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Blog & Podcast About Systemizing & Scaling Your Business

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The Key Difference Between a Policy, Process, & Procedure (and Why it Matters For Your Business!)

Image Credit: CarbonNYC

Free Bonus Content: Get The 9 Questions You Need to Ask Yourself to Determine Whether to Create a Policy, Process or Procedure for Your Business! **Click Here To Download It.**

Successful businesses and organizations have systems. Every employee working for a company has a set of rules to follow as they complete tasks. They may also have instructions that show them exactly how to complete each task.

While it may seem like there is no difference in this employee system there are actually important differences that determine the success of your company.

The problem for businesses is they often struggle to define three key elements:

- Policy
- Process
- Procedure

Too often these three items are used interchangeably, but there are key details in each that make them necessary on their own for a complete working system. In order to effectively delegate tasks to others it's important to have all three elements.

*There is too much confusion surrounding policy, process and procedure. Here are the real definitions. (***click to tweet this***)*

It's a common problem for a business to only have one or two of the three items. All three are necessary for you to complete the task and especially important for delegating tasks.

Also, incorrectly defining each of the three items can cause confusion leading to further inefficiencies, which cut down on productivity and profitability.

If you find yourself asking the question, "Why aren't my workers understanding the process and why can't they keep up?" you may have an problem with policy, process and procedure.

How to Define and Create Policies, Processes and Procedures

In this article we will define each of the items and show you how to create all three so your business operates smoothly and you can grow by passing tasks on to others.

Additionally, we will cover the differences between all three so you can see specific situations when each is applied. This should give you a complete understanding of how to set up all three items for your business.

You'll be on your way to operating more efficiently, which should lead to even more success.

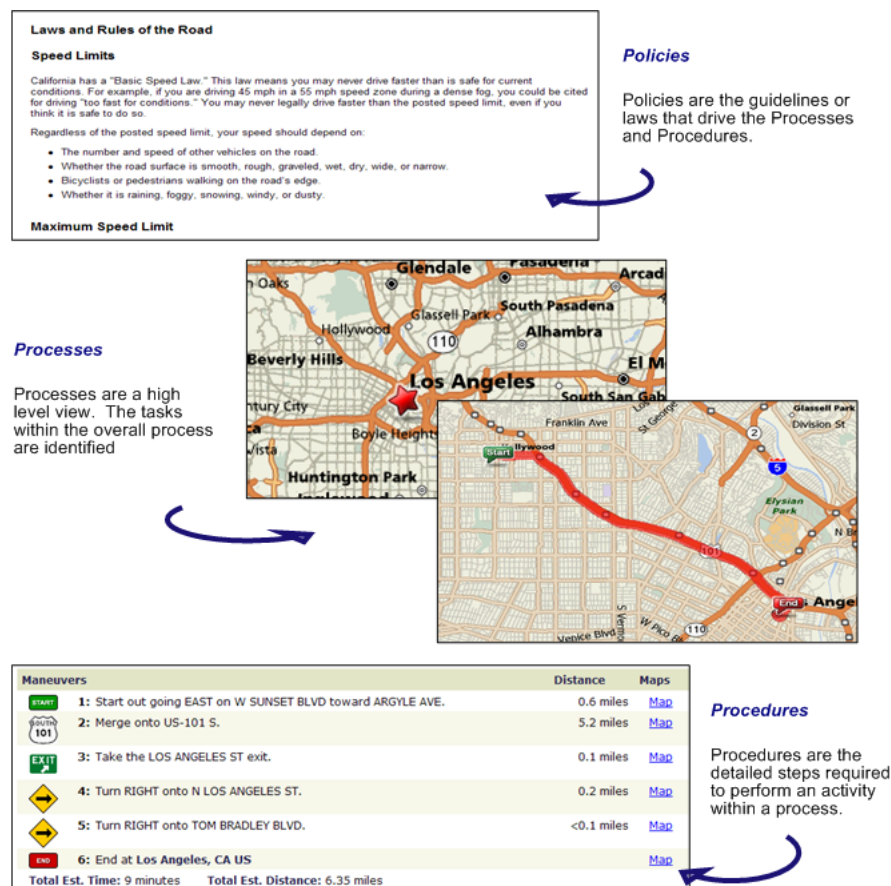## Overview: Policy, Process and Procedure

Image Credit: KCC Group

Before we get into the details let's take a step back and look at the big picture of policy, process and procedure.

