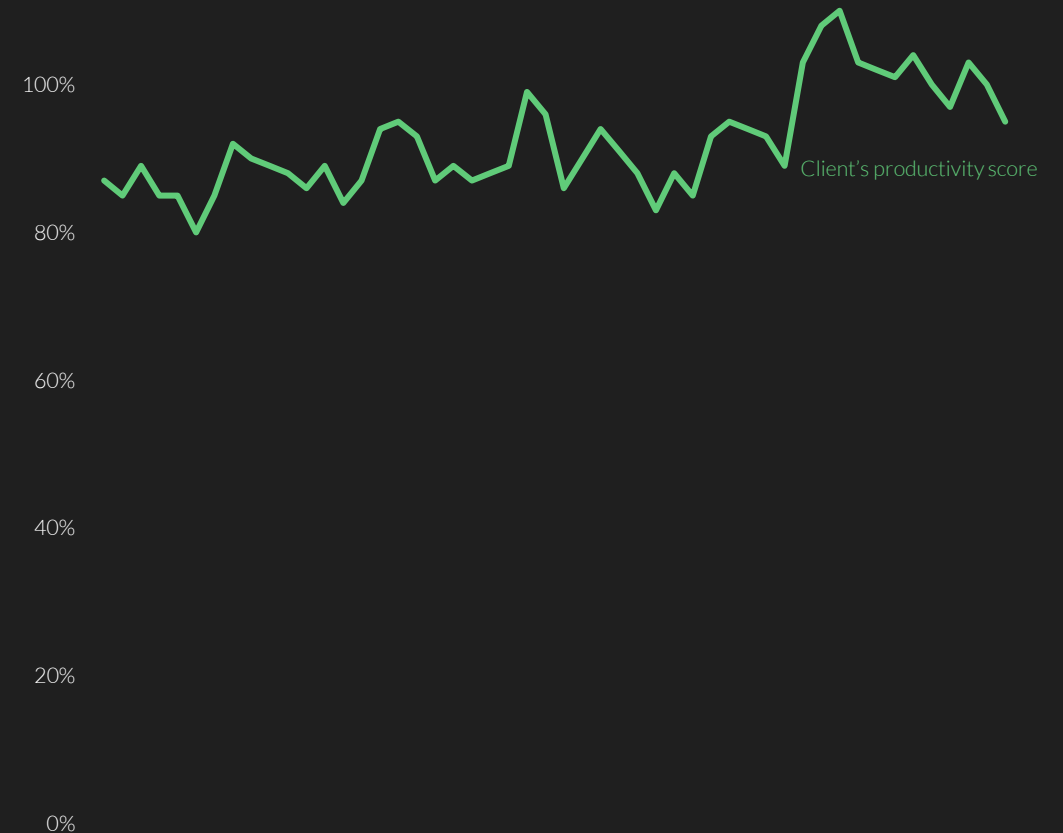


Operations leaders are under constant pressure to lower costs, but workforce productivity scores are already at 100%

Where's the opportunity?

Typical Productivity Dashboard
(based on real client data)



Productivity metrics are typically inflated through three major distortions which violate the principle of 'exposing all losses'

1. Inflated standard times

Standards based on average cycle times bake-in allowances for common waste / issues

2. Credit for 'being busy'

Rework, failure demand and admin work all earn productive credit – even though the customer would not be willing to pay for them

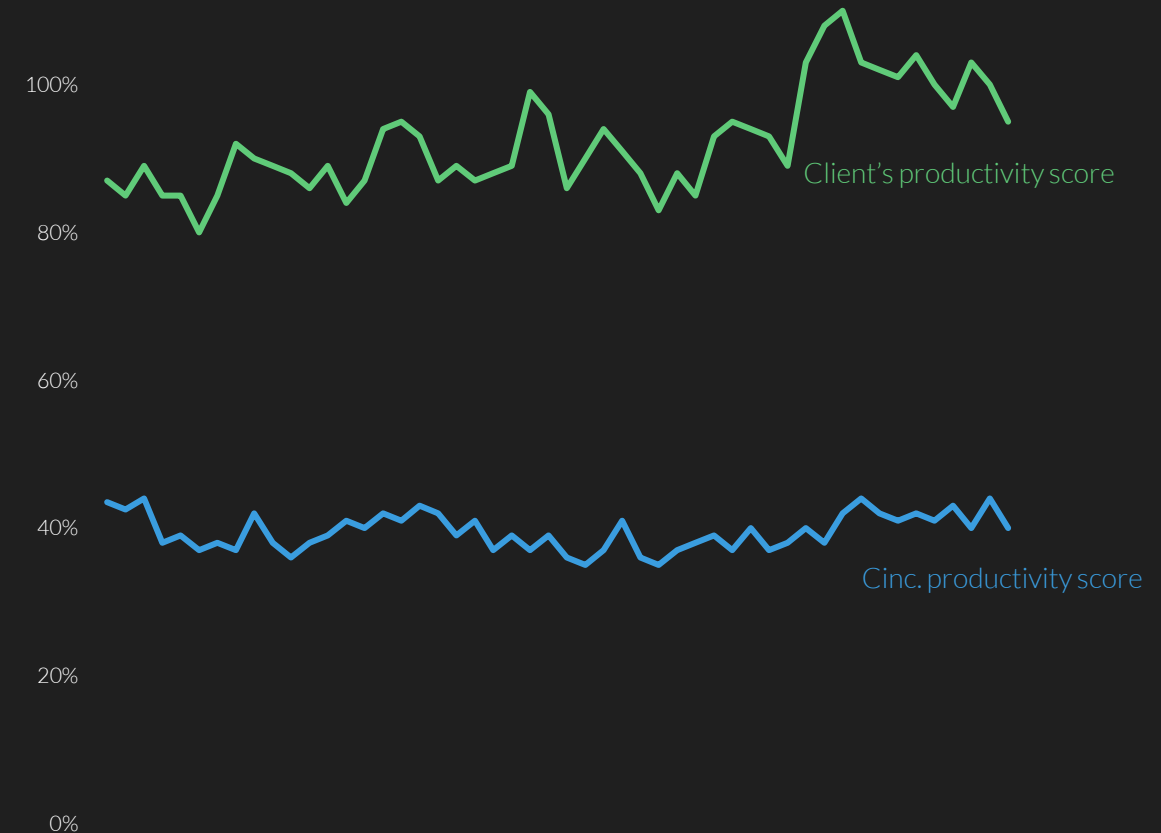
3. Deductions from the denominator

Meetings, training etc. are deducted from the denominator. Scores improve, but there is no accountability for that investment of time

$$\text{Productivity} = \frac{\text{Value Created}}{\text{Resources Invested}}$$

Once the distortions are removed, **real productivity is ~40%** and the improvement opportunity becomes visible

Typical Productivity Dashboard
(based on real client data)



What's wrong with the productivity measurement system and how do we fix it so we can drive improvement?

