Work 3.0: Strategies for High Performance Growth

By Tech Research Asia
Sponsored by Canon Business Services Australia

Executive Summary

Is your organisation too small to grow?
This paper provides insights on how different sized organisations are prioritising their business goals for 2014 and beyond. The key goal? Growth. Easy to write, yet much harder to achieve. We identify the common pitfalls organisations experience in their administrative and workplace environments and the steps they can take to use technology to grow more intelligently and outpace their competitors.

Key Findings

- Size matters. TRA's research and qualitative interviews clearly show that the key business goal of organisations of all sizes is growth. This is linked to an organisation's size with smaller companies finding strong growth to be more elusive.

- Smaller organisations recognise their problems yet are generally less aware of the technology options open to them to help support their growth goals.

- Key obstacles to growth include administrative and process inefficiencies and these can be effectively overcome through intelligent optimisation of processes and workplace environments.

Recommendations

- Take a growth audit beyond financials. Put your assumptions and business prejudices to the test. Undertake a comprehensive discovery audit that identifies which process and administrative tasks are inefficient.

- Move on from paper + legacy processes: High performance workplaces demand a less-paper-reliant environment and this requires significant effort to automate and mobilise both processes and workflows

- Go agile in the workplace. Assess new work cultures and strategies such as ABW to support high performance teams. The new world of work is one of multiple choices and independence for employees.

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The Dashboard

Topic: Data suggests small organisations struggle to grow. How can companies avoid the common pitfalls and achieve success through technology.

Organisations: All

Industries: All

Countries: Australia

Results: * Most common reasons organisations suffer from inefficiency is manual processes

* Large organisation waste more time on inefficient processes than smaller peers yet have deeper pockets to overcome problems.

Key Statistic:

82%

Of business with 21-50 employees believe they waste at least 2 hours per week on administration.

Future:

For companies two of the main obstacles to achieve strong growth are administrative and process inefficiencies. Intelligent optimisation of process and workplace environments can effectively overcome these hurdles and free employees to drive growth and customer engagement.
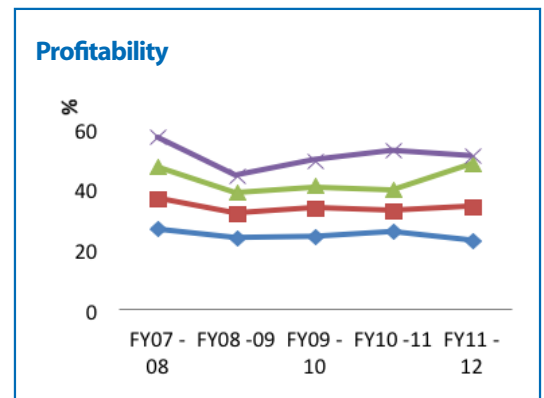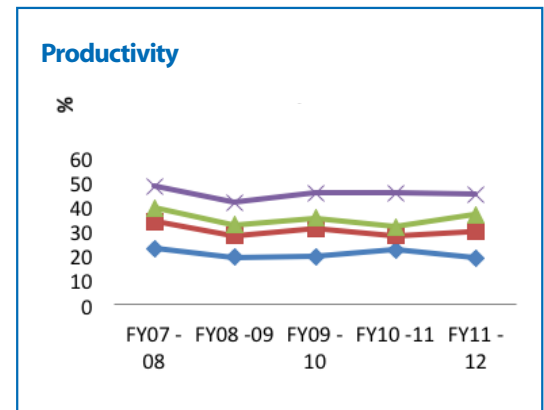
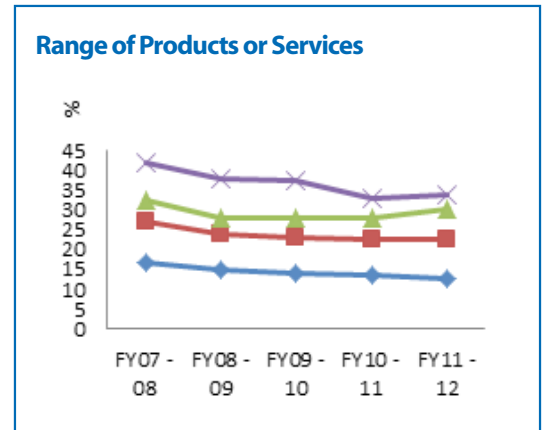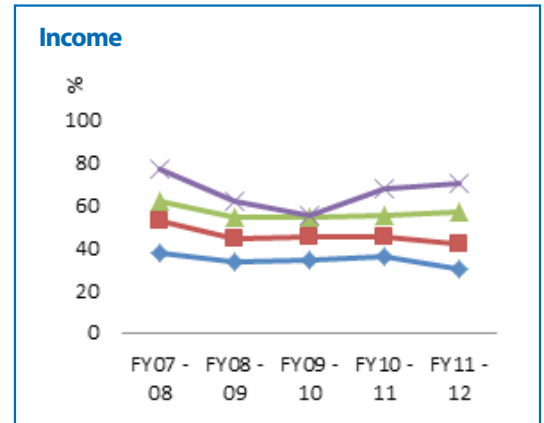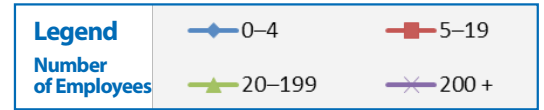**Canon**

