

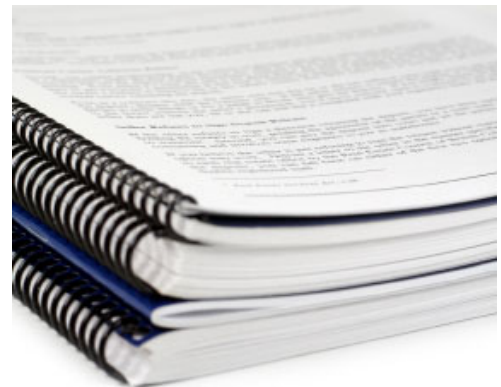
## **Business Policies and Procedures – Friend or Foe?**

### **Are Your Business Policies and Procedures Helping or Hindering Your Company's Growth?**

Very few people can actually say that they “like” rules (or at least they won't admit it), but some types of “rules” are a necessity, at least in certain situations. When it comes to your company's functionality and your plan for growth, the rules that govern your business are called your Policies and Procedures.

The term “policies and procedures” is bandied about pretty loosely these days. You will see the term on virtually any web site and it exists in some form in most companies. Do you have specific *Policies and Procedures* in your organization? If you do, it may be time to revisit how you are handling this important component of your business. If you don't...let's take a close look at how to implement Policies and Procedures in the most effective way to support your company's growth.

When written and presented properly, your company's Policies and Procedures can be a



distinct strategic link between the company's vision and its day-to-day operations. So why is this important to you?

### **Policies vs Procedures – What's the Difference Between Them?**

Put in very simple terms, your company's policies deliver its vision and goals, focusing more on the direction, while reflecting directly back to its culture. Procedures, on the other hand, are a specific system of actions that allow your team to effectively implement those policies, thereby meeting those goals. You could say that policies are a picture of your destination, while your procedures are the road map for getting there.

Here are some specific guidelines on differentiating between Policies and Procedures:

## **Policies:**

- Are general in nature
- Identify company rules
- Explain why they exist
- Tells when the rule applies
- Describes who it covers
- Shows how the rule is enforced
- Describes the consequences
- Are normally described using simple sentences & paragraphs

## **Procedures:**

- Identify specific actions
- Explain when to take actions
- Describes alternatives
- Shows emergency procedures
- Include warning & cautions
- Gives examples
- Shows how to complete forms
- Are normally written using an outline format

## **Overcoming the P&P Challenge**

One of the challenges facing you as you develop your policies and procedures is specificity versus flexibility. Of course, you want your policies and procedures to be specific, understandable and executable but it is also important to bring an element of flexibility into your processes so you don't run the risk of being too "stiff" which can create a loss of motivation. For instance, it doesn't make much sense to cultivate a culture of leadership, an [ownership mentality](#) and [accountability](#), but then have every procedure require meetings or permissions for approval of a key process. Certain procedures must be exact, but others lend themselves well to a little rule-bending. Be sure to write your policies and procedures so you create that ideal balance between exactitude and flexibility.

## **How Do You Know When Your Policies and Procedures are Not Effective?**

There can be some tell-tale signs that your current P&P's are not matching your company's current needs. You may begin to notice deterioration in morale, or in-effectiveness of your systems. Keep your eyes open for examples of the following:

- An increasing number of accidents or errors, higher failure rates or cost overruns
- An unusual -number of questions on typical operational routines or a sense of confusion within departments

- A noticeable inconsistency in employee job performance
- An increase in stress levels on your teams
- Inconsistent review process and increase in employee turn over
- A high amount of discrepancies in benefit administration, exceptions or favoritism

If you begin to notice any of these signs, it may be time to reevaluate your company's policies and procedures.

Even if it seems that everything is going well and it's "business as usual," consider reviewing your company's policies and procedures on an annual or even semi-annual basis to assure that they are meeting your current vision of company culture. This can be part of your company's [strategic planning](#) sessions as you evolve into new sets of goals and visions for your future.