

How can we lift Productivity?

There are a number of ways in which productivity can be lifted:

- Firstly, individual companies can work on improving their internal productivity through programmes which have a focus on identifying better ways to work. Frameworks such as Lean, Six Sigma and Theory of Constraints are typical types of programmes. The principle is that if each organisation can improve within itself then the country can lift as a whole. The government does in fact promote these frameworks through Better by Design and Better by Lean managed by NZTE.
- High level Government support in areas such as taxation systems, legislation and trade agreements.
- Invest in training staff lifting skills and capabilities.
- Identifying added value opportunities at the company level. Rod Oram points to Comvita who have created wound dressings which multiply the value of honey by a factor of 55. In other words one dollar of honey can be sold for \$55 when used in wound care.

Examples of Productivity Improvement

Organisations who have worked to improve their productivity are becoming more and more common throughout New Zealand and are not just confined to manufacturing

1. Pacific Aerospace in Hamilton has increased its capacity from 9 to 24 planes utilising the same staff in a smaller footprint.
2. Howard Wright, the hospital bed manufacturer increased its production capacity from 7 to 11 beds.
3. A Hamilton company has increased its productivity by 54% by focusing on staff engagement.
4. Comvita have identified areas of value add by using the healing benefits of honey to wound care.
5. Soar Print has taken the lead on being a truly environmental printer, as a result they have grown significantly.

Further examples can be found at the following webpage

www.dol.govt.nz/er/bestpractice/productivity/casestudies/leanthinking/

Furthermore, large sectors globally recognise the need to increase their productivity to be competitive, including:

- Healthcare in the US has seen a significant increase in the efforts to improve its productivity. This is a problem facing many countries around the globe.
- Councils are coming under increasing pressure to improve their value add proposition with resulting efforts in productivity improvement.
- Similarly Governments are developing improvement frameworks to increase productivity and value for money.
- Around the globe, and In New Zealand the farming sector is beginning to see the benefits of improving productivity outside of the usual technical areas.