The Research Results

In November 2013, TRA ran an online survey canvassing the views of 1047 Australian CxOs working in human resources, finance, office management or IT. This was complemented by 20 deep dive interviews with CxOs at organisations in a variety of industries. The survey investigated general business and technology attitudes and intentions along with specific questions on workplace strategies and administration. The results are analysed below and are supported by key insights for business and IT leaders. Data from the Australian Bureau of Statistics (ABS) is also analysed.

2014: Growth trumps cost

Most Australian organisations hold a positive outlook for 2014 and are focussing on growth ahead of cost management. Aside from these two goals, customer engagement (3rd top goal) has also risen to being a key focus followed closely by productivity (4th top goal).

Yet size does matter. Historical data from the Australian Bureau of Statistics (ABS) suggest the larger the organisation's size, the better its growth prospects. According to the ABS (see charts on this page) 79% of those employing more than 200 employees reported a year-on-year (YoY) income growth increase. Contrast this with organisations of 1-4 employees in the 2011-12 financial year with only 30% showing growth. A similar pattern is evident when it comes to profitability: 50.9% of organisations with more than 200 employees say it grew in 2012 compared to 34.1% of those with 5-9 employees and 22.8% for the smallest group (1-4 employees). Indeed, across all categories the ABS investigated the larger the organisation the more likely they were to have grown in the past five years.

The disparity in growth performance is also compounded by the fact that of the 2,141,280 actively trading businesses in Australia at June 2012, only 6,411 employed 200+ employees. In other words, the vast majority of Australian organisations, who aren't in this 200+ bracket continue to struggle to grasp growth opportunities. In TRA's view, however, the right application of technology and process optimisation can help smaller firms better compete with larger firms, or grow more intelligently than peers of a similar size.

Legend
Number of Employees

- 0–4
- 5–19
- 20–199
- 200 +

Income

Range of Products or Services

Productivity

Profitability

Source ABS

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The Smarter Growth Organisation

The results of TRA's survey revealed a notable tale when it comes to the different technology and process mindsets of Australian firms. We segmented Australian organisations by employee size into the following categories:

- 1-20 employees – the home or small office;
- 21-50 employees – the small business;
- 51-300 employees; and
- 300+ employees.

We chose organisation size as one way of segmenting the market – similar approaches could be made by industry, revenues, geographic location, etc. Our intention is not to stereotype organisations of a particular size or type. Rather we aim to offer insight into common traits that many organisations of a similar size share and by doing so, hopefully, provide stimulus for avoiding or overcoming the negative technology- and process-related characteristics.

The Home or Small Office

Aka "We know we need to do more with technology but what?"