In the slides that follow we cover 5 things:

- 1 The mechanics of common 'tally' productivity measurement systems, and why they fail
 - 2 A real example of what recalibration of these systems reveals
 - 3 The four elements of a better-practice performance measurement system
- Then, to close the gaps we have identified, we introduce:*
- 4 **Cinc Performance Insights** (CPI) – our solution for low-effort data capture and insightful, real-time reporting
- AND
- 5 Our **Frontline Operations Leadership Training** which pairs with CPI to deliver rapid performance uplift and start building a positive culture of exposing and solving problems as part of daily work

Most productivity tools work on a 'tally system' that tracks the **Core Tasks** completed and assigns productive credit based on **Standard Times**

$$\text{Productivity} = \frac{\sum \text{Core Tasks Completed} * \text{Standard Time}}{\text{Time Worked} - \text{Diverted Time}}$$

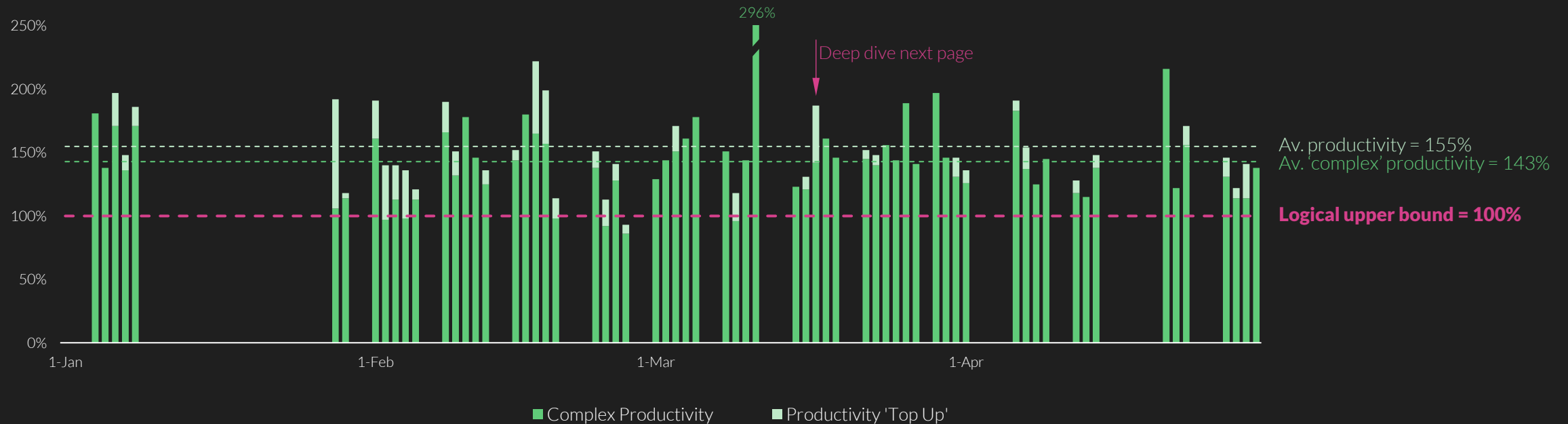
$$\text{Complex Productivity} = \frac{\sum \text{Core Tasks Completed} * \text{Standard Time}}{\text{Time Worked} - \text{Diverted Time}}$$

Note: Cinc's preference is to **account for all paid minutes at work** and therefore focus on 'complex productivity' – always interpreted in the context of the loss profile so it's clear where the time went

We typically find with these systems that high performers **consistently achieve productivity levels comfortably exceeding 100%** (which should be impossible)

Individual Productivity | High Performer ('Peer 2'):

(Sanitised real-world example continued)

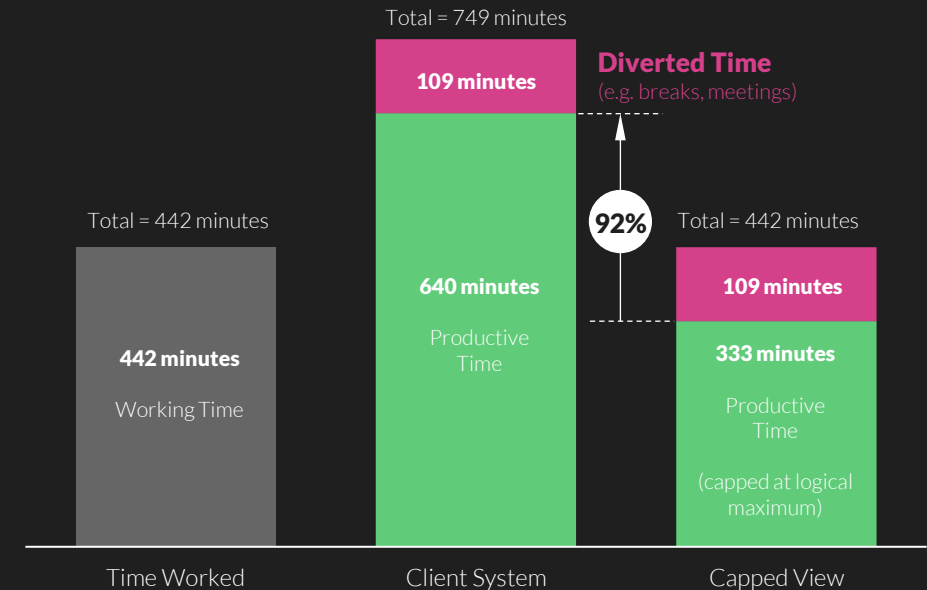


Productivity results >100% occur predominantly because **standard times are inflated** with no mechanism for ongoing monitoring and calibration

Individual Daily Productivity | High Performer ('Peer 2'):

(Sanitised real-world example)

- This individual worked 442 minutes on this day and logged diverted time (meetings, training etc.) of 109 minutes. This leaves 333 minutes of remaining capacity – the question we want to answer is how productive was that time?
- To normalise across different processes, the value of output is measured in 'minutes at standard'. If this person is 100% productive (i.e. perfect) it would mean they produced 333 minutes worth of output in 333 minutes and there were no losses, i.e. the 'Capped View' (right)
- Actual productive credit (per the client's standards) for this time was 640 minutes – almost double the available time of 333 minutes, i.e. productive 'time credits' are inflated by 92% compared to the logical maximum. This is caused by inflated standard times
- This has the effect of 'over-writing' any minutes of loss – they become invisible and the opportunity to eliminate those losses and drive improvement disappears
- Ideally, we would understand how long each task takes, so we can calibrate our standard times to what is consistently achievable by high performers (i.e. proficient people, untainted by rework). Any allowances beyond this point have the effect of obscuring loss



