



IMPROVE PRODUCTIVITY

Executive Insights



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Executive Summary

For any organisation to be successful it must continuously improve its productivity. For the past three years Telstra has been looking into how large Australian organisations measure and manage productivity, along with how information and communications technologies (ICT) help them improve their productivity.

The *Telstra Productivity Indicator 2011* (TPI 2011) is the latest report into the attitudes and behaviours, as they relate to productivity, of large Australian organisations.

This ongoing productivity research and analysis is highly regarded, with previous TPI reports used by economic think tanks and the Federal Government to support their own research and conclusions.

TPI 2011 indicates that, while productivity continues to be a high business priority, many large organisations do not measure it and cannot confirm that they have achieved significant productivity improvements over the past year.

The identification of this 'Productivity Improvement Deficit' shifts the debate from whether productivity should be a priority, to how productivity is delivered in practice.

To help deliver practical productivity improvements, the report identifies a group of organisations referred to as 'Productivity Leaders' that have strategies in place which deliver significant productivity gains.

To guide customer productivity programs we have identified the key attributes of these Productivity Leaders and linked them to actual customer case studies.

Productivity Leader attributes include:

- Utilising ICT to improve productivity
- Implementing whole of organisation ICT productivity programs
- Using ICT to create a more engaged and productive workforce
- Deploying ICT to connect with customers

In addition, by analysing the research and the successes of many of our customers, we have laid out a practical approach to helping executives pinpoint specific areas for attention and identify technology solutions that can boost organisational productivity. This practical approach involves the three-step framework of Analyse, Target, Invest (ATI).

The ATI framework includes a practical checklist which can be used to identify areas of focus in developing ICT-enabled productivity initiatives. This evaluation can be expanded and deepened through a variety of complementary briefings, workshops and consulting services offered by Telstra.

At Telstra, we continue to be committed to improving the way people and organisations work by identifying and delivering real productivity gains for our customers.

Attributes of Productivity Leaders

Telstra's research and experience with large customers clearly indicates that Productivity Leaders typically have a definable set of attributes that set them apart from 'Followers'.

Productivity Leaders recognise the importance of making investments to improve productivity.

In particular, they recognise that some ICT investments yield greater returns than others. They focus on programs which deliver organisation-wide productivity gains, a more engaged and productive workforce and closer connections with customers.

Telstra helps develop these key attributes of Productivity Leaders through its engagement programs with customers. Many of these success stories are documented in customer case studies.

Access the case studies in full at telstra.com/productivity

1. Utilising ICT as a productivity enabler

Productivity Leaders are more likely than Followers to have invested in ICT in the past, and are more likely to make further investments in ICT in the future.

Compared to their peers they are less deterred by the perceived barriers of ICT capital investment and operational expense costs, more prepared to take risks and deal with change, and more optimistic about future productivity improvements. This suggests they are further down the road in terms of successful ICT investment and utilisation than Followers.

Western Australia Police

“We can query more vehicles, more people and identify more offenders as a result. Drawing on our metropolitan results in crime reduction, we plan to match it in remote areas by approximately 20 per cent and increase the apprehension of offenders by a similar amount.”

Superintendent Lance Martin
Manager of Communications
Infrastructure Programs, WA Police

The Western Australia Police (WA Police) is responsible for the largest single police jurisdiction in the world. As a result, WA Police must have a communications system that is wide-ranging, robust and reliable, with the ability to deliver sophisticated IT applications to a variety of end users.

WA Police opted to switch to the secure productivity-enabling capabilities of Telstra's network solutions. This increased the enquiry-handling rate from just 800 to over 26,000 a day, resulting in an improved policing style.



Suzlon Energy Australia

“It’s a long way out to these wind farms. Just to go out and fix one problem, you might be out of the office for two days. When we considered the travel downtime we’ve saved, it translated to an estimated productivity improvement worth \$100,000 per annum to the company.”

Rohan Mayer, IT Manager
Suzlon Energy Australia

Suzlon Energy Limited is the world’s third largest wind power equipment manufacturer. In Australia it operates across remote regional sites. Telstra Next Generation Services™ solutions delivered total productivity benefits worth around \$1 million per annum, of which \$100,000 were travel-related.

2. Implementing whole of organisation ICT productivity programs

Productivity Leaders place more emphasis than Followers on whole of organisation ICT productivity programs.

