

# A ProcessArticle from ProcessCoach



## Driving Systematic Business Growth

Most businesses are service businesses. So it is the processes that define the business, make it stand out from all the others. We know that customers take their custom to businesses where they can rely on getting consistently good service. We also know that good well planned processes minimise business problems. Clearly then, spending time getting it right makes sense. So while you put your processes in place, you want your competitors to remain unconvinced. Then you'll be free to reap the rewards that having good processes can bring.

But good organisation has to stand on firm foundations too. In this article are:

- **Six** reasons why being organised is so important to all businesses, and particularly important to business owners like yourself.
- **Six** additional reasons for Employers.
- Plus reasons why **twelve** commonly held ideas about systems and processes need another look.
- And a summary of the **Four 'Foundation Stones'** that are fundamental to the life of your business.

I hope you find this useful. If it helps you grow your business, great – please let me know - that is my Central Purpose. If you need more help, explore our website and join us. This article is an extract from '**What Gets Results**' (our **ProcessGuidebook**).

A handwritten signature in black ink that reads 'Ned'.

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## Six Reasons to Get Organised

1. **Can't Manage Time, only Action:** You can't manage time. You can only manage the actions you take. Planned and organised actions take less time.
2. **Pressure Off:** When you're on the spot it's tough to think of everything. It's much easier to work to a plan.
3. **Competent:** Working through clear logical steps develops and demonstrates professional competence when serving customers.
4. **Knowledgeable:** When you ask the right questions at the right time you demonstrate that you really know your business, correctly anticipating the customer's need.
5. **Confident:** Don't get flustered, get organised. When you can rely on your system it lets your confidence grow.
6. **Delighted Customers:** They want consistent high standards. Put good processes in place and you can exceed their expectations, **and** enjoy working for them.

## + 6 Employer Bonuses

If you employ anyone, then you can look forward to

7. **Less errors:** They'll know what to do, how to do it and know when they need to ask.
8. **Increased productivity:** They'll get more done.
9. **Quality improvements:** They'll have more time to focus on the task.
10. **A real buzz:** They'll be more motivated and confident, making customers happy too.
11. **No more fire-fighting:** The work will flow more smoothly.
12. **Time Off:** For You! Time to relax, knowing that your team can handle the work.

## 12 Objections Countered

- **Systems are complicated and expensive:** Yes some can be. They can also be quick and easy. Like using a standard message pad not just any old scrap of paper.
- **We're too small to need systems:** Even working on your own, a process for handling difficult or routine time consuming tasks makes them so much easier.
- **It's quicker to do it myself:** Yes, today it is. It'll take time for others to learn as much as you've learned. Given time they'll pick up speed. Put a clear process in place and they'll learn even faster following the good habits you already have.
- **We're all very experienced:** But do you all work in the same way? If not, what happens when you have to pick up the pieces when someone falls ill?
- **We've tried all that:** Being organised is more than a one-off exercise. Things change, systems and processes need to evolve too.
- **We're already ISO standard:** So you already know the benefits of being systematic and organised. Extend that thinking. Apply it to finding customers and apply it to the back office tasks.
- **Our work is too complex, every job is different:** Yes, *what* you do for each job can be very different. But there is an underlying pattern to *how* you do what you do. That pattern is your process, once captured it will help you maintain high standards. It's your competitive edge.
- **We don't want to grow:** Fine. But would you like less stress, or even a day off sometime soon? Would you like to add value to the business before selling up?
- **Systems will cramp our style:** Only if you let them. Well thought out processes that are flexible and clear will help get the job done. As soon as it feels uncomfortable, then it's time for a change.
- **Routine is boring:** Variety is fun, if it gets the job done. Where the order in which things are done doesn't matter, then that freedom needs to be made clear. Users must have freedom to operate, except where it really matters.
- **"Rules (*systems and processes*) are for the obedience of fools and the guidance of the wise."**<sup>1</sup> : If only more of us were as wise. The key to successful processes is to ensure that everyone understands the purpose, learns good practice, and follows the guidelines. Unthinking obedience is counter productive.
- **This is red tape and bureaucracy:** If the process becomes more important than the purpose for which it was established, then yes! Too often someone with little imagination insists on following a process 'to the letter'. This is where a small business can beat the big boys. There is no place for a 'job's worth' to hide in your business, you're all focused on delighting the customer.

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<sup>1</sup> After Douglas Bader WW2 Pilot.

## Four Foundation Stones

Setting up and running a successful business is not simple. Many people who are really good at what they do, struggle to run a business doing it. Running a business calls for a whole range of capabilities. There are hundreds (even thousands) of business authors who all set out different lists of things considered to be essential. I wonder how many of them have actually run and are running a small business. As a small business owner myself, here's what really matters.

These Foundation Stones are strongly interlinked, after the first one is in place the order of other three does not really matter. Don't let the sequence become more important than ensuring that all of these are in place and balanced in your business. But do make sure that your business is not lacking such essentials as:

- **Central Purpose**
- **Business Proposition**
- **The Market**
- **Cash**

### Central Purpose

At the heart of your business there must be some thing (an idea, ideal, mission, aim, purpose, reason, etc) that *really fires you up*. It is the thing you went into business for; not just the work itself but the rewards it brings you personally. And while rewards must include money, it's the greater rewards I have in mind. What is it that really motivates you to do this work?

