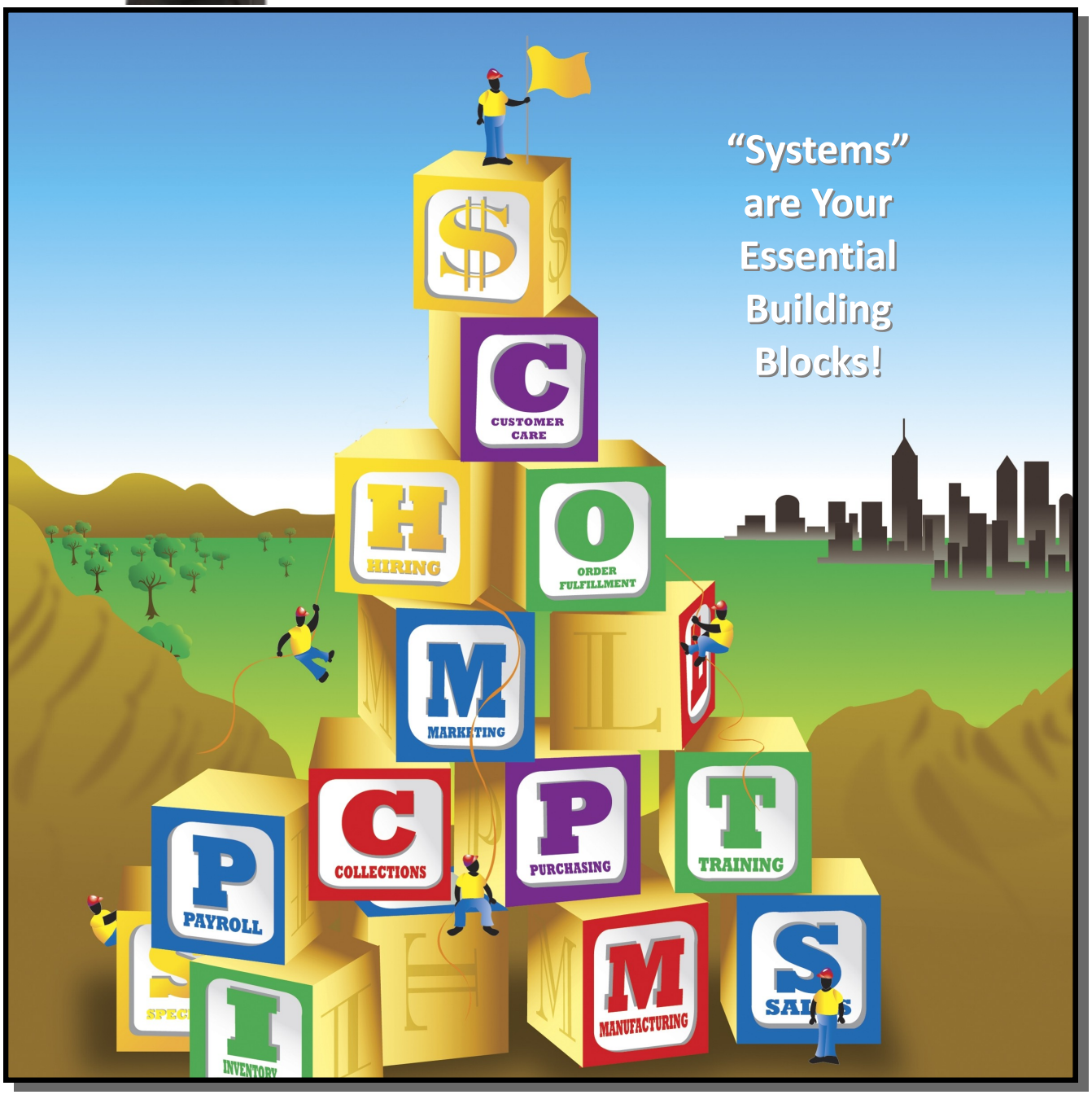
Better Systems Better Business



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THERE IS ONLY ONE SOLUTION TO EVERY BUSINESS PROBLEM!

