



## INCREASING FINANCIAL EFFICIENCY OF SERVICE COMPANIES IN THE REPUBLIC OF UZBEKISTAN

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Article history:	Abstract:
<b>Received:</b> July, 20 <sup>th</sup> 2021 <b>Accepted:</b> August 21 <sup>th</sup> 2021 <b>Published:</b> September 29 <sup>th</sup> 2021	This article discusses service companies of the Republic and the role of financial efficiency in this sector. Additionally, several proposals have been made for further developments of providing financial efficiency of companies.
<b>Keywords:</b> Service company, financing, financial efficiency, profit, whole sale, increase, economic activity	

### INTRODUCTION:

The economy of our country is increasingly characterized as a service economy. This is primarily due to the increasing importance and share of the service sector in the economies of most developed and developing countries. In fact, the growth of the service sector has long been considered as an indicator of a country's economic progress. Economic history tells us that all developing nations have invariably experienced a shift from agriculture to industry and then to the service sector as the mainstay of the economy. This shift has also brought about a change in the definition of goods and services themselves. Service organizations vary widely in size. At one end of the scale are huge international corporations operating in such industries as airlines, banking, insurance, telecommunications, and hotels. At the other end of the scale are a vast array of locally owned and operated small businesses, such as restaurants, laundries, optometrists, beauty parlors, and numerous business-to-business services. Clearly, the service sector is going through revolutionary change, which dramatically affects the way in which we live and work. New services are continually being launched to satisfy our existing needs and to meet needs that we did not even know we had. Nearly fifty years ago, when the first electronic file sharing system was created, few people likely anticipated the future demand for online banking, website hosting, or email providers. Today, many of us feel we can't do without them. Similar transformations are occurring in business-to-business markets

### MATERIALS AND METHODS

Service companies have great importance on the economy and several scientists worked on this concept. Clearly, Demsetz, H. [1] noted that A service company is a business that generates income by providing services instead of selling physical products.

A good example of a service company is a public accounting firm. They earn revenues by preparing income tax returns, performing audit and asset services, and even doing bookkeeping work. Accounting firms do not sell physical products like retailers and merchandisers. Instead, they sell their services to clients and traditionally charge by the hour. This is true with almost all professional firms. Lawyers typically have set hourly rates and charge clients based on how long it takes to perform the services. In essence, these firms are really selling their time. For instance, there are many other businesses other than professional firms that are in the service industry. Take a lawn care and landscaping business for example. You pay them to come to your house and perform services. You don't get a physical product from a lawn care business. Since service companies don't actually sell products, they don't typically carry inventory on their balance sheets because they don't own any. Accounting for service companies is simpler than retailers because no inventory needs to be tracked and no cost of goods sold needs to be calculated. Instead, posting a journal entry to record service revenue simply focuses on the cash received and the revenue earned. When an attorney bills a client for his or her services, he records the sale with a debit to accounts receivable and a credit to service income. Once the client pays his bill, the attorney debits cash and credits the accounts receivable account. Service income is reported on the income statement just like sales income for a retailer.

It is said by Tobin B.,[2] that efficiency the relationship between the quantities of factor inputs (labour, materials, etc.) used by a firm and the quantity of output which it is able to produce using these inputs. Where a firm is able to produce the same output using fewer inputs or produce more output using the same quantity of inputs then it has improved its efficiency.



It is noted [3] that efficiency ratios are metrics that are used in analyzing a company's ability to effectively employ its resources, such as capital and assets, to produce income. The ratios serve as a comparison of expenses made to revenues generated, essentially reflecting what kind of return in revenue or profit a company can make from the amount it spends to operate its business. The more efficiently a company is managed and operates, the more likely it is to generate maximum profitability for its owners and shareholders over the long term. Financial analysts can examine a variety of efficiency ratios to make an all-encompassing assessment of a company's overall operational efficiency, as different efficiency ratios focus on different areas of operation, such as how well a company manages its assets, cash flow, and inventory. In essence, financial analysts consider efficiency ratios to be an important measure of the current and short-term performance of an organization. Analysts typically screen through the company's financial statements, such as the balance sheet and income statement, to aggregate the numbers for efficiency ratio calculations. For example, COGS, current assets, or current liabilities figures are needed for some efficiency ratios. After crunching the numbers, it is good to compare efficiency ratios with peer companies in the industry to get an insight into how the company performs relative to the competition. Overall, there is a high correlation between efficiency ratios and profitability ratios. When companies efficiently allocate their resources, they become profitable. Therefore, if the efficiency ratios have been improved over time, this could indicate that the company has become more profitable.

