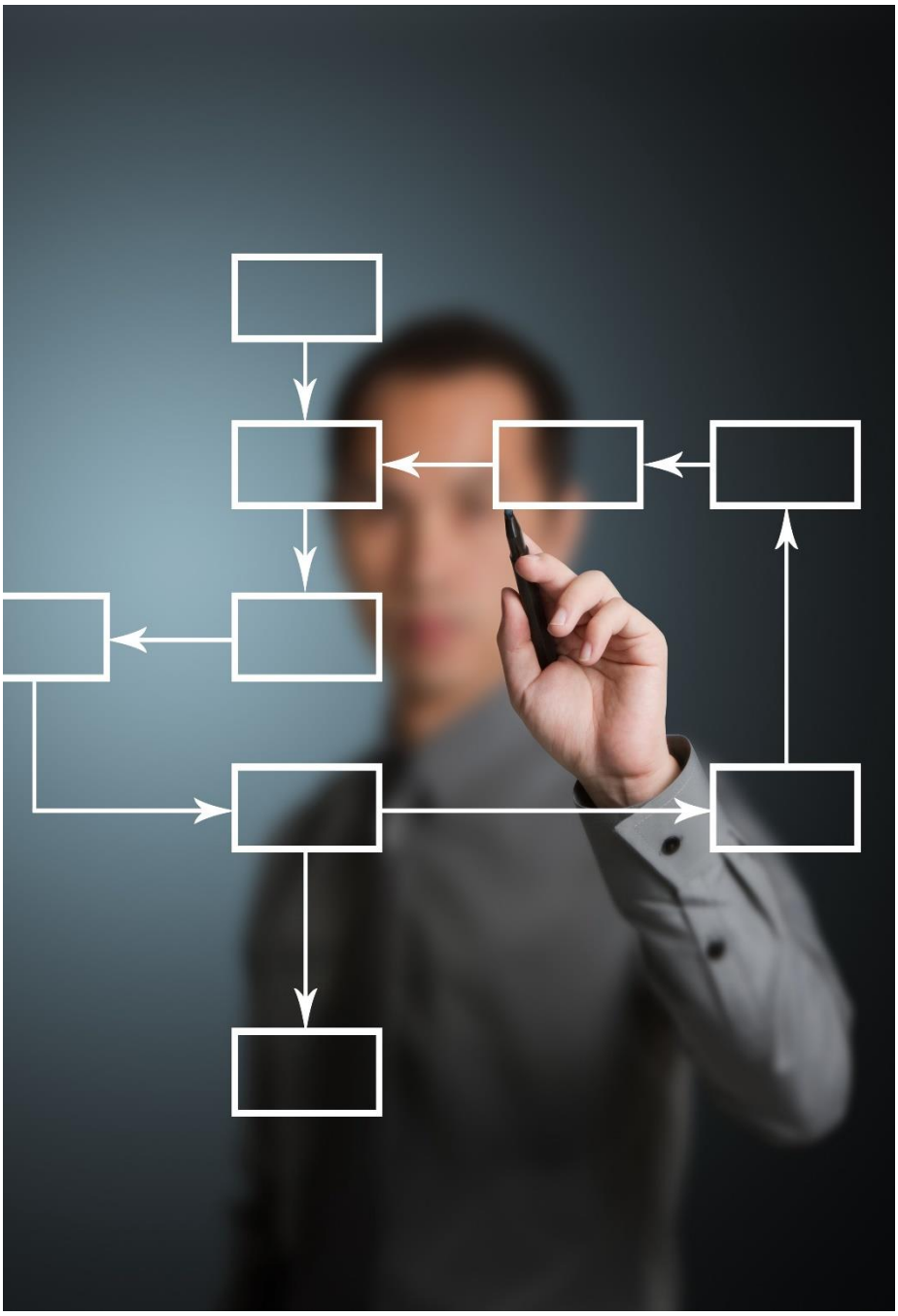
POLICY, PROCESS AND PROCEDURE:

AUTOMATING YOUR WORKFLOW

WORKBOOK



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POLICY, PROCESS, AND PROCEDURE

Introduction: Input/output

Welcome to this course on policy, process, and procedure. The purpose of this course will be to help you identify your needs in each of these areas, as well as show you the steps in creating and/or improving your present workplace guidelines, as well as automating your workflows as much as possible.

We'll start with this sample policy of Hammurabi, written in 2250 B.C.:

- **If a builder build a house for some one, and does not construct it properly, and the house which he built fall in and kill its owner, then that builder shall be put to death.**
- **If it kill the son of the owner, the son of that builder shall be put to death.**
- **If it kill a slave of the owner, then he shall pay slave for slave to the owner of the house.**
- **If it ruin goods, he shall make compensation for all that has been ruined, and inasmuch as he did not construct properly this house which he built and it fell, he shall re-erect the house from his own means.**

While we might disagree with Hammurabi's idea of justice, it is interesting to analyze the construction of the policy. There are certain questions we can ask about it: is it clear? Is it consistent? Does it cover the most common scenarios?

And we must admit that the policy is or does all these things. It clearly outlines what it is concerned with, it is consistent in its proportion, and any situations not covered by this policy would have to be dealt with on a case-by-case basis.

In this respect, we can say that it is an effective policy (though it actually combines policy and process, but we'll talk more about that later), even if we're not ready to go out and implement it in our own businesses. But notice how it is constructed:

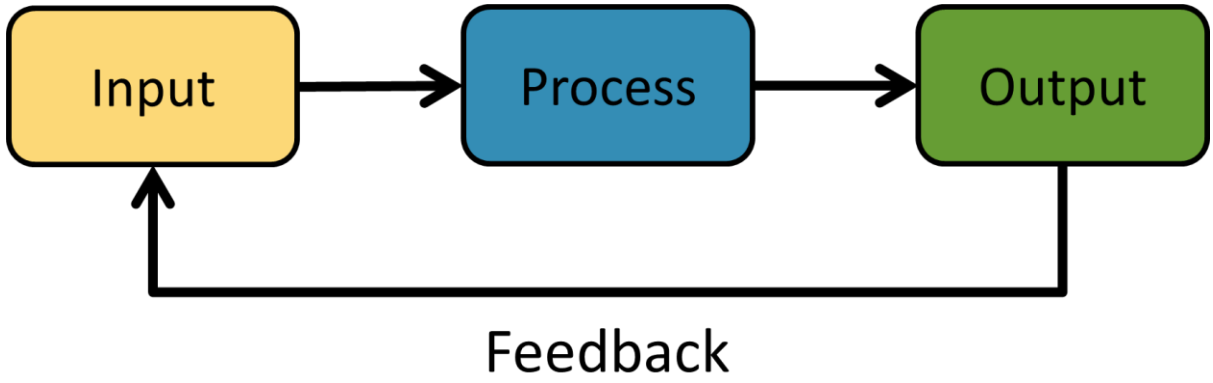
If [situation occurs], then [result follows]

If Hammurabi just so happened to be visiting a neighboring kingdom when a faulty house collapsed, killing the homeowner's slave, would Prince Hammurabi, Jr., have to wait until his father returned to pass judgment? Would he have to send a messenger to his father to ask what should be done? Not at all. Hammurabi could return from his trip, see that his son sentenced the housebuilder to provide one of his own slaves to the homeowner, and to rebuild the house out of his own pocket. He could congratulate

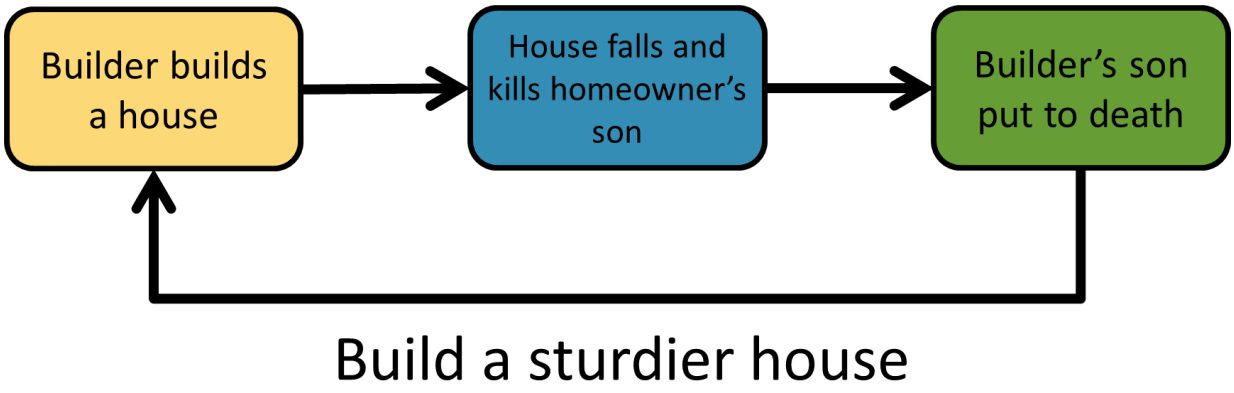
Prince Hammurabi, Jr., on a job well done, and know that his kingdom would be in safe hands when he decided to retire.

This is what effective policy, process, and procedure does for a company. The goals are spelled out clearly, the purpose of the goals is obvious, and the way the goals are implemented is unambiguous. The business can run like a machine, because everyone understands what is to be done, why it is done, and how it should be done – **whether the business owner or manager is there or not.**

In effect, this is what a computer does (which is why we speak of "automating" business processes). It takes input, conducts a process on that input, and then produces an output. That output can be used to improve the input process.



In this case, the builder builds a faulty house (input), which falls and kills the son of the homeowner (process). The policy states that the builder's son should then be put to death (output). This result helps to ensure that not just this builder, but all builders, build sturdier homes for their customers.



So, while we won't advocate putting anyone to death as an output, we will use this model to help formulate some of our processes and procedures.

Input/Output – The First Steps to Automation

The first true steps of automating our business lie in creating effective policy, process and procedure. It goes something like this:

- Good, useful policies are drawn up that guide your employees in everyday situations, as well as those that come up less often.
- Efficient, effective processes, based on the policy guidance, are formulated and documented, so that long-term employees can consult them when there's a question, and new employees can be trained with them easily.
- Detailed procedures, based on the effective processes, are created and documented, to ensure consistent performance among employees, and to deliver a consistently high-quality product or service to the customer.