Here are two examples of all three in action.

First, here is an example from the KCC Consultant Group including an image. The situation is a person that is driving to a new location. In this situation the person goes through the system of driving, but in order to successful complete the task of reaching the destination they need a policy, process and procedure.

The policy is the list of rules or the framework for the task. In the case of driving the policy is the rules and regulations for driving.

The process is the outline of how to get to the destination. Imagine the map showing the driver where they are starting and where they are ending.

Finally, the procedure is the list of exact instructions for every turn the driver needs to take to arrive at the destination.

As you can see in this example the driver should have no problem reaching their destination efficiently. With all three elements of the task in place they can avoid hindrance.

Another example is common today. Many businesses hire staff specifically to handle social media including updates and interaction with followers. The task is for the social media manager to post updates to the various social profiles and respond to messages.

The social media policy gives the manager guidelines and rules to follow when posting updates. One rule in the policy may inform the manager to avoid responding to obvious spam messages. Another rule may inform the manager not to post any obscene images.

The social media process is the overview of how social media updates are completed. The process makes it easy for anyone, including new employees, to see what the task is and how to complete it. The social media process will delegate certain responsibilities. For example, a blog post may have a writer, a designer (for graphics) and a manager to share the post on social profiles. Each task within the overall process is listed.

Finally, the procedure gives detailed steps to the manager and others involved for completing the tasks. For posting on a social media site the procedure will list the URL for the login. The next steps will be to login, create the post, review it for any potential policy violations and finally hit submit to publish the post to the public.

Now, let's go even deeper into each of the three elements of a task or a system.

Policy

Image Credit: striatic

Just like in business, Chess has a stated goal, but you have to follow the rules.

Repeatable tasks are essential in any business and organization. These tasks are those that have been tested and honed over the years so they are efficient and profitable.

However, without guidelines and rules – the policy – there is room for error. When a new person comes on the team and takes over a task they need to have a policy to follow so they don't make avoidable mistakes.

Here is an example of the Cisco Social Media Policy. The first rule or policy is that employees must make it clear that their social media thoughts are their own and not those of Cisco. That's a common social media policy for companies today. Another is to make no commitments on behalf of Cisco.

Safeway has an online marketing affiliate program. They have multiple policies for affiliates including a search marketing policy. One item in the policy agreement is that no affiliates can purchase branded keyword phrases on search engine advertising engines. No misrepresentation of the brand is allowed.

Google has a policy agreement for Gmail users. Rules include no sending messages in violation of CAN-SPAM, imitating others and other items that would be considered malicious.

These are a few examples of how companies and organizations use policies to eliminate mistakes and keep their businesses running efficiently. Policies are essential for many tasks in business. Anytime you have someone doing something a policy (along with the next two items) can improve your system.

Take Action: Now it's time for you to make use of this information. These businesses have created policies that have made their organizations more efficient. The reason for rules and framework is to eliminate mistakes others have already made. It allows new people on the team to learn faster and get right into the work.

