



*Continuing Education for Technical Professionals  
& Product Development Services*

## Case Study: Teamwork Metrics Improve the Bottom Line

“JAC Corporation” supports vital defense and aerospace programs across the U.S. and Australia. Though their business is very profitable, JAC is always looking for ways to improve efficiencies across their company, and they reward employees that proactively increase profitability.

In 2006 at the JAC headquarters, the executive team mandated that no team meetings were to be held on Fridays because of complaints that people spent too much time in meetings. This would force employees to be fully productive at least on Fridays.

At first, the majority of employees supported this idea, because of the consensus that there were too many meetings. After several weeks, however, people started to realize that sometimes team meetings were necessary on Fridays, but they were reluctant to schedule Friday meetings because of company policy. So at times, this policy was negatively impacting productivity.

Mike, an R&D manager at JAC thought this policy was silly, and was determined to find another way to resolve productivity issues related to meetings. He thought that everyone’s time spent in meetings should be adding value. If not, one of several things could be an issue. Perhaps certain people don’t need to be at every team meeting? Perhaps meetings weren’t run well by their facilitators? Or perhaps certain meetings don’t add much value at all?

Mike asked his staff and all team members on the R&D projects to complete a simple anonymous survey that he developed with the following questions:

Our team meetings consistently have a clear agenda established, which is communicated well in advance.

Strongly agree       Agree       Neutral       Disagree       Strongly disagree

Meeting agendas typically have start and stop times for each agenda item.

Strongly agree       Agree       Neutral       Disagree       Strongly disagree

Our meeting leader does a good job keeping our meetings on track.

Strongly agree       Agree       Neutral       Disagree       Strongly disagree

We are encouraged/allowed to leave a meeting or decline the invitation if we don’t think it’s good use of our time.

Strongly agree       Agree       Neutral       Disagree       Strongly disagree

If I don’t think my attendance at a meeting is adding value, I will leave the meeting.

Strongly agree       Agree       Neutral       Disagree       Strongly disagree

The responses to this survey revealed that nearly all team members disagreed or strongly disagreed with each statement. This was a clear indication that the frequency of meetings was not an issue. The quality of the meetings and attitudes about optional attendance were the major problems. Unfortunately, management intervention by Mike was necessary to figure this out. A high-performing team wouldn't require Mike's involvement to resolve the issues related to the quality of their team meetings.

Mike presented these findings to the executive team and suggested that behaviors should change instead of the policy regarding Friday meetings. The executives were surprised that team meetings were run so poorly at JAC, but they believed the survey results were accurate and they supported initiatives to improve the effectiveness of meetings. They immediately allowed teams to meet on Fridays again, if needed.

Attitudes and meeting performance quickly improved with focus on improving in all the areas mentioned in the survey. Teams were allowed to determine how to improve their respective meetings as opposed to a company-wide policy.

During this same time period, the JAC Director of Programs, Donna, was struggling with general productivity issues. Donna was tracking the percent of time that people working on development projects were actually "productive" with overall measures being only in the 40-50% range. The entire root cause was unknown, but it was generally believed to be due to engineers concurrently working on too many projects.

Without anything changing except for improved meeting effectiveness, Donna's data related to productivity showed a gradual increase to the 60-70% range over a six-month period. Informal polling of team members suggested that this increase was attributed to the new "meeting culture" at JAC.

A 20% increase in productivity at JAC headquarters was estimated to contribute at least \$5 million annually to the bottom line based on the cost of labor. If revenue gains could somehow be attributed to employees' increased capacity, the contribution to the bottom line would probably be even greater than \$5 million.

Since Donna's metrics pointed out additional productivity improvement opportunities related to engineers being overloaded, JAC should have explored the potential for further improvements, but this issue didn't receive management attention because they were content with their 20% productivity increase. An additional 5% productivity gain in product development would have been worth at least \$1 million, and probably much more with potential benefits from improved time-to-market.