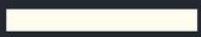


BUILD A BETTER BUSINESS WITH SYSTEMS



“Build a Better Business with Systems”

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Make Life Easier

Introduction

You're working killer hours but you're not making much money.

You keep making the same mistakes over and over again.

You're just plain stressed out.

Creating your own business is a labour of love to be sure, but it's also a seemingly endless source of overwhelming anxiety. No matter how many hours you put in you never seem to pull ahead far enough to where you're able to take a breath, never mind actually enjoying the fruits of said labours.

This book is going to help you reduce stress, recognize and fix errors, and overall help you feel like you own your business instead of the other way around.

How? By showing you the power of setting up systems.

Once you codify how your business works best (including how you should, or should not, respond to mistakes) you're going to find that:

- You feel like you're finally in control.
- You're getting ahead of your mistakes and that you're no longer making the same errors over and over again.
- You're more focused on what needs to be done to grow your company instead of merely treading water just to stay afloat.
- You're working less but making more money.

The systems you're going to set up will act as maps for you and your employees to follow. You'll have ongoing procedures and emergencies down to a fine art, and you'll be better prepared for the next unexpected event.

You might even have some fun.

Ready to take control of your business? Then let's get started.

Chapter 1 - What are Systems and Why Do You Need Them?

First of all, let's define what we mean by a "system".

A system is where every step of a procedure is clearly defined and documented.

In other words, it's the recipe of the business world. Let's say you're the one handling customer complaints for your business. But you get sick one day and can't come in. The queries and complaints don't get sick though, and they keep arriving at their usual pace.

If you haven't laid out a recipe for success when dealing with those complaints then none of your employees are going to help resolve the situation with your customers. They're not going to know how big of a refund they're allowed to make. They're not going to know if they're allowed to substitute a newer model of widget for the older model that the customer has in their possession. At worst, they're not going to know that there's any sort of complaints email address or database at all.

Without you there dealing with the complaints they are going to back up. Customers will feel snubbed and they will leave you, and thanks to social media they're going to let all of their friends and colleagues know that you dropped the ball.

But with a documented system in place your employees will know both who should take over handling the complaints in your absence and how much leeway they have in making a customer happy.

In addition, you're going to have any easier time recognizing where your workflow needs help. If you've categorised how (for example) a client's file moves through your system, you'll be able to see the exact point that the file's work gets bogged down. This is much harder to do if you approach your work in an undocumented and haphazard fashion.

A third benefit is that, now that you're able to recognise and shore up your internal workflow, you'll no longer have to roll up your sleeves and jump in

very much, if at all, because there are few if any more emergencies. This will free up big chunks of time that allow you to get back to steering your company from the top down.

Last, your employees want to do good work for you. Too many businesses try to get ahead by doing exactly what they shouldn't be doing – putting obstacles in the way of good employees that includes confusion and a lack of guidelines. Systems enable your employees to do what they want most to do – turn in a good day's work. If employees don't know how to make you happy.. well, they won't.

Every action you take in your business is one piece of a system. Every system comes together to make a whole – your business. The better your systems are the better your business will be.

Chapter 2 - A General Outline to Creating Systems

There are basically five steps to integrating systems into your business.

1. Recognize your systems. Chances are you've already discovered the best way to do a number of things that relate to your business. The first step to making them into systems is by realizing that you have them and that they can be worked on to make them better.
2. Examine each system in turn.
3. Tweak your existing systems. Now that you recognise your systems for what they are you might be surprised to find some very obvious ways in which they can be improved.
4. Document your systems. This makes it easier to recognize mistakes, to improve the systems when they're faced with new challenges, and to share them with your employees.
5. Maintain your systems. Keep adjusting and tweaking until your systems are just right.