Doesn't that sound like a company that would run smoothly and efficiently? Did you notice what word is missing from these descriptions?

The owner/operator.

Admittedly, the owner/operator is the prime movement behind the creation of all the systems, but once they are created, there should be little for the owner/operator to do – which is the goal. That owner/operator is free to work on expanding the business, creating another business, or even just to take vacations or sell the business at a profit – because it doesn't need him or her to run.

This feels like a contradiction – and for some business owner/operators, it actually can cause a conflict between two different positive desires: the desire to have a productive and profitable business that runs autonomously, and the unconscious desire to be needed or necessary.

So, you should examine yourself, to make sure that **YOU** are not the primary roadblock to the creation of automated systems – because if your subconscious ego is fed by the need that the business has for you (and that is what gives you part of your self-worth and meaning), then you may unknowingly block the automation efforts will make the business run independently.

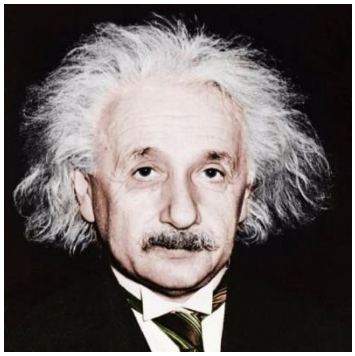
If this is the case, try to think of it this way: if you make the business run without you, it frees you up to be needed elsewhere – by your family, another business, or even the task of making your current business dominate the market. In other words, it frees you to **GROW**, personally. So you don't lose by making the business autonomous; you gain.

Why Automate?

On the average 4 hour flight, the autopilot is engaged for about 3½ hours of it. That's almost 88% of the time.

How much of the time is your business on "autopilot?" How much time are you spending working ***in*** your business instead of ***on*** your business?

Or another way of looking at it:



Albert Einstein considered compound interest the 8th wonder of the world. Why?

Because compound interest works every minute, making money even when you're not involved in it.

Shouldn't your business be like that?

One of the key components of putting your business on autopilot is:

BUSINESS PROCESS AUTOMATION

Business process automation involves creating smooth, streamlined processes and procedures that

1. are effective,
2. minimize decision-making, and
3. are not cumbersome.

These things take time on the front-end in order to save time continuously in the future.

As we learned earlier, all processes and procedures stem from policy. So the first step in automating as much as possible is creating good, sensible policy.

Section I: What are They, and What Are the Differences?

Many people tend to use these words interchangeably, but they are different, and they are all necessary. So let's list some quick definitions for them.

Definitions:

pol·i·cy[1] /ˈpäləsē/ *noun*
noun: **policy**; plural noun: **policies**

1. a course or principle of action adopted or proposed by a government, party, business, or individual.

Practical definition:

A business rule or company guideline that gives employees direction.

Answers the question:

What are the goals of our company?

proc·ess[1] /ˈprä͵ses,ˈprō͵ses/ *noun*
noun: **process**; plural noun: **processes**

1. a series of actions or steps taken in order to achieve a particular end.

Practical definition:

A business flow that shows all steps and departments for a particular business action.

Answers the question:

How will our company achieve these goals?

Notes/Ideas/Questions

pro·ce·dure[1] /prəˈsējər/ *noun*

noun: **process**; plural noun: **processes**

1. an established or official way of doing something.

Practical definition:

A “how-to”. A step-by-step description of any individual action that employees perform in their job duties.

Answers the question:

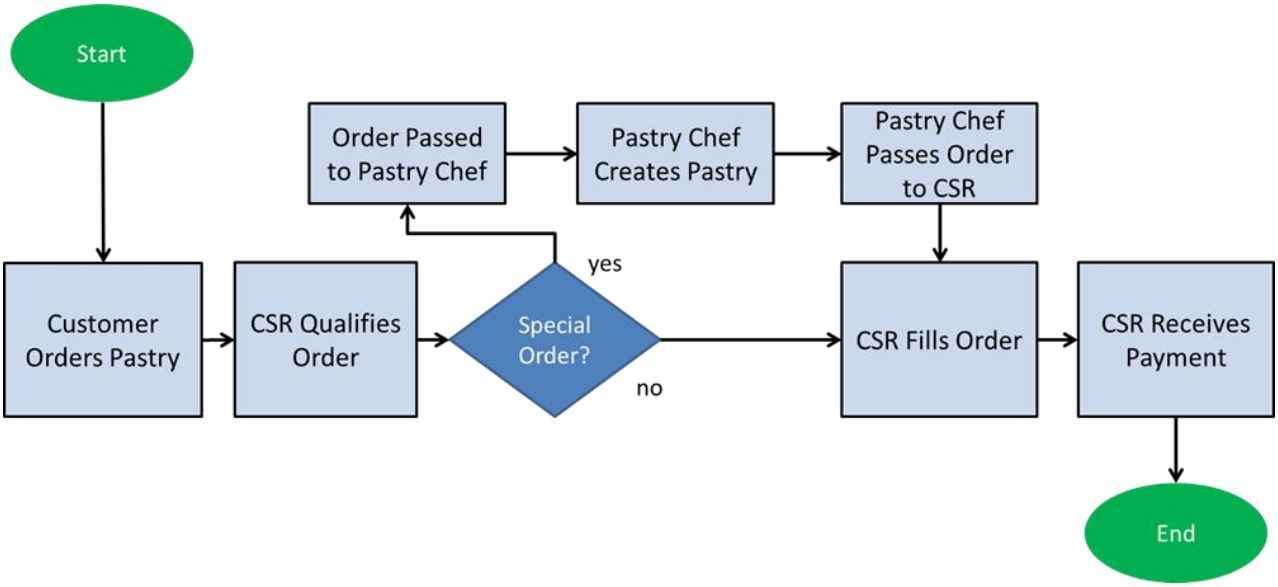
What are the steps and who will take them to reach the goals?

Another way of seeing this is the example of a bakery. The following might be an example of a policy, a process, and a procedure for a bakery.

POLICY

We will serve our customers the freshest pastries possible on a daily basis.

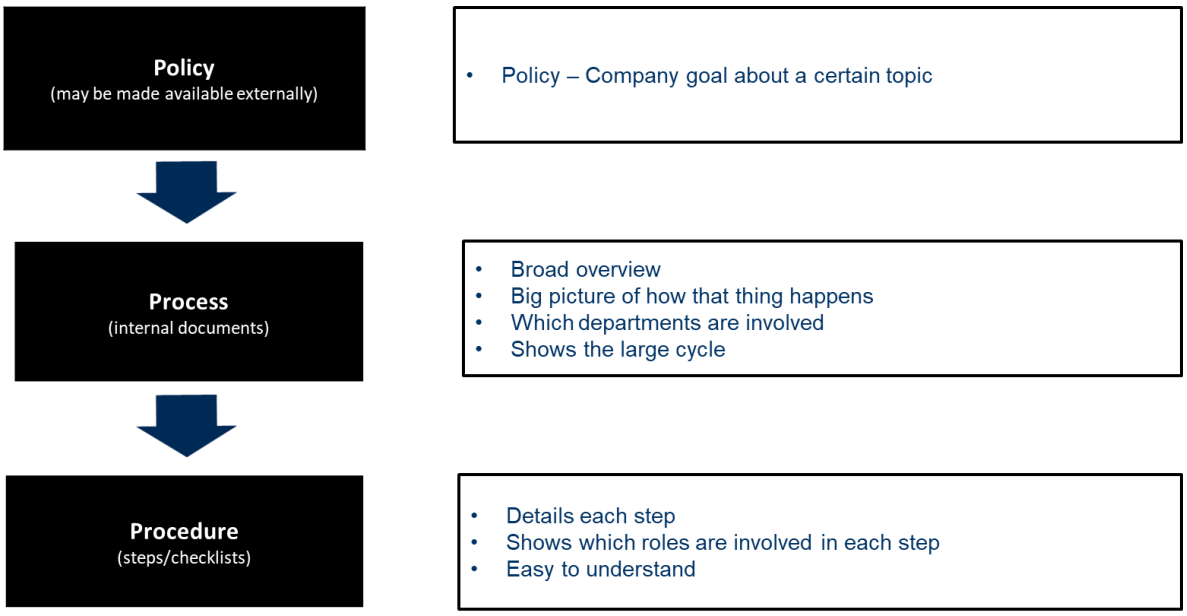
PROCESS



PROCEDURE

Plain Pound Cake Recipe

1. Preheat your oven and prepare a bundt pan.
2. Mix together butter and sugar, then add vanilla and eggs.
3. Separately mix together flour, salt, baking powder, baking soda and salt.
4. Add flour mixture and milk alternately to the butter mixture and combine everything together then pour batter into the bundt pan.
5. Bake for about an hour, then remove from the oven and cool slightly before turning out onto a flat surface to release the cake from the pan.



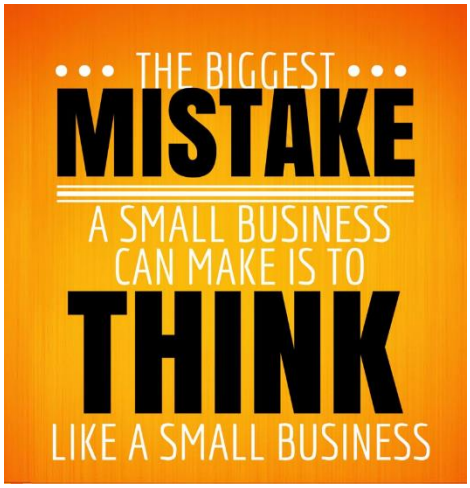
Policy usually leads to Process, which leads to Procedure.

Section II: Do We Really Need Them?

You can try to do business without them, but the benefits of having them far outweigh the effort necessary to produce them.

Benefits of Written Policies, Processes and Procedures:

- They communicate company culture.
- They communicate key policies clearly and consistently.
- Employees know what's expected of them.
- Employees know what to expect of you.
- They help you avoid inconsistencies.
- They help ensure compliance.
- They help protect you against employee claims.
- They can showcase the benefits you offer.



When all three are written, they help you to achieve optimal output. Everyone knows what to do, how to do it, and why they are doing it.

You should have appropriate documentation for every level of your business, as necessary – from overarching company policies to departmental procedures.

Section III: Good and Not So Good News

The good news in all of this, is that you probably already have these systems – or at least a substitute for them. This is almost guaranteed. How do we know? Because your business would not run without them (or their substitute).