Hi, I'm Ron Carroll,

Many businesses fail within the first few years; but you already knew that. What you may not know is the real reason why they struggle, and how you can avoid a similar fate during our challenging economic times! I'm sixty years old and retired from my accounting practice. I've owned several businesses and worked with hundreds of business owners during my career. In the next few minutes, **I am going to tell you the one great cause for business failure and the only true remedy for success.**

You may be thinking, "Yea right, everybody's got a secret formula; here comes the pitch, the hype, the product this guy wants me to buy."

Well, I have something you might eventually be interested in buying, but right now, I just want to raise the flag, blow the horn, and shout from the roof tops, "SYSTEMS ARE THE SOLUTION TO ALL OF YOUR BUSINESS PROBLEMS—CUSTOMER DISSATISFACTION, WASTE OF RESOURCES, POOR PERFORMANCE, EMPLOYEE TURNOVER, EXCESSIVE COSTS, POOR CASH FLOW, WEAK SALES GROWTH, SMALL PROFIT, AND DAILY FRUSTRATION—EVERYTHING!

Because my antenna is up, I hear the word "systems" frequently used by business owners, news commentators, and in casual conversation—usually when something isn't working right. Everyone has a general idea of what a system is. **Few business owners and managers really understand the underlying power of well-designed systems.** For example, do your systems get consistent, desirable and measurable results? Do they dramatically reduce the waste of valuable time and resources? Do they perform well even when you're not around? Do they help you achieve maximum customer loyalty, profitability and growth? If not, keep reading!

Most Small Business Owners Don't Get It

It is true that every business has systems of some kind, or they couldn't exist. So, you may think you've got it covered—more or less. One business owner recently told me that systems are like accounting—"BORING"—and he had more important things to do. **The poor man simply doesn't know what he doesn't know.** If you feel that way, hang it up right now. I guarantee that If you don't learn how to design and implement effective business systems, or at least oversee their development, YOU ARE DOOMED!

Listen, I am going to prove to you right now that creating effective systems and processes is the most important thing you will ever do. **Becoming a "Systems Thinker" will change forever the way you look at your business. It is the only way for you to grow a remarkable organization and achieve your personal and financial goals—in spite of the difficult times we face!**

SO, WHAT EXACTLY IS A BUSINESS SYSTEM?

A business consists of people, products and processes organized to profitably find and keep customers. Many businesses fail because people are unable to create effective processes that accomplish this single objective.

Systems and processes are the essential *building blocks* of your company, whether you realize it or not. **Every facet of your business—in the factory or in the office—is governed by the Law of Cause and Effect.** Let me say it another way: 100% of your business is made up of systems that can be managed and improved by applying correct principles.

A system is a procedure, process, method or course of action designed to achieve a specific result. Its component parts and interrelated steps work together for the good of the whole. Creating effective business systems is the only way to attain results that are consistent, measurable, and ultimately benefit customers.

Imagine the business functions listed below as carefully orchestrated systems that give you the daily results you need to be successful. You could list many others found in your unique organization, and of course there are subsystems within each. What are your most critical-to-success systems?

Lead Generation	Purchasing	Accounting
Sales Presentation	Manufacturing	Cash Management
Website	Inventory Management	Collections
Customer Care	Order Fulfillment	Information Systems
Hiring	Shipping/Receiving	Facilities Management
Training	Pricing	Custodial
Product Development	Quality Control	Safety

Right now, we both know that you have problems and obstacles preventing your business from achieving its full potential.

Ask yourself:

- Does our hiring system get us the best possible people?
- Does our customer care consistently help us meet or exceed customer expectations?
- Is our labor force productive and motivated?
- Does our lead generation system create sufficient sales opportunities?
- Does our accounting system provide strategic information for business decisions?
- Have we minimized the mistakes, waste and inefficiencies in our business processes?

WHICH OF THESE EXAMPLES DESCRIBES YOUR COMPANY?

