4 steps to

Create capacity.

Free up time in your business using the four simple steps in this workbook.

MiddleStone
Business Analysis

Introducing business capacity

The purpose of this workbook is to help you create spare capacity in your business.

What is business capacity?

Business capacity is a measure of the amount of work that your business can get done in any given time period.

Why do we need spare capacity?

Of course, you want your team to be productive, and therefore reasonably busy. But having spare capacity has several advantages too:

- Firstly, if your business is growing, you absolutely need to have some spare capacity to serve new customers.
- But even if that is not your problem, having some capacity spare gives you thinking space.

Having some headroom allows you and your team to set aside time to think strategically, solve longer-term problems, and come up with new ideas; ultimately benefiting the business.

The only 3 ways to create capacity

There are only three possible ways to create capacity in your business without recruiting more staff.

Ruling out recruitment

Firstly, let's discuss the obvious way to create free capacity: hiring more people.

The problem with hiring people to increase capacity is that this actually *reduces* productivity per person.

- Firstly, new starters take time to get up to speed. So they are less productive than existing staff—at least to start with.
- New starters need recruiting, inductions, training, and increased supervision. Which *reduces the capacity of your existing team* in the short term.
- Each new employee increases management, supervision, and quality control time, *permanently* lowering productivity per person.

Even the most efficient system needs staff. But try to keep your headcount to the minimum, rather than 'throwing bodies' at the problem.

The three methods

There are only three possible ways to create capacity in your business without recruiting more staff. They are:

- work faster,
- give the job to someone else to do, or
- skip steps.

Every conceivable process-improvement methodology—however complex it sounds—is based on these three, common sense, principles.

Easier said than done

You might think it's impossible to apply those three principles in your business. You might think:

- "We can't work any faster; the whole team are already flat-out.", or
- "There is no one I can just 'give' work to.", or
- "I couldn't possibly just skip steps and get away with it, it would be chaos."

But it is possible! And we'll show you exactly how.

How

We'll look at how to apply these principles *in your business* throughout the rest of this workbook.

Keep reading to find out how!

Our 4-step process in brief

Our four-step process will guide you through applying those three principles in your business.

Start with finding out what takes up your business capacity

Work out where your time goes

→ page 7

Work out what is using up your current business capacity.

Cut out unnecessary work

→ page 11

Now that you have your list of every task that your team does, you're going to identify unnecessary work—and yes, there will be some.

Find ways to hand off work

→ page 14

For each remaining task, see if someone else or something else could do that task.

An outside perspective can be useful for this step.

Look for ways to work quicker

→ page 19

The final step is to look for ways to do the remaining jobs more efficiently.

Let's look at each step in detail

1: Work out where your time goes

Work out what is using up your current business capacity.

The starting point

The first step is to work out where your current capacity is being used. What is using up your current business capacity?

It's impossible to start making improvements until we have a good idea of what work is being done.

Keep a log (simplest way)

The simplest method is for each member of your team to keep a log of what they spend their time on each day, broken down into 15-minute increments.

It could be as simple as a spreadsheet that each person updates throughout the day.

The problem with this approach is:

- It's time-consuming, and
- It's not easy to identify where improvements can be made from this data alone, and
- It's disjointed; each person has their own spreadsheet. This limits the potential for improvements.

Track computer activity (the easiest way)

An easier way is to use technology to keep that log for you.

You could use an app to monitor what you do throughout the day.

Tech highlight:

If you want to try this approach, then check out:

- www.manictime.com or
- www.rescuetime.com

Or get in touch for more:

middlestone.co.uk/contact

Map your processes (best way)

The best way to really find out where your business capacity goes is neither the easiest nor the simplest approach.

We recommend piecing together the work you do as a business by having one or two people sit down individually with each member of your team and go through "a day in the life of...".

Ask your team probing questions to make sure you don't miss any steps. Try:

- "If you were to go on holiday, what jobs would I need to do so that you have *nothing* to catch up on when you get back."

How much detail to include?

Whichever method you use—spreadsheets, automated trackers, or process maps—you're going to end up with a list of activities that your team does.