Without processes and procedures, the work of your business would grind to a halt. Business cannot be conducted without interactions and transactions taking place, and those interactions and transactions are governed by some sort of process or procedure.

The not so good news is – there are several things we can probably say about those systems or their substitutes:

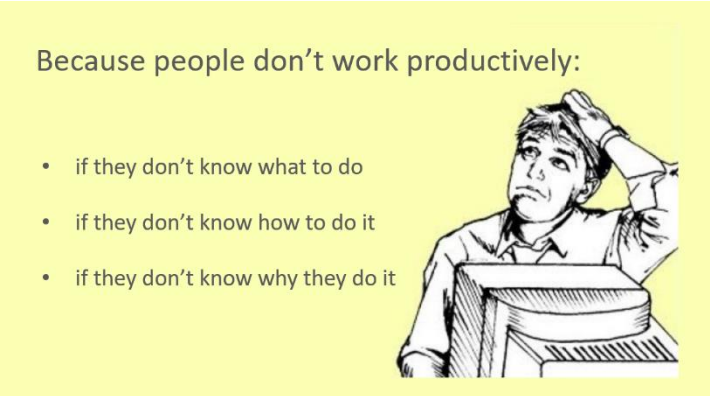
- **They're old**
- **They're out of date**
- **They're undocumented**
- **They're contradictory**
- **They're complicated**
- **They're not yours**

And yet, your business keeps going – and even profitably. So the temptation might be to use the old saw: *"If it ain't broke, don't fix it,"* and do nothing. By this axiom, you'd never make improvements to anything: your home, your life, or yourself.

Instead, let's approach things like Bill Gates, who said, *"If it ain't broke, don't fix it," doesn't apply anymore. If it ain't broke, it's obsolete.*

If you don't make improvements, your competitors certainly will – and this will cause your systems to be "broken" eventually, as they will no longer serve you or your customers. Then, you'll have to fix them just to stay competitive, and the cycle starts all over again, with you always playing catch-up. Doesn't it make sense to be the one making the improvements?

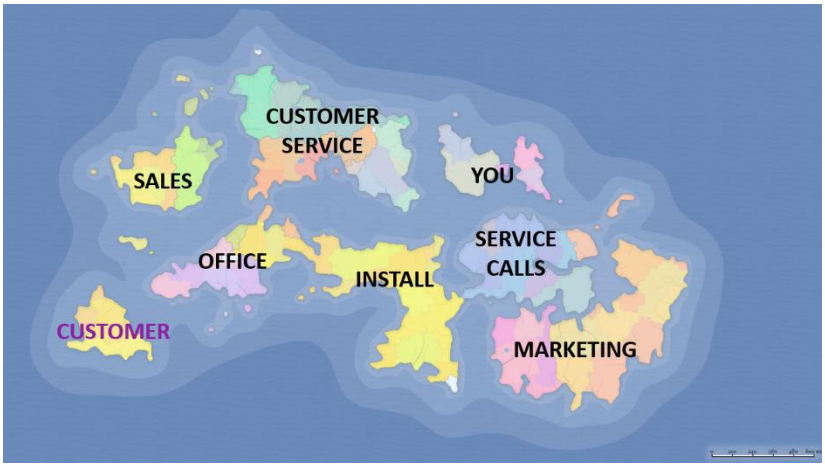
So how has your business been running if you've never consciously created these systems? The answer is fairly simple: someone else did.



People cannot work effectively if they don't know what to do, how to do it, or why they do it – in other words, without policy, process and procedure.

So, if there is a blank in any of these areas, they find ways to fill them. People are endlessly creative, so they find solutions. Are

the solutions elegant? Safe? Not very often. And, if they go unchecked, they mutate and evolve, and can become almost unrecognizable. It's as if all your different areas are on their own islands, developing their own rituals, languages and cultures. As each keeps evolving, they can't see how their differences may or may not fit in with the changes other islands are making. Then, when they come in conflict, they are often incompatible and entrenched, with neither side willing to change. Wouldn't it have been better for someone to have been overseeing and guiding the development, so that they worked in harmony and grew a unified structure that was stronger than the individual elements?



Very often, if the customer gets served, he or she is served in spite of these warring factions, not because of them. In the end, the customer gets caught in the crossfire, hearing the language of one department explain it one way, and a different language and story from another. In the end, rather than try to work it all out, the customer will find a business that speaks his or her language – and move on.

Section IV: Policies

Policy should be the very first step, and it's an important one. It's also the one that's the most difficult to get help with, because it's very individual. Since policies are the principles that will guide your company, only you can truly determine what those policies should be. This is not to say that you have to create them all from scratch – it's certainly possible to discover the policies of other companies that align with yours and modify or emulate them. But you are the only one who can say whether those policies actually define your company and its values.

Always remember that policy is about **guidance**. Policies exist to help your employees know what's important to the company and why. When they understand the policy, it can guide them in everyday situations, but also in those times when the path is more uncertain.

The Need for Policies

How do you know if you need a policy? This is not always an easy question to answer. However, below are a few questions that may help you determine whether you need a policy or not:

- If, during the course of any discussion about a company task, someone asks the question, “But, why should we do that?”
- If someone asks about the goals of the company in a particular area, and there is no direct, clear answer.
- A new circumstance arises that changes the way you do business, but the purpose of the change has not been determined yet.
- A new law or regulation has been announced that forces a change or creates a new circumstance in the way you do business.

If any of these circumstances occur, it would be wise to evaluate the need for a policy to answer it. The first question in particular is always a good place to start.

Notes/Ideas/Questions

The Nature of Policies

Policies are usually written as *ideas*. They represent goals and aspirations. Because of this, we can say the following about them:

- **Good policies rarely change.** If considering the need for a policy, or a policy change, look at the way the policy is worded. Is it constructed to contain a philosophy about how you do business, or how you will treat your customers or employees? This shouldn't change often – if ever. If the change you're considering is temporary, it's probably not a policy change, but a process or procedure change.

- **Policy change is not sudden or ill-considered.** Again, because policy is about an idea, you shouldn't make any sudden changes to policies, or change them without a good deal of thought. Policies always display the attitude of the company about a topic, so they should not be changed unless the company's attitude on that topic has changed.

- **Policy change is preceded by company input and buy-in and implemented through communication.** If the company is going to change its attitude about a topic – or introduce an attitude concerning a never before recognized topic – there should be as much communication as possible both to and from the employees concerning the change, prior to its being made. The employees are your ambassadors to the customer, and if they don't buy into the new policy (attitude), then it won't really reach the customer in any effective way.

Creating Policies

To write policies, you first have to do some preparatory work. Here is a checklist for your policy preparations:

Step	Done
Assess the need	
Get management support/buy-in	
Staff consultation	
Defining policy terms	
Determine how and where policies will be published	
Plan for training	
Plan for monitoring	

Once your preparatory work is done, you can proceed to the steps for writing the policy.

Step	Done
Determine the Policy Title	
Write a Brief Description of the Policy	
State to Whom the Policy Applies	
Reason for the Policy	
Statement of the Policy	
Definitions (if necessary)	
Related Policies (if necessary)	

If you don't want to create a policy from scratch, there are plenty of places you can go on the internet to find policy templates. One such place is thebalancecareers.com. On this website, you can find sample policies and procedures that you can use as a starting point, and also as guide for what topics you'd like to consider having policies on.

A Last Word About Policies

Policies are obviously important, because they answer the "why" question about any task or action the company takes. As a result, they are important to your employees, even if they don't know it consciously. That being the case:

- **If you hand down policy like Moses did the 10 commandments, your employees are likely to have a negative reaction** – not to the policies themselves, but to the fact that you didn't involve them in the process or communicate the need for policy change or creation. Communication is the hallmark of leadership – and that means in both directions. So, take the time to get input, and communicate continuously as the policy is rolled out.
- **If your policies are not very well thought-out or are obviously just cookie-cutter language, employees may well disregard them or not act in accordance with their spirit.** On the other hand, fully invested employees who believe in the policies will go the extra mile to ensure that they are implemented.
- **If you create illogical or unnatural policies that make the job unnecessarily hard, employees will just find a way around them – and with some justification.** No business system should ever be designed to make the job harder – just better. Don't create a "knee-jerk" policy in response to a customer situation, without considering how it affects the employees involved. If it makes their job ridiculously difficult, they are not likely to follow it, unless you just happen to be standing close by.

Section V: Processes

As we've already mentioned, you have processes currently, even if they aren't good ones. While there may be some gaps, they can't be too significant, or your business would not run. So, for the moment, we'll focus on correcting current inefficient processes, which in turn will demonstrate how a new process might be created.

Processes vs Procedure

Unfortunately, people use these two words interchangeably sometimes, and with good reason. The lines between them often blur, depending on who you're talking to and in what circumstance.

For the purposes of this course, to keep things clear, we will use the following guidelines to separate them.

1. If any business activity crosses departments, this will always be called a **process.**
2. If any business activity requires a judgment decision on the part of the employee involved, this will always be called a **process.**
3. Any business activity that can be performed exclusively with the use of a checklist (which can include pre-determined decisions, mandated by "if/then" statements) will be called a **procedure.**

By this definition, processes will either cross departments, include judgment decisions, or both.

