

Knowledge Worker

A Workplace Example of An Achievement Path

(July 2018 - Modified)

In last month's column, I examined the concept of Achievement Path and provided a simple example involving the thermostat and heating system in my house. As promised in that column, this month's column presents an example of an Achievement Path related to a problem encountered when I was head of the Custom Operations Division (COD) at ETS.

The primary purpose of this month's column is to illustrate how identifying and analyzing the structure in which the Proximate, Intermediate, Penultimate and Ultimate Variables are embedded facilitates identifying an effective Achievement Path.

The Problem: An Increase in Charges to Programs

At the time, much of ETS had recently moved into new and more expensive space, including my division and the programs it supported. Compounding my division's cost-of-space problem was the fact that we now occupied more space as well. As might be expected, my division's charges to the programs it supported had increased and the program directors were demanding that I do something.

The Search for A Solution

Initially, the goal was obvious: Reduce charges to the programs. Clearly, Charges to Programs was the Ultimate Variable. Ah, but how to reduce those charges? Here is where the analysis of structure comes in. Shown below is a diagram depicting the structure of the calculation of COD's Charges to Programs.

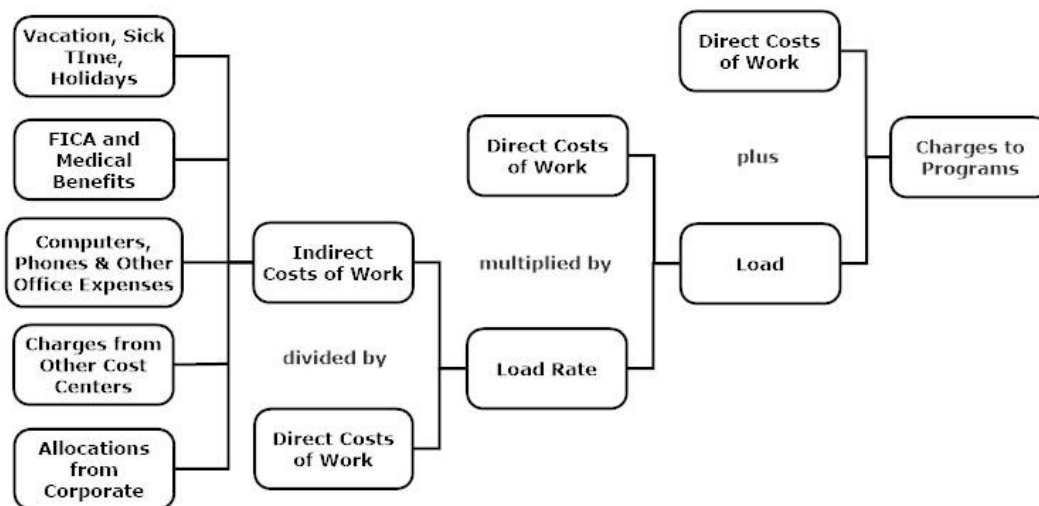


Figure 1: The Structure of COD Charges to Programs

The diagram clearly reveals that Charges to Programs result from adding Load to the Direct Costs of Work. That makes them both Penultimate variables, but neither of them is directly accessible. We must continue our analysis.

Load is the product of multiplying the Direct Costs of Work by another variable called Load Rate. We can add Load Rate to the list of Intermediate variables, but, like Direct Costs and Load, it cannot be accessed directly. On with the analysis.

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As it happens, program directors were quick to suggest I needed to do something about Load Rate. They understood it was used to determine Load and it was Load that had increased. The Direct Costs of Work, which is basically employee labor charges against the program, had not increased.

The two variables that connect to Load Rate are Direct Costs of Work and Indirect Costs, neither of which is directly accessible. Direct Costs had not increased so my attention focused on Indirect Costs. Of these, the only one that had changed significantly was Allocations from Corporate. The basic structure of that variable is shown below.

