



BUSINESS ACCELERATOR PROGRAM

IMPLEMENTING SYSTEMS



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Implementing Systems

Introduction

A system is a way of resolving a repeated business problem in a strategic and effortless manner. It could be a course of action, process, method, or procedure designed to accomplish a specific result. The component parts of a system and its interrelated steps work together for the overall good of the whole. An effective business system enables you to attain results that are measurable, consistent, and benefit your customers.

Systems enable you to ‘work smart, not hard’. As a business owner, even though you’ll be hard pressed for time and experience job stress, you don’t have to suffer unnecessarily with tasks that can be easily systematised. An automated email system, an incoming phone script or a checklist for installations are all fine examples of simple systems to improve business effectiveness. Sometimes, you create systems without even being aware of it. It’s instinctive and develops into a profitable routine.

Salient Attributes of a System:

- A system is automatic and addresses a specific business problem.
- A system is an everyday routine.
- Once you create a system, it doesn’t need intensive effort to keep it running smoothly.

The top companies boast the best business systems. Some companies with one major innovative system are Google *Internet search*, Federal Express *overnight delivery*, and McDonald’s *fast food*. These companies and countless others have earned fortunes on one or more outstanding systems that serve their target customers better than their competitors.

Examples of “Systems” in Your Business

- Meetings
- Reports
- Training

- Checklists
- Scripts
- Policies
- Best Practices
- Routines
- Processes
- Organisation chart

Your Systems Should Be STRONG

- **Simple**
- **Trackable**
- **Results Oriented**
- **Optimise Resources**
- **Nicely Balanced**
- **Good + User-Friendly**

10 Useful Systems Strategies Summarised

Below, 10 strategies are summarised for improving the systems of your company. This list of systems strategies is not meant to be exhaustive. It does, however, include some practical low-cost and no-cost strategies that you can implement into your business immediately.



Take notes on the ideas you can implement into your business wherever you see this symbol .

Here are the strategy summaries.



1. A Successful System to Attract New Customers

Your business growth relies heavily on your ability to attract new customers of the quality that you desire, month in and month out. Once you have determined what lead generation strategies you are going to employ in your business, set about systemising these so that they can operate without you.

Result-Oriented Follow-Up System

Have the right system in place to follow up with potential customers after qualifying your leads in networking events, in-person meetings, or business website interactions. Unless your transactions are entirely online, you should close the “know-like-trust” gap fast. A face-to-face connection would be ideal.

A System to Serve Customers

Every product/service you offer needs a system behind it. This system should schedule the customer calls, distribute them, and record them. You should communicate with your new customers and deliver the product/service they want in time, all the time. Your customers notice every small detail right from when they get in touch with you the first time. When your system works well, the results are better. And you can employ a “*Keep in Touch*” follow-up system such as a newsletter, auto responder, or business blog in conjunction with email to get repeat business.

WHAT IDEAS CAN YOU USE IN YOUR BUSINESS?



2. A System for Removing Bottlenecks

Bottlenecks, constraints that restrict a system’s output, can be physical or non-physical. A physical constraint could be due to the capacity of equipment, clutter, or limited space. A non-physical constraint could be due to negative attitudes of employees, low product demand, or faulty company policy. The number and seriousness of the Operational Bottlenecks in your company make the difference between operations that function smoothly and the ones that are chaotic. You need a *foolproof* system to remove a bottleneck.

Mapping Processes

Mapping Process, a technique for revealing workflows in your business, helps you to identify bottlenecks. You can then reduce the amount of downtime, signature loops, processing steps, number of decision points, and lack of clarity. A process map shows which team member is doing what, with whom, where, when, and for how long. Mapping your company's core processes is relatively easy and doesn't involve a high capital outlay. But it pays huge dividends in employee commitment and business efficiency.

Benefits of Process Maps

- Track workflows
- Illustrate resource allocation
- Increase staff awareness
- Document training procedures
- Enhance the understanding of work processes
- Clarify the contributions of process participants
- Provide a bird's-eye view of the structure of your entire business.

Creating Checklists

Creating Checklists essentially involves documenting everything in your business that has to be done day in and day out. Checklists have proven to be successful in ensuring that all the right steps are completed in the right order. Since checklists are good enough for neurosurgeons and airline pilots, they are good for removing bottlenecks in your business too.

Your Checklists Should:

- Give clear instructions to your employees helping them to start a task with little context.
- Indicate the progress and show the tasks that remain.
- Cut down the time required to set up your system.



