

Guide: Business systemisation

Good systems are key in the successful day-to-day operation of businesses.

Having robust systems in place makes it easier for a business to expand or set up multiple locations. It also makes it easier for a business owner to work on, rather than in, their business.

What does 'systemisation' mean?

Systemisation is the implementation of procedures and simple documentation outlining all tasks that need to be carried out in a business.

Systemisation reduces your overhead when it comes to training new staff, keeping existing staff performance and efficiencies up, and handling crisis situations when a key staff member leaves or gets sick.

One of the most important benefits of systemisation is consistency. Your customers may love you and you may treat them exactly the same all the time, but if you want to grow, or go on holiday, someone else needs to be able to deliver exactly the same consistent results. This can only be done through systems.¹

Many businesses have a systems manual, some more prescriptive than others, and these may be a bound paper document or kept in electronic form.

One of the world's most famous examples of systemisation is fast-food chain McDonald's. Because of their stringent standardisation and systemisation, coupled with the vision of a true entrepreneur, they have been able to expand from 9 restaurants in 1955 to over 31,000 outlets worldwide today.

Anyone who travels will tell you that although not as exciting as trying the local roadside food vendor, McDonalds is the safe choice, as the core products, for example a cheeseburger, are almost identical in every one of those 31,000+ restaurants.

Your business is unlikely to have 31,000 branches. Your people, your ideas and your innovation are what make you special. But good systems are what will make your ship sail smoothly in the right direction even if you're not at the tiller. And those cheeseburgers will meet your customers' expectations, and then some, every time.

Benefits of systemisation

- Jobs are done consistently and in the same way with the same outcome
- Customer service is always of high quality no matter who is dealing with customers
- If key team members are unavailable, others can fill in with minimal disruption and disorganisation
- Makes it easy to train and induct new team members
- Having a process written down makes it easier to delegate and properly utilise inexperienced team members
- With set systems, there's less time wasted when doing tasks, so time is better used and the business is more productive

Glossary

- System – a collection of processes and procedures
- Process – the way in which a task is undertaken from start to finish
- Procedure – a set of written instructions for replicating the process

Writing Procedures

Setting up a systems manual can be a daunting task, and it is certainly not a quick process.

How much you document is up to you. Focus first on the tasks most crucial to your business' operation.

Record tasks

Ask your team members to write a list of the tasks they perform on a regular basis. Here are a few examples to get you thinking:

- For an administrator, doing the wages, invoicing, debtor control, GST or FBT is crucial
- For sales it might be preparing a quote and following it up with clients, then placing an order
- For a manufacturer it may be how to use a certain machine
- For food service it may be how to prepare a certain dish, or how to clean up at the end of the day

Planning your procedures

Once you have identified the tasks, group them as crucial, necessary and lower priority.

Break each task down into its main components – don't forget you need to include when the task is handed over to another team member and what their part is.

Writing your procedures

When you have a list of the top priorities and what is involved, ask the team member who manages the process to record it.

They will need to write a step-by-step procedure for how to perform the task from start to finish.

Think of it like a recipe. Start by listing who is involved and any resources or external agencies involved.

Then move into what needs to be done and how.

If you refer to any resources, ensure you say where they can be found. For example, the Director may not necessarily know where the payroll software is, just as a salesperson may not know where the banking deposit book lives.

Where to start

Starting a procedure sounds simple, but it may be more complex than you expect.

You will need to decide where a process starts:

- Is it a letter from a client?
- Does a customer walk through the door?
- Is it when something breaks?
- Does it depend on a certain day of the month, eg the 20th?

Where to finish

Just like starting, it can be difficult to decide where the process actually ends, or even becomes a new process.

For example, a process may end with something being put on file, or it may end after a follow-up phone call.

You will also need to consider, if that follow-up phone call is a process in itself, you may want to split it up to avoid long convoluted procedures.

Testing a procedure

The true test of whether a procedure works or not, is to get someone who has never undertaken the tasks to try doing it by following the procedure.

Some key points may be left out as they are second nature to the person who performs them. If the rookie who is testing the procedure stops and has a question, or needs clarification, those extra details will need to be added into the procedure.

Where to keep procedures

Depending on your sort of business, you may need one or more methods of keeping your procedures on hand.

Hard copy

Keeping hard copies can be useful for industries where it is not easy to access an electronic copy.

Although it is a good idea to have a bound hard copy available, it is probably more useful to keep individual procedures and tools in the vicinity of where they need to be used. For example:

- Keep a laminated copy of the clean-up procedure on the wall by the mop cupboard
- Magnet the coffee machine maintenance instructions onto the fridge
- Keep safety procedures on the wall in their respective areas
- Keep the phone answering checklist by the phone

Soft/electronic copy

The safest way to keep your procedures is in one central, electronic place.

This means that when a procedure is updated, everyone has access instantly without having to print too many new copies.

Below are some options.

Network files and folders

This is a quick and easy option for business, where procedures are simply saved in folders on the computer system.

Pros: Free, easy to set up.

Cons: Not easy to find procedures if you don't know what you're looking for. Not accessible from outside of the computer system.

Microsoft SharePoint

SharePoint is an excellent programme for managing processes, as users can use a keyword search to find what they need.

SharePoint is generally run as an intranet (internal internet) and can often be accessed off site.

Pros: Very slick and easy to use, great for larger businesses/multiple locations.

Cons: There is a cost involved and you will need to dedicate some resource to managing the setup and administration process.

Wiki

A 'Wiki' is a series of web pages which can be edited.

Wikis can be free to set up depending on how many users you have, and there are many free solutions available online.

Most wiki packages contain html editing software, so you need little or no technical knowledge to set them up.

Pros: Simple and easy to set up, potentially free

Cons: Wikis are generally kept up to date by many users, not just one administrator.

Document management system

There are also document management systems available, some of which are industry specific.

These are standalone computer programmes which allow you to index and search your documents.

Pros: Documents can be easily imported without changing formats

Cons: Potentially expensive

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