Of all the survey respondents Australian home or small office (1 to 20 seats) leaders list their key business priority as growth – significantly more than any other business aspect. The same group also state that growth is challenging and inefficiencies in administration and processes are highlighted as blockers to growth. Yet, having efficient processes and the right supporting technology can be the difference between good and great customer service or better cost management. It can also be an enabler of growth by freeing time to generate additional business through new goods or services. TRA's research suggests small organisations can claw back two hours a week per employee through efficient technology use.

Despite evidence showing flexible working offers a myriad of benefits like higher employee productivity, home or small office CxOs are less likely to support or see a need for supporting flexible work styles than their larger peers. They also appear most strongly influenced by consumer technology such as personal devices and social media, with less appetite for making longer-term investments in IT commonly used by larger firms that will help them during growth periods (e.g. CRM). The latter is understandable given the perceived (or perhaps more accurately, feared) high cost of investment in a technology growth platform.
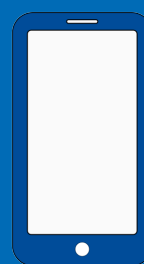
Home or Small Office Top Goals

1. **Growth**
2. **Cost Management**

25%
INCREASE

25% expect their IT budget to grow this year compared to the average of 32%

2 in 3 support traditional desk based work. Home and Small Offices have the lowest support for all other work styles

Mobile devices and apps with cloud based office productivity are the top technology investments likely to be made.

The small business

Aka "We deploy technology but use people to fix most problems"

The average small business in Australia is different from small or home offices in that generally as they grow there is a realisation that tools like CRM and information management can offer solutions for staff to be truly effective.

Relative to their small / home office cousins, there is more awareness that employees waste time on administration tasks. However, the most common solution to this problem is often to train existing employees or take on more head count. Few look to fix the process first and have technology in place that can automate and mobilise the workflow to scale with the organisation. It's akin to expanding a house by building walls but no additional foundations. As such, any a dditional growth can exacerbate the process inefficiency or retard growth efforts.

TOP GOALS

1. **Growth**
2. **Cost Management**
3. **Customer Engagement**

**This group places the highest importance on CRM out of all groups as integral to achieving their goals.**

25%

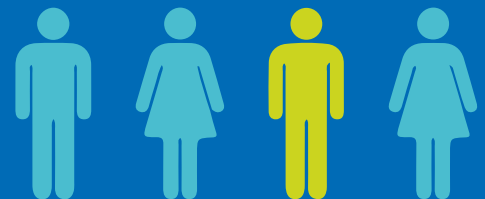**Are in the planning phases of a new workplace strategy**

82%

Believe the average employee wastes at least 2 hours a week on administration. The most common reason given for this waste is that the role is manual and time consuming.

Mobile devices and digitising documents
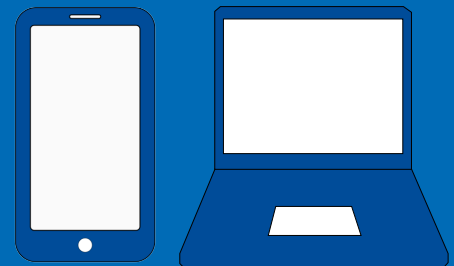
Are the two most common expected technology investments this year.

1 in 4 expect to conduct training to address workflow inefficiency with 16.9% intending to employee more admin staff - an inefficient approach at best.

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The mid-size business

## Aka "Tech can help, especially mobility"

Mid-size organisations differ from their smaller peers in that productivity is one of their top three goals this year, in addition to growth and cost management. This focus reflects the same goals as larger firms, indicating the ambition of mid-size firms and the reality that they need to compete with bigger and well-resourced companies if they want to grow and survive. Of concern is that mid-size organisations readily acknowledge that the average person in their employ can waste over two hours a week on administration tasks. However, this is the only group where head count fluctuations and poor technology choices are offered as top reasons for this administrative waste.

Mobility is perceived as key to workplace strategies for mid-size organisations. After all, if their workforce can be more agile and responsive than larger peers they place themselves in a better position to win customer service. Mobile technologies are also frequently perceived to offer productivity benefits. However, more of this group continue to support traditional desk-based work than larger peers, indicating that many companies retain a "bums on seats" management approach that is common in smaller firms and don't yet fully trust contemporary work styles like ABW. This latter trait will impact growth prospects vis-à-vis larger competitors that have broader flexible working strategies in place.

