The Hidden Cost of Outdated Processes

By: Bruce Haghighat

Every process an organization runs was designed to solve a problem at a specific moment in time. The approval chain, the onboarding checklist, the monthly report: each made sense when someone built it. But markets shift, tools change, teams grow, and regulations evolve. The process stays the same unless someone deliberately looks at it again.

That is the core argument for frequent process review. Left alone, processes drift. They pick up extra steps, outlive the reasons they were created, and quietly absorb time and money. Organizations that review their processes on a regular schedule catch that drift early. Those that don't often discover it only after it has cost them customers, staff, or revenue.

The research, and the track record of organizations that have made review a habit, make a strong case that this is one of the highest-return disciplines a leadership team can adopt.

What inefficiency really costs

Inefficiency is expensive, and it is rarely visible on a balance sheet. Research firm IDC has estimated that companies lose 20 to 30 percent of revenue each year to inefficiencies (Entrepreneur). The same research found that more than 80 percent of business leaders run systems that don't coordinate with one another or with partners (Kyocera).

Much of that loss hides in ordinary work. The McKinsey Global Institute found that employees spend about 1.8 hours a day, roughly 20 percent of the workweek, searching for information (Economics Online). Atlassian found that employees spend 31 unproductive hours a month in meetings, costing U.S. businesses an estimated $37 billion a year in salary.

Leaders feel this. In a 2020 Gartner CEO survey, outdated work processes ranked as the top challenge in managing the future workforce (Mendix). And as GE's 1996 annual report noted, quality at the three-to-four sigma level typical of U.S. companies can cost as much as 10 to 15 percent of revenue (iSixSigma).

The problem is not that people are working poorly. It is that, as one consultancy put it, inefficiencies hide under "the way things have always been done."

Copyright 2026, Optimio Solutions. All Rights Reserved.

Why processes drift

Few processes are badly designed on day one. They decay through a handful of predictable forces, and understanding those forces explains why a single cleanup is never enough.

Exceptions become rules. A customer complaint leads to an extra sign-off. An audit finding adds a second check. Each addition is sensible in isolation, but they rarely get removed when the original problem is solved. Over a few years, a five-step workflow becomes a twelve-step one that nobody can fully explain.

The environment moves faster than the process. New software, remote work, new regulations, and new customer expectations all change what a process needs to do. Forrester has reported that about 70 percent of organizations still rely on paper-based activities for critical business processes (Mendix), a sign of how long old methods outlive the tools that could replace them.

Knowledge walks out the door. When the people who designed a process leave, the reasons behind each step leave with them. Successors follow the steps faithfully without knowing which ones still matter.

Workarounds hide the problem. Capable employees compensate for broken processes with spreadsheets, side emails, and personal checklists. The work gets done, so the dysfunction stays invisible to leadership, while the cost lands in overtime, errors, and burnout.

None of these forces stops on its own. That is why review has to be scheduled, not saved for a crisis.

Relevant, efficient, effective: three questions for every review

A useful process review asks three distinct questions. They are easy to blur together, but each catches a different kind of failure.

Is it still relevant? A process exists to serve a purpose. When the strategy, the customer, the law, or the technology changes, that purpose may change or disappear. A weekly status report built for a co-located team may be pointless for a team that now works in a shared dashboard. Relevance is the first question because there is no point optimizing a step that shouldn't exist.

Copyright 2026, Optimio Solutions. All Rights Reserved.

Is it efficient? Efficiency is about the resources a process consumes: time, money, handoffs, approvals, and rework. Lean practitioners look for waste in the form of waiting, unnecessary motion, overprocessing, excess inventory, and defects. Most processes accumulate these gradually, one reasonable-sounding exception at a time.

Is it effective? A process can be fast and cheap and still fail. Effectiveness asks whether it actually delivers the intended result: accurate data, satisfied customers, safe outcomes, compliant records. Measuring outcomes, not just activity, is what separates genuine improvement from simply working faster.

Warning signs a process is overdue for review

A regular schedule is the backbone of good practice, but some symptoms mean a process should jump the queue. Leaders and team members can watch for these:

- **Nobody can explain why a step exists.** If the answer to "why do we do this?" is "we always have," the step's purpose has likely expired.
- **Work waits more than it moves.** When most of a request's elapsed time is spent sitting in someone's queue, the process has too many handoffs or approvals.
- **Shadow systems appear.** Personal spreadsheets, side channels, and unofficial checklists are a sign people are routing around the official process.
- **Errors and rework repeat.** The same mistakes showing up month after month point to a process flaw, not careless people.
- **Customers or staff complain about the same thing.** Repeated frustration about delays, forms, or confusing steps is free diagnostic data.
- **The world changed but the process didn't.** A new system, regulation, market, or team structure should automatically trigger a review of the processes it touches.