We will go through the creation of three different forms of systems based on the five points above:

1. The Big Picture System – Where and how you want to steer your business year by year. As the top dog in your company this is one that you must write solely by yourself (unless you have partners of course). Then you can share it with employees for feedback. These are the overall goals your business will work toward.
2. The Decision System – The principles by which you will make decisions, big and small, that affect your business. Think of this being akin to a country's constitution. This system is based largely on your ideal version of your business – when customers sing your praises to their friends what do you want them to say?
3. The Day-by-day System – Your daily workflow. This is how you change your business from one that reacts to mistakes into one that is (virtually) mistake-proof. Think of the Day-to-Day system as your assembly line where the real work gets done – first we do A, then B, then

C. If D arises, then we hop over to E. You're going to eventually create one for every type of work process that you encounter in your business. So perhaps one for sales, one for customer complaints, one for filing, and so on. This is one you can share with all your employees – they're the ones that are going to know the various jobs best after all. This approach also has the added bonus effect of making your people feel emotionally invested in your company – they had input in creating your business' backbone.

There is one main action you have to take in order to create effective systems – take a step back. Look at your business as a whole and the individual workflows from a bird's-eye view.

If you're caught up in the midst of a workflow you're going to have a much harder time recognising problems. So look at your systems from the view of a project engineer and not as the worker who tightens the screws or drives the transport trucks.

Chapter 3 - The Big Picture System

It's important to document your Big Picture first because it forms the foundation of both your Decision System and your Day-by-Day workflow systems. This is a job for you, the Boss.

The Big Picture gives your business its brand (how you sell as opposed to what you sell) and it gives you your direction when it comes to both making decisions and how you should proceed when crafting your everyday processes.

To craft your Big Picture think about the best, ultimate version of what you want your company to be. Keep in mind this isn't an empty cheerleader slogan – instead it's a practical outline of where your company is now, how you want it to act, and what you want it to be.

Be specific. “We want to be the number one cheese-knife company in the north-east” doesn't help you or your company – every cheese-knife company in the north-east can say the exact same thing. If everybody can say it, it's not worth saying because it doesn't improve your business and it certainly doesn't lead to any advantages over your competitors.

In the Day-to-Day systems you're going to give specific liner steps to be carried out for ordering parts, or processing payments, or crafting a cheese-knife handle. With the Big Picture system, you're giving your vision for your company.

Think of this as you writing a letter, or even a declaration, to your team – “This is what we currently are, and this is what we want to be.” This is you telling your people what goals you think are the most important for your company both now and in the future. It also gives you a chance to highlight what you believe are your strengths, faults, opportunities, and what is a threat to the company.

Crafting Your Declaration

Here are some points you can think about hitting in your Big Picture document.

Marketing – How do you think your company would best go about grabbing more of your field's market share? Give specific examples for your team to work toward.

You can define your services or products, analyse what your target markets truly want, research to see what your competition is doing right or wrong, etc.

Expansion – How do you envision your company will expand? What is an actionable goal you have for 5 years from now? How about 10? A dollar amount you want to pass? Or perhaps a percentage by which you want to increase revenue to decrease expenses?

Productivity – Implementing systems is going to give your employees the ability to do their jobs as well as they desire. This means customers will get their products or services faster and at top level of quality.

Customer relations – Do you want to expand sales to existing customers or gain a certain number of new customers per month? How about increasing customer retention? Hit “excellent” in all categories on survey cards?

A Big Picture Template

If you want some help crafting the actual letter to your team, try something like this:

- Outline what this Big Picture document is (your strategic objectives that lie at the heart of your decision-making and Day-by-Day systems).
- Where you are right now in the market.
- Why you put so much effort into defining systems.
- Your primary services, and your secondary offerings.
- What regions or markets you serve.
- Why you put so much effort into making sure your employees are happy.
- Why clear communication is so important in a business that involves multiple systems, machinery, specialties, what have you.
- How your emphasis on quality and system adherence are your competitive advantages.

- That being said, you want to hear from employees when they discover a way to improve a system. If the system can be improved, it will be done immediately.

Alternative Big Picture Documents

The above examples seem very strictly business-y in tone. What if you're aiming to create a more fun-loving business culture?