Some people may give you lots of detail (eg "I click here, I type this, I push that"), while others may naturally give less information ("I spend the mornings processing invoices").

The ideal amount of detail is where you can see each 'tool' that is used as a separate task. This will help you when you get to the next steps.

So "processing invoices" might include:

- Opening the invoice in Outlook,
- Printing the invoice,
- Stamping the invoice,
- Creating a supplier account in your accounting system,
- Looking up the supplier online, and
- Typing in the invoice details.

We've illustrated this on the next page.

We can help you.

We can sit with your team and gather this information for you.

Get in touch:

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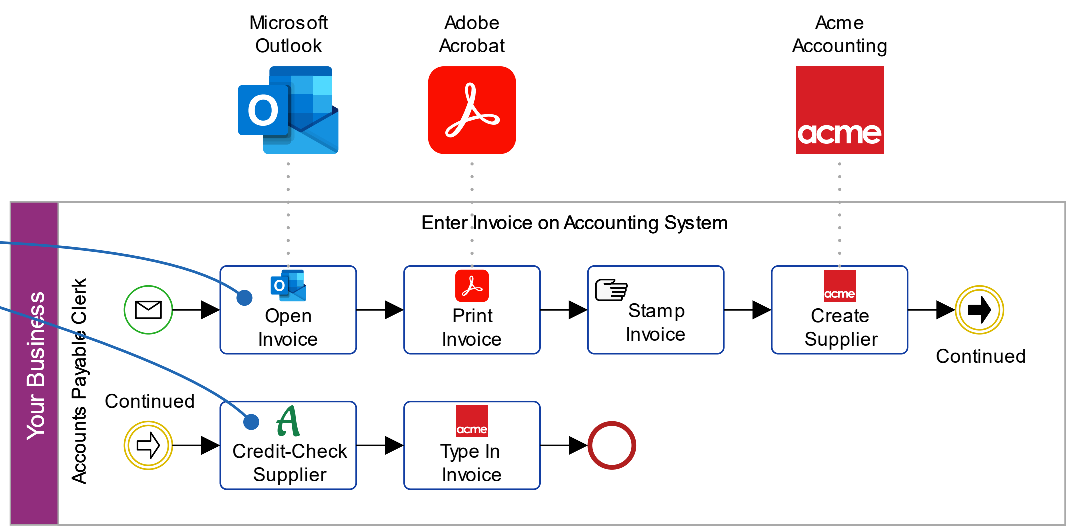
Example of the detail to include

The ideal amount of detail is where you can see each ‘tool’ that is used as a separate task. We’ve illustrated that below.

You don’t need to draw your processes out. A list will be fine for the next steps.

Each node is a different tool being used



2: Cut out unnecessary work

Now that you have your list of every task that your team does, you're going to identify unnecessary work—and yes, there will be some.

What is necessary?

Every task that your business does should have a purpose. In most businesses that purpose is to 'create value' in some way.

So we're going to look for tasks that don't add value. And eliminate them.

Why we do this first

It's important to cut out unnecessary work *first* before moving on to the next steps.

There is no point in handing over or streamlining a task that doesn't need to be done at all.

Who is each step for?

For each task on the list, work out who benefits. You do this by asking: "Who would I be upsetting if I missed out this step?".

In some process-improvement frameworks, we would call this person the 'process customer'.

Is someone else already doing this?

Look for duplications; with different people doing or redoing the same thing.

Think of the consequences

It would also help you to ask yourself, for each task on the list, "What would be the consequences of *not doing* just this step?".

Note on compliance

If the answer to your questions above is "We do this step to stay legal", then of course, it's a necessary step; don't cut it out. But you could consider if there is a quicker way to achieve the same level of compliance.

Easy wins

If you discover that your 'process customer' wouldn't even notice if you didn't complete a step (and it's not a legal requirement, of course) then you can cut out that step.

