



BUILDING AN OPERATIONS MANUAL: The System

By Philip P. Beyer

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Do you know, the number one reason, most businesses are so disorganized? It's due to the fact that, the owner has never taken the time to **DOWNLOAD**—write down how their business operates—from the time they **TURN-THE-KEY** in the morning and open their door for business—until they **TURN-THE-KEY** and lock the door in the afternoon.

There's a whole lot of stuff going on between those two **TURN-KEY** events. In most businesses, most of that **STUFF**—the processes that run the businesses is just floating around in the owner's head. Therefore the owner is constantly interrupted by employees trying to get at that information. If the owner leaves the premise for any reason, all **H#@L** breaks out. Sounds familiar? That **STUFF**—the process that run the business—is what I call **THE SYSTEM**.

What is a System?

Webster's Dictionary Defines Systems:

1. A group or arrangement of parts, facts, phenomena, etc., that relates to or interacts with each other in such a way as to form a whole;
2. An orderly method, plan or procedure.

My definition of a System

THE SYSTEM, as defined for the purpose of building an Operations Manual for a business, is a network of interacting written **PROCEDURES**, **POLICIES**, **CHECKLISTS**, etc.

This Operations Manual should be made accessible to every member of your organization, to give clear understanding to all—empowering them to do their job without constant supervision.

Why do we need Systems?

- To organize a business for maximum efficiency
- Avoid constant interruptions from people seeking repeated information
- Business will run smoothly, whether you are there on not
- Reduce errors and waste
- Reduce stress
- Fewer and more productive meetings
- Fewer and more effective managers
- More effective employees
- More peaceful work environment
- Improves employee cooperation
- Quickly reveals employee work habits
- More profit with fewer mistakes
- Time and money saved by good housekeeping
- Employees take pride in clean and organized work areas
- Less customer turnover
- Less employee turnover
- Better service and more respect from vendors
- Attracts quality employees who attract other quality employees
- Market value of your company is substantially increased
- Production through-put is shortened with less exertion
- Satisfied customers give free word-of-mouth promotions

- Vendors give free, positive word-of-mouth promotions
- More time/resources to give back to your community
- More time to serve customers and address their problems
- Once installed, it's easy to manage
- More time for your personal life

Do I really need to say more?

If you don't get it, that you need to systemize your business after watching the videos and reading some of the documentation on this site, then the only other thing I recommend, is that you read my book? ***System Busters: How to Stop Them in Your Business.***

Now, if after reading my book and you still don't get it, then I'm not the person to help you.

I really do want to help—but the decision to change the way you've been doing things is yours. It starts at the top!

The Building Blocks of an Operations Manual/The System

Things to consider as you download your business processes out of your head into a Written Operations Manual:

Context and Understanding

The words you use must plainly describe the actions and activity to be performed so any member of your organization can easily understand.

Participation

Before a new system is implemented, everyone that this system/document will affect should participate in sharing their ideas or any concerns, as it will impact their job. These same people should also be involved in the testing, revising and updating of the system.

Standardization

Terminology should be consistent, whenever possible. For example, do not call an item a cell phone in one document, and then refer to it as a mobile phone in another document. When dealing with hundreds of terms it can become very confusing. Also, it's helpful to standardize your fonts to only one or two. Be consistent.

Completeness

There must be no gaps/holes in information, logic, or design.

Compliance

There needs to be a way to follow up on systems to ensure that a system is being used—and used consistently. *See our video on the System Buster tool.*

Referenced/Un-Losable

You need to reference documents to other frequently-used documents. This will ensure they will not be lost, discarded or forgotten. Out of sight, out of mind is true!

Final Approval

If you are delegating the task of building, implementing and updating the system, YOU—the head of the organization—should give the final approval. And YOU need to know exactly how new systems and updates are designed to work and give your approval. It starts at the top!

Organizing the Operations Manual

Compiling and organizing of documents into an Operations Manual is called document management.

We suggest keeping a hard copy of all your documents, in case of power failure or some other disaster. Using D-ring binders, setup one binder for each department in your organization. Every document should have its own plastic sheet protector for easy removal when copying and updating.

Master Document List—in each department binder, the first plastic sheet protector should contain a printed list of all the documents contained in that binder. Like a table of contents. This document is used for assigning the next consecutive number to a new document and having all your Documents Titles and Numbers contained in one location.