TOP GOALS

1. **Growth**
2. **Cost Management**
3. **Productivity & Client Engagement** (tied)

28.3% Support ABW

53%
INCREASE
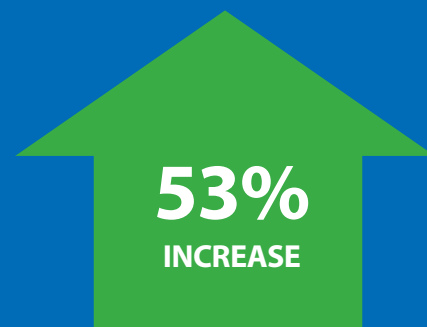
Expect an increase in IT budgets in 2014 – far above the average

80%

Believe at least 2 hours is wasted per week on admin by each employee but 36% don't know what steps they will take to overcome inefficiencies

Mobility is a big focus with the most likely technology investments to be

Mobile devices, Apps and Process Mobilisation

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The large and the very large business

Aka "We have what we need, we just need to execute"

The larger an organisation gets the more resources (people, technology, capital, etc.) it can access for growth. The adage "money begets money" is regularly proven accurate. At this size, growth moves from being heavily driven by organic success to being influenced more by mergers and acquisitions or incremental gains in market share.

Compared to smaller peers, large and very large organisations are commonly aware of the challenges of waste due to poor processes and understand the benefits that the appropriate use of services and technology can bring in optimising workflows. Many are also enthusiastic about contemporary flexible work styles and look to enhanced collaboration as key to productivity gains. The question for many large and very large firms is not whether they will undertake efforts to optimise processes or establish an agile workplace, but in when and how well they do this.
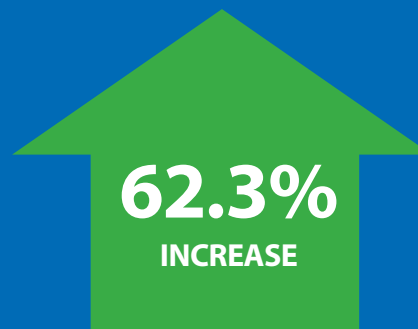
TOP GOALS 301 to 1000 employees

1. **Growth**
2. **Cost Management**
3. **Productivity**

TOP GOALS 1000 + employees

1. **Cost Management**
2. **Customer Engagement**
3. **Growth**

Unified communications and collaboration are a focus, as are all facets of mobility.

62.3%
INCREASE

Of firms in the 301-500 group expect an IT budget increase in 2014 – the highest of all groups.

Between 8% and 10.5% say 8 hours per week is wasted per employee on admin.

1 in 2 expects to move or renovate an office in the next 24 month. The most active group out of all organisations when it comes to workplace strategy

Recommendations for achieving high performance growth

The larger the organisation the more likely they are to report they have been growing over the past five years compared to smaller organisations. Having more resources available to assist large firms in efforts to grow will clearly play a part in this pattern in the Australian market. However TRA would suggest that process optimisation and workplace strategies offer strong ability to differentiate efforts from competitors.

TRA offers the following recommendations to CxOs:

1 •   Evaluate your own organisation with a frank and comprehensive growth audit beyond financials. Put your assumptions and business prejudices to the test.
Undertake a comprehensive discovery audit that identifies which process and administrative tasks are inefficient. Prioritise intended improvements based on the processes that will have the biggest impact on customer engagement and the bottom line – but don't ignore the 1%ers (i.e. the supporting processes). You should consider a 3rd party with extensive experience in this field to assist.

2 •   Move on from paper + legacy processes: High performance workplaces demand a less-pa per-reliant environment and this requires a significant effort to automate both core and supporting processes and workflows. Optimising processes before mobilising them will offer improvements in employee engagement, productivity in terms of time spent on administration, along with higher efficiency in responding to internal and external clients. Consider a 3rd party partner with both MDS and software solutions to assist.