	Client Results	Capped View
Productivity	192%	100%
Complex Productivity	145%	75%

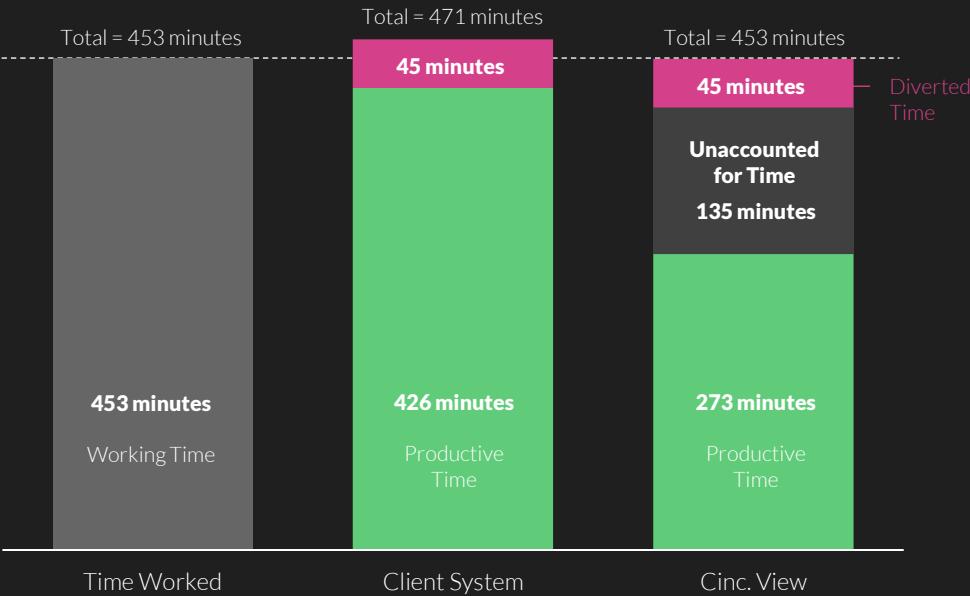
Recalibrating standard times **exposes significant loss** for low / mid-level performers which could be either speed losses or occupancy losses

‘Peer 4’ | Mid-Level Performer

(Sanitised real-world example continued)

- It is possible to analyse historical data, isolate instances where overly-generous standard times produce unrealistic results and revise them to a lower figure. In this case, discounting standard times by an average of 56% yielded results that were much more reasonable for a high performer. However, their results still exceed the logical maximum (i.e. 100%) on 36% of days (was 98%) – this indicates that, even with this significant downward adjustment, there’s still a degree of inflation / fat in the standards
- When these adjusted standards are applied to low / mid-level performers they are no longer able to account for all the minutes they spent at work, i.e. there is some ‘unaccounted for time’. In this example **135 minutes of productivity loss is exposed that was previously hidden**
- This could be time spent completing core tasks in longer than the standard time (‘speed loss’), or it could be time spent not working (‘occupancy loss’), or it could be activity logging omissions – it’s impossible to tell from the ‘tally system’ data set and therefore the development needs of the individual are unclear from the reporting

NB this individual (Peer 4) was selected as a ‘mid-level’ performer, but in subsequent pages we will show that this is distorted – she’s actually the most productive member of the team in terms of the ‘value-adding’ work she does for customers



Additional areas of opportunity can be exposed by mapping core tasks to work that adds value for the customer, administration activities, rework etc.

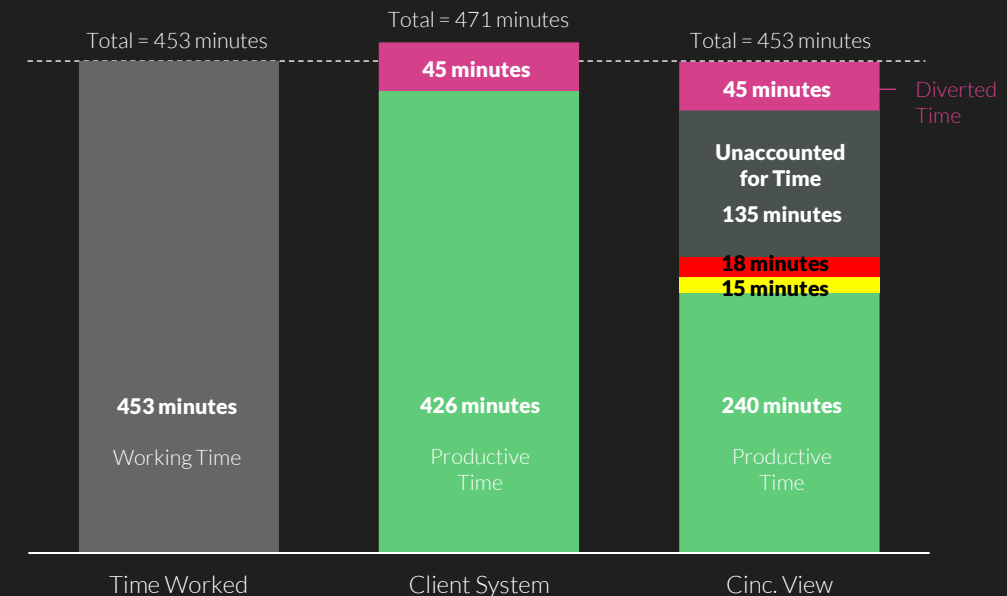
Mapping of Core Tasks to Value-Add, Admin etc.

