



Productivity and the PSO

BY JIM ALEXANDER, ED.D.

“We are at the gates of a revolution in white-collar productivity. Ninety percent of white-collar jobs will be eliminated or radically changed within the next 10 years.”¹

So says Tom Peters, the in-your-face author, speaker, and provocateur of managers everywhere. I don’t know if the 90-percent figure is a little high or a little low, but I’m certain that his basic conclusion is correct. This is the new frontier.

What does this mean to the leader of a professional services organization (PSO)? On the one hand, it provides the PSO with a huge outside opportunity for new, challenging, and fun consulting work—clients need (and will need) lots of help in grappling with this issue. Exciting stuff. On the other hand, it provides a major-league inside challenge, as the implications of these changes impact the people and processes of the PSO itself. More work.

My assumption is that the leadership thinking and effort is so focused *outside* on the product devel-

opment, marketing, and selling of new technology applications that the organizational need is being neglected—kind of like the cobbler’s kids not having shoes. Therefore, this column takes the *inside* viewpoint.

To begin with, it probably makes sense to take a step back and grasp the three factors driving this revolution.

1 White-collar (knowledge) work has replaced blue-collar (manual) work in terms of size as well as importance. Peter Drucker² sums it up well:

“The most valuable asset of a 20th-century company was its production equipment. The most valuable asset of a 21st-century institution will be its knowledge workers and their productivity.”

Enough said.

2 Current white-collar productivity is woefully low. Although information on white-collar productivity is almost nonexistent, there are some educated guesses. Quality and process guru James Harrington, states:

“About half of all the time spent by white collars adds waste, not value.”³

My personal experience supports this. For example, my analysis of sales organizations across industries reveals that about 75 percent of salespeople’s time is spent on nonvalue-adding activities. Furthermore, from first-hand observation, I estimate the average consultant in our industry spends barely one-half of his time engaged in value-adding activity, in spite of what utilization rates say. Whatever the actual figures, the performance-improving potential is huge and can’t be neglected, particularly as more and more professional services offerings are being seen as commodities and internal efficiencies become more important.

3 The technology is here. We all know this—we live and breathe it. The PSOs of our industry are leading the charge by creating, marketing, selling, experimenting, servicing, and adjusting technology solutions that have the intent and the promise of improving client per-

formance. Sure, the results to date are mixed, as is always the case in beginning stages, but enough successes are available to confirm that the gains are there, if we can figure them out. The potential is dramatic.

The Problem

We understand how to improve the productivity of production workers. In fact, productivity in this area has improved 50-fold since first being studied in the early part of the 20th century.⁴ However, we don't really know a lot about white-collar productivity. We don't have 80 years of experience in figuring out what works and what doesn't work. In studying knowledge work, we are about at the stage Frederick Taylor was when he first started examining the task of shoveling coal in a foundry. There is a dearth of research and a lack of best practices, key success factors, and other guides to implementation. This is unplowed ground.

Recommendations

Eventually we will figure it out by trial and error. Yet, here are a few

steps that might compress our learning cycle:

1 Become a productivity learning lab for your customers.

They need it, and we need it. Instead of the common approach of selling technology on a promise and watching what happens, take a leadership role. Walk the talk, and formally create a "knowledge productivity initiative," complete with high-level sponsors and adequate resources. Invite your customers in to get their input, watch what happens, and let them learn from your mistakes. This is a great PR opportunity.

2 Rethink your internal measures of productivity.

Determining the correct outputs of knowledge work is much more difficult than it may seem on the surface. Metrics such as utilization rates may not be very appropriate and, in some cases, may be counterproductive (more on this in future columns). So think through the actual results, then work backward to come up with possible measures.

3 Implement the technology last.

We all know better, but just like

our clients, we often get caught up in the techno-frenzy. Don't automate until processes have been enhanced to reflect the new potential and the new desired outputs. Next, redesign jobs to better reflect the new expectations, and save the technology for last. ▼

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