Rick Harshaw, CEO of Y2Marketing said:

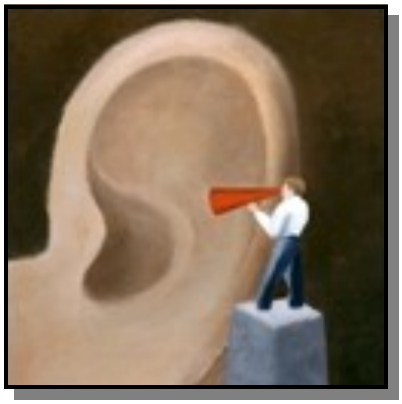
> "One of our favorite clients is an auto repair shop that regularly puts three to four competitors out of business every year. His business operations are run so flawlessly, his marketing is so compelling, and his customer satisfaction is so high that customers are irresistibly drawn in and drawn back time after time. They are helpless. In their minds (and in reality), they would be STUPID to go anywhere else to get their cars fixed. **In order for any business to succeed, it must first become a system so that the business functions exactly the same way every time down to the last detail."**

Now let's compare this auto repair shop to a ten-year-old company that recently replaced all of the windows in my thirty-year-old home.

The sales representative was a personable man with an impressive sales presentation. He used a binder that methodically reviewed the features, benefits, competition, and pricing. He also showed me a sample window so I could see the mechanics and quality. His thorough and systematic presentation left me with few questions. I decided to buy. A date for the installation was set.

Now, the system began to break down. The schedule was changed three times at a considerable inconvenience. In fact, the installation pushed into winter. We were shorted one window, and two were made to the wrong specifications; they had to be remanufactured, which took six more weeks. After a considerable effort to remove and replace an old sliding-glass door, I came home from work and noticed that the new door was the wrong style. The company graciously said they would order a new one. A few months after completion of the job, one of the large custom-made windows cracked. The installer said the window was too tight for the space. He ordered a new one. When it arrived, he opened the crate and had a melt-down when he saw that the glass was broken in shipping. Finally, after eight long months, the nightmare was over—or so we thought. At the first rain, a leaky upper-level window damaged the ceiling on the lower level. The pain continued!

Consider the consequences. The cost of size miscalculation came out of the pocket of the person who measured the windows. The wrong style sliding glass door came out of the commission of the sales person. The installer was frustrated with his cost of making so many trips back to the house. We were inconvenienced over an eight-month period. However, the saddest part came a year later when I called the company; they were out of business. **Poor performance costs plenty, and hurts everyone.**



At one point, I spoke with the owner and suggested specific ways he could improve some of his systems to avoid future mistakes, waste, and rework. It went in one ear and out the other. In a matter of a few hours, he could have tweaked his systems to forever prevent expensive blunders. These kinds of problems happen to all of us, but the solutions are amazingly simple. Find the faulty step of the system and fix it. There is no other way!

ARE ANY OF THESE FRUSTRATIONS STEALING YOUR PROFIT?

Let's face the brutal facts. Your business isn't perfect, but you can improve it dramatically by implementing effective systems—the only real solution to every one of your frustrations. Below are some of the daily challenges you and I face as business owners and managers.

Customer Dissatisfaction – Most business owners are aware of customers who complain, but are less aware of those who just stop buying. We've all been unhappy customers. **However, good systems give customers exactly what they want every single time, continually strengthening the relationship by exceeding expectations.** Customer dissatisfaction is the result of a breakdown in established systems, but can be quickly remedied by a responsive customer care system. When customers are happy—when they trust in your business products and services—they refer others, buy more, and become loyal fans. In a competitive marketplace—customer focused systems help you stand out like "a purple cow in a field of brown cows" (Seth Godin).

Waste of Resources – Good systems maximize the use of resources—time, people, equipment and materials. They eliminate defects and delay, the waste of business operations. Most small businesses have waste averaging 3%. Not bad, until you realize that waste comes off the bottom line and costs businesses owners 25%-50% of their profit. **By the way, most waste is hidden and only visible to the Systems Thinker.** Make your business "green" by cutting waste and getting a bountiful harvest from your valuable resources.

Poor Performance –Workers are more productive and motivated when they work in smooth-running systems found in clean and safe environments. **Efficient systems cut labor costs and improve quality.** When performance is measured and reported, the rate of improvement accelerates. Good systems elevate performance and promote a result-driven culture.

