

# ACHIEVING COMPETITIVE ADVANTAGE THROUGH YOUR WORKFORCE

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In today's tough economic climate, organizations need to 'compete smart' to stay a step ahead. This paper looks at savvy ways to gain a competitive advantage while ensuring the best response to customers' needs. Today, this means optimizing the modern workforce. Collaboration is the order of the day and, with the advent of the internet, there are a myriad of ways to conduct business. Work must often be organized, not as individual tasks, but as collaborative efforts within projects. With this added complexity, it becomes critical to efficiently manage the dispersed workforce and effectively track their time.

## A competitive advantage

In their book entitled *The Discipline of Market Leaders*, Michael Treacy and Fred Wiersema describe the three basic means of achieving competitive advantage — and at the same time delighting the customer:

- 1. Product differentiation** – Companies whose strategies revolve around product differentiation have a loyal base of customers who prefer its products to all others in the marketplace. Examples of these companies might include Rolls Royce or Estee Lauder.
- 2. Customer service** – These companies win on providing superior customer service. Examples might include Federal Express and Southwest Airlines.
- 3. Operational efficiency** – These companies generally provide commodities and win by being more efficient. Companies that manufacture steel or copper or mine coal might be good examples.

To be successful, companies must have a competitive advantage in at least one discipline, and must be competent in the other two. They must also understand work efforts from a macro level, and how work contributes to competitive advantage and profitability.



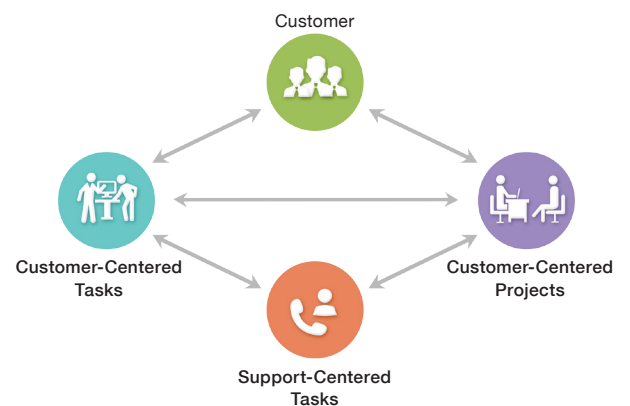
## Working to competitive advantage

To achieve a competitive advantage, work efforts, both individual and project, must be carefully combined to delight the customer. For illustration purposes, let's examine the concept of 'product leadership'. For 'product leadership' companies, product designers clearly make a big difference; great product designers must maintain a detailed understanding of customer needs to keep customers happy and coming back for more.

Product designers might work on some design tasks individually (from anywhere). We will call these tasks 'customer-centered individual tasks'. Only when a design is complete do more employees get involved.

On the other hand, new product introduction (NPI) is a group effort, and the tasks must be managed as a project. Some of the NPI tasks include material sourcing, product manufacturing, marketing, and sales. We call these tasks 'customer-centered projects'.

Moreover, all companies require administrative staff. The administrative staff is invaluable and allows strategic tasks and projects to proceed seamlessly. Examples of administrative departments include accounting, human resources, and office management. Support staff generally work on de-departmental tasks, and are not very likely to be involved in projects. We call this work 'support-centered tasks'.



In sum, we have defined the three different types of work:

- Customer-centered individual tasks
- Customer-centered projects
- Support-centered tasks

Great companies manage work fluidly across all three types.



## The importance of individual and team contributions

What can we conclude so far?

First, employees whose work directly impacts on the customer are important to competitive advantage. By analyzing these employees' work efforts, management can answer some important questions, such as:

- How good are the designs produced by these employees?
- How long does it take to produce a good design?
- Does product design flow easily into NPI?
- How does this employee's effort stack up to other product designers?

Second, project teams that drive toward new NPI are quite important as well. Projects must be carefully monitored, and by analyzing project efforts, management can learn:

- What are the tasks for each member of the project?
- Are the tasks being delivered on time?
- Are we driving toward the right project deliverables?
- Will the project be on time, or late?

A great design without a competent NPI project is obviously a failure. It is the companies that understand how to combine individual and team work efforts that achieve competitive advantage.

The table that follows illustrates individual and project work efforts for all three Treacy Wiersema categories.

STRATEGY	JOB AREA	INDIVIDUAL	PROJECT
Product Leadership	Product Design	✗	
	New Product Introduction		✗
	Sales	✗	
Customer Intimacy	Customer Support	✗	
	Customer IT Systems		✗
	New Route Designs	✗	
	New Route Introduction		✗
Operational Efficiency	Equipment Overhaul		✗
	Equipment Maintenance	✗	
	New Rate Card	✗	

Let's now examine how these tasks and projects are delivered in a modern setting.

## Flexible work arrangements

Flexible work arrangements in which employees have options regarding when and where they do their jobs have become highly popular. The model for the ideal workplace environment is changing for employers, too, as they embrace the definition of work as what the employees do, and become less concerned about where they perform that work. Let's take a look at the many different variants of the modern workplace:

- **The standard work week:** An employee works at the corporate office, and clocks 7 – 8 hours of work/day.
- **Work-at-home:** The employee works from home, and clocks 7 – 8 hours of work/day.
- **Work anywhere:** The employee works at the corporate office, satellite corporate offices, customer locations, at home, while traveling — literally anywhere.
- **Flexible time:** The employee agrees to a number of hours of work/week, but can deliver the hours of work somewhat at the employee's discretion.
- **Project time:** While the employee may be clocking standard hours, part of the employee's time is centered on working on tasks that are part of a larger project.
- **Virtual time management:** Timesheets need to be completed from anywhere, managed from anywhere, and reports created and distributed from anywhere.
- **Virtual meetings:** In the new era, meetings are virtual and run over the internet, with employees being able to see one another and make presentations.
- **Virtual project collaboration:** Progress on projects can be entered anywhere and analyzed anywhere.

Given this embrace of mobility and flexibility, it is becoming more difficult for organizations to manage their workforce effectively, and to gain the visibility they need to ensure both customer and administrative tasks are completed as quickly and cost effectively as possible.

## Enterprise software for time tracking

For businesses to address the various workforce challenges they are facing, and achieve and maintain their competitive advantage, they need to effectively manage their workforce and understand how they are spending their time.



Given the rapid change in the nature of the contemporary workforce, it has become even more important for organizations to rely on technology to help bridge this gap.

Time tracking software has become a critical component in effectively managing customer-centered and support tasks, including projects, and organizations must exercise great care in selecting the solution that provides them with the capabilities they need to best manage their dispersed workforce.

**The cloud** – Time tracking software should be bought, not built or maintained in-house. SaaS applications typically allow customers to license the software and support they want to use without installing or maintaining any software or hardware. In other words, the vendor provides a service that can be subscribed to and accessed over the Internet rather than a physical product that customers have to install and manage on their own, what's more, cloud application providers offer better security and data privacy, as well as full back-up and disaster recovery. Top providers are compliant with security-oriented laws and auditing programs, including SSAE-18. Plus, unlike traditional or hosted software vendors, cloud vendors only have to maintain one version of the software and can upgrade all customers at the same time, thereby relieving customers from time-consuming IT upgrade projects.

**Variety of data input** – Support for full-time workers, part-time workers, flex-time workers, project staff, time-off, vacation, and illness must be routinely handled in the software. Picture how a worker might spend an hour of time during the year, and the system must cover it.

**Compliance** – Ensure that all time tracking entries and management of timesheets is consistent with local, state, and federal regulations.

**Workflow** – There must be a flexible approach across timesheet entry, timesheet review by management, timesheet changes by the employee, as well as input to reporting and analysis.

**Reporting and analysis** – There should be a straightforward approach to the creation of tabular reports and graphs — management will want to tie work delivered to meeting its strategic goals.

**Project management** – Projects need to be tracked, especially those that relate to strategic objectives. The system must track tasks that are part of projects, and measure project progress overall. If the system can support “earned value,” so much the better.

**Interoperability** – Time tracking software should tie easily to: Reporting and Analysis systems, Project Management, Human Resource systems, and ERP systems.

**The “seamless” decision** – ERP vendors will tell you that “seamless” is the only way to go, as all the feeder applications will integrate seamlessly if you buy from the ERP vendor. Human Resource vendors will say the same thing. In truth, a smart buyer will consider best-in-class time tracking software, as the added interoperability costs are minimal, and the software delivered from these vendors is specialized and ultimately delivers better functionality that ensures greater business benefits.

## The bottom line

Clearly, much has changed in the way work is being performed in the 21st century. Work can take place anywhere, hours are flexible, and collaboration is the order of the day. Yet, some business goals are, and will always remain, old school — and delighting the customer is chief among them.

In order to achieve this timeless goal, businesses today must optimize their work efforts and fluidly manage the three types of work laid out here: customer-centered individual tasks, customer-centered projects, and support-centered tasks. Success requires not only supporting flexible and virtual work arrangements in the engagement of such tasks, but also implementing best-in-class employee time tracking software.

The bottom line is that this is the formula for gaining — and keeping — a competitive advantage.

## About Barry Wilderman

Barry Wilderman has over 30 years of experience as an industry analyst, researcher, and consultant. He is a highly regarded public speaker, and is well known for his work on value-driven technology solutions.

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## About Replicon

Replicon is the leading provider of cloud-based time tracking software. Our award-winning solutions are used by more than 1.5 million people in over 7,800 organizations across 70 countries. We help customers to better manage workforce attendance, expenses, projects, professional services teams, and shared services resources.

Our diverse customer base — from start-ups to Fortune 500 companies — trusts Replicon to help reduce compliance risk, keep costs down, and provide greater insight into business performance. Clients include: FedEx, MetLife, New Zealand Transport Agency (NZTA), Novartis, Orbitz, and Xerox. Replicon is a global company with employees in Australia, Canada, India, the United Kingdom, and the United States.

