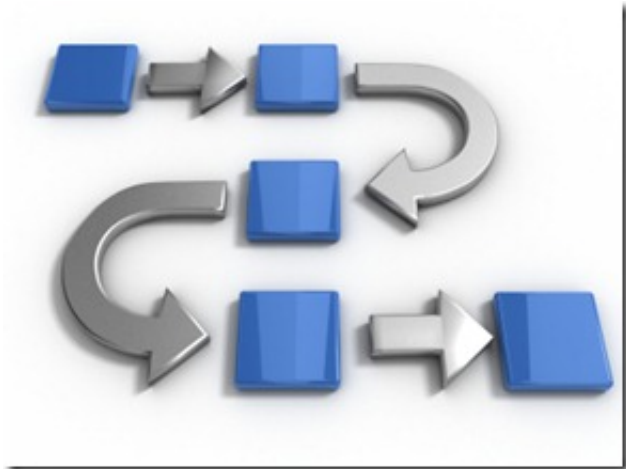


Salvation through Systems: Bringing Method and Measurement to Your Business Processes

We have [blogged about systems](#) in the past, because we understand that creating systems is truly the foundation of a properly run business. We counsel all our clients to develop effective, repeatable systems that are less dependent on individuals and that generate consistent metrics to gauge company performance.



Many of our clients have trouble getting started creating systems for their operations. We adopt the [e-Myth](#) methodology that outlines a simple yet comprehensive approach to creating systems. Today we will explore some of the preliminary steps in identifying where systems can be of value and how to start the process.

The first step is to determine which systems your business needs to run smoothly. In theory, every aspect of the operation can be systematized. Choose a new product launch, an advertising campaign, an HR function, or some other aspect of the business that needs to be organized.

Begin by determining the desired outcome for the new system. What is the end goal? Then work backward, and understand that systems are interdependent, so the quality of the results from other systems and data sources will affect the outcome of the current system, i.e. garbage in, garbage out.

When creating a new system consider using a three-step approach: innovate, quantify, and orchestrate. Innovation denotes action; not just creating something new but improving on products and processes already in place. If you are unsure of where to start with a new system then use a trial-and-error approach. Since you have already determined the desired outcome and have some idea of the steps required trial and error isn't random, but rather a process of testing known factors and adjusting until there is a satisfactory result. An analysis of the innovation process leads to quantification – how to measure the success of the system. Once you have a proven approach,

you can move to orchestration.

Consider the following example. A new system needs to be created for new hires. The end goal is to make sure that all new employees are familiar with company procedures and all their [employment and payroll paperwork](#) is complete. (To keep it simple, let's not consider other new hire concerns, such as training and evaluating their job performance in the first 60 days, which would be part of different systems.) Map the steps required to bring a new employee on board. Create a checklist. What documentation or materials need to be provided? What are the payroll requirements? Determine who handles the paperwork for human resources and payroll. Once you have created the system, try it out and determine what may have been overlooked or if adjustments need to be made. To quantify success, assess how quickly the paperwork can be executed, if anything is missing, or if there are unnecessary delays or steps in completing the process. Once the system is proven to work using trial and error, document it and orchestrate it.

Think through the system and then assign metrics to measure performance and personnel to keep the system running smoothly. In the next blog post, we will review the nine steps that go into business system design.