



In a steel factory Speedy Taylor established efficiency 130 years ago.

Efficiency matters – a great deal

International companies are increasingly feeling the headwinds of global climatic effects and resource scarcity. Efficiency is the new megatrend to proactively confront and manage the new millennial corporate challenges.

It remains one of the most sensational revolutions that industrial workers had ever seen on factory floors. 130 years ago, in Midvale Steel Corporation, Philadelphia, an industrial engineer nicknamed Speedy Taylor was diligently calibrating the performance of tools and measuring the motions of human workers, stopwatch in his hand. Speedy Taylor would report the smallest inefficiencies to plant managers through detailed studies. These reports would make the ground-breaking empirical case that greater efficiency through a more effective and dynamic management would be rewarded by growth.

«Production efficiency in a shop or factory could be greatly enhanced by close observation of the individual worker and elimination of waste time and motion in his operation.»

Frederick Taylor

The efficiency movement was born

Frederick Winslow Taylor, born in 1856 to a wealthy Philadelphia Quaker family, became known as the father of the «scientific management» and

father of industrial engineering. His ground-breaking time-and-motion studies would become an integral part of evaluating industrial performance and in assessing the efficiency of people and equipment. Taylor would spend the next three decades refining his approach to scientific management across the New England region, treating workers as elements of the production process.

The real sustainability driver

Efficiency manifests itself in ways that are interrelated: engineering efficiency, technical efficiency, economic efficiency, environmental efficiency. In all its shapes and forms, efficiency is about opportunity, risk management, competitive edge, responsibility, innovation and operating discipline. Efficiency and sustainability are two sides of the same coin. The megatrends of resource scarcity and climate change are reinventing traditional business models that support a more secure, sustainable future. And a big part of building a more sustainable future rests in applying relentless innovation to change and reshape the

way companies use or consume natural resources.

«There are three types of innovations that affect jobs and capital: empowering innovations, sustaining innovations and efficiency innovations.»

Clayton Christensen, Harvard Business School Professor

The Brundtland Commission's 1980s definition of sustainability speaks clearly about the importance for the industry as a whole, to adjust to scarcity of resources through greater efficiency, recycling and substitution. In essence, an increase in the efficiency of energy and material use not only serves ecological purposes but also significantly reduces costs and increases profitability. EFW Swiss has developed an index which measures the efficiency footprint of the most efficient companies of 34 OECD countries (search EFW under www.solactive.com). Efficiency improves long-term corporate organic momentum and operating productivity.

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