Online shoe company [Zappos is well-known for its happier approach](#). They list their Big Picture system in 10 simple points:

1. Deliver WOW Through Service.
2. Embrace and Drive Change.
3. Create Fun and A Little Weirdness.
4. Be Adventurous, Creative, and Open-Minded.
5. Pursue Growth and Learning.
6. Build Open and Honest Relationships with Communication.
7. Build a Positive Team and Family Spirit.
8. Do More with Less.
9. Be Passionate and Determined.
10. Be Humble.

Then they [offer a link](#) to where the points are expanded. That's it. All decisions (their Decision System) and Day-by-Day procedures flow from these ten points. They don't expressly talk about expansion, for example, but it's built in because they believe that fantastic company culture and customer service will provide the means to expand.

The approach you take depends on what you want the culture of your company to be. Remember, the culture you nurture inside the company will reflect on the emotional relationship (your brand) that grows between your company and your clients or customers.

Chapter 4 - The Decision System

With your Big Picture in place you now have a compass for how you make decisions. For example, if your Big Picture document highlights the importance of customer service to your business, then you now know that your decision-making is always going to lean towards doing whatever you can to make your clientele happy.

Your Decision System is not going to be a serial process – it's not a document where you go from Point A to Point B and onwards. Instead it's a series of points that all must be considered at the same time.

Your points should be concise. You don't want ambiguity – you want a clear and easily understood template for both yourself and your team to follow when they have a decision to make, especially if there's a timetable involved in the decision.

What's the Problem?

Decision-making models accomplish two major tasks. First, they offer guidance to help you make a decision. Second, it helps to reinforce the decision after you've dealt with the problem.

Your Decision System is going to be about 2 to 4 pages that will give you both benefits. These guidelines revolve around what you believe makes for an excellent business. This means your Decision System is going to be particular to you.

- Our decisions should adhere to our Big Picture System, Decision System, and Day-by-Day Processes.
- We are in the business of customer service, you just happen to sell X.
- We follow our documented procedures in order to have a completely clear picture of where work stands.
- Our goal is to empower employees to get their work done. An employee with the ability to complete tasks is our most valuable asset.

- Management's goal is to fully enable employees. We will reward employees for performing at their full potential. This quality in employees means quality service for our customers.
- We build, maintain, and enhance systems so that we prevent problems before they happen.
- Nobody should feel intimidated for bringing up problems with our systems – in fact they should be thanked. An employee who brings a problem to light has given us the chance to improve our systems, making us even better.
- We prefer to be experts of a few products and/or services rather than mediocre Jack-of-All-Trades.
- The simplest solution is usually the best solution.
- Money saved can have a very real positive impact on the company, which means it benefits our employees and clients. Money is not to be devalued just because it is “company” money.
- While we create systems to deal with all everyday procedures, we want to avoid over-documenting for rare difficulties. This leads to suffocating bureaucracy and slows down employees' ability to look up necessary documents.
- Saying “no” to something can be a good thing – if someone suggests that a step in a process or an entire system is wasteful then there is nothing wrong with considering eliminating it.
- The documents must be both thorough and simple enough for a new hire to find them and use them to get into a task right away.
- “Now” is better than “later”. This includes smaller actions like answering emails or filing paperwork – leaving these for later can add up or even be forgotten, causing lag in the overall business.
- The most important tasks are handled first.
- We double-check everything. “Double-checking” is not an ephemeral notion – it is built in as part of our systems.
- Our work spaces are kept organised and clean.
- Training for employees is a system.
- Deadlines matter – too many other parts of the company may be depending on a deadline being met so they can accomplish their own schedule. If legitimate outside delays intrude we should inform everyone of the new deadline a.s.a.p.

- If something breaks down, fix it now, or call in someone to get it fixed. It doesn't matter if it can limp along until later – now is better.
- Avoid multitasking when possible – a single completed task is of more benefit than a bunch of tasks that miss their deadlines.
- And so on.

Chapter 5 - Day-by-Day Processes

This is your assembly line. This is the A-B-C steps of how you build your widgets, work on a file, or guide a client through a process.

This system above the other two (the Decision System and the Big Picture System) is the one that will most benefit from input from your team. The more removed you, the CEO, are from the hands-on of making your product or working with customers, the more you're going to want the input from your people in the trenches.

