



# most firms operate well below their true capacity

## Dealing with uncertainty

In a day and age where market conditions are constantly changing, organizations that focus on increased productivity as a means to predict operational output will outshine the competition. Knowing all of the intricacies of your production efforts and their expected output can soften the blow of any external pressures that may exist. Having “crystal ball” insight about your business can stabilize product supply, lower the cost of goods (eliminate waste), lower inventory levels, enhance product quality, facilitate technology transfer and maintain regulatory compliance.

## External challenges

As the market fluctuates, it is becoming more difficult for businesses to predict market demand, as well as forecast the appropriate amount of products and services. The constantly moving target of demand combined with supply chain variations and erratic commodity prices can be overwhelming. Executives must also contend with the possibility of supply disruptions and inflated costs during an economic downturn to avoid squeezed margins.

## Barriers to productivity improvement

Our experience tells us that poor planning and inadequate management are still the key reasons for the majority of time wasted in the global workplace. Poor working morale, IT problems, a lack of communication and inadequate qualifications were also identified as issues that continue to plague productivity efforts.

In addition to high and stable employment levels, productivity growth is viewed as an important driver of long-term economic performance. Collective underachievement costs shareholders dearly. The factors that hold companies back from achieving their true potential are common across most countries. They can be addressed quickly and without major capital investment, but chief executives often do not see productivity improvement as a priority and continue to set very low improvement thresholds.

## Views from the top

The big question for most organizations is not whether the people in charge are good leaders, but do they know how to manage? Our observations suggest poor management is a key reason why so many companies are failing to take the “high road” of high-value, high-investment, high-productivity and high-trust industrial relations.

## How far and how quickly are your current initiatives addressing productivity?

We don’t just identify opportunities for improvement or potential paths to improved operating results; **we actually implement the changes.** Alexander Proudfoot distinguishes itself from its competitors by working side-by-side with client personnel and management at all levels to implement the changes which deliver sustainable improved performance.

**For more information: call Alexander Proudfoot at +1 404 260 0600 or visit [www.alexanderproudfoot.com](http://www.alexanderproudfoot.com)**