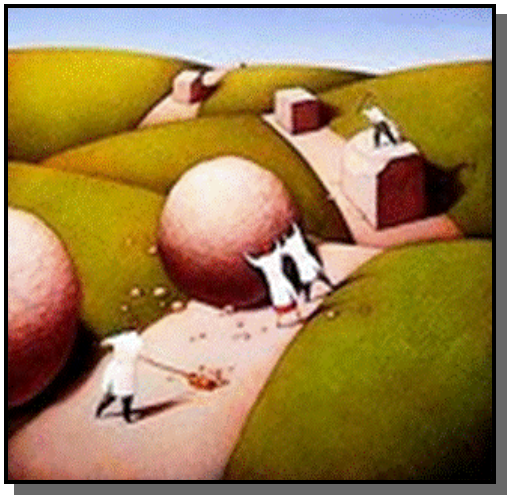
Weak Sales Growth – Lead generation, follow-up, and sales conversion are the most universal system failures for small and mid-size businesses. Good systems produce ample leads and frequent sales. You must, however, support them with internal systems that deliver quality products and services in a timely manner. **Effective marketing and sales systems drive all growth and profit.**

Employee Turnover – Employees work at their best when they know exactly what to do and what results are expected. They appreciate systems that provide training and education, recognize accomplishments, compensate fairly, and promote a pleasant work environment. **Like customers, you must meet or exceed expectations to keep your valuable people.** When employees work in a systemized and results-oriented culture, they blossom and enjoy their work experience.

Poor Cash Flow and Profit – Weak and wasteful systems rob you of profit and cash flow, creating a cancerous condition that spreads. Eventually, critical business systems break down and the organization dies. Under performing systems are at the root of all cash flow headaches. **Find and fix yours!**

DO YOU KNOW THE SIX MAJOR ELEMENTS OF EFFECTIVE SYSTEMS?

I repeat: In organizations of every kind, good systems increase efficiency, accomplish objectives, and give customers what they want every single time. They are the solution to customer dissatisfaction, waste of resources, low productivity, employee turnover, excessive costs, poor cash flow, weak sales and growth, small profit, daily frustration, and every business roadblock you face. *They are the "magic formula" for success!*



OK, you get it. I know. In fact, you may have already believed these things. **However, most business owners don't exactly know how to create really good systems. It's a learned skill.** Let's focus on six major elements.

What Makes Systems Effective?	
1. Process	Are your core processes—whether in the office or the factory—mapped or flowcharted? Are they smooth-running, with minimal bottlenecks and downtime, and with few mistakes or rework required. Does your customer—either directly or indirectly—benefit by each step in the process?
2. Components	Do you have all of the forms, checklists, scripts, reports, brochures, databases, equipment, software, and everything necessary for workers to make the system operate effectively? Missing or underperforming components are the cause of many weak systems.
3. People	Are your people the right fit for their job? (People are components, too.) How good are your hiring, training and communication systems? Do your systems include elements of accountability and motivation? Many business owners and managers blame people for problems when the real cause is the poor system they are put into. *Yes, the problems may be your fault!*
4. Quality	Do your customers get what they expect? Does your product or service do as promised. Is it free of errors or defects? How much time do you spend in repairs and rework? How many complaints or returns do you have? You can always improve quality with better systems.
5. Speed	How efficient are your systems? Do customers get their product fast or on time? Could you shorten your lead-time? Can you spot the delays and bottlenecks in you systems? How productive are workers? Improving speed—the throughput of products and services—has a dramatic influence on growth and profitability.
6. Measurement	Do you manage by the numbers? Do your systems have output goals that you continually measure? Do you use performance indicators as feedback to improve the systems? Are you continually trying to better your best?

LEARN THE MASTER SKILL—YOUR PRIMARY RESPONSIBILITY!

Getting organized, creating checklists, and writing procedures is a good start. But, can you see yourself as exceptional, an industry leader, envy of competitors, dominant in your target market?

If your are an owner, CEO, or manager, your primary responsibility is to put systems in place that routinely accomplish the mission and objectives of your organization. This is the most important skill you will master as an entrepreneur. All business functions—marketing, finance, and operations—fall within the scope of this single skill mastery. The true value of your business is found in the maturity of its business systems—their ability to consistently produce desired results. This is what Michael Gerber, author of *E-Myth-Revisited,* meant when he said, "You need to work *on* the business and not just *in* the business."