It is said by Robin, J. [4] that efficiency in finance means performing tasks in a timely and cost effective manner typically via simplified and standardised processes that leverage technology and consolidation / elimination of non-core activities through shared services / outsourcing.

Additionally, Herman B., and others [5] refer that companies with a high degree of financial efficiency require fewer assets, reducing the use of cash and limiting borrowing needs. Being financially efficient also means releasing cash quickly from inventory and through collections of accounts receivable, creating repayment sources that enhance creditworthiness.

#### **METHODOLOGY OF THE RESEARCH**

The methodology includes historical analyzes, systematic analyzes, and graphic methods. Statistics have been made by the help of official statistics of Uzbekistan

#### **RESULTS**

Carried researches revealed that as of 1 December 2019, the total number of operating enterprises and organizations in Uzbekistan reached 395,900 units. In total, 260,200 units were involved in the service sector. Compared to the same period in 2018, their number increased by 22.7%. As of 1 December 2019, the share of enterprises and organizations operating in the service sector made up 65.8%. During the survey period, the share of enterprises and organizations engaged in industry reached 17.8%, construction - 9.1% and, only 7.3%, operate in agriculture, forestry and fisheries. Additionally, in the structure of existing enterprises and organizations related to the service sector, their share is predominantly engaged in trading activities (38.3%) [6]. The number of functioning enterprises and organizations providing accommodation and food services is 9.8%. The proportion of operating enterprises and organizations related to transportation and storage and related to the service sector, in their total number reached 5.9%. The share of functioning enterprises and organizations involved in information activities and providing communication services is 3.0%. The proportion of existing enterprises and organizations providing health services, as well as social services, reached to 3.0%. Compared with the same period last year, the number of operating enterprises and organizations increased by 48,200 units.

Moreover, in January-November 2019, the number of newly created enterprises and organizations in the service sector (56,500 units), compared to the previous year, increased by 27,000 units. Compared to the same period of 2018, the growth of newly created enterprises and organizations engaged in trading activities increased 3.1 times, or reached 22,800 units. At the same time, an increase is observed among enterprises and organizations operating in the provision of accommodation and food services. Their number increased by 3.1 thousand units and amounted to 6.7 thousand units. At the same time, there is a decrease in enterprises and organizations engaged in other activities. Their number decreased by 0.3 thousand units to 10,600 units, compared with the previous period of the current year (January-October 2019), the number of newly created enterprises and organizations increased by 4,766 units.

In addition, there has been an increase in newly created enterprises and organizations providing other types of services. Their number increased by 794 units. Over the period under review, an increase in the number of newly created enterprises and organizations



operating in the field of accommodation and food services was recorded - by 660 units.

It is revealed that the volume of market services provided in January-November 2019 reached 172,41 trillion soums, the nominal volume of which increased by 34.79 trillion soums. In comparable terms, compared with the same period last year, growth was 12.2%. Tashkent has the largest share in the total volume of services - 34.3%. This is because the real incomes of the population are higher than in other regions.

Currently, the country is implementing consistent reforms to increase the financial potential of the regions and the role of the service sector in this direction. Projects in the framework of the implementation of the Strategy of Action in the five priority areas of development of the Republic of Uzbekistan in 2017-2021 expand the scope of this work. A characteristic feature of most types of activities in the service sector is a high degree of localization, their "linking" to a specific territory (region, city, district, urban and rural settlements). Therefore, the size, location, types and scales of activity, ownership forms, working methods of enterprises and service organizations, their role and development potential in modernization should be interconnected with the needs, priorities and strategy of innovative changes in the region's economy.

