Measuring whether an internal process is fit for purpose

Company bottlenecks and inefficiency are often caused by problems with internal processes. Perhaps client reporting is too time consuming or salespeople are failing to convert clients to a new product. At that point, you need to measure the impact a process is having to figure out what action you need to take.

Scroll down to see what you can do with this Action Plan.

- **Effort:** High
- **Impact:** Medium

Actions:

Look at company goals, forecasts and other data that can help you see the impact a problematic process is having.

- **Impact:** Medium
- **Suggested duration:** 14 days
- **Why this will help:** If you can identify the impacts, you can measure how a process is affecting the business. Perhaps, gross margin is being eaten away by wastage or you start seeing more cart abandonment because new ad campaigns aren't being vetted.

Involve your employees in decision making by finding out what they love, like and hate about the processes they use.

- **Impact:** High
- **Suggested duration:** 28 days
- **Why this will help:** Employees that have first-hand experience using a process can help you understand the minutiae of why they do things that way. Their justifications should give you a starting point for measuring its effectiveness.

Calculate how much time staff members are spending on a process every week or month and estimate the salary cost.

- **Impact:** Medium
- **Suggested duration:** 28 days
- **Why this will help:** Knowing the time employees are spending on a task is a great way to spot inefficiencies. Understanding the cost can justify investing in new tools or processes.

Action plans

Conduct a business health check to highlight issues with performance.

- **Impact:** High
- **Suggested duration:** 21 days
- **Why this will help:** If there are areas of your business that aren't performing, you can think about the impact processes are having; are they adding value or could it be the root cause of bigger issues?

Pick two or three internal processes that aren't fit for purpose and start making incrementally powerful changes.

- **Impact:** High
- **Suggested duration:** 40 days
- **Why this will help:** You need to prioritise what processes to fix and the steps that will start to make everything more efficient. For example, implementing marketing software to make reporting easier or a new type of meeting that can improve communication.

How will I know if my Action Plan is working?

Way to measure success
Product or service margin.

Why this metric?
Processes have a direct impact on the cost of goods sold, including materials used and team time. Identifying and fixing poorly performing processes will increase your margins.

How do I start tracking?
Track the margin on products when evaluating processes.