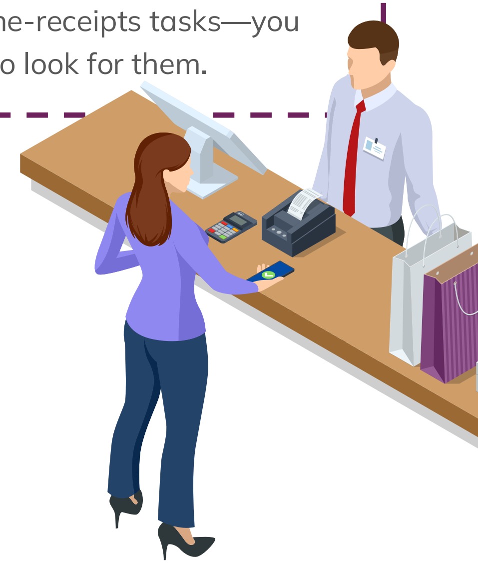
You may find that your 'process customers' are happier if you don't do a certain step; see the example box.

Quick example.

Have you ever waited at the tills for the cashier to find a stapler to staple your receipts together?

That is an example of a task that the customer doesn't value.

Every business has some of these stapling-the-receipts tasks—you just need to look for them.



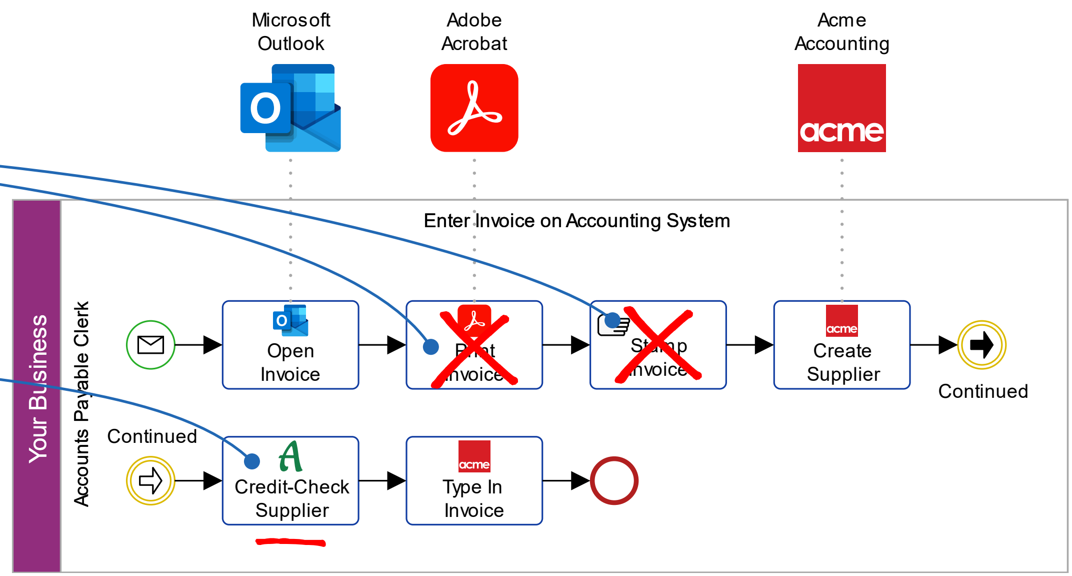
Continuing our example

Of course, you can't just stop paying supplier invoices, but are any of the individual steps unnecessary?

What would be the consequences of not doing an individual step?

These are probably unnecessary

This may not be necessary (depends on your business)



3: Find ways to hand off work

For each remaining task, see if someone else or something else could do that task.

To someone or something else

Firstly, it's important to note that delegating tasks to members of your team is still using up business capacity.

We want to look for ways to get those tasks out of your business entirely. That can include *anyone* outside your organisation. This could also include automation—ie handing off tasks to machines or computers.

Again, it's important to think about this *first* before moving on to the final step; there's no point in streamlining a task that you're about to outsource.

Who can I hand off work to?

The most obvious way to hand off those jobs is with outsourcing. But we'll look at ways to hand off some tasks to:

- Your customers
- Your existing suppliers
- Specialist agencies (for free)

But also to:

- Machinery, and
- Computer software

We can help you.