Improving Your Processes

There is a 5-step process for improving your processes. By our own definition, this must be a process, because it will involve making judgments, and probably cross departments. 😊

The steps will be as follows:

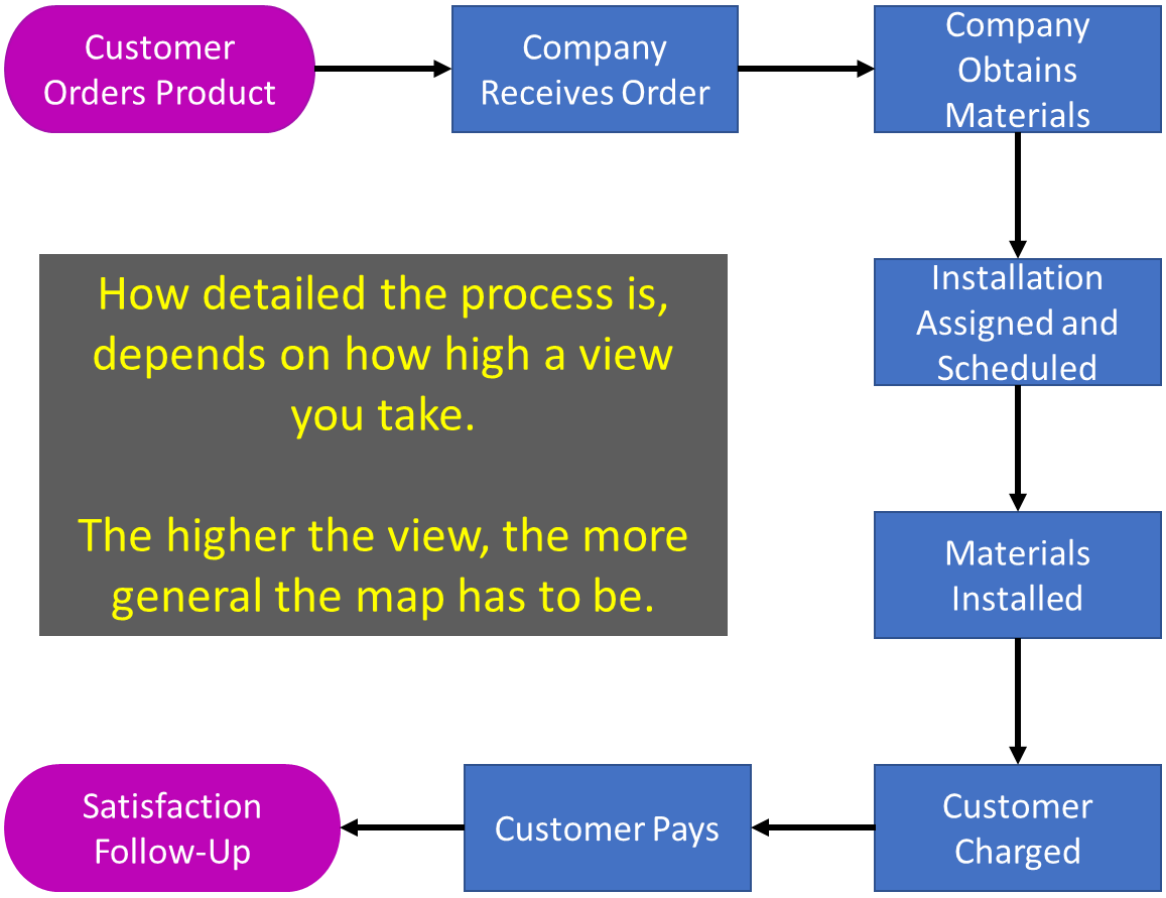
1. Map your present process
2. Question the present process
3. Improve the process
4. Test the process
5. Document the process

In order to begin, you must first decide what process you want to improve. Selecting the process can be tricky, if you've never really dealt with them before. Start with something small and easy, like the customer order process, or a billing process.

Step 1: Mapping Your Present Process

Once you've selected your process, your first task is to map it. How extensive the map is will depend on how high level the process is. The higher level the process, the more general the map will be.

For instance, in the example below, this is a fairly high-level process view. As such, each step has to be about the same level of specificity. In other words, we know that a customer order involves more than one department and probably quite a number of steps. It is itself a process. But at the level we're analyzing, if we go into the all the details of customer ordering, our map will be so complicated that it will be useless to us, or anyone trying to learn the process. So we make each step general, with the understanding that we will do a process map for each of the processes under these, and so on.



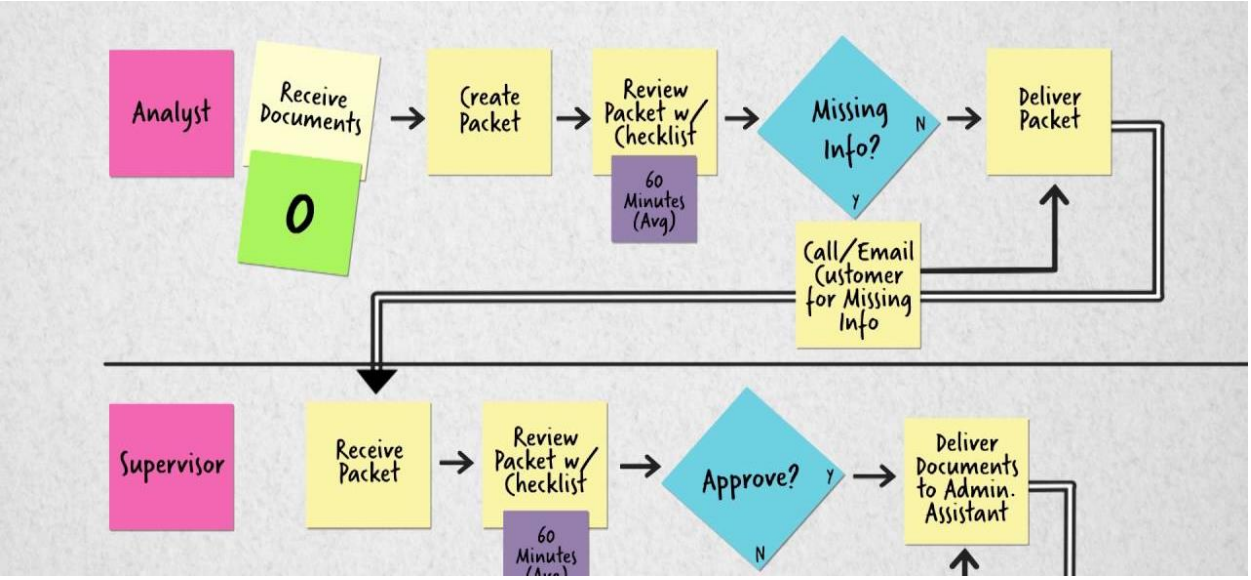
This is how many people get discouraged with process analysis. They view too generally or too specifically, and don't find the activity useful.

If you don't know how to begin, begin with an example like the one above, and drill down into each step, creating processes as you go.

Mapping Tools

In the previous example, you'll notice that we used shapes, colors, and arrow lines to map the process. While you don't have to do it this way initially, it would be a good idea to get used to using standard notation to describe your processes. We'll go over how to do that in a later section. Right now, capture your process in a way that you understand it.

For instance, you might just use sticky notes.



However you do it, make sure that you can capture the process in a graphical way, so that it's easy to see and understand.

Mapping Steps

The steps involved in mapping the process are these:

1. **Select a process** – use the above method to help you narrow down which process you'd like to map.
2. **Interview every person who touches the process, from end to end** – don't skip anyone. Follow the process from its origin to its termination, recording how the process flows.
3. **Make no judgments during the collection phase** – it will be tempting to make suggestions or to question the process during this time. Don't do this. This is just an information collection phase, and if you get bogged down in analyzing, you'll get sidetracked.
4. **Your only goal is to find out how it's done now** – so if you have to ask "Why?" it must only be for clarification. Not "Why do you do it that way?" but rather "Why does it go to that department next?" if you can't follow the train.

5. **Create the visual process** – once you've collected the information, construct a visual representation, so that you and your team can understand it comprehensively.

There are two bonuses that you will gain by completing this step thoroughly:

Bonus #1: During this phase, don't forget to map the WHOLE process. We have a tendency only to map the process as it works successfully. Doing so doesn't help you to know what happens when the process fails or doesn't work as it's supposed to. **So, map each step for failure, too.** Each step should include what happens if a key player is not present, or if a deadline gets missed, or any other such plausible misstep. Using this strategy will likely point you to any process gaps.

Bonus #2: If, during the mapping of the process, we run across an action or step that mystifies us, it should direct us to look to policy as a reason for taking that step. If there's not a policy, this activity might help us identify the need for one.

Step 2: Questioning the Process

If you thoroughly understand the process, it's time to stop being objective. Now your goal is to ask "Why?" as many times as you need to, in order to find out what makes the process tick, and how it came to be that way.

Here are some useful questions that may get your analysis started:

- Is every step necessary?
- Are any steps missing?
- Are the steps in the most efficient order?
- Are all tools in place to accomplish each step?
- Can any part of this process be automated?