Over the current period, high growth rates were noted in Syrdarya (18.8%), Jizzakh (15.8%), Khorezm (13.6%) regions, the Republic of Karakalpakstan (13.9%) and Tashkent (15.8%). Relatively low growth rates were observed in Tashkent (7.8%), Samarkand (8.8%), Ferghana (9.5%) and Namangan (10.6%) regions. During the survey period in the context of regions, the city of Tashkent had a huge impact on the increase in the total volume of market services rendered. Compared to the same period of last year, the volume of services in this region increased by 12.5 trillion soums and reached 59.14 trillion soums. Along with this, relatively high rates were observed in Tashkent (12.22 trillion soums), Samarkand (11.13 trillion soums), Ferghana (10.21 trillion soums) and Andijan (8.85 trillion soums) regions.

In fact, the level of development of the service sector ensures territorial and social mobility of the population, the development of new economic territories, increased production efficiency and consumption of material goods. Compared to last year, the volume of market services provided per capita increased by 961,400 soums and made up 5.14 million soums, its growth amounted to 10.1%. With the formation of a post-industrial information society in

our country, the role of the service sector will grow steadily, because the needs of the population are constantly growing, and their diversity is constantly expanding.

Further ensuring sustainable economic growth through the creation of new jobs, improving investment, tax, monetary policy, scientific and technical policies and the development of small businesses using new information and communication technologies will contribute to qualitative structural changes in the industry structure of market services. According to this indicator, the city of Tashkent takes a leading place. Here, the volume of services per capita is fixed in the equivalent of 23.35 million soums. In Namangan (2.42 million soums), Kashkadarya (2.45 million soums) and Surkhandarya (2.6 million soums) regions, the volume per capita was low compared to other regions.

It should be noted that a developed service sector is the key to successful prosperity of society. A factor in the growth of the service sector is changes in the system of social needs. The increasing complexity of equipment, technologies, production structure, the growth of living standards of the population, as well as the improvement of man himself, as a result of increasing his educational and cultural level.

An increase in the volume of market services provided per capita was noted in Syrdarya (16.7%), Jizzakh (13.4%), Khorezm (11.7%), the Republic of Karakalpakstan (12.2%) and the city of Tashkent (13.5%). Low growth rates were recorded in Tashkent (6.3%), Samarkand (6.6%), Ferghana (7.6%), Namangan (8.4%) and Surkhandarya (9.1%) regions.

Of particular importance in the economic policy of the state is the development of modern types of services, for example, such as information and communication types of services (mobile communications, Internet, digital television, etc.), as well as modern types of financial services (banking, leasing, insurance, audit, consulting, etc.).

In almost all regions, there is a positive effect on the increase in the volume of market services, an increase in the share in the structure of the services rendered such as financial and transport services, trade and communication services, including informatization.

At the same time, financial activity is most developed in the city of Tashkent. Here, the share of financial services made up 28.9%. Along with this, the largest share of communication and information services was recorded in this region - 9.0%. Transport services were most in demand in the Republic of Karakalpakstan (25.9%), as well as in Tashkent (25.7%) and Samarkand (25.6%) regions.



In the structure of market services provided by economic activity, transport services occupy the largest share. So, in January - November 2019, their share was 28.2%. At the same time, high rates were noted for trade services (25.1%), financial services (18.1%), communications and information services (5.7%).

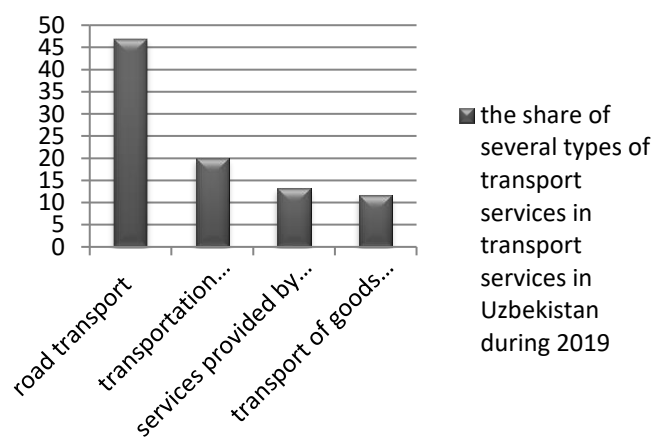
The highest growth rates were recorded in financial services (58.9%), health services (9.5%), communication and information services, as well as in the field of architecture, engineering surveys, technical testing and analysis (8.7%). A slight increase was recorded for rental and rental services (2.5%), as well as for services related to real estate (3.1%).