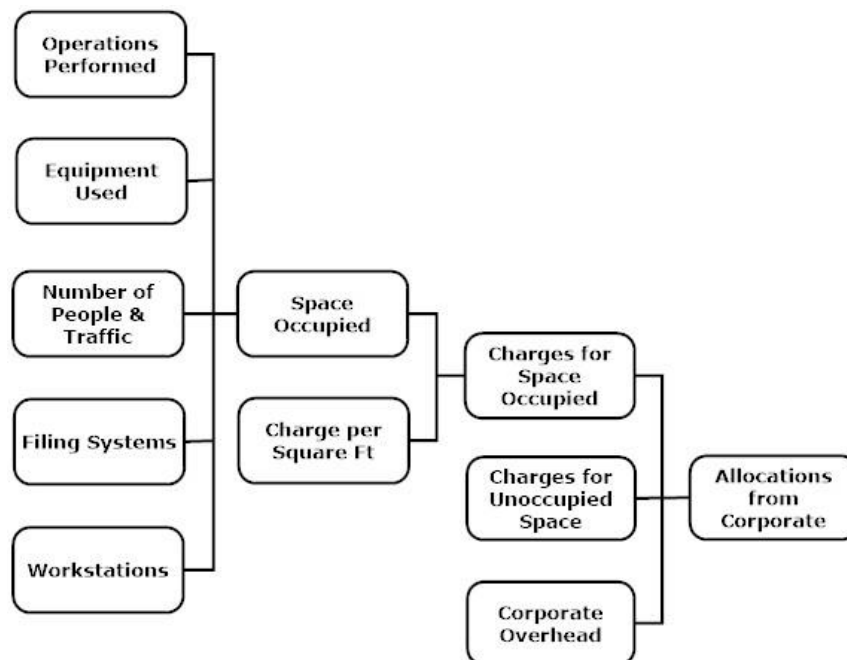


Figure 2: The Structure of Allocations from Corporate

In the old scheme of things, my division had occupied 17K SQ FT in less expensive space. After the move, it occupied 20K SQ FT in one building and 5K in another, an almost 50 percent increase in space occupied. Reducing Load Rate and thence Load and Charges to Programs, hinged on reducing the amount of space my division occupied, thus reducing the charges for space occupied.

A New Goal

At this point, I had a new goal: Reduce the amount of space occupied by COD. Space Occupied now became my new Target variable. But, like the other variables, it is not directly accessible. In any case, the best I could hope for was to find a way of eliminating the need for the 5K SQ FT in Building Two. I had about 3K SQ FT available in Building One, but that wasn't enough to accommodate the operation in Building Two. But I did have a measurable goal: Reduce the space occupied by COD from 25K SQ FT to 20K SQ FT. Or said a little differently, my Target or Ultimate variable was space occupied by COD and its Intended Value was 20K SQ FT.

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What are the variables that connect to and affect space occupied? They include things like people, the operations they perform, furniture, equipment, filing systems, workstations, foot traffic, etc. The operation in Building Two had a unique feature; it made use of tub files, literally, large, round wash tubs on legs. They were scattered about most of the 5K SQ FT the operation occupied in Building Two. There was no way they would fit into the 3K SQ FT of space available in Building One.

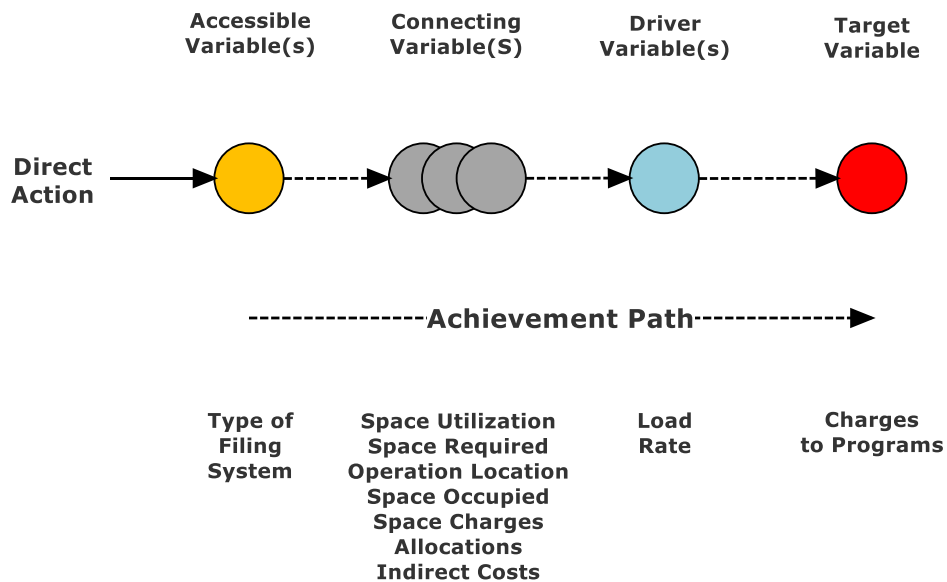
The Solution

The space occupied by the operation in Building Two was driven by the fact that the tub files required lots of horizontal space. The solution was obvious: Shift to a vertical filing system.

To make a long story short, a viable, vertical filing system was located, purchased and installed, the operation in Building Two was relocated to Building One, the 5K SQ FT space in Building Two was turned back to corporate, COD's Load Rate went down, as did Load and Charges to Programs. The program directors were placated.

The Achievement Path

To recap visually, the variables making up the Achievement Path for reducing charges to programs, are shown in the diagram below:



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Figure 3: The Achievement Path for Reducing Charges to Programs

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In action terms, the Achievement Path for reducing charges to programs looked like this:

- Shift to a Vertical Filing System
- Improve Space Utilization
- Reduce Space Required
- Relocate Operation in Building Two to Building One
- Reduce Space Occupied
- Reduce Charges for Space Occupied
- Reduce Allocations from Corporate
- Reduce Indirect Costs
- Reduce Load Rate
- Reduce Load
- Reduce Charges to Programs

For those interested in things like financial impact and ROI, the cost of the vertical filing system was a one-time charge of \$16K and the savings from reducing charges for space occupied were \$225K annually. That's a pretty good ROI.

About the Author

Fred Nickols, CPT, is a knowledge worker, writer, consultant, and former executive who spent 20 years in the U.S. Navy, retiring as a decorated chief petty officer. In the private sector, he worked as a consultant and then held executive positions with two former clients. Currently, Fred is the managing partner of [Distance Consulting LLC](#). His website is home to the award-winning [Knowledge Workers' Tool Room](#) and more than 200 free articles, book chapters, and papers. Fred is a longtime member of ISPI and writes this monthly column for *PerformanceXpress*.