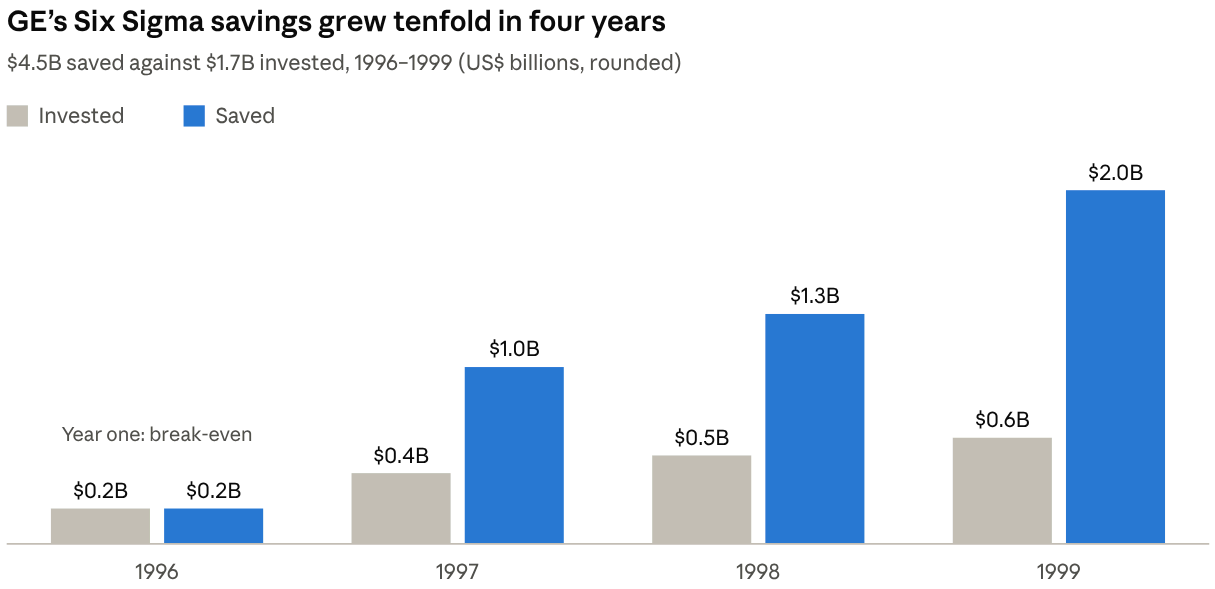
Any one of these is reason enough to look closer. Two or three together usually mean the process is costing far more than anyone realizes.

What happened when organizations committed to review

Organizations that built structured, repeated process review into their operations have documented large, measurable returns. Two of the best-documented examples come from industrial manufacturing and aerospace.

Copyright 2026, Optimio Solutions. All Rights Reserved.

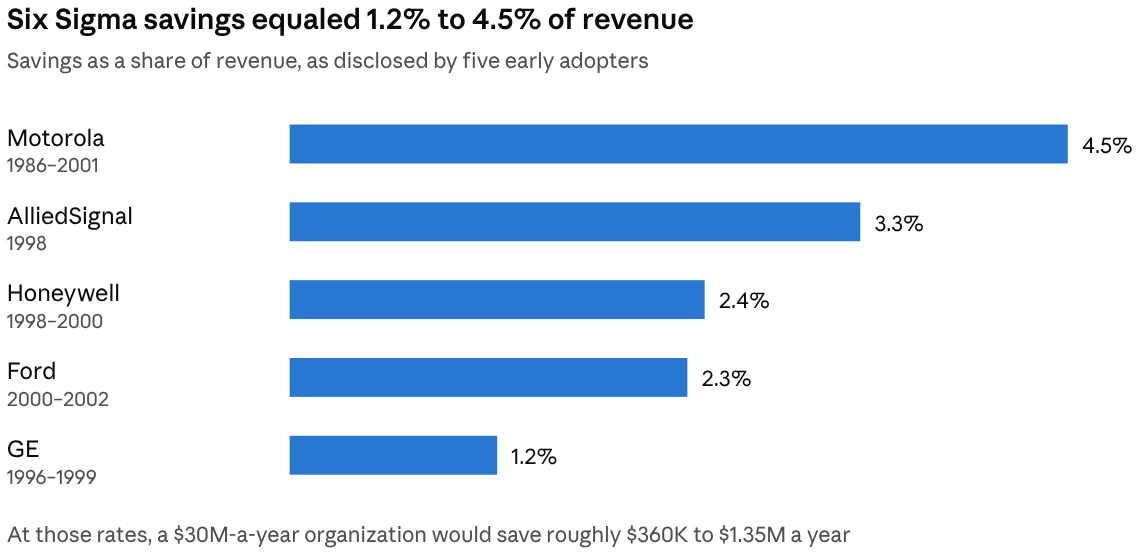
GE and Six Sigma. GE launched Six Sigma in 1995, training employees to measure processes, trace defects to their causes, and fix them project by project. By the company's own annual reports, savings outpaced the investment every year after the first. In its 1998 annual report, GE said the financial returns had "entered the exponential phase."