3. Task, Time and Project Management

Effective and efficient teamwork is crucial for delivering client projects on time and within budget. Team task management software – some examples: Trello, Slack, Basecamp, Google Drive – is an effective tool that enables multiple team members to communicate and collaborate through one portal in real-time.

Project Management

A project is simpler to manage after you break it down into smaller tasks. Task management software helps you to divide a project into tasks. You can then delegate these tasks to your team members based on each individual's skill set. You can even let your team self organise and assign tasks to themselves. Either way, you should aim to get the project completed faster. The software will assist your team members to track and manage the details. Task comments, multiple team members per task, and milestones are the features that facilitate collaboration.

If you don't have project management software, don't despair. Often, software is complex and time consuming to use. A series of simple templates can easily help people to plan, organise, implement and review work.

Organising Your Team and Time Management

Don't let your project become scattered. Document all the project-related whiteboard sessions, spreadsheets, post-its, and other supplementary information. Upload all this to one place for easy access by all team members from anywhere, anytime. When all the project information is in one place, your team members can collaborate easily and communicate swiftly. Project notes, filterable task listings, and document uploads are the software features that make information highly accessible.

Task Management

Whether your team members work in remote locations or conventional offices, real-time messaging and video conferencing will help them interact with each other across multiple time zones. The task management software you choose will act as your virtual office. Email integration, calendars, and time zone settings enable easier task management. As the project progresses, a lot of useful data accumulates. You can analyse your team's performance by running a report. You can then spot the areas that need improvement and take pre-emptive measures to ensure the project is completed before the deadline.

The most simple approach of all is to decide “*who's doing what, by when*” in your team meeting. Then, document this in the meeting Minutes, save this document to the common drive (or pin it on the notice board) and review progress at next week's meeting. Update the task list each week.

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4. Customer service

Quality customer service is indispensable for business success. In today's customer-driven market, the competition is stiff and critical deadlines are the norm. You just cannot imagine business growth without delivering *exceptional customer service*. You need to focus on your organisational infrastructure and the quality of services. But you shouldn't overlook the truth that it's your customers who make or break your business. Although your customer may not always be right, it's immaterial. The way you handle customer service makes or breaks your business.

Customer Relationship Management (CRM)

If you spend much of your time and energy fielding the same questions, it's time you considered alternatives. Enter Customer Relationship Management (CRM) system. The FAQ section on your business website is a fine example. CRM is the methodology or process your business uses to learn all about your customers' needs and purchasing behaviours. You then develop longer-lasting and stronger relationships with them by implementing CRM



solutions. All CRM solutions aren't as inexpensive as the FAQ section on your business website. But they deliver immense benefits to your business.

Superlative Customer Service

A CRM system gives your business the ability to personalise relationships with your customers regardless of which employee interacts with them at any given period. This system enables you to maintain a vault of customer profiles, empowering your employees to treat each customer individually. Consequently, each employee is aware of each customer's specific needs. And it's possible to quickly modify their level of service to match each customer's profile. Improved customer service results in increased customer loyalty and corresponding decrease in customer dissatisfaction. A CRM system also enables your company to receive feedback from your customers regarding the product/service they have purchased.

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5. Performance Reporting - Financial and KPIs (Key Performance Indicators)

A KPI, in its simplest form, is a form of performance measurement that helps you understand the way your business is performing. KPIs are reliable in their predictive results, easy to access, and can be generated in quick time. You know what's happening in your business instantaneously. There are innumerable KPIs to choose from. The best way to pick the right KPIs would be by researching and understanding the most relevant KPIs for your business. The KPIs you select must relate to your business and indicate the trends in your business performance in relation to your business goals. Only then, you'll be able to spot potential concerns and growth opportunities.

Is Your Business on the Right Trajectory?

Knowing where your business is headed is an essential aspect of management information. Many business owners believe their business is doing fine, only to find that the reality is totally different. Good measurement systems aren't difficult to establish. You can put a new system in place anytime or fine tune your existing one to deliver reliable and meaningful information.



Make certain that your measurement systems provide you financial tracking and management information. Don't merely track the numbers in absolute terms. Instead, track them against your expectations.