Document Your Current Systems

The first step is to document how you go through your workflow now, as is. Break down your business into every workflow possible. This might include the manufacturing of widgets, how customers are greeted and seated or made to wait, how you process payments and how you make deposits, how you handle customer complaints or returns, how you process special orders, and so on.

Write down all of these different processes and how you currently work them, step by step. Once these systems are documented you're going to have a much easier time identifying where in your assembly line something needs to be tweaked or changed altogether.

It is absolutely essential that your processes aren't just something you discuss – they must be set down on paper (or in a word file anyway).

Write in Obvious and Immediate Improvements

You're probably going to see some immediate beneficial changes from your top-down view, write them in right away. Complete the system's document and get it out to the relevant employees.

Test and Retest

Test the new workflow, and change again as necessary. Test again. And so on. You're not just fixing errors, you're working to ensure that the error cannot happen again. It's an ongoing process and you'll keep working at it over time to make it better.

A good way to test your systems is to have a new hire tackle them. If they have any trouble understanding a step or two then find out what could be simplified, integrate the changes, and test it again.

It's important to understand that when you find a better way to do something you get together the authors of the system and you implement it a.s.a.p. Don't let any form of bureaucracy slow down improvements to your business. "Later" is a waste of your company's time.

Have a System for Creating Systems

The creation of these procedures is one of the workflows that you'll want to document. Since a major goal of these systems is to free up time for you, the head of your business, it only makes sense that the creation of systems can be handled by others as well as your business' workflow systems.

Your staff will also more fully appreciate the power of systems when they are integral in creating a process or two of their own.

Of course you shouldn't be afraid to check out the documentation yourself – it's a great way to maintain a Big Picture view of your company.

(We'll show some example points for a system-building system later.)

Working with the Finalised System

In the end you're going to have a step-by-step procedure that can be followed by someone if, for example, the employee who usually handles that particular workflow is out sick, or you have a new hire.

You may also find that you have systems that you no longer need. For example you might be storing hard copies of customer interactions – but through analysing your systems you find that nobody ever references these hard copies, they only go to computer records. You've just removed some bloat from your company's time and money.

As the boss, it's also your responsibility to make sure employees have a system to follow. We've all had that boss who just magically expects us to know how to get something done but doesn't lay out how to do whatever it is, and then gets angry when we're unable to perform to their expectations. But that's the boss' fault, not the employees'.

That means that the process must be followed exactly as specified. However, the process itself can be changed if the writers of the process are deliberately taking a step back for the express purpose of bettering the workflow – but it is not to be changed by just anyone at all while the process is actually in motion. That being said, when a positive change is suggested – change the system immediately.

Sometimes your documented process can be a simple bullet point of linear A. Do this B. Now do this and so on. Other systems might require some kind of non-linear checklist.

Remember that when you're crafting your various Day-to-Day systems to step back and take a bird's-eye view of the whole process.

Methods for Making Your Day-by-Day Systems Better

1. Allow ideas to be passed upwards. Don't put barriers between good ideas getting to you from any person in your employ. Encourage employees to get those good ideas to managers, and the managers to pass them on up to you (or whatever your hierarchy might be).

The sooner a good idea gets integrated into your documentation, the sooner you start to see profit from it.

2. Try to eliminate randomness. Your goal is to find the best possible way to attack a workflow. That means that if people start to randomise (go off your documentation) they're probably straying from the best way to work the process.

3. Apply a system to all of your company's work. It's unlikely that there is anything that your business does on a regular basis that can't benefit from a system.

4. Make your systems easy to understand. You want your documents to be so easy to follow and understandable that a 1st-day hire should be able to follow them.

The more you document, the fewer emergencies you as a company will have to deal with, and that will leave you personally more time to concentrate on building your business.

Once you're able to hand off a Day-by-Day Process to someone else to follow you've accomplished one of the chief tasks of a leader – delegation. You can rest secure that (besides some tweaks to the system) that a task is going to be performed exactly how you want over and over again while you, as the head of the business, get to spend far more time working on the big picture goals.

