Performance
Associates International, LLC

Profiling Your Organization

Countless companies are engaged in reorganizing and being reorganized. The basis of this activity is the perception that the existing or inherited organizational structure is unable to meet the needs of the enterprise.

There are various symptoms of a sick organization, including: a large number of management levels, the reoccurrence of organizational problems, a system that is busy creating work rather than improving performance, too many meetings and poor human relations. Simply reorganizing, however, may not solve these problems.

A small enterprise needs an appropriate structure just as badly as a large concern. While an optimal structure will not guarantee results and performance, having the wrong structure does guarantee poor performance.

"Efficient management without effective leadership is…like straightening deck chairs on the Titanic."
– Stephen R. Covey

When should a business reorganize?

An analysis of key activities is needed in any company that has been in business for some time - and surprisingly, even when business is going well. This analysis will invariably reveal that important activities aren't being performed or have been performed in a disorganized way. It will identify activities that, once important, have lost most of their meaning yet continue to be performed. It will confirm that historically important groupings no longer make sense and have instead become obstacles to suitable performance. And it will certainly lead to the discovery of unnecessary activities that should be eliminated.

A business should always analyze its organizational structure when its strategy changes. Whatever the reason – changes in market, technology, or objectives – a change in strategy requires a new analysis of key activities and investment decisions, and an adaptation of the structure to them. "Organizitis" is the result of not rethinking and restructuring the organization when there is a fundamental change in the size and complexity of a business, or in its strategy or objectives.

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Reorganization in name or structure only – with no underlying strategic methodology behind these changes – reflects poor management, and will ultimately fail to improve performance or market position. It may, in fact, prove to be even more counter-productive than the original organizational structure.

Developing Your Work Profile

An organizational work profile can provide your company with an in-depth analysis of its work processes and activities, and identify opportunities for performance improvement. Unlike traditional work restructuring - which cuts and reallocates employees before a comprehensive activity analysis is conducted – an organizational work profile quantifies employee allocations across product lines, and depicts their true costs. It identifies the processes that run throughout an entire organization, division or department.

Traditional work restructuring refers to the changes organizations make in planning, structuring, managing, and executing work to reduce cost and increase capacity, productivity and customer satisfaction. Work profile analysis takes this evaluation further by measuring and improving key work processes and activities throughout an organization, and across all functional areas. This tool to improve white collar productivity in top management, operational and innovative work activities is quantified by product line, function, key work activity and process.

The work profile methodology can be used in conjunction with Cost-Time Management to provide an organization with a comprehensive process and functional view of its business by product line. The resulting understanding of activity levels and their true cost enable the organization to improve its operating performance – i.e., where to focus the work and why.

How Profiling Works

Employees are interviewed in each functional area and their time allocations are modeled by product area, product line, process and key activity. Work activities are categorized as top management, operating or innovative work. Typically, 90% of all activity falls under operating work, and is then further classified as value-added, support and ancillary. This work structure is then finally broken down into revenue-producing, essential and nonessential activity.

By evaluating allocated activity along with its associated labor costs, benefits and overhead, organizations can truly understand the total cost of their product, service or functional activity. The process identifies opportunities for adjusting, realigning, shifting or eliminating work activities to improve performance by reducing costs and/or cycle time while increasing capacity and customer value.

Performance Associates' activity-based approach provides management with tools to reassess their strategy on what part of their business to grow, while focusing their attention on the largest opportunities for improvement. This process paints an entirely different picture of the organization and how its most important asset – its workforce – is being utilized.

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Getting Results

For effective restructuring to occur, performance gaps must first be identified and resolved or existing work will fall on the remaining staff, creating chaos and ultimately resulting in poor service and loss of market share.

Activity transitions must first be instituted at the working level where the intricacies of the activity are truly understood. Changes in process, activity, practices and who is to perform the activity must take place before any large scale streamlining of the organizational structure can occur.

This transition takes time to enable the organization to move forward (freeing up organizational capacity to do more with the same resources), but in the long run it is ultimately more successful, as the changes are embedded and the organization is able to work smarter - not harder.

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Enabling change, speed and results.

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The principals of Performance Associates International helped to formulate and apply many of industry's most effective productivity and quality tools in their roles as senior consultants with the renowned Westinghouse Productivity and Quality Center (WPQC), one of the first such think tanks in the world. Today, PAI's portfolio spans a wide range of industries and businesses worldwide — from Fortune 500 companies to small non-profit organizations.

PAI has direct departmental knowledge and project experience in working across an entire organization, including: Accounting, Advertising, Engineering, Facilities, Human Resources, Information Technology, Legal, Manufacturing, Marketing, Public Relations, Purchasing, Quality Assurance, Research & Development, Sales, Shipping & Receiving.