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6. Internal Communication

Your systems should aid clear, concise and regular communications that allow for innovation, issue resolution and team building. The most important systems that aid in communication include:

Team Meetings

Effective meetings need clear structure and perfect order. Factors to consider in the preparation of an agenda for your team meetings include:

- Is the meeting 'Strategic' in nature or 'Operational'
- Weekly Team Meeting is Operational
- The entire team participates in weekly meeting
- Location and time
- Taking Minutes for a record
- Recording Actions/Tasks and Responsibilities decided at the meeting
- The desired Results from the meeting.

Reports

Reports are important because they reveal the past. Besides, they tell about the present and future. If you ignore your reports, you are setting up your company for an early demise. Financial Statements and Operations Reports are the two categories of reports.



Financial Statements:

- Income Statement
- Accounts Receivable Aging Report
- Cash-Flow Statement
- Balance Sheet
- Inventory, capital commitment in the warehouse, turnover rate, shelf warmer products
- Statement of Owner's Equity.

Operational Reports:

- Conversion Rate
- Customer Churn
- Referrals
- Leads.

Policies, Procedures, and Manuals

- Basic policies you should put in place *now* include:
- Workplace Safety Policies
- Work Hours and Turnaround Time
- Device Use Policies
- Disciplinary Policies
- Return/Refund Policies
- Late Payment Policies.



Team Member Communication Expectations

If you want to leave nothing to chance, you should develop a culture of accountability. Cut the chaos and distraction and focus on hitting the target. Your internal communication should always:

- Consider past experience
- Eliminate ambiguity
- Ask the minimum question
- Get a detailed commitment.

Organisational Structure and Reporting Lines

Your reporting lines should encourage giving honest and open feedback. Better colleague, better service, and better customer experience should be the goals of dialogue in your company.

Clear *Role Descriptions* (as discussed in the section on Team Performance) are also important here.

Company Identity - Vision, Mission, Values, Goals, Etc.

Position your company as the number one contender in the marketplace. Such a strong and consistent identity creates **Greater Recall Value**. Back up your company identity with distinctive capabilities.

Your mission statement should be:

- Succinct
- Memorable
- Unique
- Realistic
- Current.



7. Test Your Systems

Once you have your system in place, someone other than you should test it out. Check whether the outcome of your system matches the “ultimate experience” you envisioned. Find out where the system is most vulnerable. Remember, the problem lies *almost* always with your system, never with your employee. Carry out the following 7 tests on your business systems:

The Convenience Test

Your system should save your team members some time and make their life simpler. Take Uattend, for instance. This affordable fingerprint scanning system permits your employees to come in and leave the office or even punch in online when they’re working from a remote location.

The Automated Test

Your systems are used to eliminate or at least, minimise human capital. Check whether your system – e.g., email marketing system, Mail Chimp – automates the mundane tasks.

The Intuitive Test

Test whether your employees can use your system without elaborate training. Square-Up is an intuitive app that permits you to collect signatures and charge credit cards right on your iPad.

The Uniformity Test

Check whether your system can streamline activities to take place uniformly. Your system should be able to process more than 90 percent of routine tasks in the same methodical fashion. An example is your *Neat Receipts*.

The Decentralization Test

An effective system places the control in the hands of your employees. For instance, the WordPress platform hosting your business website pushes the workflow from your back office to the forefront.

The Purpose Test

Never implement a system without clarifying the reason you are installing it. Don't get a new system just because an upgrade is available.

The Regulation Test

The critical element of an outstanding system is that it is self-regulating. It should notify you when it isn't working properly.

WHAT IDEAS CAN YOU USE IN YOUR BUSINESS?



8. Document Your Systems

You should create an Operations Manual to get your company's *systems* house in order. Your Company Manual is essentially a collection of lists or systems that detail the major steps involved in operating and growing your business. It can be a simple Google Docs file shared online or a printed manual. The company employee handbook should be the first formal communication that you have with a new employee. Make certain the first impression of your brand is a good one. Your Company Manual will enable you to hone, fine-tune, and eventually delegate the right systems that will grow your business.

Why Document?

- Anything that's not written down doesn't exist.
- Your Company's "Operations Manual" is the comprehensive "How We Do it Here" guidebook.
- Supports training (particularly cross-training).

Sections to Include in Your Company Manual

A written operations manual comprises a series of short sections that are put together to create a larger manual. You can start creating one easily. Just begin with the sections outlined below and you'll make steady progress towards having your personal plan for your company.



- Statement of your company's goals and philosophy
- Statement of non-discrimination
- Safety and accident regulations
- Use of company assets
- Working hours
- Pay periods
- Procedures and policies for leave
- Vacation and holiday policies
- Performance evaluation procedures
- Customer service standards and expectations.