Tristar Medical Group

“Centralising our medical databases means a drug reference update, for example, can be done as a single deployment instead of having to do 26 installations.”

Dr Khaled El-Sheikh
Managing Director
Tristar Medical Group

Tristar is a medical services group for which the rapid exchange of information was essential in optimising patient care. Telstra’s cloud computing solution gives Tristar doctors and staff access to all their care systems and patient records, in and out of their clinics, and allows new clinics to be quickly brought online.

Hamilton Island Enterprises

“Through Telstra Next Generation Services™, we’ve managed to reduce overall cost by something in the order of a million dollars per annum.”

Glenn Bourke, CEO
Hamilton Island Enterprises

Located on the Great Barrier Reef in Queensland, Hamilton Island Enterprises (HIE) has a demanding set of communications requirements.

The island’s communications infrastructure has to accommodate the needs of more than 5,000 tourists and businesses on the island itself, as well as another 2,700 people and businesses it needs to connect with on surrounding islands and the Australian mainland.

By investing in Telstra’s Next Generation Services™ solutions, Hamilton Island was able to provide better, more extensive data and communications services as well as save money and improve productivity.

3. Using ICT to create a more engaged and productive workforce

Productivity Leaders are more likely than Followers to align ICT deployment to the needs of their employees, using various initiatives to engage their workforce. This typically results in significant flow-on benefits to staff productivity and the ability to attract and retain staff.

University of Ballarat

“What we were really looking for was time saved in terms of the workforce. We looked at probably saving around 1,000 hours over a month should we adopt all of the recommendations from the project.”

Professor Todd Walker
Pro Vice-Chancellor of Learning and Quality, University of Ballarat

Telstra’s ICT Productivity Diagnostic (ICTPD) carried out a needs-based analysis which considered the University’s structure and operating model, plus its strategic objectives and core interactions across selected functional groups. It provided management with a clear understanding of how employees and students used ICT and where productivity improvements could make an immediate, and a long-term, difference.

Banana Shire Council

“The technology has saved us approximately \$50,000 per year and approximately 6,000 vehicle kilometres per month. This reduction in travel has reduced our carbon footprint and this is important to the council.”

Todd Sleeman, Director
Corporate and Community Services
Banana Shire Council

Banana Shire Council in central Queensland covers a large rural area. It turned to Telstra to help it deliver improved shire business and community interactions. The Telstra Next IP™ network and Unified Communications solutions, including high-definition video conferencing, contributed to significant savings per annum in both travel expenses and in vehicle kilometres.

4. Deploying ICT to connect with customers

Productivity Leaders are more likely to deploy ICT services to better connect and engage with customers. Close to twice as many Productivity Leaders said that ICT was important to ensure high-value customers were given access to the resources they needed.

Hastings Deering

“The findings from that productivity study showed that our mobile people really did need more technology than what they currently had. This particularly applied to the field service people who go out and visit customers and repair customers’ equipment on site.”

John Birch, CIO, Hastings Deering

Hastings Deering sells, services and supports the complete range of Caterpillar heavy equipment used in the mining, construction, forestry, agricultural, materials handling and Government sectors in Queensland and the Northern Territory.

Telstra conducted an ICTPD study to understand how best they could use their ICT resources to boost client-facing employees’ productivity and customer engagement.

As a result of the ICTPD, each of the field service technicians’ trucks are being transformed into an ‘Office in a Vehicle’. This allows them to fulfil all order and service needs, including invoicing, on customer premises.

In addition, clients had reported that the quality of the telephone enquiry service was not uniform across Hastings Deering branches. As a result of the ICTPD, the company restructured its call centre and branch communications to better meet customer expectations, and is considering additional customer engagement channels such as internet, SMS and webchat to suit clients’ specific requirements. This will now give their customers an avenue for contact that best serves their business.



Productivity Leadership – Analyse, Target, Invest

How can large Australian organisations become Productivity Leaders and then maintain their momentum?

Utilising its productivity research and experience in helping organisations realise their productivity goals, Telstra has devised a practical approach to help executives pinpoint specific areas for attention and identify technology solutions that can boost business productivity.

This practical approach incorporates three steps: Analyse, Target, Invest (ATI).