GE annual reports, compiled by M. Cyger, iSixSigma, "Six Sigma Costs and Savings" · 1996–1999

GE was not an outlier. Michael Cyger at iSixSigma compiled the savings five early adopters disclosed in their annual reports and found they consistently equaled a meaningful slice of revenue. He also noted that a first year near break-even is normal: improvement is a compounding investment, not a quick fix.

Copyright 2026, Optimio Solutions. All Rights Reserved.



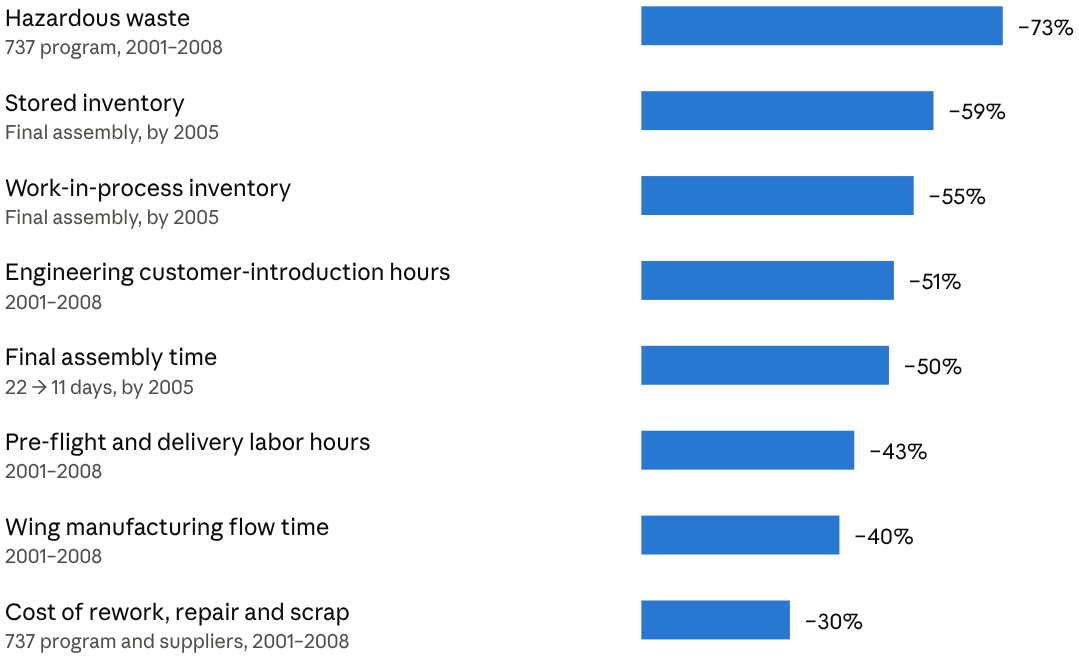
Company annual reports, compiled by M. Cyger, iSixSigma · periods as labeled

Boeing and the 737 moving line. In late 1999, Boeing began applying lean techniques to 737 final assembly at its Renton, Washington, factory. The changes included a moving assembly line that advances each plane at a steady two inches per minute, just-in-time parts delivery, tool and parts kits staged at the point of use, standardized work, and visual controls. By 2005 the 737 had the shortest final-assembly time of any large commercial jet (Boeing). The program kept reviewing its other processes, from engineering to wing manufacturing, for years afterward (Lean Enterprise Institute).

