Why Create Systems and Processes?

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WHY CREATE SYSTEMS AND PROCESSES?

A few weeks ago, I published the article "Why You Shouldn't Talk to Your Customers." I expected to hear some objections because, after all, everyone knows that the customer is king, right?

To my surprise, there were none.

Everyone who commented on the article agreed that when we become the face of the company, everyone wants to talk to us and we have to make all the decisions. As a result, we are severely limited in our ability to get things done. We become the bottlenecks that limit the growth of our businesses, the development of our teams, our personal freedom and, ultimately, the value of our companies.

You know what it's like.

WE KNOW THE SOLUTION

An article wouldn't be much use if it pointed out a problem without suggesting a solution, and, of course, the answer to the bottleneck problem is delegation. Most of us know that, but we either don't do it, or we simply hand off our duties without instruction and without making our expectations clear.

The latter option is not delegation, it is abdication, and it doesn't often turn out well. The main difference between delegation and abdication is that delegation includes written systems and processes that tell our teams who does what and how to do it. Abdication is simply saying to someone: "Here, you do it."

A lot more of us understand the benefits of delegation than are fully committed to it. I hear a lot of reasons for that, including the ones we've all heard: "If you want something done right, you have to do it yourself," or "Nobody can do it as well as I can," or "It takes time to train these guys, and I don't have time."

There is some truth to all of those excuses, but the main reason we don't delegate is that we don't know how to get started writing good systems and processes.

GETTING STARTED, FINALLY

The words "system" and "process" are nearly synonymous, but not quite. A process is a series of steps to accomplish a task necessary to complete a function. A collection of functions make up a system that together produce the result we are after.

Creating a system is itself a process made up of three parts:

1. The org chart,
2. The boxes on the chart, and
3. The processes within each box

THE ORG CHART

The first step is to build an organizational chart for the business that is organized and arranged by function. The organizational chart, or "org" chart, is that collection of boxes we have all seen, but few of us use.

It provides a picture of a whole system we use to manage our businesses showing everything we have to do to attract customers, produce and deliver a quality product or service on time at the quoted price, to get paid, to earn a profit and repeat business.

An org chart represents the entire system, each box on the chart represents a function, and each function represents a group of processes that would normally be done by one person (or persons doing the same job).

THE BOXES ON THE CHART

One of the difficulties with creating an org chart is our tendency to create boxes that describe people rather than functions.

To show what I mean, let's suppose that our current employee, Mary, does both the bookkeeping and the HR duties for our company. It is tempting to create a box called "Bookkeeping/HR manager" to match her duties.

That is a bad idea.

If we do that, we are designing and organizing our companies around people, not functions. Instead, we should always create our org chart around the way we want our companies to operate in the future, regardless of who works for us now, or who may work for us in the future.

THE PROCESSES IN THE BOX

In the case of Mary from above, we should create a box for the "bookkeeping" function and a second box for the "HR" function and assign them both to Mary.

A written org chart and written processes are fundamental to delegation because they make our expectations clear. The functions show who is responsible for what and the processes tell them how we expect things to be done.

The initial benefit of the confidence to delegate is compounded as we learn to match our future hires to the functions they will perform.

THE HARDEST PART IS GETTING STARTED

Org charts and systems are not difficult to create once we get started. For more detail on how to create an org chart and processes click here. Do you want to sit down with someone who can help you visualize your ideal org chart for the future? If so, schedule call or a lunch with me here.

It often takes someone outside of your business to see the big picture and possibilities because their vision isn't blurred by all the day to day challenges you see as the owner. To see the benefit of enlisting the help of a Business Coach in this scenario and others, read "Why You Need a Business Coach in 2018." For more information on making a business that works without you, take a look at our other articles, use one of our free business tools, or join us for one of our upcoming events.

If you have any further questions, please don't hesitate to mail me at Martin@annealbc.com or visit www.annealbc.com

Martin Holland

Martin Holland is the son of a successful entrepreneur. He grew up hearing about margins and markets, R&D and sales, risk and return on investment. He learned to love the language and rigors of business and grew to believe that business is both the most human of all endeavors and the highest calling. After selling a company in 2011, Martin became a coach in order to help other owners build profitable businesses that do not require their day-to-day involvement.

A native of Norman, Martin earned a B.A. degree from Hastings College in Hastings, Nebraska and a Masters in Business Administration degree from the University of Oklahoma. Over the past 7 years he has written business plans that have raised over $52.4 million in bank and investor financing. He has helped 157 (and counting) business owners reduce stress and increase performance through clarity of purpose, better marriages, more money, and more free time away from the business.