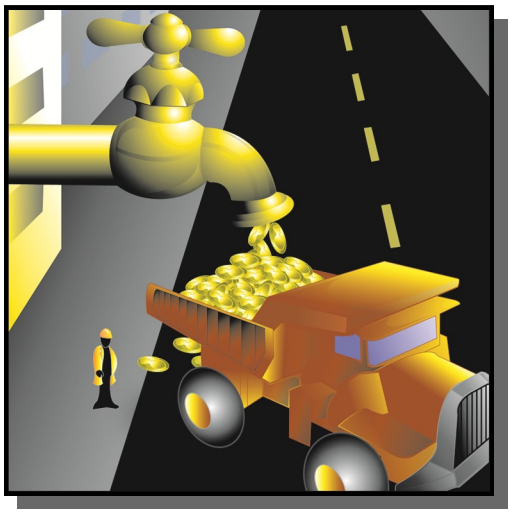
I hope, by now, I have planted a seed in your mind or caused an existing seed to grow. However, the seed needs to be further nourished. There is more for you to learn. System development and improvement is not hard, but it requires the "will," and it is critical to your long-term success. By committing to a "system" of daily improvement, your organization will see remarkable accomplishments in a very short period of time. YOU WILL BE AMAZED!

What Do You Want to Do Now?

Every business is at different stage of development, with unique problems and goals; however, all can benefit from effective systems and processes. Where are you at right now? **Do you want to start, grow, fix or franchise your business?**

Start	Effective business systems are the only way to organize and structure a new business that runs smoothly and impresses customers right from the start.
Grow	Effective systems provide the best way to dramatically grow your business and the only method to skillfully manage growth and expansion.
Fix	Effective systems cut the waste, inefficiencies, and fat out of your organization. You'll put more money into the pocket of your stakeholders, *and yourself*.
Franchise	Effective systems and processes can turn your entire business into a self-running system that provides consistent results day after day. Let someone manage it for you, or replicate it in other markets.

YOU CAN'T AFFORD NOT TO CREATE BUSINESS SYSTEMS!!



Effective business systems pay for themselves many times over. Please believe me when I say, "Good systems are worth it!" And the larger the company, the bigger the payoff. The question is not whether you should develop systems, but what new systems or improvements will have the most immediate financial impact. What can you do today? If you want to survive this brutal economy, if you want to eliminate waste and squeeze every last penny out of your business, if you want to turn up the volume of cash flow and profit, I know of only one way. Can you guess what I am thinking?

Some people say knowledge is power, but that is not completely true. Real power comes in applying the knowledge in some way to change behavior and improve results. Go read a thousand business books, and you have nothing but ideas in your head—soon to be forgotten. However, go inject one true principle you've read into a system, and now you are generating real power. You can read about it and dream about it, but nothing changes until you do it—until you apply the knowledge to a system. There is no other way!

In today's marketplace, competition for shrinking spendable income is ever greater. We are seeing the weakest companies fail. It truly is a "survival of the fittest" environment. And who are the fittest? Who will be around in the future? It will be those companies with the discipline and commitment to developing high-performance systems and processes. I know you want to be one of them, and I'll be happy to show you how.

Whatever stage of business you are at—whatever problems or obstacles you may face—you not only can survive, but you can prosper! Here are the steps that I invite you to take.

STEP 1: Answer the following questions to determine if you are ready to begin the journey.

Do you have the need?

- Do you experience frustrations in your business (poor performance, waste, inefficiencies, customer dissatisfaction, employee turnover, poor cash flow and profitability, etc.)?
- Does your business operate smoothly when you're not around, or could it be over-dependent on YOU?
- Do you want to improve your business systems to become more profitable and/or more competitive?
- Do you hope to eventually replicate, sell, or have someone run your business for you?

FOLLOW THREE EASY STEPS TO BECOMING A SYSTEMS THINKER!

Do you have the "will"?

- Do you now believe that effective systems and processes are essential to the success of your business?
- Do you believe that good systems will pay for themselves; the financial benefits will far outweigh the costs of development?
- Do you believe that establishing good systems will increase your cash flow and profit, and put more money in your pocket?
- Can you commit yourself and others to the steady and ongoing task of creating and improving your business systems?