3 •   Go agile in the workplace. The new world of work is one of multiple choices and independence for employees (work spaces, work hours, work styles, and work technology). Supporting this demands new approaches, including the independence offered by a move to cloud, evolving security and risk management strategies, and a focus on mobilising processes to allow in and out of office mobile working. Take stock and assess your current culture and performance trajectory: Conduct a utilisation study and undertake stakeholder interviews or surveys including front line employees. Define your vision for your ideal environment and culture through multi-party collaboration: Tour current high performance workplaces to understand what is possible. Seek out the expertise of vendors and partners that have adopted themselves and have multiple reference customers.

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Methodology

TRA conducted 20 in-depth interviews with Directors in organisations across Australia and ran two quantitative surveys in October and November 2013. The first survey captured a sample of 600 organisations with participants split across four roles: Finance, HR, IT and Office Administration. The second survey captured a sample of 447 organisations with respondents split across organisation sizes of 1-300, 301-500 and 500+. A total of 1047 responses were captured with the sample evenly spread across all industries and geographies. Both surveys shared identical questions that were split into three topics: General, Administration, and Workplace + Mobility.

Organization Sizes

- 1 - 20
- 21 - 50
- 51 - 300
- 301 - 500
- 501 - 1000
- 1000 +

17%
36%
9%
11%
16%
11%

N = 1047

Respondent Roles

- HR Director, HR Leader or Direct Report
- CFO, Finance leader or Direct Report, Book Keeper, Accountant
- Office Manager, Supervisor or Business Admin Leader or Direct Report
- CIO, IT Leader or Direct Report
- Other

12%   12%
18%
15%
43%
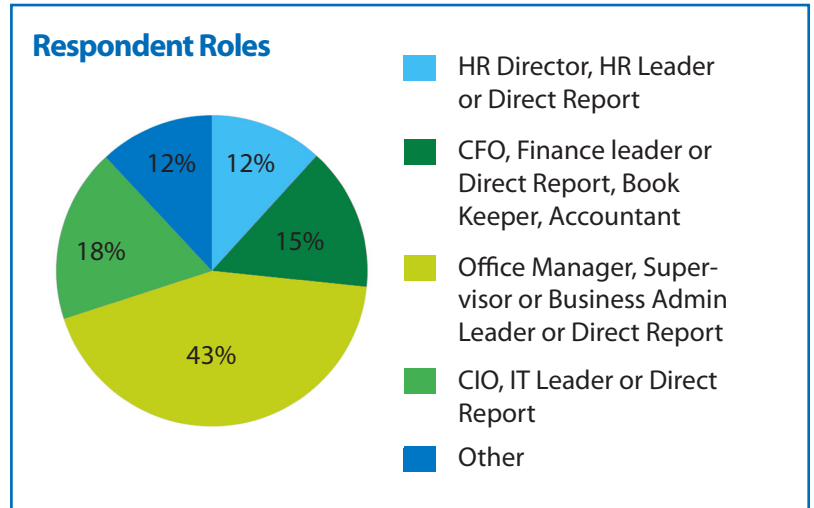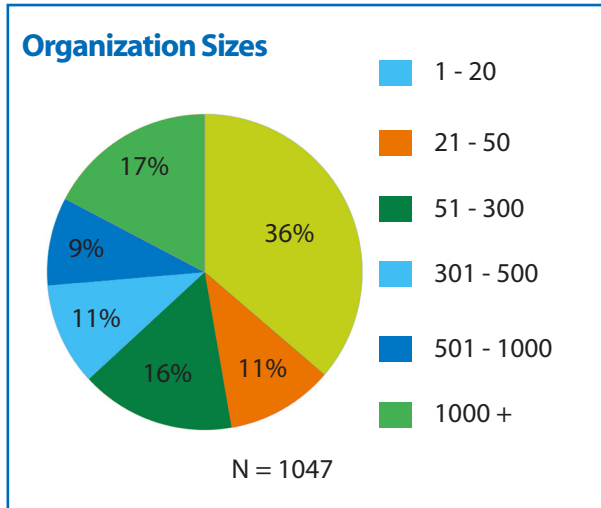
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