The Republic of Uzbekistan is located in the central part of Central Asia and is the only country that has common borders with all countries of the region: it borders with Kazakhstan in the north and northwest, Turkmenistan in the southwest, Afghanistan in the south, and Tajikistan in the south east and Kyrgyzstan - in the east. At present, our republic has great potential for the development of transport infrastructure and meeting the country's needs for the movement of both goods and passengers in all directions and all possible modes of transport.

It should be noted that the increase in the volume of transport services is primarily associated with an increase in demand for services for the transport of goods and passengers, which, in turn, is due to the accelerated growth of tourism activity, the expansion of the trading network, the further implementation of construction projects, reconstruction of buildings and structures, as well as with the development of transport and logistics infrastructure.

Of the total volume of transport services, the share of road transport is 46.9%. The volume of transportation through pipelines in transport services occupies 20.0%. In turn, services provided by rail in the total volume of transport services reach 13.2%. The share of services for the transport of goods and passengers by air was fixed within 11.7%, and auxiliary transport activities - at the level of 8.2% and it can be seen in the following figure:

### The share of several types of transport services in transport services in Uzbekistan during 2019



Additionally, trade is a sector of the economy that ensures the circulation of goods, their movement from the sphere of production to the sphere of consumption. Trade of one country with other states, consisting of import and export of goods, is foreign trade, trade of different countries with each other in their entirety is international trade. Within a single country, trade performs a socially necessary function - bringing goods to the consumer. It is divided into wholesale and retail.

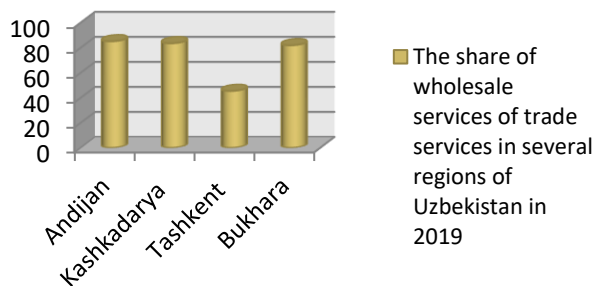
The gross output of trade services, including electronic, at current prices is taken into account in the amount of gross income, which is the difference between the sale and purchase value of goods sold. In the case of a transaction on the sale of goods in the interests of another person on the basis of contracts, instructions, commissions or agency agreements, the cost of services in the amount of remuneration is reflected.

In January-November 2019, the share of trade services in the total volume of market services provided made up 25.1%, which corresponds to 43.26 trillion soums. Retail trade accounts for almost three quarters of the total volume of trade services, and more precisely, 67.4%. In January-November 2019, the share of wholesale services (except for trade in cars and motorcycles) reached 25.3%. Wholesale and retail trade in motor vehicles and motorcycles, including repair services, in the total volume of trade services amounted to 7.3%. Compared with other regions, the



largest share of retail services is observed in Andijan (85.2%), Kashkadarya (83.6%) and Bukhara (82.0%) regions. This indicator in Tashkent is insignificant. Here it amounted to only 45.5% and following figure indicates these demonstrators:

