Twitter Thread by Josh Schultz



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A list of questions and checks to help you see if you should automate a process or not.

I've had a lot of people asking for this.

This is just what I use.

1st half are open-ended questions for exploration
2nd half are rankings for prioritization.

Hope this helps you!

1. Do I understand what I am automating?

Often times we think we are automating a process, but instead, we may be automating a destructive pattern.

Do it manually for a few weeks.

Dont perpetuate bad actions.

Go through the learning as a person, automate what you learned.

Example:

If you are filtering people for hire, and you automate right off the bat, you may automate based on the wrong criteria.

Its better to filter manually, do some calls, have some interviews, and adjust the process a bit until you are automating the right thing.

2. What do I gain?

Automating, just to automate is not useful. It just creates another system to maintain without any upside.

Each automation adds to the complexity of your business process. As complexity increases, so does areas for breakage and unintended consequences.

3. What do I lose?

Every automation results in loss.

Proximity to the process.

You may miss a "regime shift" as things change.

You may lose closeness to your customers and personal interaction.

You miss an understanding of your operation as it grows or changes.

4. What learning will I miss?

Related to the above. When you do something manually, you auto-adjust based on changes.

When automated, the environment, rules, practices, culture, or something else slowly moves over time.

You won't be there to learn and adjust.

Have a plan.

-- If after all of this you still wish to automate, move to prioritizing and filtering your ideas and potential projects --

For this I focus on

Impact
Strategy
Risk
Cost
Return

1. What is the impact?

- What operational function is being affected
- How much of a difference/impact will this make for stakeholders? (employees, customers, suppliers)
- What is the targeted outcome for the stakeholders? (otherwise, you won't know if its working or not)

2. Does it align with the Strategy?

Every company should have a few targetted strategic outcomes they are working towards?

If the automation doesn't further these, it could be a distraction. Rank how well it fits in with the few strategic objectives you have.

Rank for each obj

3. Does it increase value?

Will this impact any of the levers for value?

- EBITDA / Cash Flow
- Multiple Expansion
- Customer Perception
- Competitiveness / Moat

4. What are the costs?

- Time Required
- Maintenance time and energy required to keep up and running
- Upfront investment required
- ongoing costs required?

5. What are the risks?

- Distraction or a focusing agent?
- How much specialization is needed, and does it exist in-house?

Based on these, you can
1. Rank
2. Combine into ratings for each category
3. Rank projects

Work on those that are
- strategically aligned
- impactful
- increase value
- are low risk/cost related to the upside

You can really use this for any operational enhancement project!