Digital Multi-Tasking Sometimes Disrupts Efficiency

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For commercial tenants, now's the time to buy

Favorable borrowing rates, lower construction costs, add to that the significant drop in property values over the last three years, and there is a strong case for business owners to consider owning their real estate.

SBA financing

If ownership aligns with long-term business plans and the tax implications are favorable, a stable business or a collateralized startup can find favorable financing. Conventional lenders are certainly out there lending money, but Small Business Administration loans are coming back into favor for several reasons:

1. Conventional financing now requires more than a pulse to qualify.
2. The SBA has aggressive programs with improved processes that have made them more user-friendly.
3. Lenders are specializing in SBA loans and know how to get through the process more efficiently. In some cases, they have pre-approval from the SBA to underwrite loans that saves time, so make sure you start this process with a SBA specialist.

The primary applicable SBA loan programs are 504 and 7(a), both of which have received recent tweaks in hopes of spurring growth out of the recession.

For as little as 10 percent down, you can purchase a building and roll in closing costs, all loan related fees, equipment costs, furniture, building improvements, as well as business credit card debt and other existing lines of credit.

The loans can be used to buy a business or refinance an existing building or other debts. Loan limits have been increased up to $5 million, and terms are usually fixed for 10 or 20 years, much longer than conventional loans.

Construction costs

With new construction at a standstill, contractors have had to trim their profit margins significantly to win a job and keep their people working. This can be said, too, for all related industries – architects, engineers, etc.

Some materials costs may fluctuate, but overall now is an exceptional time to consider building new or making improvements to an existing structure that will add value long after the current economic slowdown corrects.

Property values

I hate having to tell this to my clients who want to sell, but nationally values are down anywhere from 35 to 45 percent from their highs in 2007.

We are still bumping along the bottom, but in May we saw a 6.3 percent increase in the Moody's/REAL Commercial Property Index (CPPI). This was the first positive move in six months and the largest one-month increase since the index started.

One of the factors of the increase, distressed sales saw an increase of 4.8 percent and were 27.0 percent of repeat sales. Property owners who have had tenants evaporate or bought at the height of the market are willing to, as one well respected local developer told me, "forget about the cheese and just get out of the trap."

There is just not enough demand to absorb the vacant space, and it will be this way for some time to come.

Given all these factors, even modestly positioned business owners have an incredible opportunity that we are likely not to see again for a long time.

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Digital multi-tasking sometimes disrupts efficiency

There are two common "eff" words in business often used in tandem: effective and efficient. In fact, we use these words together so frequently that each may lose individual meaning.

Effective is defined as doing the right job. Efficient is defined as doing the job well.

Productivity, output divided by input, is an operational metric that is often misunderstood as only a measure of efficiency. However, if we are not effective, if we do the wrong job, demand (which drives output) is sure to drop as customers are dissatisfied with our output.

Remote information availability in modern business environments is everywhere. Many of us believe that one way to adapt to the increasing frequency of remote communications through our personal digital devices is to become more adept at multi-tasking. Our sense is that we can become more productive by tending to a greater number of tasks at once.

In terms of tasks handled per day, we are surely more productive. But are we sacrificing our performance on the right tasks for the sake of tending to more tasks? Can we effectively do multiple things at once?

In a recent operations management course with a cohort of working professionals enrolled in the Georgia Web MBA program we discussed a blog post (blogs.hbr.org/cs/2010/12/you_cant_multi-task_so_stop_tr.html) by Paul Atchley. He is a Ph.D. and associate professor of cognitive psychology.

The core of Atchley's post is that humans cannot multi-task, but rather we actually switch between tasks. Atchley cites psychological studies revealing that people juggling multiple tasks at once are less productive than those who focus on tasks one by one.

For example, an email interruption during a primary task stalls the primary task, on average, for 15 minutes. Likewise, overall efficiency of apparent multi-taskers can be as much as 40 percent lower than their single-minded counterparts.

Furthermore, creativity and long-term memory may also suffer as a consequence of multi-tasking.

While these insights from Atchley were fascinating, another facet of the smartphone's influence on business became clear in discussions among the Georgia Web MBA cohort. It is terribly rude to interrupt face-to-face communications to respond to a remote communication.

Here are two practical quotes from the WebMBA discussion board:

"As a boss, please remember that when you stop a meeting with your staff to answer your Blackberry, you are not only disrupting your own thought process. You are wasting your employees' time, too. I just started a new job this week and was in a meeting with the top boss who kept answering his Blackberry during a meeting, and every time he returned his attention back to us, he said "Now where were we again?"

"What message does it send to your colleagues when we are trying to have a conversation and the person you are talking to is head down, clicking away on a crackberry? You can't devote any protected time to the group? Emergencies arise but every thing is not an emergency. Some people have an addiction!"

Atchley suggests a few proactive policies and procedures that we can implement to reduce our disruptive impulses to multi-task.

1. Sequence tasks to be done into 18 minute increments of time because our attention tends to decline after 18 minutes.
2. Have designated and publicized digital device downtime.

This is time set aside to single-mindedly focus.

3. Keep a list of items that you want to browse online and set aside 15 minutes each day to check those items. As each "search-worthy" item appears in an email, text or other prompt.

A root of our difficulty in remaining productive and polite in the presence of pressures to multi-task is that the human brain prioritizes information based on social importance.

Our private professional matters often tend to take a backseat to social media and other remote messaging chatter. Therefore, we must be intentional about devising ways to minimize these types of disruptions if we want to truly be effective and efficient.

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