With our experience, we can help you spot opportunities.

Get in touch:

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How to identify opportunities

For each remaining task, stop and think if someone else or something else could do that task better.

It's useful to ask:

- "Who or what could do this better than my team?"
- "Who or what would make fewer mistakes?"
- "Who or what would find this easy?"

Look out for jobs that we as humans find difficult but that machines could easily handle.

- Complex calculations may be difficult for a person, but easy for a computer.
- Repetitive manual jobs cause injuries, such as RSI. A machine may be able to do this quicker, better, neater, and without risk of injury.
- Other repetitive jobs cause boredom, which leads to mistakes. Software may be able to do these quicker, better, more accurately, and without ever getting bored.

Your core competencies

If your answer to the questions above is "No one can do this better; we're the best in the business", then you've identified one of your core competencies. Don't hand these off.

Handing off to customers and suppliers

When it comes to keying in information, who could be better than a person who is already familiar with that information?

So would it be possible to get your customers or suppliers to key their own information into your systems, for example?

Could you provide electronic forms or a portal to allow your customers or suppliers to maintain their contact details and save your team from rekeying information?

Could you introduce self-service ordering?

Handing off to specialist agencies (for free)

For each task, consider if there is a specialist who could do this for you. You may find that some specialist agencies will do it for free—because they earn a commission or income elsewhere.

Here are a couple of rather obvious—but often overlooked—examples:

- Are your team spending time arranging insurance, when an insurance broker would do it for free?
- Are your team spending time finding and booking hotels, when a travel agent would do it for free?
- Is your team spending time physically handling outgoing mail, when a mailing house would do it for you and save you money on postage?

Handing it to a machine

The machinery available to automate your work will depend on your industry and the tasks you're looking to automate.

Once you've identified an opportunity, a specialist could help you find equipment suited to the job.

Tech highlight:

Have a look at these two automation platforms:

- www.make.com or
- https://zapier.com

Or get in touch for more:

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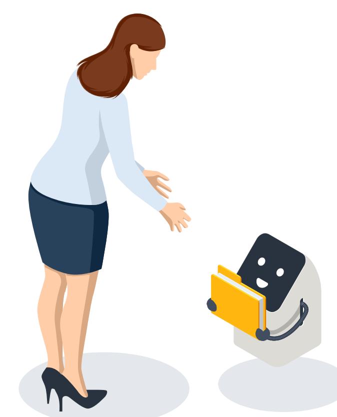
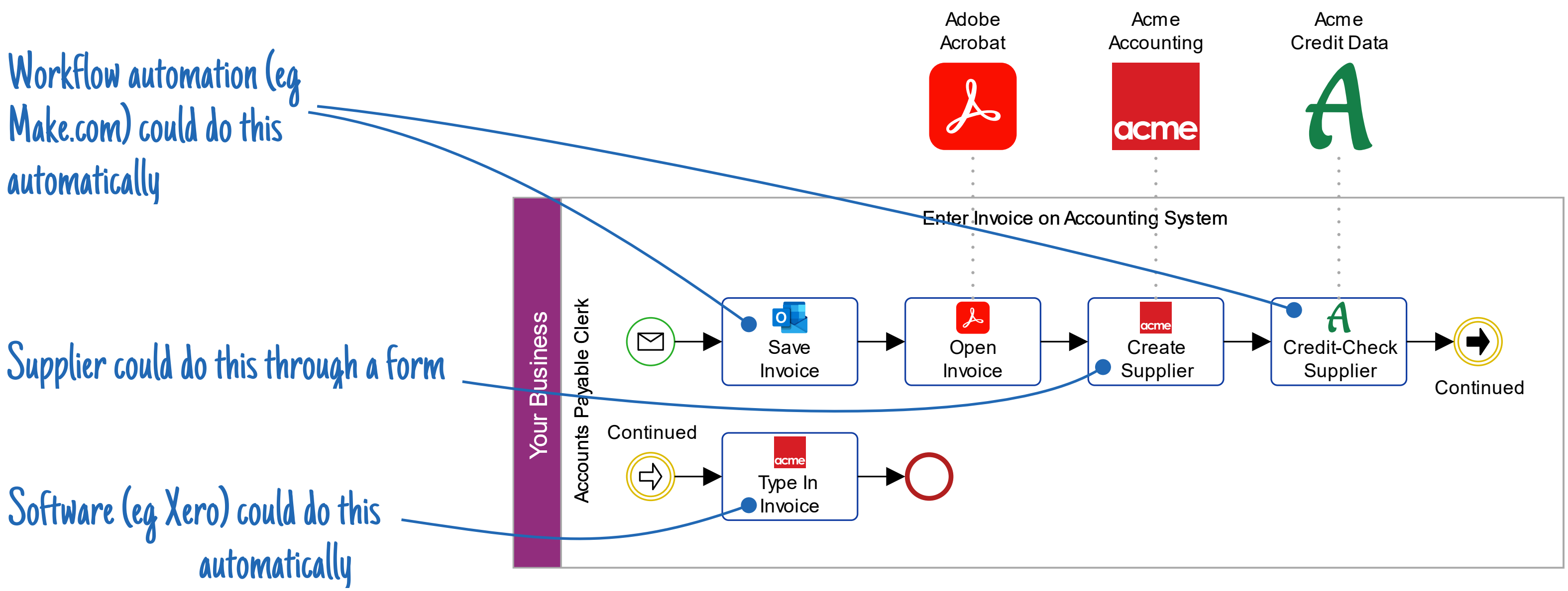
Handing it to a software bot