(Sanitised real-world example continued)

- Some of the core 'Task Name' descriptions suggest that some activities are rework-related, or admin-type activities that don't directly add value for the customer (i.e. they keep us busy and take capacity away from the work we want to be doing):

Core Task Name	Cinc Classification / Mapping
■ New Case (Simple)	■ Productive (Customer Value-Add) Time
■ New Case (Complex)	■ Productive (Customer Value-Add) Time
■ Additional Phone Calls	■ Admin Time
■ Mailbox Management	■ Admin Time
■ Queries from Staff (CO)	■ Admin Time
■ Broker Rework	■ Rework Time

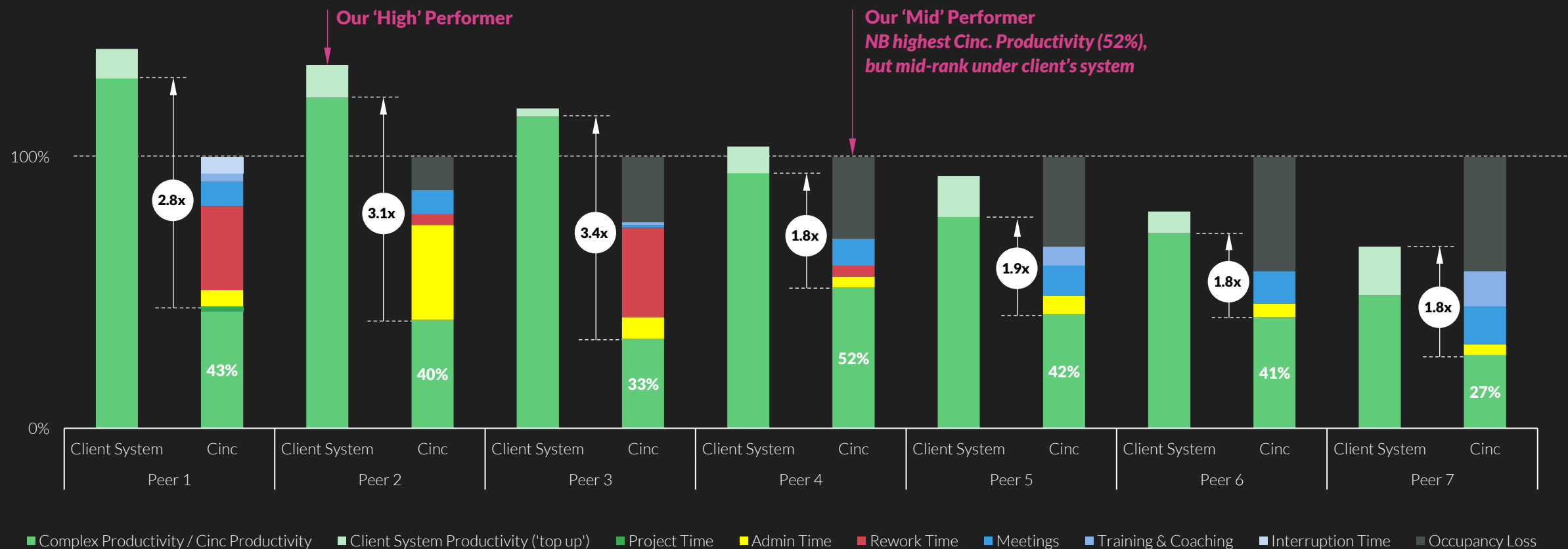
- At an individual level it can be appropriate to give credit for completing activities that don't add value for a customer, e.g. contributing to a project. However, at a management level they should be monitored and viewed as potential targets for elimination or rationalisation, e.g. by working upstream to address the root causes of rework, or changing behaviours / priorities etc.
- This also has implications for workforce planning, i.e. instances of over-capacity can be obscured as people are able to appear busy by logging additional admin and/or project tasks



Removing all the distortions and re-calibrating yields a **completely different productivity picture** – **even rank order changes** & loss profiles vary by person

Daily Productivity | Performance by Team Member

(Sanitised real-world example continued)



A single productivity score does not tell leaders where performance is being lost, why it is being lost, or what support each person needs.

The 4 Elements of a Better Practice Performance Management System:



Measurement Philosophy

'Exposing all loss' to show the true potential performance upside



Data Capture and Ingestion

A pragmatic means of collecting the basic data necessary to understand performance, break down losses and isolate focus areas for improvement



Data Visualisation (Dashboards)

Deeper insights through highlighting variation and providing drill-down detail to support problem identification, definition and root cause analysis



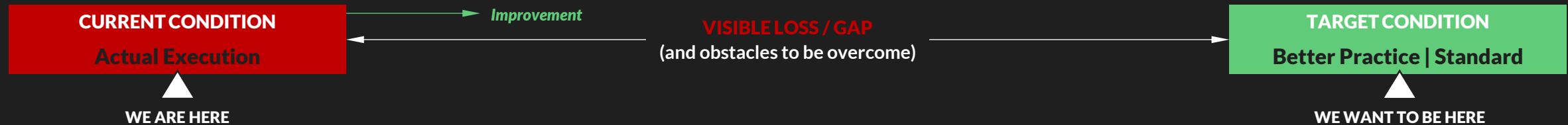
Ways of Working and Leadership Capability

Developing a positive culture of exposing and solving problems as part of daily work with a strong emphasis on developing people and teams

Organisations need a connected system that captures the right information, exposes loss, makes variation visible and enables leaders to act.

1. Measurement Philosophy

Improvement starts by **highlighting the gap** between target condition and actual execution



Micro (task) level:

PEOPLE & CAPABILITY

Target condition: Standard work

Expose: losses, variation in speed, quality and outcomes / effectiveness.

Focus: define the standard, coach to the standard, learn from better execution (positive variation) to refine the standard

Outcome: Consistent and predictable task execution (speed and quality)

Micro (workforce) level:

UTILISATION

Target condition: Effective use of available capacity

Expose: time spent away from the work – interruptions, breaks, meetings, projects, administration, unexplained time, over and under capacity

Focus: remove the obstacles that draw excessive capacity away from the 'value adding' work

Outcome: Efficiency through consistent execution (left) + utilisation through focus on 'value adding' work = productive people and teams

Macro (system) level:

PROCESS & FLOW

Target condition: Happy path + flow

Expose: rework, pends, backflows, multiple touches and inventory / queue delays.

Focus: Understand why work departs from, flows backwards, queues or stalls along the happy path, then remove root causes

Outcome: improved flow through and between steps on the desired path, further productivity uplifts

Cinc.

