

Nine Steps to Creating Predictable Results in Your Business

The moment you walk through the doors of your business, you're confronted with the morning's issues: customers are emailing in about delayed packages or broken products, someone ordered the wrong supplies, and Jerry says you've gone over budget (again) and need to reconcile the books before negotiating with your advertisers. By the time 5:00 p.m. rolls around, you realize you've spent your day trying to wrangle back control over your business.

You want to put the chaos that lives in your business to rest—but how? Where do you even start?

The answer: **Systems**.

The way you monitor trends, track customer engagement, or even support your employees are all examples of systems in your business. Simply put: systems are any process you use to get a specific result. Let's say you decide to tackle the problem of overspending in your business. You train Jerry to send a report each week detailing your cash position. You have a clear result: you want your team to stop overspending. How do you accomplish that? Jerry sends a report every Monday that influences your team's actions. You may not have set out to create a system, but that's exactly what you've done.

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Your unintentional email system produced a positive result and kept you from fighting the fires that come from miscommunication. You don't have to cancel orders or reconcile your budget—Jerry's email report ensures things run smoothly. Just imagine the impact systems can have when you design them with intention and implement them on a larger scale. Any area of your business that frustrates you can be transformed by using systems as a solution.

But the key to systems is **intention**. Systems without a clear end result can be just as damaging as having no systems at all. Many business owners create "systems" by completely depending on their employees. "Jerry does all our credit, invoicing, and collections work. He handles all the banking and payment of our loans." Without him, you don't know what you'd do. And Jerry—much like you with your routine reports also has a way of doing things that you don't know. Your focus isn't on what Jerry does, it's just on Jerry. **He's your system.** All of Jerry's great work not only means you're completely reliant on him, it also means that part of your business is being run contrary to your vision. Jerry calls the shots. He's the one who knows all the details about your vendors and he probably even knows their birthdays. When he leaves, he takes that knowledge and those relationships with him.

As you quickly learn, completely depending on someone won't work in the long run. Intentional systems must be in place to hold the information and methodologies that only you and Jerry know. That way, any qualified person can run the system and get the same excellent results **predictably, reliably, and repeatedly**. You still need qualified people with the minimum required skills and aptitudes to run your systems, but you're not held hostage by one person.

That email report Jerry sends isn't necessarily something you need to document. Your systems development effort suffers when you spend time creating and documenting systems that aren't a real priority. Start by thinking about the things that frustrate you the most. Where in your business are you getting results that you'd like to change? How much of an impact does that frustration have on your business? What can you do to consistently and predictably get the results you want?

Worksheet

Following these steps will help you clearly define and create the systems in your business. We'll continue to use the example of Jerry and how he sends invoices for a recurring billing system.

1 SPECIFY THE RESULT AND NAME THE SYSTEM

Starting with the word "To," write a clear, concise statement of the result the system is intended to accomplish and give the system a brief, descriptive name (and a code number if you like).

EXAMPLE: System Name: Money in the Bank
To consistently deliver invoices on time.

2 DIAGRAM THE SYSTEM

Diagram the steps in the system showing their sequence and how they relate to each other. Use a simple box and arrow diagram with brief captions to describe each step.

EXAMPLE:

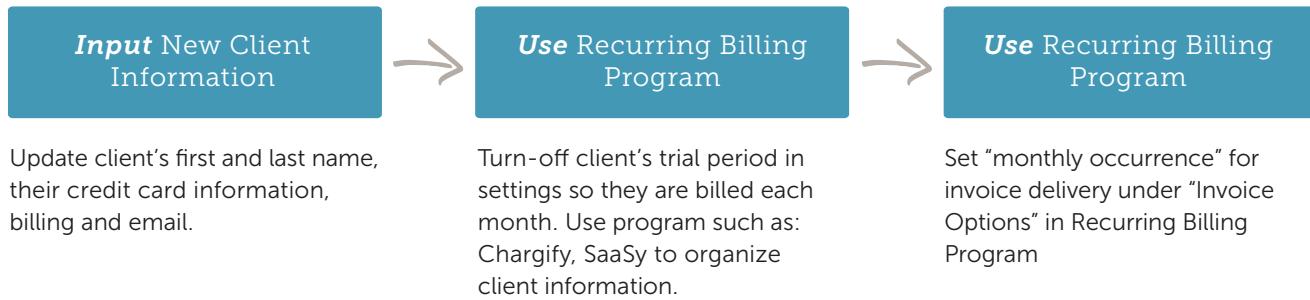


3 WRITE SYSTEM STEPS IN CLEARLY-STATE BENCHMARKS

You might not need this step if your diagram from the previous step is outlined clearly enough. The boxes in your system diagram are actually actions. When you identify each action, you're creating the benchmarks that make the process clear and unmistakable to anyone who might perform the work or supervise it.

In this step, you restate the work in a complete sentence that clearly communicates the work to be done or action to be taken. Start with a verb. You'll notice our example didn't change because we started with clear actions in each box.