Copyright 2026, Optimio Solutions. All Rights Reserved.

Boeing's 737 lean program cut time, inventory, cost and waste by 30% to 73%

Reductions after lean techniques were introduced at the Renton, Washington, factory in late 1999



Boeing news release, Jan. 27, 2005; Boeing, "Boeing Lean Journey" (2008), via Lean Enterprise Institute · 737 program

Notice what these cases share. None relied on a single overhaul. Each built the habit of examining the same processes again and again, and each measured the results so the next round of review had something to build on.

Building a review rhythm

The organizations with the strongest results treated review as an ongoing habit rather than a one-time cleanup. A practical rhythm looks like this:

1. **Inventory your core processes.** List the processes that touch customers, money, compliance, or large numbers of staff. These get reviewed first and most often.
2. **Set a cadence by risk.** High-volume or high-risk processes merit a quarterly look; stable, low-impact ones can be reviewed annually. Trigger an immediate review after any major change in strategy, systems, or regulation.
3. **Map the current state honestly.** Walk the process with the people who do the work. At Wiremold, the CEO trained the first improvement teams himself and led the early workshops on the shop floor.

Copyright 2026, Optimio Solutions. All Rights Reserved.

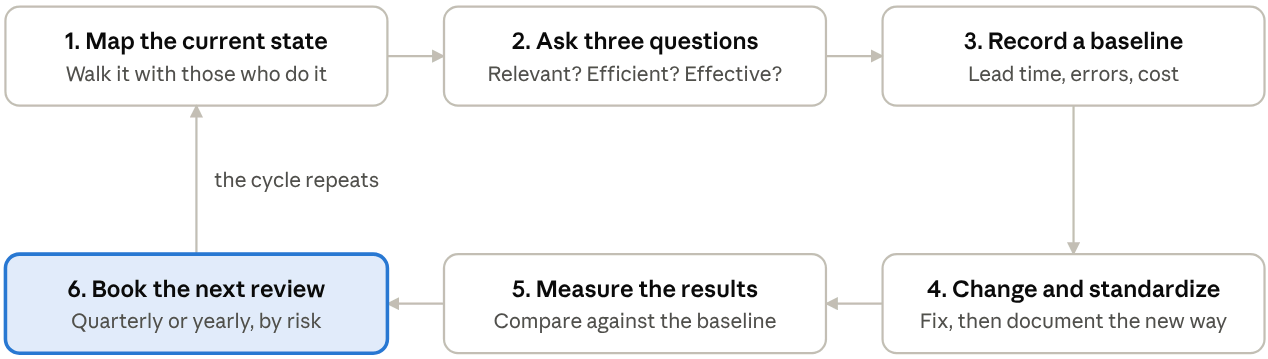
4. **Measure before and after.** Pick two or three metrics, such as lead time, error rate, cost per transaction, or satisfaction, and record a baseline before changing anything.
5. **Change, standardize, and revisit.** Make the improvement, document the new standard, and schedule the next review on the calendar before the team disperses.

Two cautions apply. First, improvement costs something up front; GE barely broke even in its first year. Second, Wiremold's CEO, Art Byrne, warned that improvement cannot be handed off to an operations executive; it has to be led from the top.

The review cycle at a glance

Put together, these steps form a loop rather than a project with an end date. The final step, booking the next review, is what keeps a process from drifting again.

Every review ends by booking the next one



process review cycle · 6 steps, repeating

The first pass through the loop is usually the hardest, because it surfaces years of accumulated workarounds. Later passes are faster: the baseline already exists, the people involved know the questions, and the changes are smaller and easier to absorb. That compounding shows in GE's numbers above, where the gap between investment and savings widened every year.

