5 Ways to Improve Operational Efficiency

There is an old adage in transport. You can have whatever you want, as long as you are prepared to pay for it. Truth be told it applies to most industries. If resources are unlimited, most demands can be met. But this set of circumstances rarely takes place. Perhaps an urgent order where a factory line has stopped or a sample for an important presentation. But the reality is the vast majority of operational activity is closely monitored and governed to make sure it is efficient.

But what do we mean by efficiency? Efficiency, is concerned with minimising waste or effort, whilst still delivering an effective outcome. Or more broadly managing systems and resources to deliver a product with minimum waste. This is known as operational efficiency. Where time and effort is spent monitoring reviewing and correcting performance using real time data analysis.

Technology has enabled us to utilise systems to manage this operational efficiency. Enterprise Resource Planning (ERP) systems for example are a trusted and reliable approach. Co-ordinating, calculating and then presenting the information to drive operational efficiency. The next steps are already being seen with the introduction of Artificial Intelligence (AI) to make decisions in the operational efficiency realm as part of the transition to a more digitalised workplace.

Whilst these developments advance what can be achieved, it is worth exploring if we can use anything to complement these outcomes and achieve more. The providers of technology ensure their scoping, training and implementation process is very accurate and responsive, but are we missing additional interventions to run along side these developments? Is there more that can be done to boost operational efficiency?

Perhaps this can be crudely demonstrated by David Walliams infamous 'computer says no' sketch about a particularly abrupt and unhelpful travel agent from the BBC TV comedy Little Britain. This level of inflexibility with systems is one of our potential human foibles. How do we ensure we get the best from systems and humans to achieve operational efficiency?

Here are 5 steps we can take to ensure we achieve this

1) **Skills of observation, information gathering and communication**
   The ability to look at key information, collate and ask questions is obvious, but so often underutilised. Technology will provide the information, but it needs to be interpreted, understood and in context. Only 25% of employees felt fully prepared to use data effectively according to a recent survey. [1] Training will tell you how an operation or system works, but what to do with the information is perhaps a little more subjective. Communication of these findings in both directions has to be clear and concise. Misunderstandings create confusion and waste resources.

2) **Ability to look beyond the obvious, examine and fully understand information**.
   The ability to analyse something, by breaking it down, removing bias and look at the unconventional can help us spot issues, patterns and broaden general understanding on some of the operation's features. Too often the adages of 'it always does this' or 'this is how things are done' means opportunities to identify waste and improve are lost. In addition, over-reliance on a system risks the 'computer says no' issue as above. Creating a level of complacency, which is hard to change.

3) **Confidence to think ahead, remove silos and identify how resources can be used in a better way**.

Operations departments can settle into a reactionary approach to problems. Often down to other pressures or underuse and examination of what the key performance information is advising them. By making time to step back and start to look at things unconventionally, to image and to be curious forms the basis of continuous improvement. Thinking differently can provide solutions to problems that have bedevilled a business. Innovation starts with thinking differently and removing pre-conceptions, allowing freedom to play with ideas and explore. "Insanity is doing the same thing over and over and expecting different results." Observed Albert Einstein.

4) **Confidence and ability to monitor, prioritise and plan effectively.**
Once we have effective questioning, examining and understanding of key outputs we are in a much better place to build a way of working solution to constantly achieve operational efficiency. We can combine what we know from the outputs, with innovation from thinking unconventionally. We can monitor what is required to achieve business objectives and 'think on our feet' with unconventional solutions to solve real-time efficiency issues that are presented.

5) **Ability to take a step back and learning lessons to achieve better outcomes.**
We can draw conclusions and ask what we could have done better. This forms an integral part to an on-going commitment to operational efficiency. We can dig into outputs from operational systems and ask do they fit the brief? So, for example we may have introduce a new shift pattern, what impact does this have on minimising waste and maximising resource use? This is a key feature of learning and improvement. Without careful review of our progress how can we learn lessons and improve?

In order to achieve operational efficiency, we need to use all available tools. Systems can provide a considerable amount of information and control and are highly effective. But, when combined with the fundamental human skills of critical thinking, lateral thinking and problem solving the potential is vastly increased. This goes to the heart of industry 5.0, which is rapidly approaching on the horizon.

1. The Data Literacy Project – 2020

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