

Insight Productivity and Your Return on Investment

The Next Step in the Evolution of Business Productivity

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Insight and Your Business Productivity

This white paper defines and discusses productivity and demonstrates how Insight boosts your organizational productivity and reduces your operating costs.

Insight's simplifies the management of a mobile and dynamic workforce in a complex business environment. Its primary value ensures that work related activities are accomplished when needed, within budget, and with the level of quality expected; with the inherent value that reduces complexity and risk, which reduces operating costs. This results in a higher level of operational effectiveness and profitability.

Insight inherently makes your business operate at a higher level of efficiency, accountability, and transparency which is the basis for the new level of productivity.



Insight Reduces Costs and **Boosts Productivity**

Insight does 4 key things that boost productivity:

- Insight adapts to your formal and informal business processes and inherently makes those processes more accurate and effective which yields process outputs that have higher value.
- Insight reduces the cost of business process management.
- Insight gives your managers more effective management tools that reduce the cost of managing staff and resources, and, increase management accountability, effectiveness, and results.
- Insight gives your staff and contractors the work related information required to successfully complete activities at a higher level of quality, and, more efficiently and effectively collaborate, communicate, and share work related information.

The Business Process

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Business productivity is relative to formal and informal business processes. All work is done according to some business process. And, having a well defined process yields more consistent and higher quality process results.

A business process is some work activity that has process inputs, process actions, and process outputs. The simple process inputs are: what's to be done, who's to do it, and when it should be done. The process activities are those actions taken to complete the process. And, the process outputs are the results of the process.



An informal business process might be a manager assigning some task to a staff member, such as "create a product information sheet for the new widget and make it similar to the old widget info sheet." Or, "mow the baseball field Friday morning before 9:00". Implicit in these informal processes is a level of prior understanding about the task and what's expected.

A formal business process, such as an ISO 9001 business process, has a well defined set of inputs, actions, and outputs, so that all the information needed to complete the process is known in advance, the actions required during the process are defined, and the expectations are documented. The benefit of the formal process is to ensure that the output is consistently repeatable and produced at the level of quality demanded.

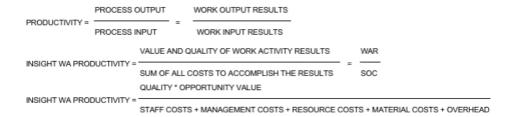
Insight adapts to your business process environment be it informal, formal, or a combination. Whatever the case, Insight will simplify the management and accomplishment of the process and help ensure the desired outcome and level of quality. In doing so, Insight makes processes more efficient and effective.

What is Productivity?

The common definition of productivity is the ratio of process outputs per process inputs. And is usually compared to prior productivity measures to show the relative increase or decrease in productivity.

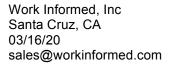
What is Insight Productivity?

Insight defines productivity as the quality and usability of the output from the work activity per work activity inputs.



Insight's Work Activity Productivity Definition

Insight's view of productivity is based on the concepts quality and opportunity value. The point of many business processes is to produce some result that is then used as input to some other business process. Thus use by subsequent processes (or people) is the opportunity value (or usability). Overall usability is based on the quality of the process output. A marketing information sheet that contains errors has low usability in the sales process. Similarly, a poorly mowed putting green impacts the usability and experience for golfers.





Insight's Productivity Unique Differentiation

Quality as a result of the process output is thus a key function of Insight and a core element in the Productivity Model.

<u>Quality</u> is inherently the value and usability of the process result, and, characterizes whether the process result meets the reasonable needs and expectations of the process customer.

Opportunity Value is the sum of the beneficial uses of the result of the process. For example, a product information sheet process might have several customers for a specific process outcome, such as for Marketing's use in trade shows, press kits, and the business web site; and for Sale's use in customer handouts during sales presentations. Quality is how well the process output meets the needs of the process customers, such as Marketing and Sales. The Opportunity Value is the summed results of the use of the process outcome in cascading uses in other processes, such as the tradeshow process and sales process.

Why is Quality a Multiplier of Opportunity Value?