STEP 2: Even if you have the need and the will, **I don't you to buy anything now.** I just want you to read my **FREE** 10-Day Mini-Course, *Fast-Start to Systems Thinking*. You will get one short lesson each day. By reading the mini-course, you will quickly know if what I am teaching is right for you. (I happen to think it is right for everyone on the planet, but that's just me.) Anyway, if it doesn't start the wheels turning and the juices flowing, you can easily unsubscribe. (Sign up at: www.BoxTheoryGold.com)

STEP 3: If, on the other hand, you start becoming a Systems Thinker, you can continue to receive my valuable weekly newsletter. At some point, I hope you will become so passionate about having high-performance systems, that you will want to take my eCourse, **Box Theory™: Double Your Profit with High-Performance Systems and Processes.** The course will provide you with easy-to-understand best-practices for creating the systems that will make your company shine! You will never go back to the old way of doing things.

One of my workshop attendees said, "I started my company twenty-five years ago. I thought I understood the business pretty well, and I thought I understood systems. This workshop opened a whole new world to me. Creating high-performance systems is now my top priority. Wow!"—John S., home furnishings retailer

Once you become a Systems Thinker, you will look at your organization like never before; you will see it in high definition detail. You will be amazed at how quickly ideas come to your mind for improvements that please customers, reduce waste, and boost your bottom line. **I will show you a better way to do the same things that you are already doing. Better Systems—Better Business. That's my promise.**

EVERY DAY YOU WAIT IS COSTING YOU MONEY. START NOW!

In his book, *Good to Great*, Jim Collins said,

> "The best companies never transform to greatness in "one fell swoop. There is no single defining action, no grand program, no one killer innovation, no solitary lucky break, no miracle moment. Sustainable transformations [to greatness] follow a predictable pattern of build-up and breakthrough. Like pushing on a giant heavy flywheel, it takes a lot of effort to get the thing moving at all, but with persistent pushing in a consistent direction over a long period of time, the flywheel builds momentum, eventually hitting a point of breakthrough."

The transformation to greatness requires steady dedication to the development of effective business systems and processes! There is no other way?

In summary, you will gain many powerful benefits by using results-driven systems as the building blocks of your organization. Systems will enable you to:

- Meet and exceed customer expectations and solve problems quickly.
- Turn customers in raving fans with consistency, quality, speed and reliability.
- Create clear job and performance expectations for employees.
- Reduce employee training and supervision.
- Create high job satisfaction and reduced employee turnover.
- Dramatically increase productivity, quality, safety and cleanliness.
- Reduce waste and inefficiency.
- Improve profit and cash flow.

And high-performance systems will enable <u>You</u> to:

- Grow and achieve your business goals.
- Make more money.
- Reduce dependency on people who come and go.
- Reduce your personal hands-on involvement.
- Build long-term value into your business.
- Sell, franchise, or hire someone to run your business for you.
- Eliminate most of your daily frustration.

Oh, One Last Thing...

You may be wondering, **"So what is Box Theory™?"** Well, it is a real theory, rooted in the Law of Cause and Effect. It's a methodology to create exceptional organizations. It is a unique way of managing the details of your business. It is the practical application of knowledge, principles, strategies, and best-practices to develop high-performance systems that get results. It is a "system" for creating business systems that will make your organization exceptional. **It is fully explained in my eCourse, *Box Theory™: Double Your Profit with High-Performance Systems and Processes*.**

THANK YOU FOR LISTENING!

In addition, I am pleased to announce the release of a my new software program, *Box Theory™ Gold*. It will allow you to organize system-development and process-improvement activities based upon the Box Theory™ method taught in the eCourse. With the software you can design, create, organize, document, manage, store, and print everything pertaining to your business systems and processes.

Box Theory™ Gold will save you a great deal of time and money as you organize and refine all aspects of your organization. It is a complete and indispensable tool; you'll wonder how you ever got along without it! **Imagine: What could be better than a powerful software "system" for developing and maintaining your business systems?!**

I know that systems provide the solutions you have been looking for. They are your building blocks for creating a remarkable organization—one that you can be proud of and that will enable you to accomplish your life goals. I truly believe that there is no other way!

Wishing You Prosperous Times,

Ron Carroll

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PS—Be sure to read all ten articles in my 10-Day Mini-Course, *Fast-Start to Systems Thinking*. If you haven't signed up, go do it now at www.BoxTheoryGold.com. I hope this will be the start of lasting relationship.