Advantages of Documenting

- Statement of your company's goals and philosophy
- History and Organisational Structure
 - ▷ Roles – responsibilities and objectives
- Work systems
 - ▷ Customer acquisition / sales
 - ▷ Customer service
 - ▷ Production
 - ▷ Delivery
 - ▷ Administration
 - ▷ Internal communication and meetings
 - ▷ Etc.
- Policies and procedures
 - ▷ Health and safety
 - ▷ Performance management
 - ▷ Email and internet
 - ▷ Vehicle
 - ▷ Etc.

Documentation Formats for Your Systems

- Flow charts
- Action plan templates
- Checklists
- Audio recordings
- Videos
- Pictures
- Documents with screenshots

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9. Monthly Reporting

Data is your friend. And *more relevant data* enables you to make the right decision easily. So, for gathering relevant data, your company's monthly reporting needs to be aligned with your business plan, goals and strategies. If you have never developed reports for your business before, you can start very simple and build up over time. As you, your team and your data capture and analysis processes become more sophisticated, your reports will become more informative over time.

Why Monthly Reporting?

- Business performance measurement delivers multiple uses such as:
- Better monitoring and control
- Drive improvement
- Maximise the effectiveness of your improvement effort
- Achieve alignment with your company goals and objectives
- Reward and discipline employees.

Areas of Your Business That Require Monthly Reporting

Besides your company's financials, your sales, product/service delivery, marketing and lead generation, and customer service also require monthly reporting. The specific facets to be covered in the reports are included below. These can help you determine the data you need to be reported in your business.



Financials

- Profit and Loss
- Cash Flow
- Actual Vs Budgeted
- Debtors
- Others as recommended by your accountant.

Sales

- Sales Revenue, No. of Sales and Average Sale Value
- Top 20% – customers, products
- Gross Profit Report – Average, by product, by customer, top 20%
- Conversion % – Average, by product type, by sale person
- Sales Pipeline.

Product/Service Delivery

- Volume
- Percentage On Time
- Re-Work / Returns
- Backlog / Delivery Issues.

Marketing

- Leads per advertisement source
- Cost per lead – Average, per source, per product
- Campaigns – Current, next 90 days.



Customers

- Top 20% – by spend, by profit
- Feedback – positive and negative.

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10. Implementing Business Metrics To Test and Measure

It is often said that it is important to Test and Measure in business. Many Business Owners “Test” different strategies. However, it is the measurement that lets them down. Measuring your business is vital if you are to achieve continual improvement. Improving bit-by-bit, percent-by-percent – thus creating a highly profitable business in a manageable fashion within a reasonable period of time.

If a particular strategy didn’t work, you need to know things like:

- Why it didn’t work?
- Were you even close to making it work or miles off?
- What can you refine and improve for the next test?

This iterative approach to business improvement is what creates consistent reliable progress and fabulously profitable businesses.

Business Metrics, the measurements of your business activity, is no longer the exclusive tool of the statistician and the bookkeeper. Business Metrics help you gain three key benefits: better focus, better vision, and better decisions. Implementing business metrics involves a 7-step process.



Step #1: Define Your Goals

Make a detailed list of your business goals. Include your sales objectives, success at acquiring new customers, or target profit margins.

Step #2: Define Your Metrics

For each of your business goal, write down a metric that'll help you monitor your progress to success. For instance, if your goal is acquiring new customers, your metric might entail determining the number of customers who buy your product/service for the first time.

Step #3: Benchmark Current Status

Since your metrics have been established, you need to measure them. Endeavour to determine your business performance accurately, even if the truth isn't pleasant. By establishing the real value of each metric, you'll be able to track the improvements in the future.

Step #4: Establish a System to Track and Report Metrics

If necessary, add new business processes for calculating and reporting your metrics. For instance, if your customer service is viewed as being "excellent" by your customers, you can survey your customers every month. And find out their opinion about your customer service.

Step #5: Communicate Metrics with Your Employees

Once the key metrics of your business are clearly defined, inform your employees about them. Everyone can now work to improve these metrics.

Step #6: Review Your Business Metrics and Make Decisions

When your metrics are in place, you have a better insight into the strategies that work and the ones that don't. Review your metrics and take the right steps to improve your outcomes.

Step #7: Promote Successes

When you exceed your targets, let your staff know. Reward everyone responsible for the favourable results.



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