Performance Consulting

1. Measurement Philosophy

Measuring to 'expose all loss' highlights the true extent of potential upside

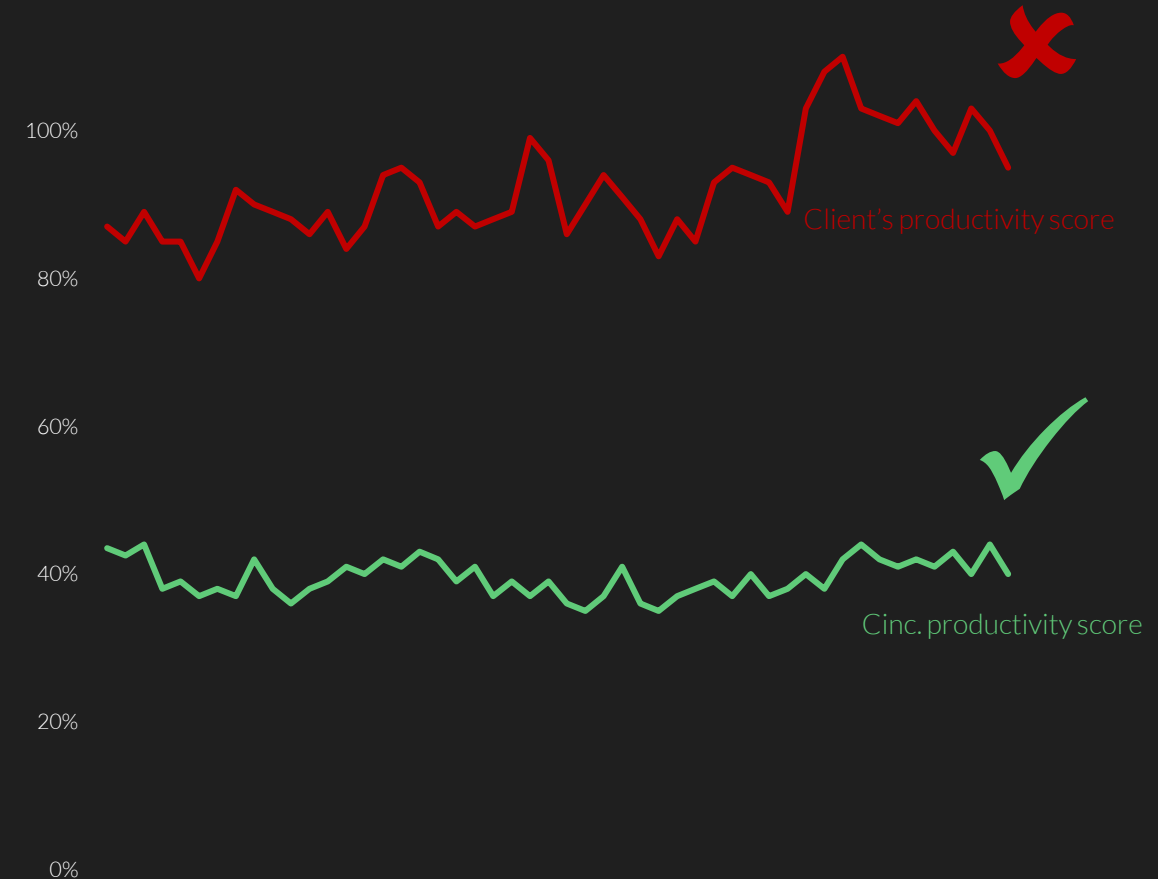
Existing measurement frameworks typically hide the problems they should be seeking to expose - we seek to 'expose all loss' (a phrase borrowed from Procter & Gamble).

In a productivity context this means:

- Standards based on what is consistently achievable by skilled staff when there are no issues (top quartile performers with interruptions, rework etc. removed);
- Identifying any effort directed toward tasks we don't really want to be doing (e.g. rework, or servicing failure demand); and
- Accounting for every minute that people are at work.

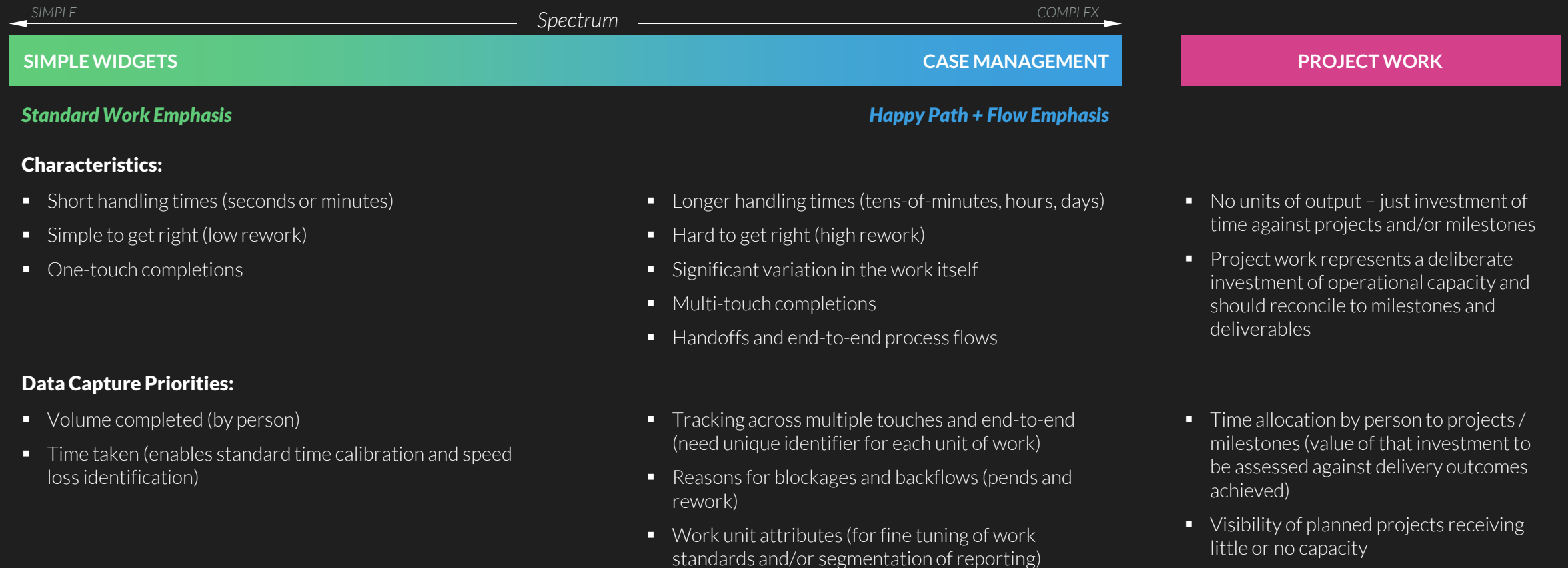
The goal is not to manufacture a 100% score. It is to expose the gap and keep closing it.

Typical Productivity Dashboard
(based on real client data)



2. Data Capture and Ingestion | Data Requirements

The **data required** to understand operational performance **depends on the types of work** being completed – many teams complete a range of different task types



2. Data Capture and Ingestion | Data Sources

A scalable solution typically combines available system data **with purposeful manual capture** to cover the gaps

There are 3 potential sources from which to obtain the required data:

		Advantages	Challenges	
1	Core Systems	- Low (zero) logging effort - High accuracy	- Core systems do not capture key data points - Each team on a new set of systems (hard to scale) - How to capture off-system work? - More expensive and slower to implement	Process Mining has become very popular in recent times, but it is only as good as the underlying systems data, i.e. the challenges (left) are still relevant. Core system data extracts may work for some teams, but not all – i.e. a scaled solution requires an alternative(s)
2	Manual Data Capture / Logging	- Flexible to capture whatever information you like - Scales well across teams on heterogeneous systems - Can be cheaper and faster to implement	- Logging effort - Lower accuracy - Most popular software packages are ‘tally systems’ which only collect some very basic data points and struggle to handle case management and project work (or some software handles case management work, but not the simpler work)	Where system data is incomplete, configurable manual capture can provide the missing detail
3	Activity Monitoring	Can work across multiple systems and off-system	- Guesswork involved to work out what the data collected means - Can be seen as invasive (‘big brother’)	

3. Data Visualisation

The level of insight is significantly influenced by **how data is displayed**

Most performance visualisations over-aggregate, hiding the variation – often the most interesting part!