All very 'touchy-feely' words. Here's a concrete example: Most of my work is about helping other people to learn (which includes 'change'). The reward for me is knowing that their success, whilst all theirs, might not have happened without my contribution. I get paid for it too.

Customers notice when you are in touch with your Central Purpose; that's why they come to you. Many small business owners started out with a really clear Central Purpose, or purposes, that they lost along the way. Lost, mainly because they became overloaded with all the other stuff pressing down on them.

If you can't explain your Central Purpose then it will be difficult to find other people to work in the business who share that goal. So even if you find and employ efficient workers, they'll struggle to share your passion for the work.

What if you don't have a Central Purpose? Well then, what you have is a job. A job means that the things that give you real pleasure tend to be shifted into any time you can get off work. You'll be manager supervisor and worker all rolled into one, having to find the work to do, and doing all the other stuff that must be done, but you are just doing a job. Ask yourself why? Working in your own business really should be different, shouldn't it?

So, what's your Central Purpose?

## Business Proposition

If you are in business, then you need a business proposition. Put simply, this spells out what inputs you need to produce the goods or services you intend to deliver on your route to your Central Purpose.

It is vital that the business proposition is viable on two counts.

1. First it has to be possible to do it, and to do so in line with the values you hold dear as part of your central purpose (and the law etc.)
2. Second it has to be financially viable. If it costs more to produce than it earns, then as a business it can't last.

Before you even think about numbers, walk the idea through in your head or in discussion with someone you trust. Part of this is about thinking out how the main process of the business might work. As you get into detail you'll be faced with some difficult choices; for example - trying to be green and sustainable, but not able to get affordable biofuel for your delivery vehicle. Even if you are prepared to make compromises, how might your potential customers react to such flexible values?

To answer the second point you'll need a model of how your business works - a 'business model'. For many small business owners the words 'business model' are an instant switch off. Perhaps that is why they go out of business. A business model simply answers the question – do the numbers work? I've seen full blown spreadsheets that were next to useless, and pencil scribbles which made sense. You don't need anything complicated, but it will use some numbers.

One thing you may have noticed, or will find out fairly soon, is that the Business Proposition has to fit into the Central Purpose, but links directly to and requires information from your knowledge of the Market and the constraints of your available Cash.

## The Market

This is the most changeable, attention demanding and difficult foundation stone for small businesses. You need a clear view of something that is sometimes visible, sometimes invisible but always changing – the market.

You can minimise some of the difficulties by defining the particular market you want to focus on. After all the 'market' is a fluid collection of potential and actual customers with particular needs, plus those businesses that seek to supply solutions for those needs. Buyers and Sellers.

There are lots of books and courses, so much advice out there that this subject can be bewildering. To simplify, always holding onto your Central Purpose, either

- find out who has needs that are met by the product / service you plan to deliver OR
- find out who has related needs that you could make into a business – and shape your business proposition accordingly.

If you are unable to describe your main target customer group, then you are in trouble. Because if you don't know who they are, you can't talk to them.

It is quite alright to have more than one target group, provided you can keep up with two or more moving targets.

Competition is another side of this foundation stone. Not just other suppliers, but also other products and services that might be an alternative. Know who and what they are.

While thinking about alternatives, think also about geography. A local grocer really can't compete with the out of town superstore for the big weekly shop, but being there to supply those 'just nip out for' items has potential. If not, then the big brands supermarkets wouldn't be opening little convenience shops! Where are the edges of your market?

Finally, what you must have is some 'numbers'. You need estimates of how many potential customers, how much they may pay, how many competitors and the prices they seek, what impact might alternative products and services have on these estimates.

Ultimately your knowledge of the Market should give you the confidence to know that there are enough customers to sustain the Business Proposition. Not just once, but a continuing stream. It should also be able to make this happen without calling for more Cash than is available.

## Cash

Cash is the fourth foundation stone. All businesses need cash. There are two kinds.

The first kind most people recognise is called **working capital**. Generally, you'll need enough to fund your business proposition. Use your business model to estimate how much money needs to go in, before you actually receive cash (not promises) back from sales. You'll also need to think about what to do if things 'slip a bit' – as they always do.

But that is not really the first item to consider. Consider your Central Purpose, and the market you are aiming at. You have to make the right impression on your target customers. So you'll need to invest cash into the business to establish the **infrastructure**. You need to find premises, vehicles, equipment, uniforms, and other stuff at a cost that is within your means but that gives the right impression. An attractive impression that fits in with your Central Purpose.

Both forms of cash are best thought of as long term investments.

- **Working capital** is as essential as oil in an engine – you can't really take the cash out and expect to be able to continue to run at high speed.
- **Infrastructure** – Some things you'll rent, so that money is gone - just part of the business running costs. The rest you'll only get back when you sell the business, and maybe not even then. As things need replacing, then more money will be needed.

You can do a lot with a little. But it requires you to be really superb at managing the cash flow through the business. The level of Cash you have or need is directly tied to your business model and to your market. Plus, if you cut corners to make it fit the budget what will that do to your Central Purpose? How will your customers react?

## Summary

Four Foundation Stones. Each calls for you to use different skills and competences. All four are interlinked. All four need to be in place and in balance to give your business a chance of success, to give your life's work real meaning.

That said, remember that your business model plus the collection of data about the market and keeping tabs on your cash position can all benefit from putting good clear processes in place. You can learn more about processes through <http://www.processcoach.co.uk>.