For repetitive computer-based processes, Robotic Process Automation (RPA) or workflow automation tools may allow you to remove these from your team's capacity.



Continuing our example

For each remaining task, stop and think if someone else or something else could do that task better or quicker.



4: Look for ways to work quicker

The final step is to look for ways to do the remaining jobs more efficiently.

Explore possibilities.

Up to this point, we've almost been looking at each task in isolation. Now it's time to look at the bigger picture.

Look at the order in which you do jobs

Firstly make sure that the different remaining tasks on your list are in the right order. For example, would it be quicker to do them in a different order?

Look for ways to batch similar tasks together. So, sending all the order confirmation emails (or whatever it might be in your case) in one go, rather than for your team to keep switching between systems or tasks.

Try to create specialists

This is the principle behind production lines:

Rather than having one person see a job through from start to finish, you may find that allowing each member of your team to specialise in one aspect means they get very quick at doing that one task.

Look at the tools you use

Using the right tools will speed up your work.

The exact tools that will help you will depend on your industry and what you're trying to achieve.

Some software examples include:

- Job-management software may help you manage customer work quicker.
- Order management software may help with fulfilling customer product orders.
- Field service management (FSM) software would make it easier to plan and schedule on-site work and travel time between jobs.
- Project management software will save time organising interdependent tasks.
- Production management software would help organise manufacturing operations.
- Professional services automation (PSA) software could help with quoting, timesheets, and invoicing.

We can help you choose.

We can recommend the right software depending on your business.

Get in touch:

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Talk to us if you want help

You've now looked through our four-step process. If you'd like some assistance, we're happy to help.

How we can help

At Middlestone, we have years of experience working with small and mid-sized businesses to document and improve their processes.

We can:

- Talk to your front-line staff and document their processes for you in a consistent and easy-to-use style.
- Recommend improvements to your processes.
- Set up automations.
- Help you choose the best software to run your business on.

And don't worry, our consultants are lovely. They'll work with each member of your team using a down-to-earth, non-threatening and non-judgemental approach.

Benefits of using Middlestone

When using Middlestone, you'll get:

- A fresh perspective on your organisation.
- Independent guidance and advice.
- Support to implement changes.
- Very little interruption to your teams' day jobs.

So, get in touch:
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Middlestone Business Analysis Limited

Suite 165, 80 Churchill Square
Kings Hill
WEST MALLING
Kent ME19 4YU

01892 570870

www.middlestone.co.uk