EXAMPLE:



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4 ASSIGN ACCOUNTABILITIES

Identify by position, not by person, which roles are accountable for the system as a whole and for each of its benchmarks. When you finish documenting the system, a copy of the system action plan (step 3) goes into the operations manuals for everyone filling those positions. You may list your accountabilities at the very top of your system alongside its name/code number. In some cases, different positions are hitting different benchmarks, if this happens in your business, make a note in your flowchart from step 2.

EXAMPLE: Account managers will be responsible for monitoring the flow of invoices and updating the Recurring Billing Program. Account managers will update or input client information into the program.

5 DETERMINE THE TIMING

Knowing when each benchmark needs to be performed is a key element of getting the result you want. Establish appropriate timing for each step, certain steps only, or for the system as a whole. This might be expressed in terms of clock time (by 10:00 a.m.), project time (day one, day four), generic phrases (upon receipt, weekly), or a combination of these.

EXAMPLE: When we have a new client, they will be added to our Recurring Billing Program.
Account managers will check stream of invoices for accuracy at the end of each month.

6 IDENTIFY REQUIRED RESOURCES

Every system requires these resources: staffing, work space, facilities, equipment, supplies, and information. When useful, list the specific resources and quantities of each needed to operate the system. Some systems won't have a lengthy list of resources; it may be just the individuals involved and their everyday work supplies and may not require a list.

EXAMPLE: Resources are: Recurring Billing Program (Chargify, SaaSy).

7 DETERMINE HOW YOU WILL QUANTIFY THE SYSTEM

How will you know if you're getting the result you want from your system? How can you make decisions about your business without information about the performance of your systems? You need quantitative data to give you that objective view. Without it, you're operating blindly. The best time to create the method for quantifying each system is at the time you first design and document it.

EXAMPLE: Account managers will check all invoices for accuracy and percentage successfully delivered at the end of each month.

8 ESTABLISH STANDARDS

Set the standards for performance of the system and behavior of the staff operating the system. Standards are most easily stated in terms of quantity, quality, and behavior. These could include measures of output, defects, cost per item, guidelines for staff behavior, dress codes, and even ethical standards. If it's key to producing a successful result, then you need to set standards for it.

EXAMPLE: Each invoice takes approximately 10 minutes to check, and there's typically 25 a month.

9 DOCUMENT THE SYSTEM

Put it in writing. It's not done until it's documented. You don't have to create a flowchart to have a documented system, an action plan, video, checklist, and even screenshots are just some examples of how to document your system.

You'll notice that the example was very simple and that Jerry wasn't actually part of the system. As an account manager, Jerry is still needed to operate and monitor the system, but if he were to leave you wouldn't be back to square one with your recurring invoices.

How to Determine What Systems You Need

For some people, identifying the systems needed for their business is a breeze. It comes naturally to think about what steps it will take to accomplish "x" and what steps will get you to "y." But if figuring systems out isn't your strength, you can try the repeating question technique:

What systems do I need for "x"? (I need systems "a, b, c"). Then, what systems do I need for "a"? (I need systems "i, ii, iii.") Then, what systems do I need for "i"? (I need systems "1, 2, 3.") And so forth.

In the recurring billing system example above, the system covers only one aspect of your financial department: sending invoices. But there may be more you'll need to add. What system will you use when there's an issue with your invoices? Or for training someone to send an invoice? The repeating question technique will help you see what branches you'll need to create to achieve the results you want.

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Here are a few questions to help you think about the systems you may need in your business. Brainstorm and write down your frustrations, as well as your ideas for how to solve them. Then, follow the Nine Steps to start developing your system.

1. How do we track progress toward my vision?

2. How do we spot the opportunities for growth?

3. How do we monitor the vital signs of my business?

4. How do we communicate standards for effective line and staff communication, delegating and regulating, and accountability?

5. How do we create a powerful customer experience?

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6. How do we create, improve, and systematize the sales function?

7. How do we build awareness, image, and credibility?

No matter what size your company is, what product you sell or what service you provide, having systems that run smoothly will require ongoing work to maintain and refine them. It's important to periodically revise your systems listing, which ultimately should include target dates and the names of people accountable for the creation or improvement of each system.

Remember the result you're looking for: a way to capture, organize, prioritize, and manage the development of systems. It may be that you only work with a few dozen for the first year. Or maybe you work with hundreds depending on the size of your business and the resources you have. Use the Nine Steps to create and revise your processes.

Your commitment to the continuous development of your systems is the way to create predictability and achieve the vision you have for your business.

Imagine the possibilities if every one of your team members knows exactly how you wanted things done. With systems, you're able to focus on your leadership, entrepreneurship, and the vision you have for your life—without worrying about what could go wrong. You'll have the freedom to step away from your business—when and if you want—knowing that it can run exactly to your standards, even without you there.