Making improvements stick

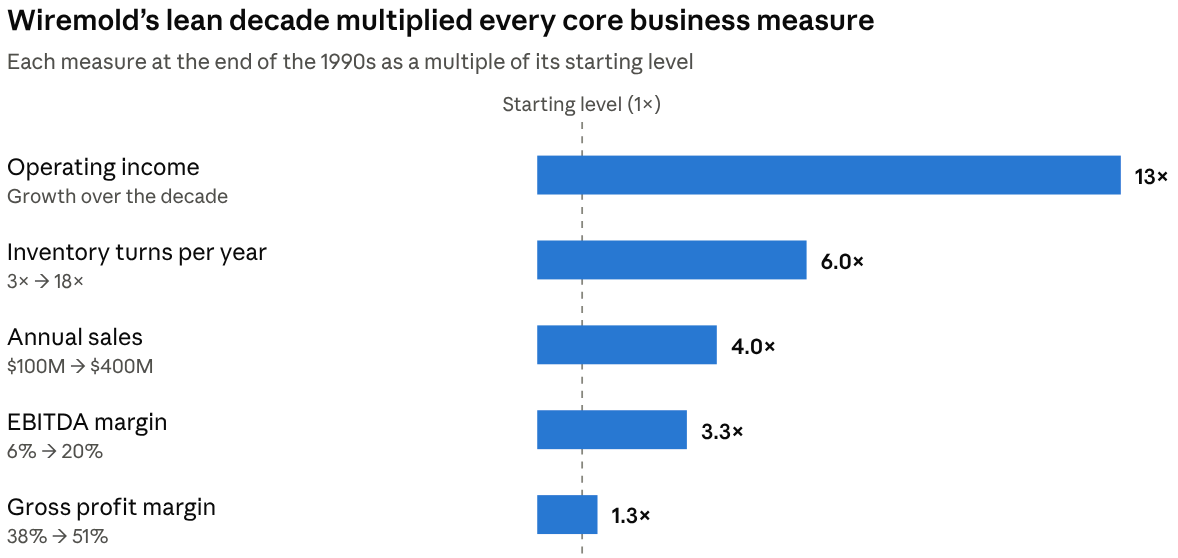
Process improvement has a reputation problem: many initiatives deliver an early burst of results and then fade. The organizations with lasting gains avoided a few common traps.

Copyright 2026, Optimio Solutions. All Rights Reserved.

Treating review as a project, not a practice. One-off efforts lose momentum when their sponsor moves on. Boeing's 737 program avoided that trap by treating each gain as a new starting point. After final assembly time had been cut in half, the program's general manager said publicly that Boeing would not stop there, because improving a production system means continuously enhancing both the product and the processes behind it (Boeing).

Optimizing for speed alone. Cutting steps without checking outcomes can make a process faster and worse. The strongest programs track efficiency and effectiveness together.

Leaving frontline staff out. The people who do the work see the waste first. At Wiremold, a U.S. manufacturer, CEO Art Byrne built a lean culture from the plant floor up in the 1990s. He wrote the company's lean-methods manual, personally trained the first 150 people, and led its first week-long improvement events (IndustryWeek). His view was that the best ideas for improvement come from the people doing the work (Lean Blog).



Art Byrne via Lean Blog (2013); sales via IndustryWeek · Wiremold, 1991–2000

Wiremold's results show why both lenses matter: the company became faster and more profitable while serving customers better. Lead times fell from four to six weeks to one or two days, and machine changeovers went from three a week to 20 or 30 a day.

Underinvesting at the start. Training, measurement, and leadership time cost money before savings appear. Organizations that expect immediate returns tend to abandon improvement just before it begins to compound.

Copyright 2026, Optimio Solutions. All Rights Reserved.

Conclusion

Processes don't fail all at once; they erode. Each year a little more time goes to workarounds, approvals, and searching for information, until a meaningful share of the organization's capacity is spent maintaining the past.

Regular review is the counterweight. By asking whether each process is still relevant, efficient, and effective, and by measuring the answer, organizations from GE to Boeing to Wiremold have turned that erosion into savings, speed, and better outcomes. The lesson for any organization is simple: put process review on the calendar, and keep it there.

Sources

- Entrepreneur: IDC on revenue lost to inefficiency
- Kyocera: common workflow problems (IDC, Atlassian data)
- Economics Online: McKinsey on time spent searching for information
- Mendix: Gartner CEO survey and Forrester data on outdated processes
- iSixSigma: Six Sigma Costs and Savings (Michael Cyger)
- GE 1998 Annual Report
- Boeing: 737 final-assembly time cut 50 percent (Jan. 2005)
- Lean Enterprise Institute: Boeing Lean Journey (2008)
- IndustryWeek: Manufacturing Hall of Fame, Art Byrne
- Lean Blog: Art Byrne on Wiremold's results

Copyright 2026, Optimio Solutions. All Rights Reserved.