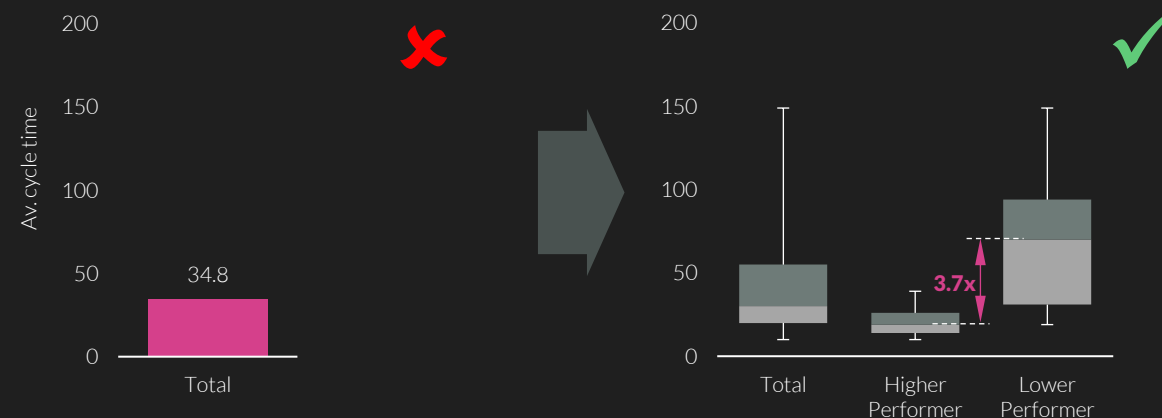
For example, if average processing time is 10 minutes and all team members take roughly the same time, that's much less interesting than the same average time, but with a few people taking 5 minutes and others taking 15 or 20 minutes to complete the same task – migrating people to current better practice is a significant improvement opportunity.

They also fail to break down the losses and provide additional insight:

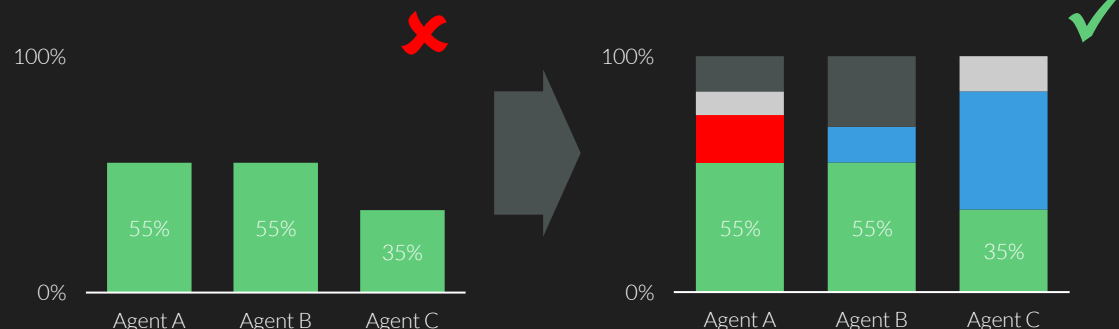
- What was the form of the loss (speed, rework etc.)?
- Who was impacted and who wasn't?
- Is it a new loss, or has it been a consistent problem?
- Can I drill-down to the next level of detail (are there multiple problems with multiple causes and where should I start)?
- Are there trade-offs, or context (e.g., speed versus quality, complexity)?

This level of insight is only possible when the underlying data is captured at the required level of detail (element 2)

Highlight Variation
(avoid over-aggregation)



Break down losses
(show loss profiles)



4. Ways of Working and Leadership Up-Skill

Data and dashboards only create value when leaders use the information to develop people and improve processes and systems:



1. Data Capture & Insight

Issues and opportunities highlighted (make it 'easy to see struggle')

Impact of changes measured via...

4. Technical Understanding

Issues and opportunities investigated and actioned; grounded in a shared understanding of the principles of good process and continuous improvement

Formal training

"The training course was absolutely brilliant, one of the best that I have attended in recent years. The course was well structured, relevant and extremely well presented"

Coaching (on-the-job learning, with real-time development & feedback)

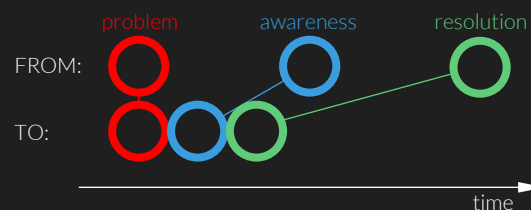
Frequency of performance monitoring controlled by:

Future State
Vision & Strategy



Changes / solutions guided by:

Engage the team and compress the problem-solving cycle:



2. Operating Rhythm

Embed a consistent way of working and strong operating rhythms to leverage data insight, compress the problem-solving cycle and drive improvement

Response and attitude to problems guided by:

3. Leadership & Culture

Create a positive culture of exposing and solving problems as part of everyday work with a strong emphasis on developing people and teams

5 key roles of leadership:

1. Passion and commitment - link to purpose / vision (centre)
2. Learn improvement philosophy, tools and principles in detail (above)
3. Develop people to leverage data to expose and solve problems
4. Go to where the work is done / 'go and see' - seek to understand
5. Coach and support team members to uplift performance

Process standards

Underpinned by clearly defined process and performance standards and expectations.

First action: return to standard – if we follow the standard does the problem disappear?

