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BOTTLENECKS MANAGE WORKFLOW

Is your business snowed under with half-finished work? Do you have trouble telling clients when their work will be completed, or matching staff capacity and workload? If you answered yes to any of these questions you need to improve your workflow. Here are some tips on how to get started.

Managing workflow is a process discipline. It's about removing bottlenecks so jobs can be processed more quickly. In the accounting profession there are many areas where work can bank up.

Darren Herft of GPL Network breaks the workflow in an accounting practice down into five stages. A job comes in. It is processed. It is returned to the client. A bill is sent out. Payment is secured.

"That's a simple way of looking at productivity and linking it to workflow management," says Herft.

Workflows tend to break down when the job is being processed. Work often piles up at the review stage, whether it is partner review or manager review. Another common bottleneck occurs when accountants are kept waiting for client information. The quicker the accountant can get information from the client, the more smoothly the work flows and the system runs. Unfortunately these types of bottlenecks will build up until the input volume of

work going into the system is decreased or a proactive workflow management solution is implemented.

Another common cause of bottlenecks occurs when someone at a point in the processing chain does not have enough resources to process that work. Jobs may get started at graduate level and then flow on to the intermediate level. But if there are not enough intermediates to work on the job it gets put down until the intermediates are able to pick it up. That can flow on through the processing cycle to manager and partner level.

Bottlenecks in the accounting industry also occur because of seasonal workflows. Accountants become excessively busy in the first half of the financial year processing work that has come in at the close of the previous year. Once that work is processed there tends, generally, to be less work in the second half.

"It's difficult to add significant extra resources in the first half if there will be insufficient work for them in the second," says Herft but he notes that some firms are doing that to make sure they meet client expectations.

Removing seasonal bottlenecks comes down to good planning. "What we're looking to do is determine the exact capacity an organisation may have," says Herft. "In the accounting profession, we need to work out what the exact capacity is for the >

practice on a month-by-month basis, based on the exact number of people they have, the hours available, their productive capacity. Then we match the type and amount of work to the available capacity."

That should be managed from a productivity perspective, says Herft. "We need to make sure employees are maintaining appropriate levels of productivity. From the point of view of workflow planning, we need to be able to plan out a six-month period and match the capacity to the jobs that need to be put through the system. "

Workflow management is a management rather than a technical skill. It is based on principles used in processing or manufacturing in different industries. "It's not a skill that is taught in a standard accounting degree but it needs to be learned," he says. "One can educate oneself in it through reading but it requires someone with thorough planning skills, someone who can communicate with different people, distribute work, follow up and keep track of where work is at different stages in the process."

Using tools to plan workflow for the month ahead is a good starting point and there's a variety of different resources that you can use. Software based systems are ideal and allow you to plan out workflow, match capacity to

workflow and keep a track of who work is being passed out to in the practice.

Workflow management requires an investment in time and money but major benefits can accrue. Jobs go through the system more quickly, and issues or challenges are dealt with quicker.

By matching capacity and workload more effectively you can identify what your output will be each month and provide a higher level of service to customers. You can also better organise your team.

"A lot of stress is placed on staff in a modern accounting organisation," says Herft. "We can remove much of it by removing barriers that prevent people from doing their work effectively".

Moreover, as bottlenecks are removed, there'll be less stress for a team which leads to greater staff retention. Organisations in which work is flowing effectively are more enjoyable places to work and give greater job satisfaction.

Finally, write-offs will be reduced. As jobs move through the system more quickly, team members can concentrate on fewer open jobs, process them more accurately and recover the amount of time they're putting on the clock. ■

KEY POINTS

- Managing workflow is about identifying bottlenecks that occur in the processing of jobs
- Common sources of bottlenecks in accounting practices are staff shortages at critical levels, waiting for client information and seasonal workflows
- Workflow analysis allows you to match staff capacity to work levels
- Benefits of managing workflow include reduced write-offs, improved client satisfaction, reduced staff stress, improved staff retention, faster job turn around, billing and client payment

Darren Herft of GPL Network will present "Managing Workload" for the Institute of Chartered Accountants in Australia at the Country congress on 22-24 March. For further information contact ICAA National on 1300 137 322.

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