### The share of wholesale services of trade services in several regions of Uzbekistan in 2019(in percent)

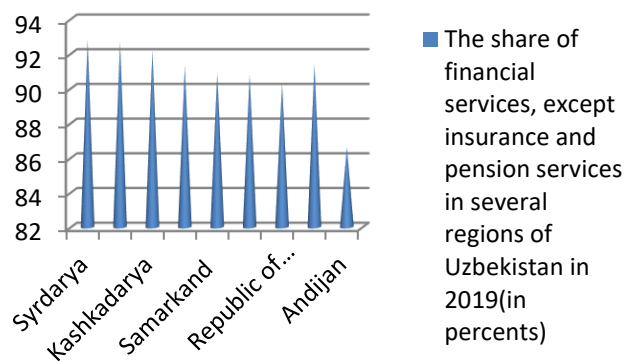


However, in Tashkent, the share of wholesale services (excluding trade in cars and motorcycles) is quite significant - 46.0%. In Andijan region, it was the smallest - 8.1%. A relatively high share in the services of wholesale and retail trade in automobiles and motorcycles, including services for their repair, was noted in Samarkand (9.9%), Ferghana (8.5%), Tashkent (8.3%) regions, the city of Tashkent (8.5%) and the Republic of Karakalpakstan (7.1%). The smallest share of these services was recorded in Surkhandarya (3.4%), Kashkadarya (4.8%), Jizzakh (5.1%), Syrdarya (5.5%) and Namangan (5.4%) regions [6].

The introduction of innovative banking technologies to create conditions for the provision of modern banking services, including organizing the activities of digital banks and their divisions specializing in the provision of retail services, improving remote banking services, and further developing the payment system, contribute to the increase in the service sector of the economy. In January-November 2019, the volume of financial services was equal to 31.2 trillion soums and, compared with the same period of last year, it increased by 12.2 trillion soums. The growth of financial services reached 58.9%. The share of financial services, except insurance and pension services, occupies 90.9% of the total volume of

financial services. For the current period, the share of insurance services is fixed in the range of 5.6%. Services auxiliary to financial and insurance services accounted for only 3.5% of the total volume of financial services. The share of financial services, except insurance and pension services, was significant in Syrdarya (92.8%), Surkhandarya (92.7%), Kashkadarya (92.2%), Jizzakh (91.3%), Samarkand (90.9%), Ferghana (90.8%) regions, as well as in the Republic of Karakalpakstan (93.3%) and the city of Tashkent (91.4%). The lowest rate was recorded in Andijan region (86.6%).

### The share of financial services, except insurance and pension services in several regions of Uzbekistan in 2019(in percents)



Moreover, among the regions in the structure of financial services, the volume of insurance services prevails in Tashkent (9.4%), Namangan (8.6%), Khorezm (7.3%), Navoi (7.1%) and Bukhara (7.0%) areas. The lowest indicator for insurance services was noted in Andijan (4.5%), Samarkand (5.4%), Surkhandarya (5.6%), the Republic of Karakalpakstan (4.9%) and Tashkent (4.8%) [5].

In addition, in recent years there has been an intense saturation of the market with modern information technology and communications. In January-November 2019, the volume of communication and information services was equal to 9.78 trillion soums. Compared to the same period of last year, the growth rate of this type of service



reached 8.7%. The share in the total volume of market services provided amounted to 5.7%. Preliminary programming data, consulting and other related services - 7.5%, information services - 3.0%, programming and broadcasting - 3.6%, film, video and television production services, including services for sound recording and publishing of musical works - 0.8% of the total volume of communication and information services. The highest indicators for the provision of telecommunication services were noted in Jizzakh (98.9%), Syrdarya (98.0%), Samarkand (97.9%), Andijan and Kashkadarya (96.9%) regions. Due to the fact that when comparing with other regions, the highest indicators of computer programming services, consulting and other related services (13.1%), publishing (8.6%), programming and broadcasting (6.5%), information services (4.8%), film, video and television program production services, sound recording and music production services (1.3%), telecommunication services in the structure of communication and information services occupied a low proportion in the city of Tashkent, amounting to 65.7% [7].

As research shows, the most important condition for building an economy of knowledge and services is a developed system of personnel training and retraining. In the course of the ongoing reforms, the country needs high-level specialists in various core areas. Highly qualified personnel can become the driving force of an innovative economy. In January-November 2019, the volume of services in the field of education reached 6.57 trillion soums. Their share in the total volume of market services provided made up 3.8%. The largest volume of market services in the field of education was recorded in Tashkent. In January-November 2019, it reached 2.75 trillion soums. Compared with January-November 2018, the volume of market services provided in the field of education in the city of Tashkent increased by 462.8 billion soums. Along with this, an increase was observed in Samarkand (by 144.9 billion soums) and Bukhara (by 122.1 billion soums) regions. A slight increase in the volume of education was noted in the Syrdarya region. Here it increased by only 25.8 billion soums. Preliminary data was equal to only 119.4 billion soums.

