboarding, training, employee engagement and performance evaluation are vital to the success and growth of any business. You know this, but finding the time to do things right is easier said than done.

In an ideal world you'd have the available resources for a team of HR professionals figuring out ways to increase productivity for your entire workforce. As it stands, the employees tasked with managing HR can barely keep their head above water managing their own workload. This doesn't leave much time for strategy.

Because everyone interfaces with HR in one way or another, these inefficient processes are a drag on productivity for your entire workforce. What can you do to streamline HR for all involved? How can you free up your HR team to focus on making the rest of your employees more productive?



The Challenges:

The issue of productivity here extends far beyond the HR employees themselves. They have a marked impact on many variables that determine general employee productivity as well, such as training, employee

retention and workplace dynamics. Perhaps no function within a business has a bigger impact on overall organisational efficiency.

> *HR is time consuming for owners*

On average, HR work consumes 25-35% percent of a small business owner's time; up to 25% is just handling employee paperwork⁷

> *Turnover destroys productivity*

A new employee may take 1-2 years to reach the productivity level of the person they're replacing and turnover can cost 75-150% of an employee's salary⁸

> *Consistency is important*

New hires that undergo a structured on-boarding program are 58% more likely to be with the company after three years⁹



The Solutions:

STANDARDISE YOUR PROCESSES

Disorganised or inconsistent processes lead to decreased productivity and duplicated efforts. Investing the time up front to create a strategic, uniform approach to HR workflows can pay huge dividends in the long run. Once this has been done, you can also start automating some of the repeatable elements by implementing things like digital forms for employee paperwork.

KEEP BETTER RECORDS

HR deals with a lot of documents and records, so it's crucial that they can be created, stored and accessed efficiently. In tandem with digital forms and conversion of legacy records, implementing a content and document management solution can ensure that the right employees – and only the right employees – always have easy access to the files they need. Getting your records in order can also help mitigate the risk of compliance issues or lawsuits and avoid gaps in trailing documentation from paperwork-heavy processes like hiring.

SHARE THE LOAD

Many of the traditional HR responsibilities can and should be partially shouldered by other employees. Create committees or solicit feedback about things like recruitment, training and office culture. This will not only help lessen the burden for HR, it will make for more effective programs and a more engaged workforce as well.



ISSUE THREE:

Your workforce doesn't collaborate well

The Situation:

Your office is filled with bright people who do solid work, but you've noticed that there are consistent breakdowns in communication. Deliverables occasionally get dropped when handed off from one person to the next and it seems like people sitting just a few feet from each other aren't sharing information.

When it comes to collaboration technology it's a complete free for all. You don't have an IT department to speak of so everyone just uses whatever works for them. This has created an extremely siloed environment where critical business documents might be saved in someone's personal cloud storage.

It's also difficult to keep your employees productive when they're traveling on business or working remotely. You know that they expect to have that option and you want to keep them happy, but it's difficult to work efficiently when they don't have all the information they need.

So how can you help your employees work together more effectively? How do you make sure they can find and access the right documents? How do you reconcile their need for workplace flexibility with your need for them to be productive?



The Challenges:

Collaboration between employees is a tough nut to crack. The concept is hard to measure in the first place and that can make it difficult to recognise when

there's a problem. Things like personal work styles and employee temperament are largely outside of your control, so you have to focus on what you can manage.

> *It's a widespread problem*

More than half of Australian businesses have no collaboration strategy¹⁰

> *The tools aren't there*

54% of Australian employees believe the tools available in their workplace are not adequately optimised to facilitate collaborative working¹¹

> *Collaboration breeds success*

Companies that prioritise collaboration are twice as likely to be profitable and twice as likely to outgrow competitors¹²

> *Information can be hard to find*

Half of employees need to access six or more data repositories, but less than one out of five companies enable search across all of them⁴



The Solutions:

GET EVERYONE ON THE SAME PAGE

When your company uses a hodgepodge of technology solutions for things like messaging and file sharing, it can create major productivity and security issues. Work with your employees to determine their needs and what they're using currently, then standardise around a set of approved tools. Use the opportunity to gather information about non-tech breakdowns in the way employees work together as well.

FOCUS ON INFORMATION MOBILITY

Information Mobility means that every employee is able to access the documents and data they need, whenever and wherever they need them. To get there, your information must move fluidly between paper and digital formats and be accessible across a range of devices and platforms. Consider adopting a company-wide file sync and share solution to enable better, faster, cheaper collaboration.

REEVALUATE THE WORKPLACE

An employee's physical workspace can impact productivity and collaboration in ways that aren't easy to see. It's also important to allow some flexibility and choice for how, when and where employees work. Implementing the right communication and collaboration solutions can make working with remote employees nearly seamless.

Resources

Productivity will continue to be our collective white whale for as long as businesses are competing against one another. The bar is always moving, with new tools to help us achieve more and new challenges or distractions to do the opposite. Luckily most small businesses are in a position to make big improvements with relative ease. No need to dedicate huge IT investments to a Business Process Management (BPM) system or send your entire staff to a process

improvement seminar. Just take a step back and evaluate where time and effort are regularly being wasted and where information isn't flowing as it should. Eliminating those sticking points will make for happier, more productive employees and help position your business for success.

Learn more about the technologies and services that can get your organisation on the right track.

Workflow Automation

Your organisation has a lot of forms – accounting forms, insurance claim forms, HR forms, and so on – which often means a lot of lose-able, coffee-spill-on-able, has-to-be-carried-everywhere paper. Unless an abiding love

of manual data entry is what gets you up in the morning, it's time to learn more about workflow automation. Get data you can use to drive your business – and a lot more time to do your actual job.

Content & Document Management

The right tools and guidance can help you tame the chaos of information overload by creating a strategy and a system that makes sense of the data you have. Wherever the location and format, a content and

document management solution can take pieces of information and put them together in a way your business can use.

Remote Collaboration

Between the people in the office, the people working remotely, and the people in different time zones, it can be difficult for teams to work together effectively in real time. The right remote collaboration solution can help

you simplify meetings, communication and training, all without the need for dedicated conference rooms, complicated technology or IT resources.





CITATIONS

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