



by George Page

Can Efficiency Make Your Business Better?

Efficiency isn't just a buzzword; it's the state of how well your company runs. You should never sacrifice profits in the long run for efficiency's sake, but more often than not, efficiency leads to a better bottom line.

A potential pitfall most businesses have after they have been around a while is their own processes. The reason for this is that while the company may not change, nothing else stays the same. A company must be flexible and willing to look inward and ask, "Are we doing it this way because we have always done it like this, or because it's the most efficient course to take?" The wisdom to spot your weaknesses and the strength to do something about them are necessary traits a company needs to survive.

Of course, there is that old adage, "if it ain't broke, don't fix it!" These are wise words in and of themselves, however they only tell half of the story. Naturally, if something is broken in your company, you would set about to fix it. While you're doing that, you would keep an eye out for solutions that would not only get you back to normal, but possibly make things better. Those opportunities to increase efficiency are easy to spot. What is more difficult is spotting a chance to improve in a perfectly fine process. More subtle or obscure opportunities take careful thought, research, and planning. Mainly, you would simply need to look at each cog in the machine that is your company and attempt to imagine a way to improve. "The squeaky wheel gets the grease," but after that, you need to look at the other wheels too.

Here's an example:

A trucking company has a hub warehouse where they bring all their boxes and packages back to sort and send back out. They use a hub system because it is the most efficient way to consolidate and distribute freight. The warehouse is more than enough to hold all of their freight at any one time and they have all the boxes organized into five long lines, each box with a random numbered cone on top.

A typical day in their system is they get twenty boxes in the morning. The boxes are processed, numbered, and stuck into the shortest line to even it up with the other lines. In the afternoon, a worker with manifests pulls boxes to go out that evening, putting each manifest load into their own line. The boxes go out that evening. The average time the worker spends doing this is eighteen minutes per load.

The system works. The packages arrive, are processed, and go out. The most glaring opportunity for efficiency which you probably noticed was in tracking the boxes within the warehouse. Putting random numbers on boxes then sticking them in random lines works, but imagine the worker who has to go up and down each line looking for a particular numbered box.

Realizing this, the trucking company kept the random numbers, but made sure to put the numbered boxes in numbered rows. Meaning, they put box nineteen in the "1-20" row. This simple, easy change made finding and pulling boxes exponentially faster. Now the worker can get all the loads ready to go out in the evening in the time it used to take him to do two loads.



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Creating efficiency isn't constrained to simply doing things differently. A major boon to a company's efficiency can be found in technology. Using computers to track sales, freight, employees, etc. not only vastly increases accuracy, but saves time as well. Conference calls or web conferencing can keep people in the office rather than on business trips, saving time and money. If a computer or a special piece of equipment can improve efficiency and will eventually save you money, you shouldn't balk at the initial cost.

Example number two:

An architectural design company creates the plans for the builders of their client's stores and shops. Their engineers and designers work out the plans on the computer and will print up a sheet or two of the blueprints to send to the client for review. The company has expensive and large "plotters" – printers solely designed to print full blueprints – and use them extensively. It takes thirty to forty-five minutes to print one sheet.

When they have done designing a building for a client they put the plans on a disk and courier it to a local print shop. At the print shop, they print up the blueprints and deliver them back to the architecture design firm the next day.

Recently, the company spent over \$30,000 on a huge, super-deluxe plotter. This one new plotter cost as much as all of their other plotters combined. However, it's fast. It can print an entire set of blueprints in thirty minutes.

This new investment is expensive, but they will save twice, maybe three times as much as the purchase price of the new plotter by not paying the local print shop for all of their large scale jobs. Not only that, but they will also save enormous amounts of turnaround time for their customers.

Efficiency is in the details. Look to see how you can change things to save time, save money, condense work, spread out work, find things easier, distribute things better... the list goes on. Not only will your business run smoother, but you will make more money too!