Productivity was the starting point and illustrated key issues. However, our destination is **connected system reporting across all dimensions of performance**

Starting point:

Compromised local productivity reporting

- Productivity inflated
- Opportunity hidden
- Distorted
- Limited insight

Substantial improvement:

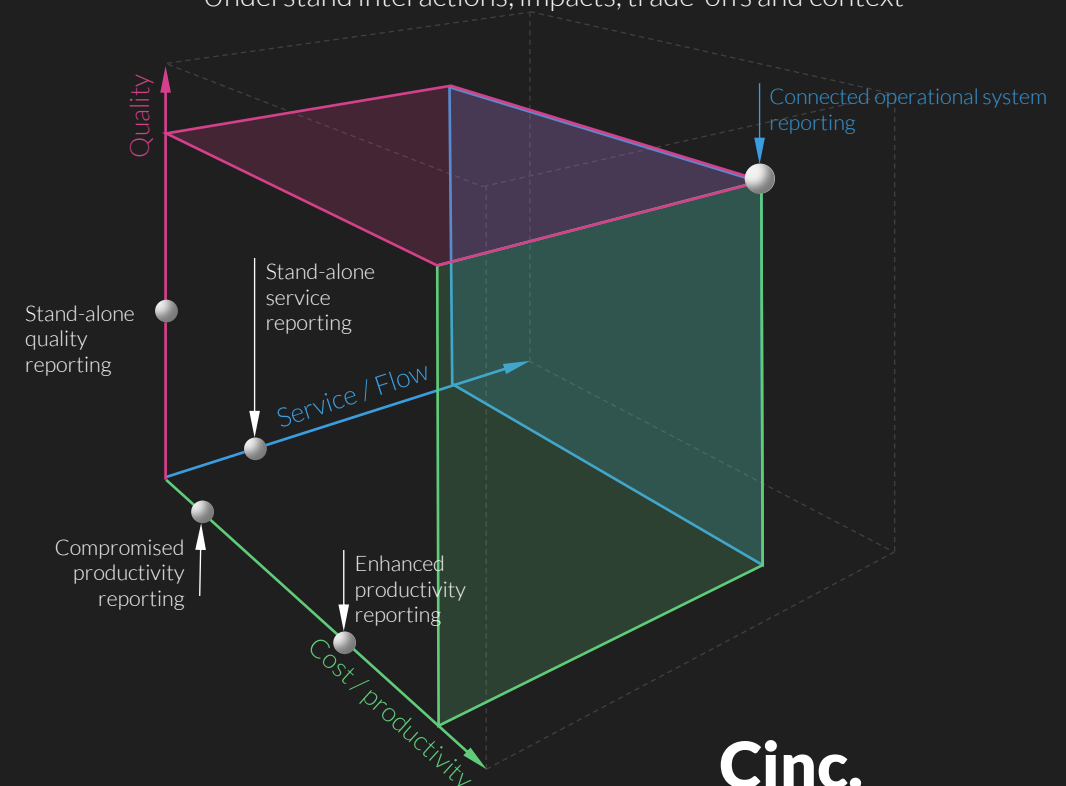
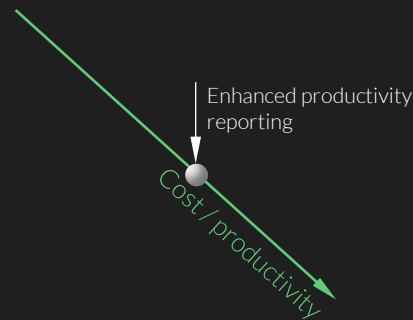
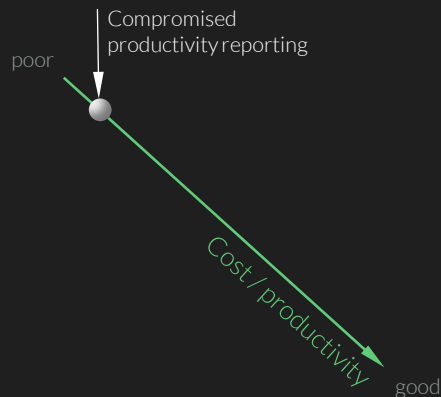
Enhanced local productivity reporting

- Expose loss
- Remove distortion
- Highlight variation
- Build loss profiles
- Develop people

Our destination:

Connected operational system reporting

- All performance dimensions in a single platform (People & Capability, Quality, Service & Flow, Productivity / Cost)
- Understand interactions, impacts, trade-offs and context



Introducing Cinc Performance Insights

Cinc Performance Insights connects people, work and flow data to reveal what is happening, why it is happening and how it affects quality, service and cost

3 core propositions:

1. Understand Local Performance

- Multi-touch tracking
- Individual and team productivity
- Variation in speed, quality and outcomes
- Capability and development opportunities
- Utilisation and loss profiles
- Standard time calibration
- Service timeframes
- Queue and portfolio WIP
- Project and non-operational capacity consumption

2. Understand System Performance

- End-to-end tracking, including pathways
- Rework, pends, backflows and queue delays
- Flow through and between steps / teams
- Performance across end-to-end value streams
- Unit costs
- Conversion rates

3. Connect and Quantify the Impacts

- Capacity consumed by rework and failure demand
- Effects of issues (e.g. rework and pends) on productivity, unit cost and service
- Interactions and trade-offs between metrics (e.g. speed versus quality)
- Materiality of competing improvement opportunities
- Segmentation by attributes (e.g. channel, deal type)

Move from compromised fragmented local reporting to a connected view of operational performance, from individual execution through to end-to-end outcomes.

Introducing Cinc Performance Insights

How Cinc Performance Insights delivers on these 3 propositions:

Create an accurate performance baseline

Calibration of standard times based on what's consistently achievable by proficient team members. Compromised data points (e.g. rework affected) filtered out of the sample

Losses broken down by type, e.g. speed loss, rework, occupancy loss, breaks and interruptions

Hard to game. Real-time logging makes any abnormalities (deliberate, or unintentional) easier to spot and faster to resolve

Capture the work & data existing systems miss

Low effort logging across all work types from widgets, to case management, to projects. One platform, many configurations, < 10 mins of logging effort per person per day

Multi-touch tracking – track actual cycle times, across multiple touches and end-to-end

Drivers of rework and pends – captured to enable problem definition, problem solving, i.e. reduction / elimination

Attributes and outcomes – captures work unit attributes (e.g. complexity, channel, type) to enable calibration of standards and reporting segmentation. Can also be configured to capture commercial outcomes (approved, declined, withdrawn etc.)

API-ready – can accept automated data feeds from core systems, reducing the requirement for manual logging. However, this is optional and happens in parallel, so does not delay deployment / value – some users simply log less

Rapid deployment – low-risk / no sensitive data stored, no software on your stack. Approved for use by a Big-4 AU bank within 48 hours

Turn data into management insight

Realtime dashboards – performance visible in real time, not next day. Become aware of problems while they are still occurring so you can minimise impacts and better understand causation

Trends and variation highlighted – use of visuals such as box plots to show variation, not just averages

Visuals support operating rhythm – dashboards customised to support each facet of a best practice operating rhythm, from real time, to daily huddles, to 1-on-1s

End-to-end reporting – measure customer service, unit cost, conversion rates and understand the impact of rework and pends on cost and service

Segmentation – reporting by channel, complexity, deal type etc.