A low quality process output reduces, and in some cases eliminates, the Opportunity Value. An information sheet that is late, incomplete, and contains errors, reduces its usability and may in fact degrade the quality of the process that uses it as a process input. For example, a product information sheet that contains errors would impact the desirability of purchasing the product by a potential customer in a sales meeting. A late information sheet may not be available at a trade show meaning potential customers would not get the information they need to understand the value of a product offering thereby impacting potential sales.

Productivity and the Process Output

Insight views a business process as a "Work Activity" (WA), such as creating an information sheet or mowing a lawn. Complex processes, such as the hiring process, contain a number of work activities that may be accomplished by different people from different areas of the company. The output from a business process, or work activity, is the "Work Activity Result" (WAR), such as the created information sheet or mowed lawn.

As with all business processes there is a customer that uses the process product. The value of the product to the customer is its quality and usability. For example, this document is the WAR from a marketing work activity process.

The "Sum of all the Costs" (SOC) are all of the factors required to support the business process that yields the process result, and can include the staff hourly rate, staff cost

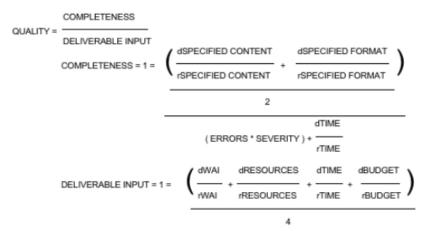
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(SC), management cost (MC), resource costs (RC), material costs (MTC), and overhead (OH). SC and MC = (Labor Cost / Hour) * Time

As previously stated, quality is key to the value of the WAR and the value is inherently its usability, which leads to the resultant opportunities that come from using the product. A high quality product - one that meets all of the process requirements - has a potential to yield maximum usability and result in maximum opportunities. Thus, quality is a value less than or equal to 1 since the quality of the product affects the opportunity value (usability) of the product.

Quality is the ratio of "Completeness" to "Deliverable Input". Completeness is the level to which the WAR meets the outcome requirements of the process. Deliverable Input is all of the information required to achieve Completeness, including the usability needs (content and format) of the process customer.



Quality and Work Activity Result

Where "r" is required and "d" is delivered. Time is due date/time and/or start date/time.

The process result is based on process inputs such as the "Work Activity Information" (WAI), resources, time allotted, budget, and customer expectations. The WAI is a specification of what the result will be and all the related information required to deliver the result. For this white paper, the WAI is the notion of what this kind of document is, such as general layout and style, a specification of the purpose of the document, its content, resources that provide inputs to the document, and the expectations of the customer that will use the document. All of this information is the "Deliverable Input" (DI).

It is presumed that the available Work Activity Information, Resources, Time, and Budget are sufficient to accomplish the Work Activity Result. So that, for example, insufficient time or unavailable resources will yield a lower quality result. The skills of the



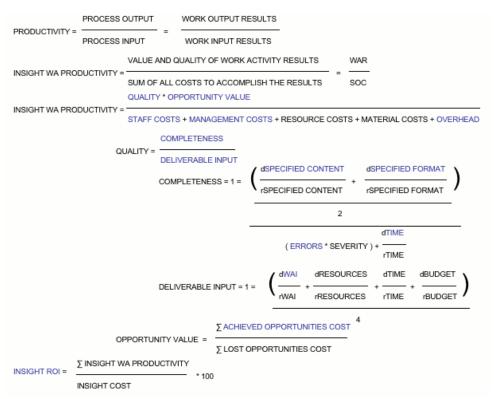
staff assigned to accomplish the process result are presumed to be sufficient to meet the process requirements.

OPPORTUNITY VALUE =
$$\frac{\sum \text{ACHIEVED OPPORTUNITIES COST}}{\sum \text{LOST OPPORTUNITIES COST}}$$
Opportunity Value

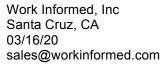
Opportunity Value is key to productivity. The outcome of the process must have value to the process customer, that is, it's content must meet the reasonable needs and expectations, and be available when needed. "Achieved Opportunities" are those resultant activities that are made possible, or are at least made easier, because the work activity result was completed with the required level of quality. "Lost Opportunities" are consequences of process failures, such as a missed deadline, incomplete content, errors, and miscommunication of the process deliverable requirements.

