

Part II – The Rationale for Systemizing Your Business

Why Systemize Your Business?

Why should you systemize your business? What's the point? What's in it for you, the business owner?

Stability

First of all it brings stability to your business. So what you ask? Well, would you stand on the top of a rickety ladder? Of course not! Wouldn't you want that ladder to have a sturdy and stable base?

Would you rather cross an unsafe and poorly made bridge or a stable and well made bridge?

Stability in your business offers the same benefits as stability anywhere else in life, do you really want every decision, event or issue to be an exception? Or would you like stability in your business where most, if not all events are handled routinely, as a matter of course. Without you having to deal with them. Wouldn't you like that they be dealt with by subordinates in the course of business.

Only those items that are truly exceptions would necessitate managerial involvement. Even if you could only bring 80% of your decisions, transactions, client interactions, etc. into the realm of stability and still had to deal with 20% of these, wouldn't that be light years ahead of where you are now?

Efficiency / Effectiveness

Systems and systemization brings efficiency to your processes. If the same event is handled the same way every time, think of the waste you have taken out of your business. In its most simple derivation – are your phones answered the same way 100% of the time or is it left up to the individual? Which one would you rather have? Which way is more efficient and saves you the most money – chaos or efficiency?

The effectiveness of your system is also increased. How much more effective would your staff and business be if most of the transactions, issues and events were routine? How much more work, growth and responsibilities could they take on?

The Same Experience Every Time

Don't your clients desire the same experience every time they "touch" your business. Above all they want a good experience. Every time they go to your website don't they want the same experience? Don't they want the process to be the same (fast and easy) way every time?

Think about businesses where you get the same experience (good experience) every time you visit.

Take the simple example of a haircut, if you got treated wildly differently each time you went in for a haircut and your hair stylist or barber gave you a great hair cut one time and a really bad one the next, wouldn't you find a new barber or hair stylist? I would and I think most of us would.

Repeatability

Every time you make a process repeatable you have taken waste and dollars out of the process as well as making it easier to pass on the knowledge of the process on to others.

Standardization / The Beer Truck Theory

By standardizing your processes and documenting them, again like repeatability, you improve its performance as well making it easier to overcome the effects of the dreaded Beer Truck Theory...

The beer truck theory can be shown by the following example. Suppose Bob is the only one that knows how to execute your entire accounting process (invoicing, billing, collecting money, deposits, pay roll, etc.).

Now suppose Bob is crossing the street and run over by the proverbial beer truck. If there is no standardization and documentation of the accounting process your business could easily spiral out of control, it could cost extraordinary amounts of time and money (that could be used to better benefit you and your business) to get back up to speed.

What if everything was standardized and documented? You could plug someone else in that position very quickly and continue on. It wouldn't be as efficient in the beginning but the job would get done.

Security (Profit)

The most important aspect of systemization is security (**PROFIT**)! As you systemize you take waste out. Wasted time, wasted money, wasted human and fixed assets. This means more dollars to the bottom line on a more regular basis. Isn't that one of the major reasons for being in business – making a profit on a regular basis?

Profit Improvement, which systemization is, can be much more valuable than increased revenue, a dollar saved is worth 10 to 20 dollars earned. And it takes less time, less effort and less money.

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