Compared with January-November 2018, the growth rate of accommodation and food services was 5.2%, and the volume increased by 914.0 billion soums and reached 5.18 trillion soums. In the total volume of accommodation and catering services, food and beverage services prevail - 77.7%. In January-November 2019, the share of accommodation services made up 22.3%. The growth of this type of services

was facilitated by the development of tourism activities, which had an impact on the increase in population demand for services of holiday homes, cottages and other places of temporary residence. The largest volume of accommodation and food services was recorded in Tashkent - 2.37 trillion soums, compared with January-November 2018, there is an increase of 423.1 billion soums. Growth in this region was influenced by food and beverage services, their volume increased by 289.8 billion soums compared to last year. At the same time, the largest volume of accommodation and food services was noted in Tashkent (545.3 billion soums), Samarkand (353.9 billion soums), Bukhara (329.8 billion soums) regions. The smallest volume of accommodation and food services was also recorded in Jizzakh (113.8 billion soums) and Khorezm (121.3 billion soums) regions. Relatively high growth rates of this type of service were noted in Jizzakh (13.2%) and Khorezm (12.8%) regions [8].

Nº	Regions	Prices of provided services (in billion soums)
1	Tashkent	545.3
2	Samarkand	353.9
3	Bukhara	329.8
4	Jizzakh	113.8
5	Khorezm	121.3

Currently, medicine and health care in the country are developing in one direction with dynamic transformations aimed at a steady increase in the level and quality of life of citizens of independent Uzbekistan. Great attention is paid to the further improvement of the healthcare system, the stimulation of the work of medical workers, the widespread adoption of modern technologies and treatment methods. Today, in all regions of the republic, high-quality medical services are provided in specialized scientific and practical medical centers in such areas as cardiology, surgery, eye microsurgery, urology, therapy and medical rehabilitation, endocrinology, pulmonology and phthisiology, obstetrics and gynecology, pediatrics, etc. In January-November 2019, the volume of healthcare services increased by 550.3 billion soums and reached 2.6 trillion soums. Compared with the same period of last year, the growth rate was 9.5%. Among the regions in the field of health services, the leading place is occupied by Tashkent. Here, compared with the same period of last year, in the current period, the volume increased by 279.6 billion soums. Its share in the total volume of provided market services in the healthcare sector



amounted to 42.5%. Along with this, a relatively high proportion was recorded in Tashkent (9.7%), Ferghana (8.0%). The share of services from the total volume of market services provided for health services in the Syrdarya (1.4%) and Navoi (1.8%) regions, as well as in the Republic of Karakalpakstan (2.2%) in the current period was insignificant [9]. According to many international experts [6], the accelerated development of the service sector is an indispensable condition for the successful completion of the modern structural adjustment of the country's economy.

Conducted researches showed that the service companies developing in our country however, there are several ways to further develop and provide them with financial efficiency. And following research revealed many alternative ways for company managers for providing financial efficiency of service companies in the Republic.

**Introduce Shared Services:** An operating model that leverages Shared Services is often more efficient than the model where each business area has its own, often redundant functions. A Shared Services setup ensures that the entire organization, including Operations, uses available resources in a pooled and highly efficient way.

**Rework operating model:** If your operations or Back-office is used to always doing things in a certain way, it does not mean that there is not a more efficient way to do those things. Making process changes—including the adjustment of a company's physical footprint, outsourcing / offshoring of particular processes, changes to organizational structure—can help increase efficiency.

**Consider Outsourcing:** In some cases, it is more cost-efficient to hire a third-party to perform certain activities. Reasons for this include: a lower price point, faster service delivery, and/or special skills that an outsourcing company can offer.

**Off-shore:** Off-shoring some activities can drive even stronger price arbitration than outsourcing. Some geographies offer price points which are several times lower than, for example, the price point in North America.

**Leverage analytics:** Strong analytical capacity will allow you to slice and dice your operational data, identifying opportunities to make Operations more efficient—such as workforce planning. Furthermore, it can provide important insights into intra-day and mid-/long-term work volumes and required capacity.

