It is the Stuff that Life is Made Of

"Don't waste time. It is the stuff that life is made of".

In the film "Gone With The wind", after a scene of destruction following the American Civil War, there is a frame on which we can read, "Don't waste time. It is the stuff that life is made of".

This sentence gives a mystic dimension to the importance of time in people's lives. The question we would like to raise is whether the same happens in companies' lives.

Considering that time, in the scope of the companies' activities, is reflected on the duration of business processes, either being a decision taking process or operational process, we may notice that, the longer the time that a business process takes to be executed:

- The more dynamic resources will be consumed (like machinery or managers). These resources will be allocated to the same process for longer.
- The more static resources will be consumed (like inventory created due to manufacturing lot sizes), since there will be a tendency to execute the process less often, producing greater quantities each time.
- The earlier the process must start.
- The greater the uncertainty within the company activity, as the forecasting horizon must be longer.

These four issues are devastating to the companies' economy, efficiency and productivity, because they involve, correspondingly:

- Processes with a more expensive execution, which run out the operational productivity of the company.
- Greater working capital, which runs out the economical productivity of the company.
- Processes with longer execution times, which run out the responsiveness of the company.
- Higher forecast errors, which create dissatisfaction on the company customers.

Indeed, worse is impossible.

For this reason, it is convenient to think business processes under the perspective of their execution time, asking "what can be done to reduce it to a half?" From this point of view, we have just simplified one of the mystics of business process reengineering, which was, how is business process reengineering to be done? Which vector is to be dominant on a business process reengineering project? Where should we start? We do not know which way is the best, but, definitely execution time must be on the top of the list.

We certainly want to maintain the economical perspective of the change (which must be positive, for the change to be justifiable), but the way to start the project is resolved, trying to cut processes execution time, while maintaining a saving.

In practical terms, and to test the importance of the time vector, when we think about the most successful companies in the present or in the past, we can see that most of them have revolutionized their industry by manipulating the variable of time. Remember on what was based the success of Toyota, DELL, Benetton, Wal*Mart, Zara, Cisco, and in Portugal, SIBS, Via Verde and others. After all, what are Just-in-time and Cross-docking, but the product of time compression taken to the extreme?

So, we allow ourselves to launch three challenges this time: to those responsible for the order processing process, to think of a way to reduce its duration to a half of its present time; to those responsible for admin departments, consider cutting a half of the average time of invoice matching; and to those responsible for manufacturing, try to reduce to a half the average setup time.

A half is too much? Really? Please remember that whatever you can accomplish is already very good and will have an exponential effect on the company performance. Furthermore, we may always consider that this is the beginning of a continuous improvement process. Try it and you will see.

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