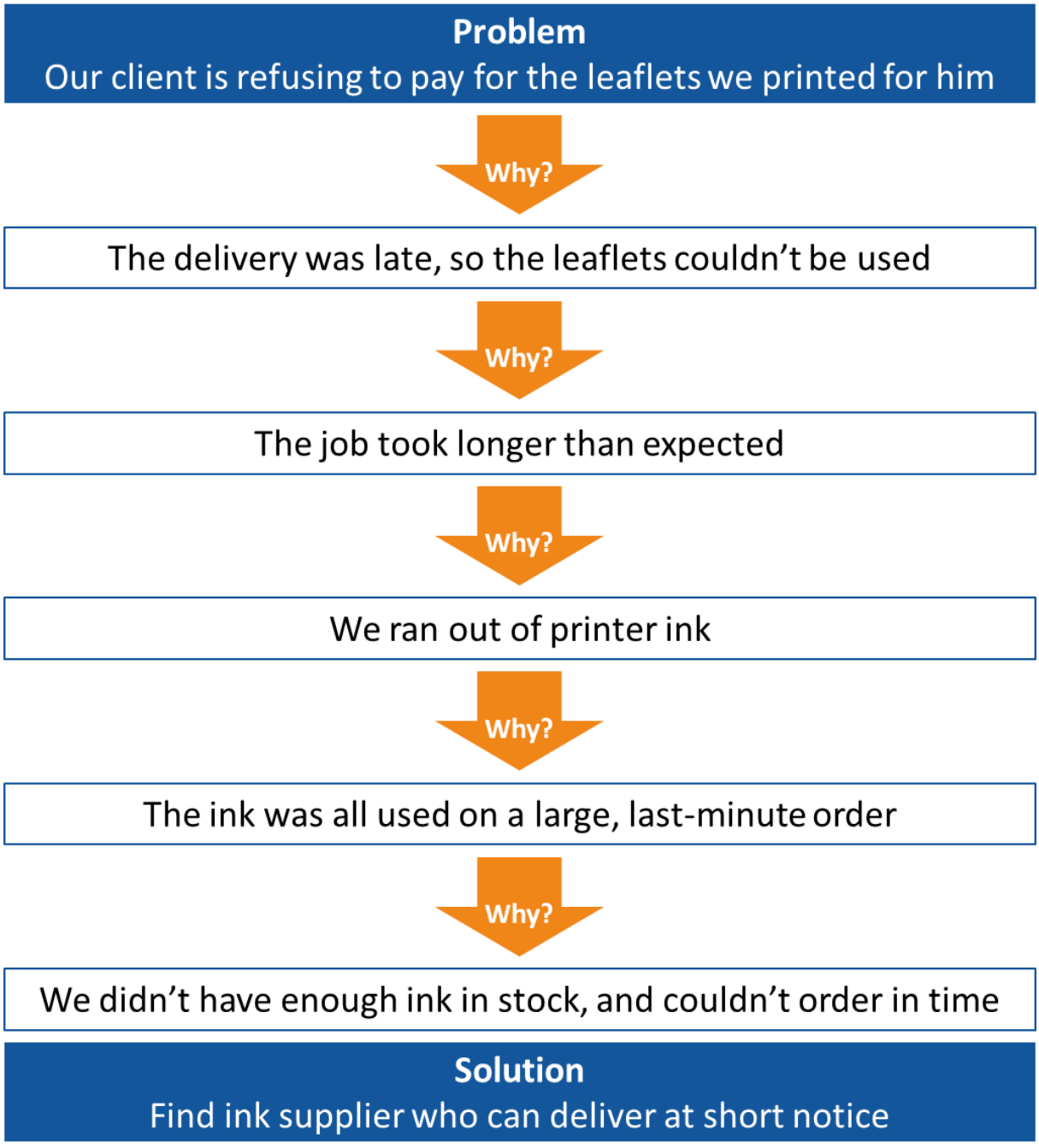
The 5 Whys

Sakichi Toyoda, the Japanese industrialist, inventor, and founder of Toyota Industries, developed the 5 Whys technique in the 1930s. It became popular in the 1970s, and Toyota still uses it to solve problems today.

In this technique, you look for the underlying reason for an action. Very often, the reason for that action has an underlying reason. Toyoda's strategy involves asking "why" to the 5th level, in order to understand what he called "the root cause" before trying to come up with a solution.

The power of this approach is that any solution also takes into consideration the underlying cause of the problem, not just the immediate cause. Often, the layer just below the problem is not the origin of the problem.

For instance, in this example, the client doesn't want to pay for the printed leaflets. The 5 Why strategy digs until it reaches the real root of the problem, which can then be addressed.



Using this technique may lead you to root causes for issues and challenges you face in your day-to-day handling of tasks. All too often, we encounter a poor result and immediately go about trying to fix it without considering the "why" of its existence. Fixing root causes also has the added benefit of correcting **other issues** which branch from that root cause, that you may not have discovered yet.

Step 3: Improving the Process

Your process has now been captured and dissected. Now it's time to get to the heart of things: improving the process. Your examination of the process has probably already given you many good ideas about how to improve it. If not, here are some considerations that may help you make it better:

1. **Streamlining** – maybe your process is just fine, but has some extra, unnecessary or redundant steps in it. Technology or business changes may have occurred since the process was created, and it didn't get updated to match the changes. Look at each step to see if it is necessary or redundant, and get rid of any waste in the process.
2. **Think outside the box** – don't restrict yourself to current tools or ideas. Brainstorm each step from a completely fresh point of view. Is the current step the best way of getting that particular activity accomplished? How do other companies do it? Allow yourself to dream a little, rather than leaping to the conventional way of doing things. You may be surprised by what you discover.
3. **Ask everybody** – we've already said that you should include people directly involved in the process but consider including people who are only peripherally involved. They may have great outside perspective on the process and can even give you a bird's eye view of the potential positive and negative impacts the changes to the process might make.
4. **Automation tools** – anything that can be automated, should be automated. Human beings weren't designed for mindless, repetitive tasks, and when you ask them to perform them, you're only inviting waste and error. If a tool or machine can do the job better, then that tool or machine is a good investment, if it is affordable. There are plenty of process automation tools out there, and more being created every day. Investigate them. Invite the people involved in the process to investigate them. Automating processes is the probably the single most effective step you can take toward making your business more efficient.
5. **Look at how the changes impact other processes** – changes aren't made in a vacuum. If you change something about one process, it will usually have an effect on the connected processes. That doesn't mean you shouldn't make them – not at all. But you should consider those impacts, and be prepared for the changes that may have to be made in those connected processes, as well. Once your overall processes are streamlined from end-to-end, your business will run much more smoothly and efficiently, and with less oversight.
6. **Always keep the process goal in mind** – it's easy to get "in the weeds" during the improvement process. To keep your actions centered and on track, stop

every so often and ask, “Does this help the process toward its goal?” If the answer is no, then re-orient. Don’t let the improvement process get bogged down in minutiae or turned away from its primary purpose, or it will be easy to abandon and give up, since the present process probably works to some extent.

7. **You may have to redesign from scratch** – sometimes a process is so outdated or convoluted that repairing it would take more time and possibly create more problems than it’s worth. Don’t be afraid to start with a clean slate. What you imagine without the constraints of the old process weighing you down, might be something that works much better, and with a lot less effort and waste.
8. **Always keep the customer in mind** – it’s easy during this process to focus so much on making the machine work, that you forget about who the machine is supposed to serve. At every major change, correction, or creation of a new step, make sure that you review its impact on the customer. Sometimes, that impact is two processes down the road, so you have to be forward-thinking. Follow the chain of events until it reaches the customer, and question it from that point of view. Not only will this help you make better processes, it will save you time in the future. If you don’t question it, and the process negatively impacts the customer, you’ll just have to back up and do it over again.
9. **How will you track?** – not all processes need tracking. Some are simple and direct, and if they are not performed properly (or not performed at all), it will be obvious in the immediate result. Other processes are not so easy to assess. These processes don’t reveal poor performance until two or three processes down the line. For processes like these, it is wise to insert tracking into the process itself. Create a step that sends up a flag immediately if the process fails in some way. This way, you don’t have to waste time backtracking to find the process failure. You identify it before it has a chance to impact later processes.

Notes/Ideas/Questions

Step 4: Test the Process

It's tempting, once you've done all this work, to put the process into effect immediately. Many people want to go straight to implementation at this point. You should resist this urge. Minor errors can become major stumbling blocks, as they get amplified down the process line. What looks good on paper sometimes is disastrous in life.

Instead, test the process. Check all the details. See if you can break it. Here are some suggestions to help you get started:

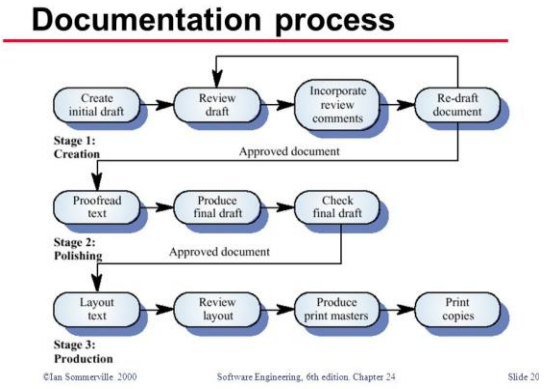
1. **Put the process through some common (and not so common) scenarios** – does it solve the problem? Does it hold up under pressure? Is it flexible enough to keep working even in unusual circumstances?
2. **Look for the impacts on other processes** – while this process may work marvelously, does it completely wreck the processes that come after it? Does the process that precedes it provide the necessary input to make this process work?
3. **Consider your customer one more time** – it's impossible to overdo this step.
4. **Consider the employee's point of view** – your process may be fantastic, but if it requires employees to do things beyond their abilities or without the necessary tools or authority, it will eventually fail. Include the people who will be performing the process in this step. They will locate its pitfalls and shortcomings much faster than you will.
5. **Consider the bottom line** – you may have discovered the perfect process solution, but until you test it, you won't have any real idea how much it will cost. Paper-testing the process helps you find those hidden or unknown expenses that may make the process prohibitive. Again, testing will save you time and money, and keep you from implementing bad procedures.

Do a Sanity Check

Now, do a sanity check, by taking the 10,000 foot view. Does the process make sense? Is it still aligned with your goals and values? If you're 99% sure that the process is good, it's time to move on to documentation and implementation.

Notes/Ideas/Questions

Step 5: Document the Process



This is the step where many people don't follow through, and it often comes back to haunt them. Even a perfectly created process will eventually be distorted in the field, through ignorance, expediency, and even laziness. When the process becomes vague or fuzzy in practice, you need to have documentation to refer back to. In addition, documented processes also make a great training tool for new employees.

How you document your processes is ultimately up to you, but there are some standard methods out there – and using these will make your documentation efforts consistent and readable by those outside your organization. (Think of the future sale of your business.) Since you're learning how to document processes anyway, it will probably be to your benefit to do it in a standard way.

Mapping Tools: Part 2

Standard process mapping documentation still has a lot of flexibility in it, so when we use the term standard, we only mean using the basic language of process mapping. You can create process maps that use swim lanes (or don't), that map processes purely internally (or not), or that revolve around a "customer journey", or you can just use a spreadsheet. And a hybrid of these languages is also acceptable, so you aren't straight jacketed into any particular method.

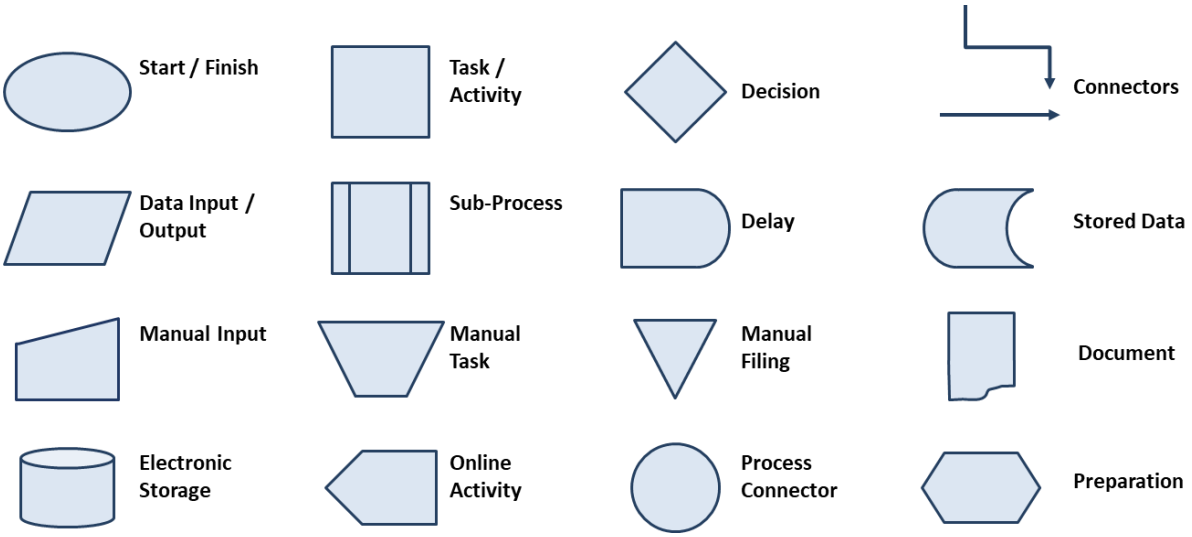
Since learning all of them would take more time than the course allows, we will only touch on a few methods, before focusing on a single method for our examples.