Where Insight Boosts Your Productivity

Insight boosts productivity because it positively affects several key areas in the productivity model that reduce costs, and increase efficiency and quality. The following Productivity Model figure highlights areas in blue where Insight enhances productivity.



Insight Productivity Model





Your Productivity and Cost Benefits with Insight

<u>Work Activity Result Quality</u> - Insight improves work activity communication, information sharing, and collaboration thereby making it more efficient to deliver the required activity result, increasing the result quality, reducing error rates, and ensuring a timely delivery.

<u>Deliverable Information</u> - Insight ensures that all the information necessary to accomplish the activity is available, consistent, and current.

<u>Communication of Needs and Goals</u> - The usability of the delivered result is based on accurate and complete information from the user of the process output about their needs, goals, and timeliness.

<u>Management Costs</u> - Insight reduces the cost of assigning and monitoring work activities, and, reduces the cost of activity based costing, budgeting, and planning.

<u>Risk Management</u> – Insight helps you manage activity-based risks. The consequences of process failures, such as a missed deadline, incomplete content, errors, and miscommunication of the process deliverable requirements yield lost opportunities that in business usually mean lost revenue or higher operating costs.

<u>Time and Budget Planning</u> - Insight gives you historical data from past similar activities to show you what it took to accomplish the desired result making budgeting and planning more accurate.

<u>Staff Skill Assignment</u> - The quality of prior similar activities indicate, among other factors, the skills required to accomplish the task with the available deliverable input.

<u>Resource Costs</u> - Insight ensures that all resources needed for a given work activity are identified, assigned, and that the necessary information is available and shared.

Who Gains Higher Productivity with Insight?

Insight boosts productivity for individual staff members, managers, teams, and the organization at large.

Individual Productivity

Staff members and contractors are more efficient and effective and the resources they need to accomplish assignments.

- More efficient and effective results
- Higher quality process output
- Lower errors per process
- Fewer disruptions

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Management Productivity

Alleviate concerns about accountability and effectiveness with resources to ensure management goals are accomplished on time and within budget

- Lower management overhead per work activity
- Lower risk
- Better accountability and transparency

Team Productivity

Staff and contractors are more effective in accomplishing group goals.

- Better communication and collaboration
- More information sharing
- Better activity coordination





Organization Productivity

Activity related operations are more efficient and at lower cost boosting shareholder value and driving ROI to the activity level.

- Achieve mission critical and high priority items
- Lower operating costs
- · Better budgeting and planning
- Better staff/management relations
- More effective HR processes for raises, bonuses, promotions, and staff issues.

Insight's Value in Process and Business Analysis

One of the major values of Insight is that you have the data resources available to ask business questions and make business decisions, such as:

- Why isn't the result of this process what was desired?
- · Where can we reduce costs?
- What happens if this staff member is not available?
- Is this staff member the most cost effective resource for this process?
- How much am I spending doing these things?
- What will it cost to do this project that is similar to a project completed recently?

For example, if you're not achieving the desired results from one of your business processes, that can be caused by several factors. Insight can help you eliminate the factors to arrive at the cause of the problem. The general answer is in one of four areas:



- The staff performing the process isn't qualified to do the task.
- The process is not defined correctly.
- The required inputs and resources for the process were not available.
- The expectations of the process result user are different than the expectations of the defined result of the process.

Insight can show you the data that went into the process and thereby isolate the cause, such as:

- Insufficient work activity input.
- Not enough time or budget to achieve the desired results.
- Conflicting schedules and priorities with other assigned work activities.
- · Incompatible expectations from process outcome users.
- Insufficient staff skills.

Insight's Return on Your Investment

Insight's Productivity Model shows you how Insight will increase your productivity. Overall productivity is clearly a summation of productivity of all the individual work activities. Insight's benefit is increased productivity based on increased efficiency and effectiveness.

Increased Productivity = Increased Efficiency + Increased Effectiveness = Lower Operating Costs = Increased Net Profit

This increase in productivity is far greater than the cost of using Insight. In addition, your ROI continues to improve as more departments and staff members use Insight to manage activities. Increasing staff usage improves your ROI because your Insight cost per user declines as more seats are added.

