4 Ways to Improve Small Business Efficiency

() What if I told you there were four little changes you could make to how your team works that would make you way more efficient than most of your competitors? And what if I told you that these changes cost no money, cost no morale damage, and were just little tiny tweaks to the things you already do? Sounds like a no-brainer, doesn't it? But why should I listen to you? Thank you, random person shouting in the back of the room. The reason you should listen to me is because these four tips I'm going to share with you are based on my team and I surveying 600 organizations on their overall operations strength. And from the survey, we've come to realize that the bar for efficiency in small teams is a lot lower than we thought. But the good news is for you, if you want to become more efficient than your competitors, it's really, really easy. Let me explain. Before I go into the survey results, let me just break down a quick definition () of efficiency, in case that's just jargon that's not quite clicking. What efficiency is referring to is how much output or results you get for a given unit of input. So for example, if it takes your team five hours to produce one email that they need to send out to your audience, that is one to five. Their efficiency is about here. That's the ratio, the return on investment. When we're talking about becoming more efficient, our goal is to change the angle of this relationship. So rather than five hours to produce one email, we want to take five hours and produce maybe two emails, or we want to take three hours to produce one email. In either case, what we're trying to do is steepen that curve, steepen that relationship so we get more output for our input. If the visual definition doesn't work for you, you can also think of it as squeezing the most juice out of the lemon, getting the most bang for your buck, or getting the most results relative to your effort. Whichever way you want to slice it, it is about using your resources to the best of their ability. So that is efficiency. That's what we're optimizing for. But Layla, what did you learn about reducing inputs? Thank you so much for the perfectly timed segue. Wow, just what a coincidence. That they're there. My tip for you when it comes to reducing inputs, number one, () is to start tracking your issues. If you do this, you will be better than about 79 % of other small businesses or small teams out there. Shocking, I know, but let me break down some of the data for you. When we surveyed 597 people who answered this particular question, we discovered that 79 % of small teams do not track the mistakes, errors, and issues that happen inside their team. Now, this 79 % is absolutely shocking. To me as a process person, if you're watching this and you are of the 80 % of people who do not track mistakes that happen in your business, stop everything you're doing right now and either figure out how to do that or start working with me and my team, so we will show you how to do that. Link in the description below. This is a problem, my friends. If we don't know what's going wrong in our business, how are we ever going to fix it, let alone prevent it? Now, before I get too hot under the collar here that I don't really have, let me get into the next question, because we asked people then who said they do not track issues, how often does a mistake significantly derail your daily plans? So maybe you woke up one morning, you think, I'm going to go work on my newsletter today, and then, fire. Switch gears, got to go fix an issue. How often does that happen? 50 % of teams said it happened a few times a week or more. Many said daily. 50 % of people. 50 %. And if it's happening a few times a week, that means almost every day. Almost every day, you don't have a say in how your day is being spent because issues and mistakes are derailing your attention to the squinkiest wheel. Whoa. When we drilled in the responses further, we realized just 19 % of teams, just about 20 %, had this happen a few times a quarter or fewer. And this is crazy because that means 80 % of small businesses are not having their day to day actions guided by strategy or intention or what they think is going to make the biggest difference for their customers or their results. No. For 80 % of people, where you spend your time is being governed by something that you didn't want to have happen, something uncontrollable, something forced upon you. Not only is this an exhausting way to work, but it's a fantastic way to not reach any of your goals because you don't even have time to work on your goals because you're fixing mistakes all the time. Before I go on in my next tirade, I just want to say, if you want to get better at this, either figure out what this looks like for your team or work with my team here at ProcessDriven, where we can set this up with you inside Foundations. We make sure every client has this because this is a non-negotiable among so many other small little things that make all the difference. Now, I was just getting ready to pre-edit this video, and I realized I forgot to say, if you would like to be part of this survey or future surveys and figure out how your specific business stacks up against the other 600, maybe more by the time you watch this, of businesses we've audited, this is actually a free assessment you can go and fill out in the description area below. It's called our Systemization Snapshot. It will ask you a series of questions like the ones I've featured in this video, you can answer. And as you work through it, it'll generate a score for you on how systemized your organization currently is. So not only can you beat these general percentiles I'm sharing, you can find exactly where your business measures up by answering those questions. Plus, at the same time, you'll help inform future videos like this where you can kind of help skew our data to help us understand what is actually normal when it comes to small teams. So if you feel so inclined in getting your team audited for free, check out that link in the description below to take your own snapshot today. () Second thing, second input related quam we noticed from this data that I just find insane. What we ended up asking these respondents was about how they actually use their one on one discussion time. And we asked them, no know hey, if you wanted to figure out what your team is working on, could you find that out, or would you have to talk to somebody to find that out? Do you need to have a meeting? Do you need to have a discussion? 