Using Business Process Mapping and Notation (BPMN)

Remember those shapes we saw in the earlier process mapping example? While they weren't used exactly in a standard way, they will serve as the first example of Business Process Model and Notation, shortened to BPMN. BPMN has pre-defined shapes that help you standardize the mapping process in a visual way.

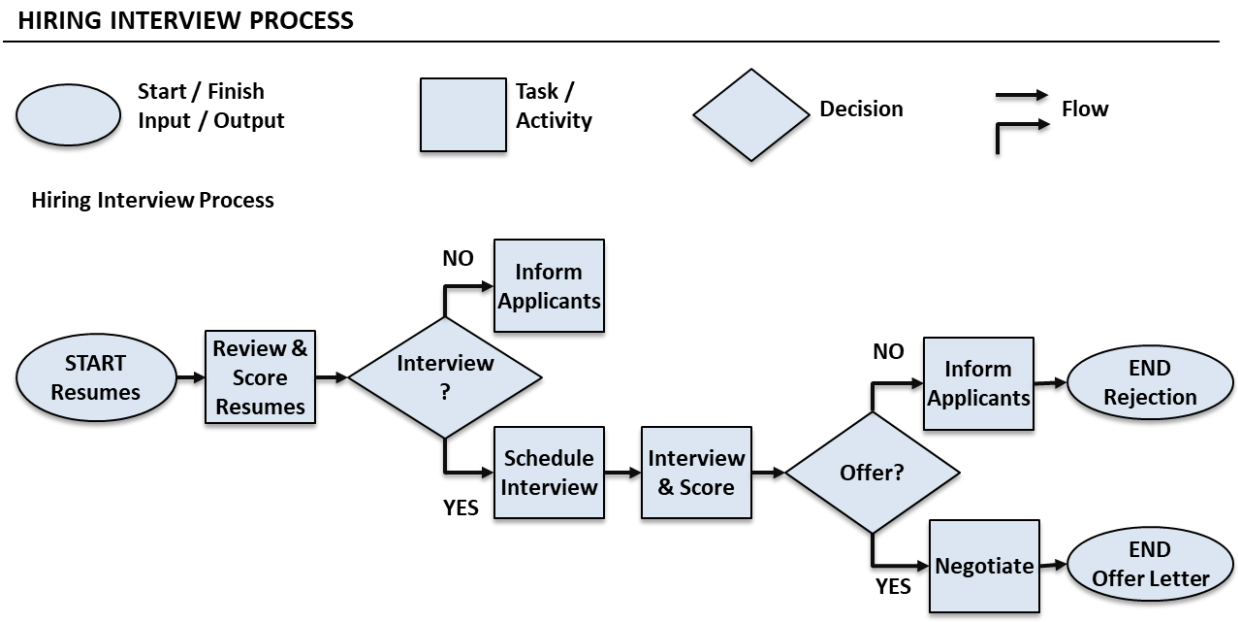
Visual mapping is important, as it allows a view of the process as a whole, and how each part of the process fits into that whole. It makes rearrangement of process steps easy and instantly comprehensible.

Here is one version (there are variations) of the shapes used in BPMN.



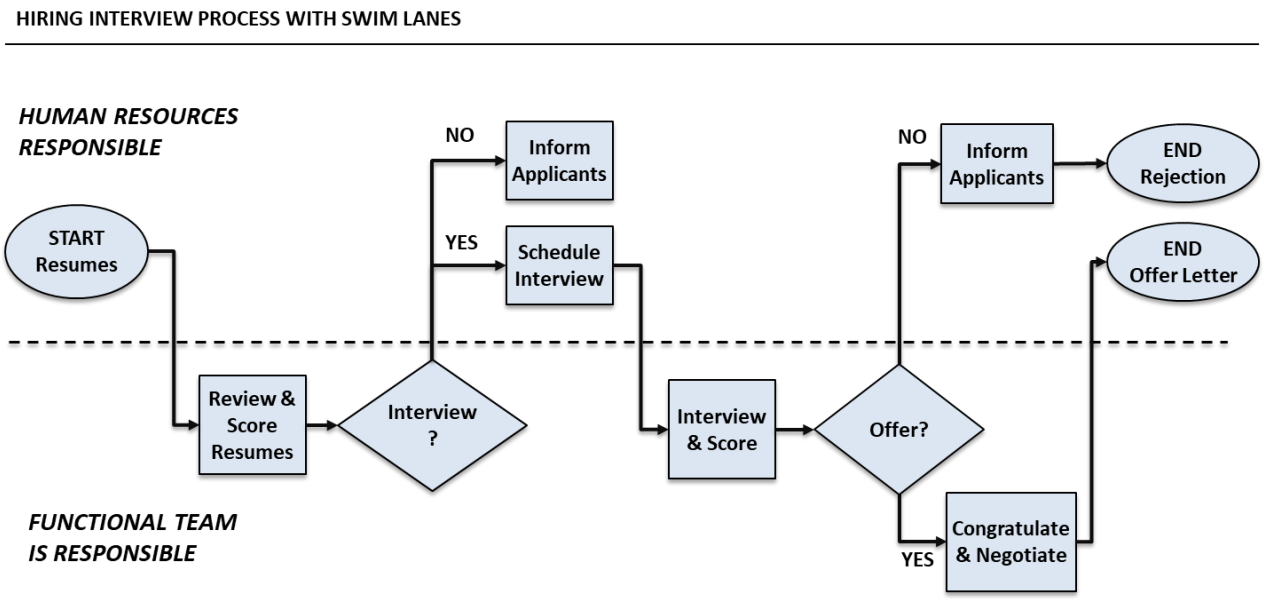
Don't let the number of them intimidate you. You don't have to use them all, and certainly not in every process. They are tools in the tool box – use the ones you need, and leave the rest alone.

In the example below, you can see that only three of the shapes were needed.

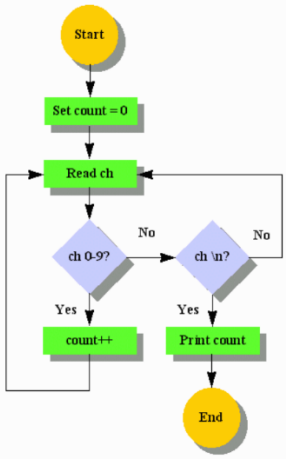


One of the methods of process mapping that helps make the process easier to comprehend at a glance is to use **swim lanes**. As the name indicates, it represents the process using lanes for each department, much like the swimmers in swim race. As the process crosses from one lane to another, it's easy to see which steps become the responsibility of which department.

Below is the same example from above, using swim lanes to show which parts of the process are the responsibility of Human Resources, and which fall on the Functional Team. Of course, the process steps are still in the same order, but it's easier to tell in this example when responsibility changes hands, and who receives it.



You can also use a hybrid of visual mapping and charting. If a process is especially complicated, or requires explanation that would only clutter the visual map, you may want to include a chart describing each of the steps, any documents involved, or people to be informed.

Process Flow	Responsible Role	To Be Informed	Documents	Task
	Step 1			
	Step 2			
	Step 3			
	Step 4			
	Step 5			
	Step 6			
	Step 7			

In either case, you should sketch out what the process should look like before trying to make a formal, published copy.

Again, sticky notes make good temporary placeholders while you are still in draft mode. Once you've gotten the process solidified, you'll want to create something more permanent for publishing.

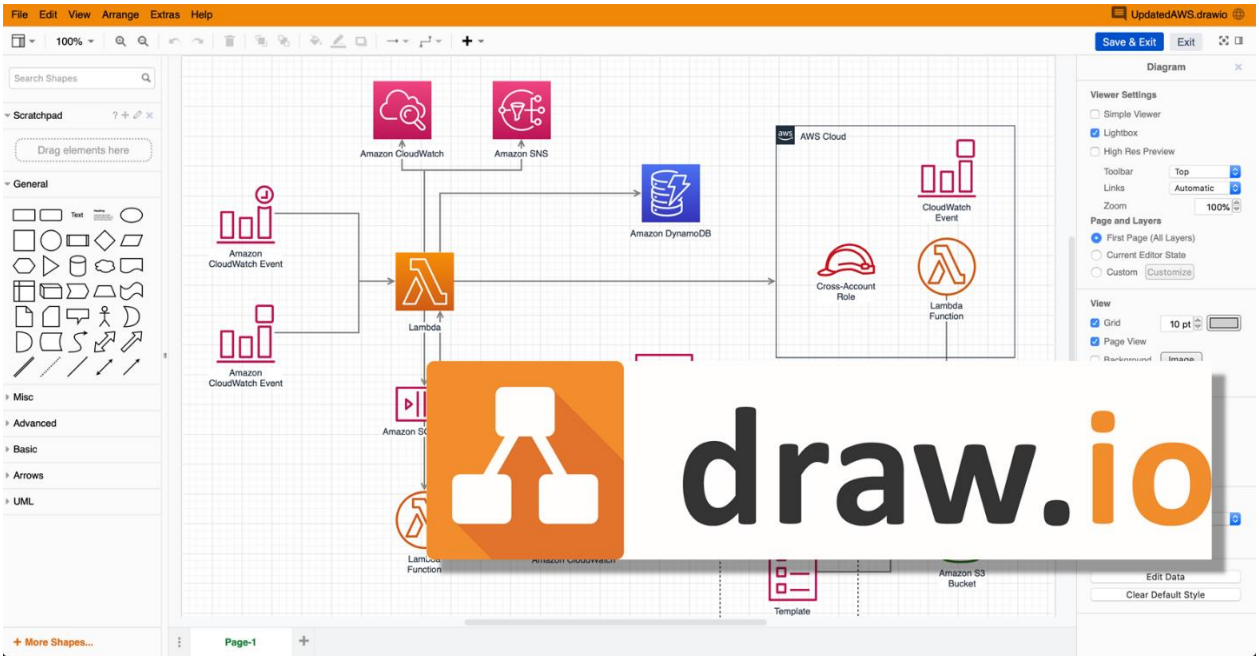
Mapping Software

If you're going to use BPMN, you're probably going to want to use some sort of software to create it. There are many software packages that can help you do this – far too many to cover in this course. Instead, we will cover three simple choices, which are either free, or that you already have access to.

First, we'll start with a free online tool called **Draw.io**. If you do an internet search for Draw.io, you will be taken to its home page. You can either work with your diagrams directly online, or you can download the desktop version of the tool. In either case, the layout of the program is the same.

Upon first use, you'll be asked to select the type of diagram you want to create. One of your options here will be to create a diagram using swim lanes, if you so desire.

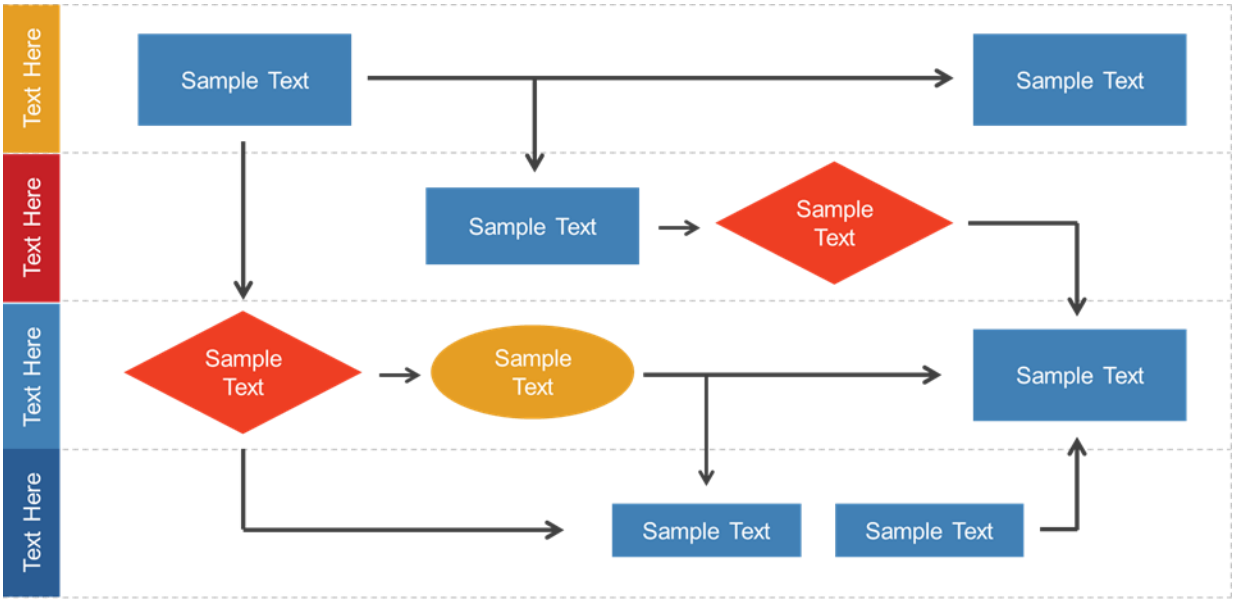
As you will see, the interface gives you the ability to drag and drop any shape you might need to the working area. You can then connect the process steps with appropriate flow arrows. Once you do this, you can move process steps around, and the flow arrows will stay connected and follow. This makes rearrangement easier.



Since it is free, you can use Draw.io to your heart's content. Play around in it, experiment, and read tutorials. It is a powerful tool and should be able to handle any business process that you throw at it.

If Draw.io is not your preference, we'll move on to a tool that most of you already have in your toolbox: **PowerPoint**. PowerPoint also has practically any shape you would need in BPMN, and the connecting arrows. While it isn't a dedicated tool like Draw.io, you can manipulate PowerPoint to do almost everything that a dedicated tool would do. And since you probably already own PowerPoint, there is no cost involved.

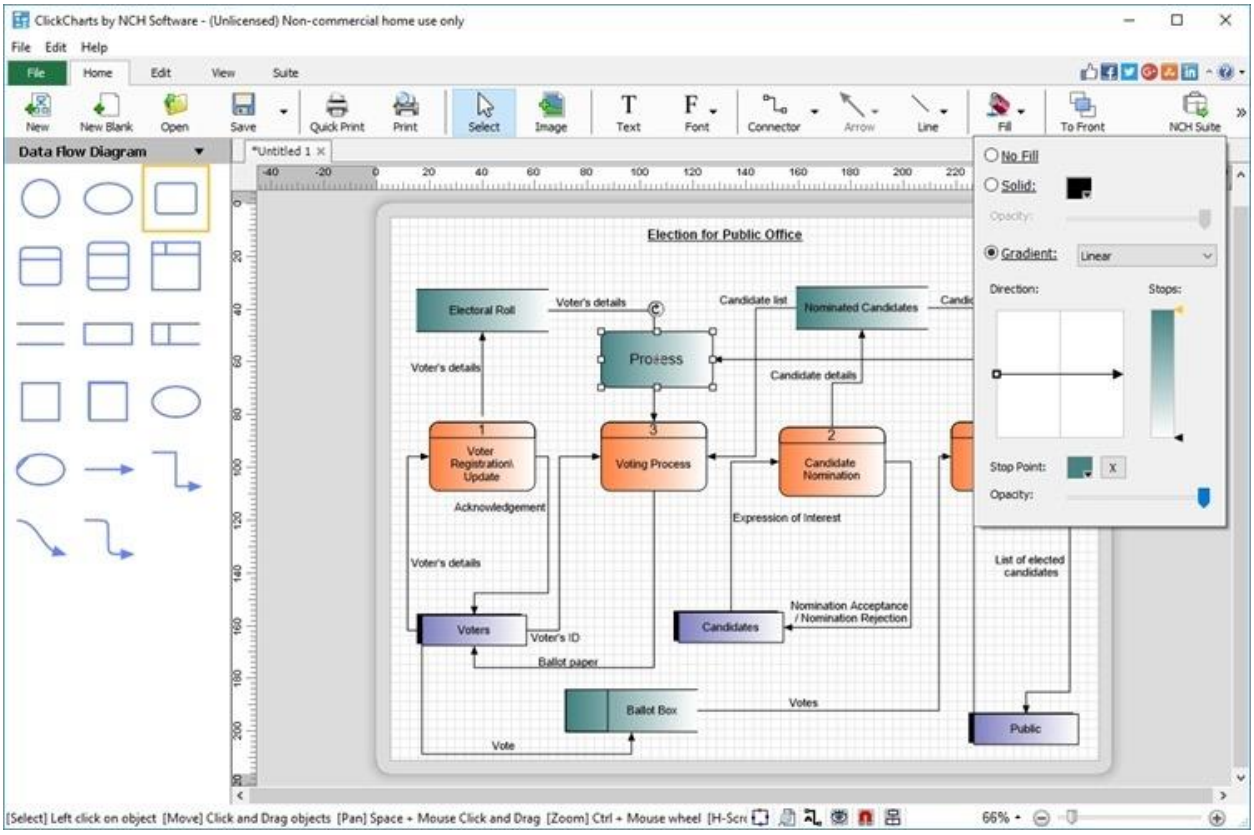
You can insert shapes, and connect them with arrows, just as in Draw.io, and moving the shapes will cause the connected arrows to follow. To create swim lanes in PowerPoint is a bit more difficult than in a dedicated program, but there are some templates included with this course that may make the process easier.



If you don't own PowerPoint, Google Slides also has the same functionality, and is free to use. Like Draw.io, however, you have to be online to use it.

Notes/Ideas/Questions

The third option we'll cover here is a simple freeware program called **ClickCharts Free Flowchart**. It is a dedicated design program that you can download and install on your computer. It, too, should be able to create practically any process flowchart that you would need in the course of everyday business. Some templates are included as well, to help you get started.



Creating Processes from Scratch

Now that you've seen how a present process is taken from the mapping stage to the documentation stage, creating a process from scratch shouldn't be that difficult. Because you don't have a pre-existing process, you can design the new process without the barrier of "but we've always done it this way." Instead, you will have the freedom to be logical and streamlined.

Once you've designed, be thorough with the other steps, however. Question your design, see if it can be improved, and test it before moving to the documentation phase.

Process Re-evaluation

Over time, processes become obsolete and inefficient, whether through changes in business practices or technology. So it should be a common practice to go back and re-evaluate your processes regularly.

If you have an open door policy, your best shot at keeping your processes current is to listen to your employees. When things get sticky or slow or ineffective, they will be the first to notice. To keep your business running like a top, you should encourage those who deal with the process every day to speak up if they see any flaws, or even if they have ideas for improvements. You'll not only gain a more smoothly running business, you'll also get the respect and admiration of your workforce – so it's a win-win.

Section VI: Procedures

As mentioned before, procedures are the final product of the well-run system. They are the detailed, day-to-day activities that make business possible. Consequently, there will be more procedures than any other kind of documentation.

Each step of a process more than likely has at least one procedure attached to it – and in many cases, there are multiple procedures associated with it. So once you've boiled your processes down as far as they can go, examine each step to see which procedures need to be created to support the process.

Writing procedures is probably the most time-consuming, because they are truly "step-by-step" for every action that employees are engaged in. They are crucial, however, to maintain consistency and can even speed up training.

Characteristics of Procedures

So how do we define procedures? For the purposes of this course, we can describe them like this:

1. They do not cross departments – if they did, they would be processes, by our definition.
2. They name the roles involved in the tasks and activities.
3. They do not involve decision making – the only possible exception to this is the creation of "if – then" statements, that remove the actual decision from the employee involved in the task.
4. They are step-by-step, covering every single step.
5. They are linear, which means they go in the proper order.
6. They are usually hands-on, meaning that a physical action is required to complete the task.

