



A Collaborative Effectiveness ROI Case Study. *Efficiency, Effectiveness in the Energy Sector*

The Organization:

A 6,000-employee division of a major energy sector company managing offshore drilling and production. The division has 590 people at management and mid-management levels.

The Situation:

Day to day collaboration processes were out of hand, with mid-level and top-level managers spending over 60% of their time attending meetings of dubious productivity, processing e-mails that didn't always seem necessary and dealing with apparently standard operating issues.

The Need:

To standardize key collaborative activities that have a major impact on daily performance, engagement, and productivity, and take them to target levels of effectiveness, efficiency, and integration. This in turn was expected to increase uptime, and day-to-day effectiveness, reduce process cycles and enhance quality of life and engagement.

The Solution Implementation:

The first step was to perform an Assessment of Collaborative Effectiveness and determine the current state of performance of these two collaborative processes and the structural fundamentals that had an impact on how they were being operated. The assessment served to provide reliable base-data, determine the gaps to target performance, and evaluate the impact of the process.

Equipped with the assessment data, InZync advisors working with leadership drafted the optimal process proposal to close performance gaps and reach target collaborative performance.

The plan was approved, it was implemented in a mix of in-person and online sessions.

First, leadership was directly trained by InZync specialists to ensure their understanding and the effective coaching of their respective teams during the critical implementation stage.

Then the process-specific fundamentals and tools were transmitted to the rest of the organization through webinar-style training sessions.

Throughout assurance stage, the system's operation was periodically audited to detect deviations and ensure their adjustment. Also, as part of the assurance process leaders had access to online help desks and some group coaching sessions with InZync specialists.

The process took 1 week of initial assessment, 2 weeks of structural assurance, 4 weeks of implementation and 5 months of assurance. The assurance stage included three Monitoring Audits, process adjustment and permanent leadership coaching and feedback.

The final phase was the Certification of Collaborative Effectiveness (CEC) for the processes in question. The CEC also requires re-certification every two years to maintain operational excellence.

The Initial Assessment Results:

The initial assessment established the following data for each target process:

Process	Integration	Effectiveness	Efficiency
Meeting operation	0%	12%	67%
Email use	0%	NA	63%
Internal Project Operation	0%	35%	3%

NA = Does not apply for that specific process

As can be seen, the operational state of the target collaboration processes presented very substantial areas for improvement, which is very much the norm since most organizations don't recognize and much less manage collaboration as a formal operating system.

On client request, the InZync implementation focused on two collaborative processes: Email use and meeting operation.

Here is a general breakdown of the impact this state of operation was having on Operational Expenses (OPEX) and Operational Effectiveness (OPEFF).

Basic impact data considering:

- A total of 590 management member of the organization
- 22 workdays - 8 hrs. per day = 176 work hours per month per person = 103,840 total work hours per month
- Average monthly income per management level personnel, including bonus and perquisites = \$8,000 = \$45.4 per hour

Impact of Email operation.

- An average of 1.5 hours per day dedicated to processing messages = 33 hours per manager per month = 19,470 work hours dedicated to processing e-mails by the management team.
- Level of inefficient Email messaging detected through the initial assessment = 37%
- Total number of work hours per month dedicated to managing inefficient e-mails = 7,203.9
- Average, direct economic impact of inefficient e-mail operation = 7,203.9 hours X \$45.4 = \$327,057.06

Note: This is just direct impact on work/hours, indirect impact in terms of overall daily rework, time not dedicated to other value activities, stress, and conflict is not considered.

Impact of meeting operation.

- An average of 5 hours per day dedicated to meetings = 110 hours per manager per month = 64,900 work hours dedicated to operating meetings by the management team.
- Level of ineffective meetings detected through the initial assessment = 88%
- Total number of work hours per month dedicated to operating inefficient meetings = 57,112
- Average, direct OPEX and OPEFF impact of inefficient meeting operation = 57,112 hours X \$45.4 = \$2,592,884.8

Note: This is just direct impact on work/hours, indirect impact in terms of overall daily rework, time not dedicated to other value activities, stress, and conflict is not considered.

The ROI:

After initial implementation, the Second Monitoring Audit three months into the process provided the following results:

Process	Integration	Effectiveness	Efficiency
Meeting operation	68%	72%	87%
Email use	78%	NA	89%

NA = Does not apply for that specific process

Sample result 1:

A 26% increase on Email efficiency = 5,062.2 monthly work hours saved = \$114,911.94 per month. Note that this is just direct savings and does not consider the additional benefits in terms of time dedicated to other value activities, avoiding reprocess, stress and conflict.

Sample result 2:

A 60% increase on meeting effectiveness, leading to a reduction of over 44% on time spent on meetings = 25,129.28 monthly work hours saved = \$1,140,869.31 per month. Note that this is just direct savings and does not consider the additional benefits in terms of time dedicated to value activities, avoiding reprocess, stress and conflict.

After the assurance stage the Third Monitoring Audit provided the following results

Process	Integration	Effectiveness	Efficiency
Meeting operation	92%	96%	98%
Email use	98%	NA	98%

NA = Does not apply for that specific process

Sample result 1:

A final 35% increase on Email efficiency = 6,814.5 monthly work hours saved = \$309,378.3. Note that this is just direct savings and does not consider the additional benefits in terms of time dedicated to value activities, avoiding reprocess, stress and conflict.

Sample result 2:

A final 84% increase on meeting effectiveness, leading to a reduction of over 62% on time spent on meetings = 40,238 monthly work hours saved = \$1,826,805.2 per month. Note that this is just direct savings and does not consider the additional benefits in terms of time dedicated to value activities, avoiding reprocess, stress and conflict.

Total direct positive impact on OPEX + OPEFF / Process ROI

- Total monthly leadership-level work hours saved = 47,052.5 = \$2,136,183.5
- Total for a 12-month period = 564,630 hours = \$25,634,202
- Total increases on team and individual productivity (Outcomes delivered per month) = 48%

The process delivered an estimated 2,850% ROI just in the first 12 months.

The ROI is calculated exclusively based on direct impact. Indirect ROI includes the additional productivity obtained from time freed for other value activities, reduction of stress, and increased employee satisfaction and engagement.