Insight Return on Investment

Insight is a low cost and low risk business solution that produces a high return on investment. No matter where Insight is implemented in your organization, Insight will reduce your operating costs and enhance productivity and overall quality.

Insight's ROI comes from several sources, you will benefit from:

- An overall increase in productivity and output quality.
- More accurate financial planning and budgeting for activities, events, and projects.
- Lower costs to manage staff, contractors, and suppliers.
- · More accurate activity based costing.





- Increased effectiveness in human resource management especially for reviews, raises, bonuses, and promotions.
- Reduced activity based operational risks.
- · Reduced IT and training costs.

With Insight, you can drive your ROI goals down to the work activity and individual staff member level.

Insight ROI Sources

In general, your ROI is based on significant productivity gains as described above, and, added operational effectiveness and flexibility.

ROI from Work Activities and Projects

Insight's ROI for work activity and project management comes from its ability to make you more effective in managing a mobile and dynamic workforce, especially in a complex business environment. Insight's ROI gives you higher quality and more usable outcomes with fewer errors. And, gives you those outcomes on time and within budget.

Insight is not beneficial for managing staff that performs repetitive primarily single activity tasks, such as a checker at a grocery store.

Insight is beneficial when staff members are doing numerous things over the course of a business day or week. That is, when they have multiple assignments where some of them may be scheduled concurrently. A marketing staff member, for example, might be assigned to create 2 new information sheets for an upcoming trade show, while doing a competitive analysis, supporting sales, answering questions from a key customer, and planning a press tour. Ensuring all of these items are accomplished on time and at a high level of quality is essential to the success of the marketing organization.

Another example is an organization, such as a city parks department that manages and maintains numerous public spaces. Here maintenance staff may have numerous tasks over the course of a given business week conducted at several sites with complex schedules. For example, a staff member may be assigned to mow lawns at three sites every Monday and Friday at a specific time and using different mowing equipment depending on the type of grass and terrain. Managing a complex schedule that may vary by seasons can be complex unless it's made simple by using Insight.

Insight's work activity ROI also comes from managing staff, contractors, and teams from geographically diverse locations and from different organizations. With Insight, your work groups have an easy to use tool that enhances communication, work assignment understanding, job requirements, and goals. Insight fosters inter and intra group communication. Information accuracy and availability are enhanced with a single source



for work related information. Insight ensures that information is available anytime and anywhere to those that need it, while ensuring secure access and data view protection.

How do you know that your contractors and suppliers will provide the material you need when you need it? Insight gives you the tools you need to ensure that your organization staff, your partners, and your contract staffing and contract manufacturing companies, are performing their respective work activities when you need them and at your level of information you require to meet your objectives.

ROI from Job Cost and Resource Information

How do you know the information you are using to create your work related budgets, staffing plans, and inventory plans are based on accurate information? Insight's job cost and resource reporting tools provide the information you need to create more accurate budgets, staff loading plans, and material inventories.

Insight's job cost management facilities enable you to identify projected and actual costs down to the individual work activity category. This gives you a simple cost analysis and modeling resource; and, a comparator with actual job costs identified with completed work and project assignments. You have the opportunity to identify costs for your organization as a whole, your projects, your job sites, work areas within a site, work categories, work activity types, individuals, supplies used, equipment needed, rental equipment, transportation, travel time, and per diem.

You can manage and monitor work activity and project costs for your organization, your partners, and your direct contributor suppliers, such as contract staffing and manufacturing companies.

ROI from Cash Flow

Insight helps you manage cash flow in two ways. First, with Insight's ease of use, you have a flexible and productive resource for management and monitoring of work activities. With this, you can more accurately predict what your resource requirements will be based on past, current, and projected data maintained by Insight.

Second, our sales and registration features give you a feature rich and less expensive on-line approach to sell your products, services, and events. And, provide registrations for you event participants.

Contact Us to Gain the Next Step in Your Business Productivity

Let Work Informed, Inc. show you how Insight is cost effective and easy to adopt, how it will increase your productivity today, and how it provides a significant return on your investment. Contact a sales representative at sales@workinformed.com and find more information at www.workinformed.com.

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