Look at a task in your company that is repeatable and inefficient. Create a policy of rules and guidelines. This is the first step to eliminating confusion when delegating tasks.
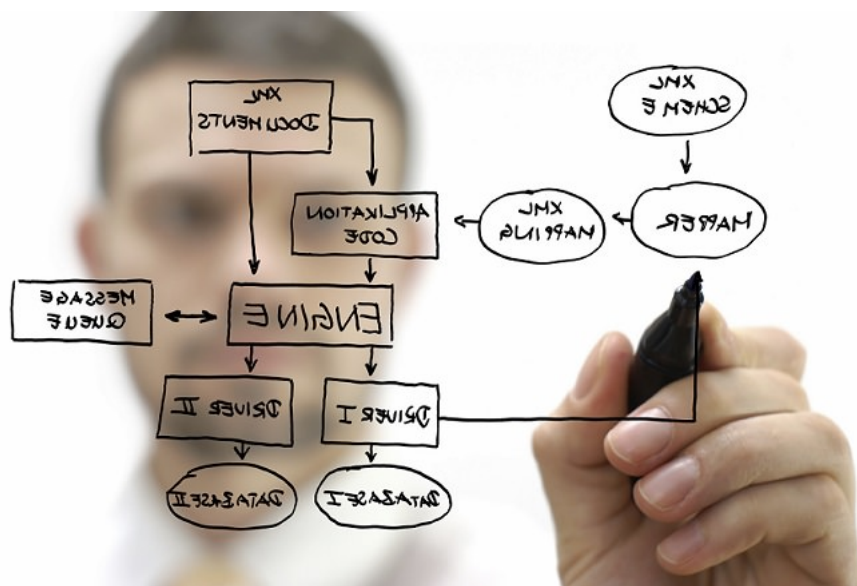
Process

Image Credit: Social Text

The process is the high level view or the map of the task. Remember the road map example. The map is the process laying out how you will achieve the goal or complete the task. It's essential to have a process so an employee or partner can see what is expected and that the task can be accomplished.

D3 Creative has a published email design process. It shows prospective clients how the company creates an email design, but it's also a great process to share with designers on the team that will be designing the emails. You can see that it's a high level overview of each step from beginning to end.

Here is the process for designing a website published by the University of Texas. It's another great example of how processes are high-level maps that show people the beginning and end of the task they are to complete.

Dolcera has a nice layout of its business research process. You can easily see the high level steps. It's a guide for how to complete the steps if you are joining the team to work on the task.

Here's a fun one from McDonald's. It's an overview of the process for how to prepare food for commercials. The video is an example of the process. You can show the video to someone new and they would be able to see the high level map to preparing food for commercial shoots.

Take Action: Now it's time to create the process for the task you choose in the previous step. Once you have the policies in place you need to layout the process or the high level map of how the task will be completed by the person on your team. If the task calls for multiple people the

process will include a map that includes the timing and transfer of steps. The overview gives everyone involved a clear idea of what will occur.

Procedure

Image Credit: Robert S. Donovan

The procedure is the step-by-step instructions for how to complete the task. This would be the exact turns a driver would take as they drive to reach a destination. This is the final step in the policy, process and procedure implementation.

Google has a procedure for posting a blog post on Blogger. It includes a step-by-step video that makes it easy for viewers to follow the steps to complete the task – posting a new blog post.

Here is an example of how to work in MailChimp. It's a basic procedure, but a great example of how even the little things in business can be documented and given to your team members to carry out, saving you time for other items.

Here's another one on how to send a private message on Reddit. Again, it's a simple procedure, but one that becomes even easier with documentation of the step-by-step process.

Take Action: Now it's time to complete the system. Create a complete step-by-step procedure for the task you've been working on up to this point. It's the final item that will give you everything you need to delegate work to others.

All Three: Policies, Processes and Procedures

As we said earlier, all three of these items need to be present in order for a system to work. It's difficult for anyone to complete a task without having each item. The system eliminates mistakes and makes the operation efficient.

> *Creating effective policies, processes and procedures eliminates mistakes. (click to tweet this)*

Google has many different policies, processes and procedures. For example, a common task for people have today is uploading a video to YouTube. YouTube has a policy for uploading content and participating in the community. The policy is a set of guidelines and rules to follow when uploading videos. This page is the process. It's a general overview or map of how to upload a video. Each of the items listed, like the how to upload page, are the procedures you need to follow to finish the task.