It can be built in a *Microsoft Excel* spreadsheet, and each department's list of documents should have its own tab in the spreadsheet. *This document is provided for System100™ Clients.*

If your company is small, or you are just starting a business or organization, start with one large D-ring binder and have tabs for each department until it becomes too full, then you can break out each department with its own binder.

Document Building

I recommend all of your documents be built in *Microsoft Word*. However, for very complicated forms you may consider other design programs.

Give each document a Title and a Number, along with a Revision Date.

In assigning numbers and titles to various documents for your Operations Manual, use common-sense. At the same time, be creative and think optimization. Just keep it simple.

When titling your document, use the Subject first in the Title, when optimal.

When numbering your document, as part of your document number, we suggest using letter abbreviations to identify departments followed by a series of numbers with no more than four digits (e.g. 1000, 2000, 3000, etc.) assigned to that department. For example, for Accounting, use the initials AD and the 2000 series for numbering documents (e.g. AD-2000, AD-2001, etc.).

For Customer Service you might use the initials CS, followed by four digits in the 7000 series (e.g. CS-7000, CS-7001, etc.). You decide how to initialize your departments and which series of numbers to assign. We use three digit numbers in most cases as we don't have any one department using anywhere close to a thousand documents. So four digits might be used for a very large company.

For ISO-Certified Clients

There is not a set requirement in ISO to uniquely identify a document or a part. However, the practice of giving a document or a component a number, title, revision date, and sometimes revision level, is used in almost all documentation systems worldwide.

Did I mention—Great Systems Work!

See next page for a list of documents contained in an Operations Manual

To invite Philip Paul Beyer to speak for your conference or other event...

Contact Susan Beyer at Ebiz Products, 615-425-2652 or email susan@ebizproducts.com. Philip Beyer's book *System Busters: How to Stop Them In Your Business* is available at www.Amazon.com. For more about SYSTEM100™ software, visit www.System100.com.

Documents Contained in an Operations Manual-Partial List

Company

- History
- Mission Statement
- Ethics Statement
- Organizational Chart
- Trade Customs

Orientation for New Hires

- Employee Manual
- Critical Employee Polices-Signed by New Hire

Procedures-All Key Processes

- Workflow
- Equipment Maintenance
- Equipment Operation Manuals
- Website
- Accounting
- Customer Service
- Production
- Shipping
- Scheduling
- Sales

Document Management

- Document Update/Change
- Document Numbering and Titling
- Document Development

Polices

- Company
 - Terms & Conditions
- Employee
 - Computer Use
 - Vacation
 - Overtime
 - Personal Phone Calls
 - Cell Phone
 - Policy-Manual
 - Starting & Ending Times-Shifts
 - Employee Bill of Rights
 - Performance Evaluation
 - Work Out Room Use-Waiver
- Customer
 - Rework
 - Rush Fees
- Vendor
 - Outsourcing
 - Standards
- Sales
 - Commission Rates

Position Documents-Every Employee

- Job Descriptions
- Daily Routine Checklist
- Bios-Certain Employees

Emergency and Security

- Alarm System Operations
- Emergencies Contact Numbers
- Opening & Closing Procedures
- Security Procedures-Locks & Keys-Control
- Hazard Communications Program

Inventory

- Equipment, Furniture & Décor
- Software-License Codes
- Educational Materials—i.e. Books
- Inventory Requisition Form

Quality Control Checklist

- Production Processes-All
- Shipping
- Delivery
- Customer Service
- Job Ticket

Control Checklist-Other

- New Customer Setup
- Customer Update
- Hiring Interviews
- Data Entry
- Order Entry
- Estimating
- Building Maintenance
- OSHA Inspection
- Invoicing
- Marketing Campaigns
- Credit Card
- Production Flags/Stickers/Labels

Equipment Maintenance Checklist

- Production Equipment
 - Repair Request Form
- Air Conditioners Units
- Heating Units

Benchmarking Charts

- Sales
- Productivity
- Waste
- Estimates Vs. Actual

Contracts

- Employee
- Sales Person
- Vendor
- Customer

Forms-Human Resource

- Request for Leave
- Absent/Tardy
- Resignation

Forms- Government

- 1-9
- W-4
- W-9
- Separation Notice-State of TN
- Injury or Illness Report
- Occupational Health Treatment Form
- Tax Exemption

Forms-Insurance

- Teleclaim Workers Comp

Company Branded Documents

- Letterhead
- Envelopes
- Business Card
- Brochures
- Presentation Folders
- Invoices
- Authorization Forms
- Packing List

The 100% System of Cleanliness

- Cabinets-Label
- Production-Labels