5. Make your documentation identical. Use the same font and same presentation style on all of the various documents for different systems. This consistency in presentation will make the actual steps stand out more. You can however implement pictures and videos where they clarify a system's steps.

6. Don't write up systems for extremely rare problems. Documentation for problems that barely ever pop up makes it more difficult for your employees to look up the documents they need on a daily basis. This is bureaucracy and should be avoided. The actual problems will most likely be solved with Day-by-Day systems and your Decision System.

7. Oversee, at least, the major systems yourself. As the company's leader you're going to want to make sure that the Day-by-Day systems work in accordance with your Decision system and your Big Picture system.

Day-by-Day Processes and Your Employees

It's possible that your people might not like defined parameters for their job at first. But there are four big ways that they are going to benefit from the systems.

- 1. Systems work.** They're logical and hard to deny once everyone starts seeing the results.
- 2. They see they have input in the company.** Since you've made it clear that you're willing to accept good ideas from all quarters they're going to see positive suggestions implemented in the systems immediately – this tells them that the company listens to them and isn't some deaf bogged down bureaucracy.
- 3. Emotional investment.** When they contribute a positive addition or change to an implemented system, they're going to experience quite a bit of pride in that they've contributed to the very backbone of the company as a whole. Their contribution is going to continue to benefit everyone who works at your company for years, even generations, to come.

4. **Stress reduction.** If an employee is following a documented workflow procedure properly then when a problem arises it can't possibly be their fault and they don't have to worry about taking the blame. Instead what the error has done is expose a problem in the system itself or it indicates where a customer or client might require better communication perhaps because they didn't tell you about changes of address, or that they've fallen on hard financial times and need a bit of a break, etc. Implementing systems is most likely going to result in a stress-free work environment and a place where people enjoy coming in to work each day.
5. **Freedom.** Given a systematic structure, employees will know what they have to do, and managers will know that the employees know that they have to do. That means employees won't have anxious managers breathing down the backs of their necks, trying to micromanage their work.

You can make the search for the better system part of your company's DNA by offering bonuses or some kind of prize to employees who can spot out a problem and offer a better step in the procedure.

These bonuses can be for anything – from changing punctuation in a step's explanation to making it clearer all the way up to something that fundamentally changes the way your company does business.

No matter if the improvements are big or small your team is now even more incentivised to streamline your business.

Day-by-Day System Templates

Try and have all of your systems look more uniform in presentation. Here are a couple of examples that you can try out.

Example 1 – Simple steps

For the first example, let's say you want a system to show your employees how to sign up for Twitter. You can simply outline the steps:

Twitter Sign-up Procedure

1. Go to Twitter's homepage: <https://twitter.com/>

2. Click on the button that says, “Sign up for Twitter” found in the bottom right of the lower white box.
3. Enter your pertinent information in the fields provided.

And so on. Remember, you want to make it so easy to follow that someone with little prior computer experience, or who is fresh into a position, can easily take over a position by following your instructions. You may want to make it even easier by linking videos, adding images, or incorporating diagrams.

Charts are also a great way to simply illustrate the steps involved in a procedure.

Example 2 – Expanded explanations

Sometimes you'll have to expand on the points a bit or offer more information:

Extra Hours Procedure

1. Check if any shifts are open in the shift log book located in manager Ms. X's office.
2. You must log your request for the extra shift at least 72 hours before the start of the shift. Management will need to check your hours for the week before assigning the extra shift.
3. To apply for the shift fill in your name and employee number on the request sheet found in the front of the shift log book.
4. Management will assess if you possess the skills needed for the shift and let you know no later than 48 hours ahead of the shift if your application was accepted.

You can also include “Do not” points in these procedures. For example you might encourage more informal meet-and-greets with potential clients, but you make it a clear point that your employees are not to drink at these meetings on company time.

Example 3 – The System for creating Systems

Documenting your procedure for making systems accomplishes two main objectives. First, it lets employees understand why you've documented the steps you have in any system, and therefore how they can improve them.

Second, your managers on down will know how you want systems to be created and run so that you will no longer have to create them yourself.