Drill-down – enable problem definition / solving by drilling down from team to individual, end-to-end to specific steps, from category to sub-category (e.g. for rework drivers)

Introducing Cinc's Frontline Operations Leadership Training

Cinc Performance Insights pairs with our **Frontline Leadership Training** to deliver rapid performance uplift & start building a culture of continuous improvement

CincPI provides the data infrastructure. The leadership program develops the people, operating rhythms and disciplines to act on it. Together, they cover all four elements of better practice.

Frontline leaders play a critical role, however, most have never been formally trained in key operations concepts and/or how to lead an operations team. This course pairs with Cinc Performance Insights to deliver a rapid performance uplift whilst establishing the knowledge, routines and disciplines to drive a positive culture of exposing and solving problems as part of daily work

The Performance Arc

1

Measure Baseline

Week 1: team data live in CincPI. Start with an honest baseline of your team's performance across quality, productivity, delivery and capability. Structure of final presentation introduced ('begin with the end in mind')

2

Formal Training Sessions

~90 min per week. Key concepts taught in the context of your team's performance / real data

3

Learn-by-Doing Improvement Cycles

Each module teaches a different topic and sets a specific activity and/or process improvement task. Learning-by-doing with coaching guidance and support, to deliver multiple Plan-Do-Check-Act (PDCA) improvement cycles and uplift performance. Digital diary used to log activities, findings and results and enable coaching conversations

4

Present Quantified Uplift

Week 12: present to your manager + skip-level manager. Baseline, overall uplift achieved, plus detail on two evidenced improvement stories using PDCA structure (enabled by CincPI data) + clear view of what comes next

COURSE STRUCTURE: 9 modules • 12 weeks • ~90 minutes per session

SEE CLEARLY

Weeks 1 – 3

M1

The role of the Frontline Leader

M2

Stability and Standard Work

O1

Cinc Performance Insights Orientation (live demo with your data)

RUN WELL

Weeks 4 – 7

M3

Dashboards and Visual Management

M4

Operating Rhythm and Leader Standard Work

M5

Creating a Positive Culture

M6

Problem Solving

DEVELOP & IMPROVE

Weeks 8 – 12

M7

Developing People Through Work

M8

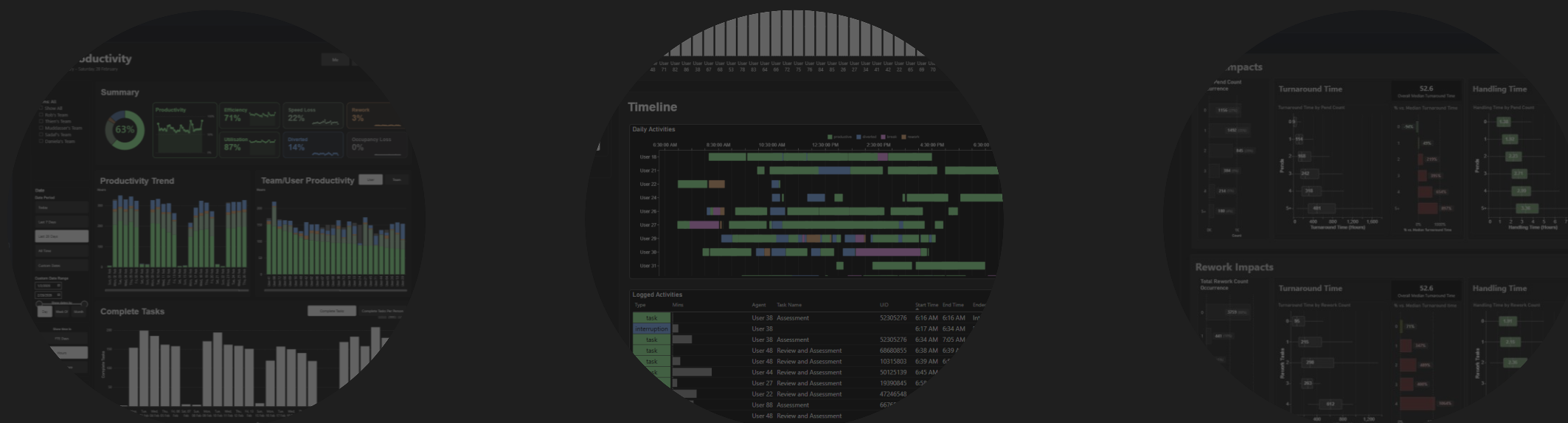
Flow, Capacity and Workforce

M9

Automation and AI

Want to find out more?

Organise a meeting with us to discuss your objectives, get a demonstration of Cinc Performance Insights and a preview of our training for frontline leaders



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Cinc.
Performance Consulting

About the Author



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Prior to founding Cinc., Peter was a partner at EY for >8 years, leading their Supply Chain Practice for Oceania and the global lead for 'Intelligent Operations'.

Peter has a Systems Engineering PhD in Lean manufacturing, an Honours degree in Economics and over 20 years of experience as a Lean / process improvement specialist across automotive (Ford and Robert Bosch), heavy vehicle manufacturing, banking and consulting (EY and KPMG). His deep technical understanding of Lean manufacturing has allowed him to successfully apply that knowledge to improve performance across a variety of other operational environments, including banking (retail, business and institutional), insurance, utilities, public sector, retail, health, telecommunications, logistics, IT, wealth management and defence. This includes substantial work in front, middle and back office operating environments driving productivity and cost reduction whilst enhancing customer service and staff engagement.

Peter is a NED, board advisor, former chair of the Australian National University Research School of Engineering Industry Advisory Board, has guest lectured for the Melbourne Business School Executive MBA program in 'Lean operations', is a former President of the Association for Manufacturing Excellence (Australia) and was the Victorian Government's 'Young Manufacturer of the Year' (2007).

EDUCATION

- Engineering PhD (Lean), Australian National University (2005)
- Bachelor of Engineering (Hons), Australian National University
- Bachelor of Economics (Hons), Australian National University

See our website for additional team members and their [CVs](#)

About Cinc

Rapid performance improvement through better execution.

In our experience, we often achieve significant (2x, 3x, 4x) improvement, in short timeframes and within the constraints of existing systems or technology. Depending on your challenge, this could be delivering 3x faster, or doubling output, or reducing defects by 75%.

How is this possible? Read our articles [here](#)

Our areas of specialty span operational performance improvement, enterprise margin uplift, supply chain and working capital optimisation, and capital projects and asset advisory.

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