**Consolidate your physical footprint:** Each of your company's real estate locations (whether leased or owned) drives additional costs. In many cases, eliminating a local office and consolidating its activities

into a nearby Operations centre can provide meaningful savings.

**Renegotiate real estate leases:** Using the opportunity to renegotiate a lease when it is about to expire or when there is a considerable change in your operations (e.g. leasing an additional floor due to increase in staff) represents an opportunity to further decrease real estate costs.

**Decide on lease and own model:** While it makes sense to lease space for your operations, in some cases it makes more sense to own your space, for example, if there is a good supply of cheap real estate while rents are high. There are many things to consider in this situation: owning space offers you an opportunity to grow your business, for example, if you need to add another floor, you already own it. It can also provide additional income via leasing out any space you are not using. However, owning a building would come with some significant costs, such as needing to engage a property management company, additional insurance costs, etc.

**Prioritizing capital projects (building upgrades):** Keeping up with the upgrades is a constant desire, but in order to ensure efficiency one has to make decisions about what is a priority and what can wait for a later day. Making sure that A/C works properly in the summer and that the heating works well in winter are must-have upgrades. Retrofitting a functioning elevator however, can be considered a nice to have.

**Standardize processes:** Often the same processes are executed differently across various departments and, sometimes, even within the same department. Identifying the most efficient way to complete a process and making sure that all similar processes are completed in the same way results in significant operational efficiencies.

## **CONCLUSION**

Summing up, it can be said based on the above discussed statements that the growth of the service sector has long been considered as an indicator of a country's economic progress. Services are continually being launched to satisfy our existing needs and to meet needs that we did not even know we had. Service organizations can vary in size from large corporations to small, locally owned businesses. Moreover, following proposals have been made for managers for further developments in this sector:

- **Simplify processes:** Over time processes tend to become more complex. Periodically reviewing processes and making an effort to streamline them leads to more efficient Operations.



- Eliminate unnecessary processes/activities: Often we see that companies do things simply because “we-have-always-done-it-this-way” without asking themselves if an activity adds value or is even required. Identifying these activities and eliminating them can lead to significant process improvements. Examples of such activities can be the creation of unnecessary reports, the collection of unnecessary data, or the population of unnecessary data into systems.
- Reduce transport times: From reduction of walking distances between various Operations teams on the floor, to a decrease in driving distance between various physical locations, there are many ways in which you can utilize this lever to find efficiencies. Tools like “Spaghetti charts”, value stream mapping, and footprint assessments allow businesses to gain insights into this efficiency lever.
- Digitize paper documents: some companies are still using paper to excess. This is a very large obstacle when it comes to efficiency since customer files or claims are not available in an easily accessible way from different locations. Digitizing all incoming and older, paper-based documents is a Herculean effort but it creates a significant opportunity to drive operational efficiency and improve the customer experience.
- Explore the use of blockchain technology: Blockchain is capable of fundamentally changing the nature of operations. Only a particular set of problems can be addressed through blockchain; however, if applied correctly to the right question, blockchain improves data accuracy, speed of transactions, prevention of fraud and securitization of transactions. It should typically be considered for the areas where multiple parties interact, exchange information that needs to be validated/verified and can be supported through blockchain deployment (e.g. claims management in insurance is one of such areas or registry validation in real estate)
- Develop feedback loop: Ask your team what they think and how they would like to improve the status quo – you will be surprised with how many ideas they may have, driving both efficiency and improving customer service, not to mention a higher level of staff engagement.
- Overtime management: Using overtime to resolve capacity problems is a frequent

approach in many companies, but it leads to higher operational costs (e.g. paid overtime). The better approach is to develop strong planning and forecasting capabilities to avoid (or minimize) the need for overtime work.

- Equip staff with necessary skills: In some cases, staff members could perform better if they are properly skilled. Ensuring that Operations leadership knows what are the skills of each team member (e.g. via a skills-matrix) and constantly improving them would result in people completing their jobs faster and in better quality.
- Monitor trends and embedding them into planning: Knowing trends and embedding them into your workforce planning is important and allows you to right size your organization as work volume grows or decreases. Otherwise, you are risking an increased backlog and lower performance.

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