You're going to have your own way of creating your systems, but here are some ideas to get you started:

System Creation Procedure

1. While systems are to be followed exactly, each system is open to improvement. If you have an improvement to a step or entire system you'd like to suggest, get it to your manager right away.
2. When a good suggestion arises it is to be implemented into the related system immediately.
3. Managers must okay any changes to a system. Both the manager and the person who made the suggestion should sign off on the way the change is worded in the updated system document.
4. All systems must be simple enough for a completely new hire to pick them up and get to work without confusion.
5. For narrative systems (systems with longer non-linear or "story-telling" explanations) find a way to arrange the points that they can be easily found (e.g. alphabetically, pertinent subheadings, etc.).
6. If you're making a chart or diagram make it simple and easy to read. Limit your use of fonts and special characters.
7. No assumptions! Don't leave any steps out, no matter how obvious.
8. Don't name a system "Procedure for... X". Instead, start the name with what the system describes like "Collecting Debts Procedure" or "Complaints Procedure". This makes it easy to find via alphabetical search as opposed to everything starting with "Procedure".
9. If necessary, you can start a system's document with a quick rundown in narrative form before getting to a point-form outline.
10. Everyone affected by an updated system must read the new document and sign off on it. If you have any problem understanding the update bring up the confusion immediately – others might share your confusion, which means the document needs further work.

Chapter 6 - Improving Your Company

Here's another advantage that implementing systems offers you - your competitors are likely not doing the same.

Too often what companies hope for is a rockstar employee to be found that swoops in and magically makes everything better. Or maybe there's some kind of computer program out there that if they could just find, would rocket efficiency by 110%.

So they spend a lot of time and heaps of money trying out new programs or hunting down and turning over employees without ever finding that magic bullet. All that time and money is completely lost with absolutely no benefit - and they could have solved a lot of their problems via system implementation.

It gets even worse - they might actually have dozens of fantastic employees already working for them, but they don't know it and can't use those employees to their full potential because without a system there isn't a way to discover which employee excels at which steps in their workflow.

While there's no such thing as perfection, there certainly is such a thing as working towards flawlessness. If your competitors aren't using systems then they are shrugging at their flaws at worst, and at best, they're running around putting out fires that will arise again because (to mix metaphors) they are fighting symptoms instead of the disease.

Chances are you will be able to match costs of your competitors (if you choose to do so) because they have undocumented waste in their company while your top-down systems have eliminated useless procedures and steps.

Chasing Perfection

There is a danger of spending too much time on weeding out flaws. Let's say you get your systems working to the point where they're 95% efficient - do you go after the remaining 5%?

That of course depends entirely on your situation, but keep in mind that there is going to come a point where you are now getting diminishing returns - the

huge amount of effort you're putting in to that last 5% could serve your company much more if it was focused on other matters.

So when it comes to your Day-to-Day systems do go into detail, but realise there is a point where you're chasing that last 5% of perfection. Your goal is to have a document that allows employees to perform tasks with efficiency and for new hires to pick up a system as easily as possible. If your system document accomplishes these two tasks then you've hit the mark.

Creating Value Beyond Yourself

There's an immense added bonus that you're creating with your systems if you are a business owner. You're creating a machine that can operate without your personal presence. That means that it can be sold to someone else without much chance of the service or product the company creates suffering because you're no longer at the helm. If the quality does suffer it's likely because the new owner started monkeying around with the systems you and your team had put in place.

This is another reason why delegation holds such importance. If you remain essential to one or more of your company's Day-by-Day processes then it will not be possible to sell the business without a guaranteed downtime and loss of quality until they can get other people to take over your work.

Make Life Easier

Do yourself a favour – reduce your stress, your time commitment, and your need to micromanage. Do your employees a favour and enable them to do the best job possible for you by eliminating waste and confusion.

Setting up systems sounds like a lot of work. It does indeed take some time and effort and you won't ever truly be done.

But you should always be thinking about long-term returns and systems are a fantastic way to shape your company right now so it runs like a well-oiled machine, catapulting your business forward without the need to run around in circles managing the same problems day-in day-out.