Another example is Basecamp, the popular co-working software. The ~~Terms of Service~~ agreement is the set of guidelines for using the software. Each task must follow these guidelines. Here is the ~~Projects 101~~ page. If your task is to get started with Basecamp you can see the map of that task on the left sidebar. When you're ready for the first step, the set of instructions on the right guide you through step-by-step. That's the process and procedure.

Florida State College has a pretty good example of all three items for its social media program. They provide policies and rules along with an overview of best practices or a high level view of the process for using social media. There are also exact step-by-step procedures for implementing social media presences on behalf of the organization.

The University of Montana has a complete system for reviewing its programs. There are rules for those that will review the programs. The main page is an overview of the process and each page has details about completing the task.

Take Action: Complete your system. Finish off the policy, process and procedure. Review it to make sure you would be able to understand everything. Then pass it along to someone else and see how he or she does.

Create Your Policies, Processes and Procedures Using This Method

Image Credit: ArtNeedleThreadStitches

First, create a policy for the task of your choice. For example, answering email. Let's say you are a busy person and you don't have time to filter your own email. We'll create a system using the method above.

Your policy will have rules and guidelines for filtering your email inbox. The first rule might be to never send an email or a response that commits long-term contracts on your behalf. Another rule could be never misrepresenting oneself for personal gain.

The process is a high level map of how a person will manage your email. It will outline how to take one email as an example and how to filter it fo viewing, for deleting or for response.

Finally, the procedure will document the exact steps to take to filter emails. You'll include exactly what you want to have happen for specific types of emails.

Setting up these systems is a lot of work up front, but it can save you a large amount of time in the long run opening you up to grow your business or to do other more enjoyable things.

In this example, a law firm knew how to gain new customers, but they couldn't deal with the growth. They brought in a company to help setup policies, processes and procedures and the company thrived. Average monthly-billed fees increased 244% in two years. Total hours worked increased 259% showing how well new team members were able to come on board and operate as the company grew.

As you can see, it's important to have an understanding of policy, process and procedure.

Once you have this system in place it will be easier to hire the right employees.

Conclusion

Businesses have an issue with scale. In order to scale, every business needs to create systems. These systems use the policy, process and procedure method because it works.

Identify a task you currently have in your business. Create a policy or a set of rules and guidelines. Outline the overall process. From there, create the exact steps someone will take to complete the task.

This is how businesses scale and if you want to scale your business it's time to start creating systems.

Do you need further help creating business systems? Try **SweetProcess for FREE**. You can document policies, processes and procedures easily and effectively.

April 19th, 2013
Business
by Owen McGab Enaohwo

Get Your Free Systemization Checklist

5 Essential Steps To Getting a Task Out of Your Head and Into a System So You Can Scale and Grow Your Business!

First Name*

Last Name*

Work Email*

Phone Number*

Job Title*

Company Name*

Company Website URL*

Company Size* ▾

Download The Checklist

8 responses to "The Key Difference Between a Policy, Process, & Procedure (and Why it Matters For Your Business!)"

1. *Joey Brannon* says:
   May 1, 2013 at 1:58 pm
   I love your distinction between policy, process and procedure. How does SweetProcess (or does it) provide a central place to document all o these? I signed up for a trial but only see tools for creating a procedure. Am I on my own for hosting policies and processes?

   Reply

   o *Brian* says:
      May 1, 2013 at 3:28 pm
      Thanks Joey!

      SweetProcess is a hosted solution for all of your procedures. As you create your procedures, they are listed in your account, where you organize, group, tag, and share them. No need to host them yourself ☐

      If you have questions, please contact us.

      Reply

   o *Brian* says:
      May 1, 2013 at 3:33 pm
      Thanks Joey!

      SweetProcess does host your procedures for you. As you create your procedure documents, they are automatically listed in your account where they can be tagged, grouped, or shared with your team (or publicly). No need to host your procedures yourself ☐

      If you have questions, please contact us.

      Reply

2. *nadjim* says: