

Accomplish more in less time by climbing  
the seven-step productivity pyramid.

## business issues

# PYRAMID OF PRODUCTIVITY

BY ERIC BLOOM

**THE ESTABLISHMENT** of an ongoing, organization-wide productivity improvement program requires the right company culture, a continuous improvement mindset, innovative thinkers and the active support of senior management—but this is not enough.

To be successful, it must also have a defined set of processes, the ability to measure and communicate your results and a clear understanding of how each productivity enhancement provides value to the organization. These processes are established on each of the seven steps on the Productivity Pyramid, which—if followed—creates a company environment where more is done in less time.

The Productivity Pyramid concept states that for productivity improvement activities to be effective and long-lasting, they can't be randomly performed. These activities must be organizationally grounded, systematically implemented and administratively supported. They must align with your corporate goals and culture, be implemented with formal plans based on anticipated results and able to be repeated going forward.

In addition to describing the stepping stones toward the creation of a successful productivity program, the Productivity Pyramid can also be used to assess your organization's current productivity maturity. The seven steps can help you craft a plan for the future, and also assess your current productivity abilities and needs.

**Step One: Goal Alignment.** The alignment of individual, project, department and corporate goals is a mainstay of the strategic planning process. This is also true for your productivity goals. As a result, as you define your productivity related activities, you must also prioritize them based on the answers to these two questions:

- Does this productivity project free up corporate resources that can be redeployed to achieve current corporate objectives?
- Will the productivity project, by its nature, assist in the potential success, efficiency or cost-effectiveness of any currently funded corporate projects?

If one or more answers to the above questions are “yes,” then your proposed productivity project is a candidate for funding. Therefore, like all potentially funded projects, it should be prioritized based on its short-term and long-term return on investment (ROI).

**Step Two: Holistic Mindset.** Organizational productivity must be looked at holistically. All too often, individuals and organizations attempt to enhance their productivity through the improvement of one or two key business activities. It could be improved delegation practices, time management training and the implementation of email-oriented best practices or other key internal processes. Improvements in each of these areas individually have the potential to provide substantial productivity gains.

By their nature, however, productivity improvements in one area can cause productivity losses in other areas. For example, an effort to reduce meetings may have the adverse effect of increasing emails. Reducing the number of people copied on emails may cause process inefficiencies. Improved time management prioritization techniques may help facilitate individual productivity improvements, but if team member priorities are not properly synchronized, project deadlines can be missed—and as a result—organizational infighting can counteract all previous productivity gains.

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**Step Three: Supportive Culture.** As people have personalities, organizations have cultures. Some people are open to change and some are not. Some organizations embrace change as a catalyst for future growth and profitability and some do not. Increasing productivity requires change. If your organization views the ability to change as an important business attribute, then ongoing productivity improvement can be the status quo. If your company is set in its ways, refuses to streamline its processes and shuns innovation, then your productivity initiatives are unlikely to gain traction.

**Step Four: Amplification.** Amplification is the implementation of eight specific productivity amplifiers. It refers to projects that have the specific goal of enhancing organizational effectiveness. These eight amplifiers are:

Interactive Productivity

1. Creative delegation
2. Innovative meeting management
3. Communication efficiency

Personal/managerial productivity

4. Time management
5. Capability-based task prioritization

Organizational Productivity

6. Ongoing process improvement
7. Asset reuse
8. Knowledge storage and transfer

**Step Five: Measurement.** Productivity projects should be measured not only on the amount of time, money and resources they save, but also the organizational benefits they generate as a result. This step in the Productivity Pyramid defines the “opportunity cost” that would not have been possible without productivity gains. This realized opportunity cost is the true benefit of enhanced productivity.

**Step Six: Productivity-Driven Reinvestment.** Productivity-driven reinvestment is an extension and application of the

productivity measurement process. Simply put, it forces organizational efficiency by requiring future projects to be funded, at least partially, through the savings of current productivity projects.

This concept can be implemented in three ways. First, if you require a portion of all projects, say 10%, to be funded by productivity savings, then you drive efficiency into existing processes while still providing needed funding for new initiatives. In effect, this forces managers to continue to search for organizational efficiencies within their existing operations and not just incrementally chase funding for the next hot project. Second, it can be used as a way to fund projects that are proposed after departmental budgets have been finalized. This gives managers a way to self-fund newly arising department activities. Lastly, if for business reasons your organization must keep spending flat, then this technique can be used as a way of funding new projects without increasing your overall budget.

**Step Seven: Reiteration.** As organizations mature, one of the key factors that drive their scale and profitability is their ability to efficiently and flawlessly perform the same task repeatedly. Regarding productivity enhancement, even though each individual project may take very different forms—such as time management, email reduction and meeting effectiveness—the overall process by which these initiatives are planned, approved, delivered and measured should be as consistent as possible. The ability to drive uniformity into the productivity improvement process will allow you to reap greater short-term savings as well as provide an ongoing framework that will help assure long term sustainability and maximized cost savings.

By climbing each of the seven steps in the Productivity Pyramid, you put your company in a position to reap a windfall of enhanced productivity. And then you’ll be in the enviable position of being able to ask: How can we best use the newly found time, money and resources that this productivity provides? ■