

Standard Operating Procedures

What is an extremely important, but often neglected step in business efficiency improvement?

An extremely important, but often neglected step in business efficiency improvement, is the final step – standardising the improvement to ensure it is sustained, and things don't fall back to the old way of doing things before the improvement.

Your business systems are extremely important assets – they are the gears and levers of your business. If these assets are not captured and recorded then how do they exist? They exist in the minds of you and your employees. So which one of your employees has the correct version of the way your business works? What if a key employee departs the business? What is the value of your business to a buyer if these systems are not standardised and are not recorded?



The Value Pyramid source: www.canadaone.com

The value pyramid, as depicted above, illustrates how a business climbs through levels of maturity. The more a business is driven by its systems, people, and the resulting culture, the less it relies on the owner for its value, and the more valuable and saleable it becomes.

The most common way to move up to the level of a system-driven business, is to capture processes by recording them as Standard Operating Procedures (SOPs). SOPs ensure that the organisation adopts a best practice approach to executing tasks in the workplace. SOPs are living documents that contain instructions describing the steps to follow for all activities under defined conditions.

SOPs can be created in hard copies and also online. Online format allows staff to find exactly what they want, when they want it. Save their time and yours - all the information you need them to know in one easily accessible place.

Making business efficiency improvements is easier when SOPs exist as a current state baseline is established. Once improvements are identified and implemented, SOPs must be updated to LOCK IN the improvement. This confirms that a new, better baseline has been established, re-setting the platform for the next round of improvement.

What are the steps:

1. Analyse your existing procedural documentation
2. Organise your procedures into a standardised and user friendly format
3. Update existing procedures and write new procedures to make your SOPs current and complete
4. Make the SOPs accessible to all staff in a format that suits them, for example:
 - online and searchable
 - printed manuals
 - pocket guide

Protect your investment in people and systems by:

- Having all your SOPs documented, up-to-date and complete
- Maintaining your SOPs and changing them to reflect new procedures, systems, circumstances and regulatory requirements
- Ensuring your staff have the knowledge to perform their tasks using best practice
- Requires Standard Work & Labour Balancing as a prerequisite

Like all business efficiency improvement efforts, always keep in mind the purpose and the customer of the SOPs you are creating.

When your employees understand the values of business systems, and begin creating SOPs without your instructions, you know you are entering into the top level of the value pyramid.

Policies
Writing
Procedures
Website
Manuals
Intranet
Training materials