39 % of teams that we surveyed needed to have discussion just to figure out what are the major things people are working on on a given day. Now, this also blew my mind, because when it comes to tasks, actually, let me just draw this real quick. All right, so hopefully you can see this. One, two, three, four. Most tasks in most businesses work something like this. You've got task number one, it unblocks task two and three, and then eventually you need task four. Things all connect to each other, and usually different people are doing different steps of this. So if person number two needed to ask person number one every single day, hey, are you done yet? Are you done yet? Are you done yet? To figure out when they can do their task. And person number four needs to ask person number two and person number one. And person number three needs to ask person... Oh my gosh. Can you imagine? In fact, I can imagine because we're going to do some quick math here. Of this situation, we've got four people here. And to coordinate work with these people, person number four needs to talk to three other people. Not a problem, right? It takes person number four, say five minutes to get this information from one to three different people. Okay, so 15 minutes a day, give or take, this person needs do to get this basic task information. Problem is, there's also one, two, three other people that also need this, so we need to multiply this by one, two, three, four for four total people. That means 60 minutes a day are spent just on communicating what people are actually doing, except that doesn't quite work because it's not just one day, it's every single day of the month. So over a month with, say, 20 work days, that is 1,200 minutes or 20 hours. Now, when When you start thinking about it like that, it starts to feel a little bit more painful, because if we have four people on our team total, that's a tight lean team there, and one of these people were to take half a week off every single month, do you think the other people would appreciate that? If someone on your team stopped showing up for work halfway through the last week of every month, you'd probably have a conversation with them very quickly and fix the situation. Except when it's happening in this situation, we don't notice it because we think, oh, it's just five minutes a day. But we fail to connect the dots between five times all of these instances, and it really, really eats at your team's efficiency. Because essentially, you're losing an eighth of your team's capacity just to double checking what other people are doing. So how do we fix this and be better than 39 % of small teams out there? We start using a shared task list. This doesn't have to be fancy, but just some kind of way that person number four can figure out, Hey, did these people do their stuff yet? Without having to have a five-minute conversation. We can turn that five a minute conversation into a 20 second reading of a task and save an enormous amount of time every single week just by replacing meetings with just written information. And that way, bonus points, when you do have meetings, they can actually be spent discussing things. Wow, imagine that. Rather than just spending your time giving static reports on what is going on. If this is something that sounds interesting to you, I actually have a live stream coming up around the time this video comes out. Maybe it just came out. I don't know. I'm bad with time. But it's a live video where I'll be going through the benefits of having a shared task management structure for your team, why it's valuable, the math behind why it makes a lot of sense. So if you want to check out that video, you can go up here and either tune in live or watch it if it's already on the replay because I didn't bother to check I don't know whether or not this video is coming out before or after it. But anyway, let's keep moving on to some of the other observations from this survey. () So let's transition over to reducing risks. Basically, things that could throw a wrench in our plans, let's try to get rid of those things. So under reduce risks, I've got two more items for you to help you beat the majority of small businesses out there. The first one is creating prevention plans. Okay? So this goes hand in hand with the tracking of mistakes that I talked about earlier. We ask these people, Hey, when something goes wrong, what do you do? And of those people, 59 % of respondents said they either panic or they fix the issue and move on. That's it. That is how they handle mistakes in their business. And this, to me, is a huge opportunity. If you want to beat your competitors out and continually improve faster than them, start tracking your mistakes like we already talked about, and then do this step of when an issue comes up, don't just solve the issue and try your best not to panic either. Instead, solve the issue and make a way to prevent it in the future. Simple example. We had an issue here at ProcessDriven a year or two ago, where we had an issue on our website. A link was broken, and we didn't realize it because we're not on our website that much. So the link was broken. A client reached out to us saying, the link is broken, and we had to fix it and so on. We could have chosen, like 59 % of these people, to fix the issue and move on. But instead, what we did is we fixed the issue on the website, and we created a preventative action. We created a routine task for every, you know, three, six months, I forget what the interval is. Someone goes through and actually audits all of the main areas on our website. While it might not catch every issue, the idea behind it is that it will encourage us to be continually visiting our own site, replicating for ourselves our customer or prospect experience, and making sure that everything is looking good, ultimately preventing not only us from fixing issues, but also preventing that kind of that reputational damage of, hey, we made a stupid mistake. I mean, it happens, but we certainly want to make it happen less, and that's one way that we work towards prevention. So as simple as it sounds, if you want to beat the 60 % of small businesses out there, simply start learning from your mistakes and actually doing things differently when things go wrong. That sounds so simple when we say it out loud, but it's easy to lose sight of when you are hustling and bustling, and especially like we talked about earlier, if your time is being dictated by emergencies and issues, it's hard to have space to think proactively like this. But chicken and egg, right? Chicken and egg. So creating prevention is my third tip for you. Start making that a policy for yourself. I actually have a whole video up here about fixing employee mistakes, about how you can work that into your overall workflow. Or again, just work with me and my team, and we'll show you more about this inside Foundations. With that, let's go on to our last one, which is identifying risks. () But before I do, let me say something. I don't have time to go through all of the possible tips and tricks here. So if you'd like to see a follow-up video on increasing output, that angle of boosting efficiency by getting more out of the work you're already doing, go ahead and write 'get out' in the comments below, because I think it'd be, once again, funny to look at my phone in the morning and say, 'get out, get out, get out. ' I just I don't know. I don't know why I do it to myself either. But write 'get out' in the comments below, and I will make a follow-up video about that if we get enough votes in the comments. Leave that comment below, like and subscribe while you're down there because it really helps. But let's go on to our last piece here, which is identifying risk. When it comes to small teams, there are a lot of inherent risks. When you are small, maybe you're four people, and one person gets hit by a bus or is in a coma, or is sick, or quits, or whatever, that is 25 % of your team that just disappears. All of their knowledge, all of their expertise, all of their emotional ties just gone. And it can cause a lot of strain. And while, of course, we can talk about financial risk and other risks that are really, really high for small businesses relative to our larger conglomerate overlords out there, I feel like people risk is typically the most top of mind and most deadly when it comes to small businesses. So in this audit, we asked people, imagine the most irreplaceable person on your team, the person that is most valuable to the day to day operations of your business. What would happen if that person left for four weeks? And the results were very shocking, just disheartening. And let's just get into them. 88 % of people surveyed said that they would struggle or stop operating if a key person left for four weeks unplanned. So whether someone was sick, got in a car accident, just needed some time, changed jobs, quit any of that. If someone left for four weeks, 88 % of small teams we surveyed would either struggle or stop operating. As someone who has spent a lot of time working with small businesses, supporting small businesses, trying to create more small businesses in our own way, this is absolutely horrifying to me. But you know what? What made this bad, and the thing I want you to remember from this, is when we asked people what would happen if that four-week trip was planned, people could prepare for it, how would that change your response? And shockingly, we only saw a nine % improvement, meaning that 79 % of teams we surveyed would either struggle or stop their operations if a key team member had a planned four-week exit, departure, anything like that. This, to me, is the bigger problem, because that tells me that planning for an out-of-office is something we feel so uncomfortable doing, that even if we could do it, it wouldn't make that much of a difference in terms of our confidence and our ability to operate our business otherwise. That is horrifying. That is not okay. Now, how do we actually fix this? Step one of this, and I could go through all of the steps because this is what we do with clients every single day, day in, day out, is build process-driven businesses that can operate without one person having to be there every second of the day. But to just get you started, the one tip I would say, is to start identifying these risks. () What would happen if your key team member, that was weird, your key team member left for four weeks? What exactly would go wrong? Why would you struggle? Why would you have to stop operations? What are those activities? Write them down. For my team, it might be, YouTube videos could stop once we run through our backlog. It could be, what is it for you? Write those things down. Then use those as opportunities for future growth in the company. When you are looking to hire the next time, maybe hire for those things. When you're looking to improve your efficiency, for example, maybe improve efficiency in these things. Well, there's a full toolbox of things you can go through to reduce this kind of dependency on one person, which if you'd like to see a video on this, again, comment below. But the bare minimum here to beat this 80 % of small businesses who would absolutely stop or struggle in their day to day, start to identify what would happen. Better yet, identify then make a plan for it. If you can do those two things, you will beat this 79 % of average small businesses out there. Frankly, we need you to do it, because if this continues to be the track record for sustainability for small businesses, we are not prepared for the next world event. Because at the end of the day, this efficiency work is really just the work of building out processes in your business, ensuring that your business runs based on a process. It's a machine, and not just an expression of people's energy and time that stops when people's energy and time runs out. We want to build a machine. We want to build a process-driven organization. And if we don't, our organizations, our nonprofits, our small businesses will not continue to exist. And even more than losing profits, losing market share, losing reputation, more than any of those things, your business no longer existing and no longer being able to do what it does into the world, those stakes are so high that we have to do something. So if nothing else, use this as your invitation to make your organization a little bit more process-driven and more efficient along the way by tracking the issues that happen, reducing unnecessary meetings, creating preventative actions when issues actually do happen, and identifying and ideally planning for the big risks that could shut down your company. So you have a plan when, not if, those eventualities come to be, because I want your business to continue to exist in the future. I have a feeling you do, too. And the way we can make that happen is by truly enjoying the process. Speaking of efficiency, though, one area of cost that I didn't get time to talk about today is the fact that shiny object syndrome can actually really hurt your team's efficiency. You work on something, you didn't get distracted with something new. If that is something you can relate to at all, you should probably watch this video on the end screen next, where I actually interview three seasoned operators on how they manage shiny object syndrome and make sure their teams are focused on the right things. So watch that video here on the end screen. Like and subscribe if you enjoyed this. And remember, at the end of the day, our goal here is to make sure that we and our businesses are able to enjoy the process. And yes, one more reminder from me, Layla, in the future, that if you want to contribute your answers to these questions to help make future videos and to find out how your business measures up, use the link in the description below to take your free systemization snapshot today.