Analyse

This step helps you to identify:

- what's working and what isn't in your use of ICT as a strategic business enabler
- who's using what technology and where and when it is being used
- whether your ICT portfolio aligns with your current and future needs

Target

This step helps you to direct your focus to:

- how your workforce interacts, and if it is doing so effectively
- how your organisation collaborates with customers, suppliers and partners, and if it is doing so productively
- how ICT can be prioritised and aligned to optimise your current and future business needs

Invest

This step helps you to deliver:

- ICT deployments that factor in the business benefits of productivity, employee engagement and customer connectedness
- ICT deployments that have measurable business benefits aligned to individual, workgroup and organisational requirements
- innovation that is directly aligned to your key business metrics and strategic goals



Identify the five most relevant questions for your organisation from the checklist below. This will give you a clearer understanding of what needs to be done to boost your organisation's productivity.

ANALYSE

- Have you quantified the benefits expected from staff access to information or communication tools at each type of location?
 - Are you responding to your workforce's requirements according to their needs?
 - Are customers segmented based on criteria which relate to their value to your business?
 - Do you have visibility and status of key assets within the internal value chain?
 - Can you measure the 'connectedness' of customers with your ICT systems, and their ability to transact and action self-service requests?
 - What is the value of staff ability to collaborate, irrespective of their physical location?
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TARGET

- Do you understand the interactions between different groups of staff and customers and the roles they can play in prioritising key business outcomes?
 - Do you recognise the significance of location and the effectiveness of ICT in supporting these interactions?
 - Have you developed an evidence-driven set of hypotheses with defined benefits for targeted groups of customers or staff?
 - Can the benefits from the questions above be quantified and related to strategic business outcomes, such as:
 - how you position your organisation in the marketplace?
 - promoting sustainable, competitive differentiation?
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INVEST

- Is there a clear alignment between key business metrics and the investment in, and deployment of, ICT solutions?
 - Are your ICT investments delivering measurable improvements in the areas of productivity, employee engagement and customer connectedness?
 - Have you developed a basis for investment whereby groups of staff with similar functional needs can have common ICT solution sets deployed to them?
 - Have you factored into your business planning the greater economies of scale and efficiency that common ICT solutions aligned to individual, workgroup and organisational requirements can deliver?
 - Have you developed an investment style where specific business measures are used to develop ICT initiatives, judge success and underpin decisions for further investment?
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The Future

Productivity Leaders have achieved significant improvements but they are not resting on their laurels; they continue to invest in ICT to help continue their productivity gains. ICT is seen as the biggest overall contributor to productivity, and underinvestment in ICT correlates to underperformance in productivity improvement.

Compared to Followers, Productivity Leaders continue to invest in broadband and IP networks to deliver business applications, as well as ensure that they have improved data network speeds and much broader network coverage.

This will enable them to improve access and sharing of information and resources across multiple locations and also aid their effort to enable more organisation-wide collaboration and better customer engagement.

Productivity Leaders continue to invest in automating business processes and forms online and they are also planning to improve the management, distribution and sharing of streamed video content. This is technology that can be used across an organisation to enhance productivity from collaboration and to reduce overheads, but it can also be a powerful way to connect with customers.

How Telstra helps customers achieve productivity improvements

Telstra offers a variety of complementary briefings, workshops and consulting services that analyse an organisation's specific business goals and deliver customised ICT-based productivity roadmaps.

Telstra's services include the following:

- **The Telstra ICT Productivity Diagnostic (ICTPD)** provides metrics and roadmaps for productivity improvements by examining the business interactions between different groups of employees. It identifies the major interactions between critical groups within an organisation and the ways they could be altered in the medium term to boost productivity among those groups.
- **Productivity and Innovation roundtables** provide access to Telstra subject matter experts to explore drivers and barriers to productivity.
- **Discovery Workshops** facilitate interactive workshops that explore how new technology solutions can deliver increased benefit in areas such as customer satisfaction and productivity.
- **Executive Education and Board Briefings** cover a broad range of important topics and include the opportunity to discuss the latest trends.
- **Industry Briefings** utilise the knowledge and experience of industry and technology experts, and examine the opportunities arising from technological innovation in selected industries and sectors.
- **Joint Management Panels** provide an opportunity for executives to discover ways in which organisations can leverage existing and emerging technologies to further their competitive advantage.
- **Customer visits and demonstrations** at the world-class Telstra Executive Briefing Centres showcase current ICT solutions in action.

Your **Telstra Account Executive** can help organise the appropriate session based on your needs.

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