If all of this is starting to sound familiar, it's probably because the easiest way to describe and document a procedure is by the use of a **checklist.** In this course, the checklist will be the only method we cover for documenting procedures. While you can use the BPMN method to visualize your procedures (especially for training), it is not usually the best tool to spell out procedures in the detail needed for performance.

For this reason, creating procedures is straightforward, even if it is time-consuming. If you are unsure how to create a procedure, here are some suggestions as to how to get started:

1. **Have the person who actually performs the procedure create the first draft of the checklist.** Just as in the process creation steps, don't apply any judgment at this level. You can use this step as a way of seeing how it's actually done at the moment – and you might even find details you never would have thought of.
2. **Have that person's supervisor annotate the checklist.** Again, this is more about accuracy than judgment. Often, supervisors interact with multiple employees and departments, so they can see how the procedure might affect other procedures.
3. **Have an independent expert evaluate the checklist if possible.** If you are less familiar with the technical side of the procedure, it's sometimes best to let an expert look at it. This might bring out any safety or legal concerns that apply to the procedure.
4. **Do a huddle.** Bring in everyone involved in the procedure. Now is the time to ask the how and why questions about the activities. Again, you should look for

redundancy and the opportunity to streamline activities. If you create a good procedure, everyone will be able to see that and support it.

5. **If procedure is customer-facing, evaluate it from that standpoint.** Bring in someone who is completely unfamiliar with the procedure you've created. Then, at each step, get the reaction of this third party as if he or she were the customer affected by the procedure. This step will help you make sure that you're not sacrificing customer service for the sake of efficiency.

The "IF>THEN" Statement

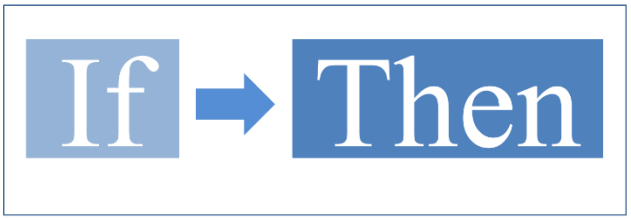
The only part of creating a procedure that is likely to get murky is the use of any "if>then" type statements. These types of statements are designed to predetermine the course of the procedure in the event of certain common scenarios. This relieves the employee of the responsibility of making decisions that you would prefer to make yourself.

For example, let's say that in the course of this procedure, the CSR will answer the phone. In 99% of the cases, let's say that the person on the other end of the call is a customer asking about an order, billing, or scheduling. So, it's pretty safe to have the procedure reflect this by some "if>then" statements:

- If the call is about an order, transfer caller to Sales Manager.
- If the call is about billing or payment, transfer caller to Accounting.
- If the call is about scheduling, transfer caller to Service Manager.
- If none of the above, offer to take a message to share with the Office Manager about further action.

In this case, you've outlined practically every scenario, and even given instructions about what to do concerning scenarios not included. Now, there is no reason for the CSR to have to make a decision about what to do with the call, and if the checklist is used as a training device, all CSRs will act consistently, giving all customers the same level of service.

If you are unable to outline the different scenarios sufficiently, you might want to back up and create a process instead, that might involve some decision-making.



Something to think about: the more true decision-making power and responsibility you require from a role, the more likely it is to be an upper position with better pay. If you ask low-level employees to make decisions that affect business, don't be surprised if they make decisions that you don't agree with. So, either outline their decisions with

concrete “if>then” scenarios or be prepared for them to bring every decision to you, which is wasteful and inefficient.

Documenting Procedures

Since we’ve already determined that procedures are really no more than checklists, the checklist is a good method of documenting a procedure. How you create them is really up to you. They may be no-nonsense, purely functional documents, or their look and feel might be part of your company’s theme. In either case, they should be useful for performing tasks and for training.

Server Sidework Checklist

Opening Sidework Functions

Week Starting _____	MON	TUE	WED	THU	FRI	SAT	SUN
Station 1 – Wait Station:	Initials	Initials	Initials	Initials	Initials	Initials	Initials
Clean & wipe down wait station							
Stock & ice down milk & cream							
Stock sugar & sweeteners, coffee, decaf, tea, bottled drinks							
Stock glasses, straws, napkins, coffee cups & saucers							
Cut lemons & limes							
Ice down garnishes							
Brew coffee & tea							
Have back-up beverage canisters and CO^2 tanks ready to replace empties							

Included with the course are some sample checklists created for the Service Nation plumbing program. Of course, these may not apply to you, but they can serve as good templates for your own procedures. In addition, there are literally thousands of examples that can be found on the internet, so don’t labor over creating checklists from scratch. Almost any procedure has been done before, and has been documented. Even if the sample procedure that you find is bad, you can learn from that, too, about how not to do it.

Notes/Ideas/Questions

Here's a quick checklist to help you create checklists:

Step	Done
Determine every step	
Don't assume	
Define which role is responsible for each step	
Define reasonable "what-ifs"	
Outline any actions that are not permitted and their circumstances	
Define the contact role if things don't go according to the procedure	

Here is a template for how you might want to lay out the information. Taking the time to outline why you do it, and how long it should take, and how you know it is done correctly, is often helpful information, especially for the new employee.

You might want to use a format like this to document your procedures:

- The task:
- Required time:
- Departments involved:
- Positions involved:
- Why we do it:
- When we do it:
    - Daily:
    - Weekly:
    - Monthly:
    - Annually:
- How we do it:
    - Step 1:
    - Step 2:
    - Step 3:
    - Step 4:
    - Step 5:

Key deliverable/mark of completion:

Section VII: Where to Keep Them

Sadly, many people diligently go through all of the previous steps to create high quality policies, processes and procedures, only to have them end up here:

No one ever looks at them again, despite the fact that they could make the business run more smoothly and profitably. They age and become obsolete, and don't ever come into play until they are re-evaluated or updated, only to return to the shelf.

Instead, you should consider putting them in a format that is available to all employees – either by keeping digital versions on an internal website that is available from every employee computer, or by posting the relevant documents on the walls of the office or work area for each department, or both.

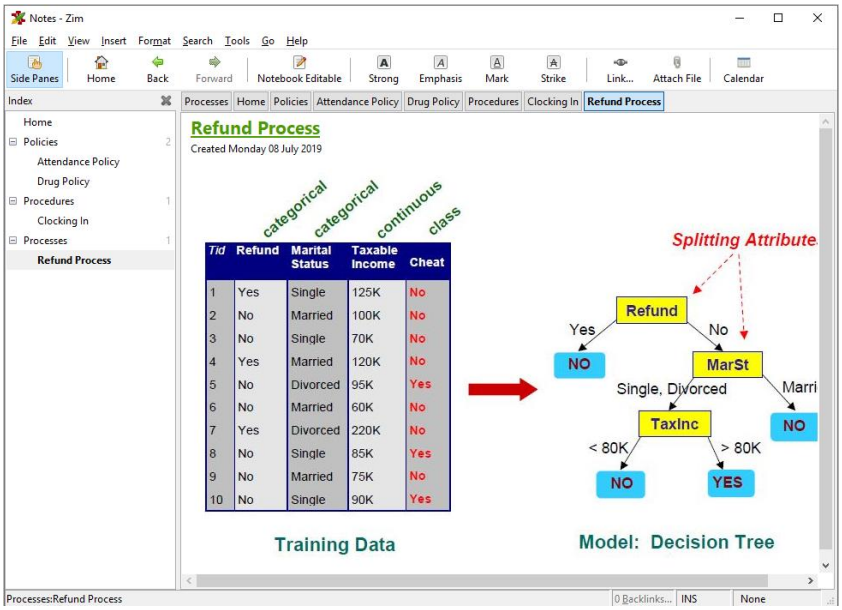
Using Software to House Documentation

You may decide that an internal wiki is a good digital format for your documentation. The most well-known of the wikis is Wikipedia, but a wiki can be created by almost anyone and for practically any purpose. You can have a wiki that is only accessible by your employees. The only drawback to an actual wiki is that it is almost exclusively housed on a web server, meaning that you would need a service to host the wiki, and an IT person to create and maintain it. If you already have Microsoft Sharepoint, it is an admirable tool for housing your policies, processes and procedures.

There are quite a number of programs which emulate the wiki style of information presentation, however, that are quite effective for storing your documentation. These programs are sometimes referred to as **hierarchical note-taking applications**, and

very often have a dual paned interface that allows a directory of contents on one side, and a display for individual items on the other. They allow for logical organization of information, as well as the ability to search for any topic mentioned in any article or document with ease. Some examples of this type of software are:

- Evernote
- CherryTree
- Microsoft OneNote
- Simplenote
- Zim
- wikidPad



The benefit of this type of document storage is that when changes are made, they only have to be made in a central place, and become effective immediately. With printed documents, there must be reprinting, and time to set aside for dissemination. A simple announcement of the change, and direction to the location of the change, and all employees are made aware much more quickly.

In addition, these programs offer you ways to export your documents and print them. If you are preparing to sell your company, this is an efficient way to demonstrate to potential buyers that your business has effective and efficient policies, processes and procedures that govern how the business is run. If your business runs on auto-pilot (which it can't do without these systems), then deciding to purchase it is easy for even an outsider to do. They can rest easy, knowing that they don't even have to be an expert in your industry, since you've created a business that runs itself.

Notes/Ideas/Questions

Section V: Takeaways

Now that you have been through the preliminary Policy, Process and Procedures course, you realize/can implement the following concepts:

1. **Policies** – State the goals of the company (think results).
2. **Processes** – Show the path to the accomplishment of the goals.
3. **Procedures** – The step-by-step "nuts and bolts" of how each process will be accomplished. Lists the order of the steps, the roles, and what happens next.
4. **Without All Three, You Run the Risk of Poor Service and Compliance** – If all of these are not documented, your goals may be fuzzy, and employees may be unclear about their duties and responsibilities.
5. **Use the Steps to Write Effectively** – Don't skip anything, just because it's boring or hard. ☺
6. **Publish Your Documents for Convenience** – Don't just print them out, put them in a binder, and never look at them again.
7. **There's No Harm in Stealing** – You don't have to reinvent the wheel. Find example policies, processes and procedures that you agree with and appropriate them.

Of course, if you have difficulty with any of these ideas or with ways to implement them, we are just a phone call or email away. Don't hesitate to reach out to us or your colleagues and mentors on your Advisory Board (AB) calls. That's why we're here – to help you grow your business to a profitable exit strategy. (See how that Mission Statement helps?