



be your best...

Online Report

For Managers, Principals, Team Leaders and Internal Consultants
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Issue No 4: **Systems help you generate income and reduce wastage**

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Systems help you generate income and reduce wastage

Recently we had been carrying out some renovations at home. I had the opportunity to work with a variety of tradespeople from plumbers to pest controllers. As you only renovate perhaps once every 20 years, (never if you are smart), there is a steep learning curve to work out what you need and how to get it for a fair price.

Pest Controller

During the renovation we pulled up a few old boards and discovered we had some unwanted visitors...termites. There was no live nest but damage had been done. We did not want to take the risk of having problems in the future so we called in 'an expert'. This 'expert' spent 5 minutes looking at the damage and recommended that we spray with some rather strong and effective chemicals. \$1200 was the quote. I asked how long it would take, thinking it was going to take a while. "Oh, about half an hour," he replied and quickly added, "the chemicals are expensive." Mind you, there were two areas to spray totaling about 6 sq. metres! We decided to get another 'expert' to quote - he did not turn up.

Finally, after searching the internet, we found Scientific Pest Management. Brenton came to look at the damage and recommended an inspection under the whole house to be carried out the following week. He said there was no point spraying (although he was willing too for \$900) unless we were certain there was something to spray. So for \$345 we got a full sub-floor inspection, a written report (5 pages), advice on plugging two holes in an outer wall and 4 concealed trap doors. These were constructed to allow us to do regular inspections of potential trouble spots. We were very pleased with Brenton. Brenton had a system, which was user friendly, and gave us, as clients, some

options and control.

Is the corporate world any different?

In the corporate world there are also examples of good, bad and plain ugly.

Mobile Catering

This company has more than 30 mobile lunch trucks on the road. The business has excellent processes and systems in place for production, loading and sales. The systems are so sophisticated that, based on the weather forecast and previous history on a particular run, they can produce a report recommending the stock the truck needs for the next day. This maximizes sales and minimizes wastage. This company is at the cutting edge of its industry not only in Australia but also in the world. It is very profitable and an inspiration to any business. Staff are very proud and motivated to be working for this company - recently confirmed by an employee survey we conducted. The managing director admits to being a "systems king".

Accounting Practice

This practice has been lodging tax returns for its clients for more than 15 years. Last year, they sent a return to a client to be signed and returned to the office. This practice did not have a system for following up the process of its clients' returns- it was left to memory. As Murphy's law would have it this return was not sent back until after its due date for lodgement. The result was a \$6000 penalty for the late rather large return which the practice paid. Since then, they have developed a system and documented the system on HowKnow™ (<http://www.businessfitness.net>). HowKnow™ is an excellent knowledge management system that enables any type of business to get 'systemized'.

Reflections

Everywhere I go in my consulting work I see opportunities for improved systems and processes. Several years ago, research from Harvard indicated that 80% of issues in organizations were caused by inadequate systems and processes. I also find, without exception, that there is a higher level of staff frustration within organizations that don't have good systems and processes in place. Conversely, staff are more motivated and interested in workplaces where they have good tools and systems to work with.

Angelina, who assists in editing this report, said to me; *"From my own experience, I chose to work at one consulting organisation rather than a another smaller one, who offered me a job – with more money, because - I knew that the knowledge systems and processes in place would make it far easier for me to do a great job"*.

How you can create any system

1. Identify your objectives for the system
2. Document existing system with a flow chart
3. Look for opportunities to improve current system.
4. Flow chart and document the new system
5. Place it in a knowledge management database for easy access.

Main takeaways

- Systems will increase sales
- Systems will reduce wastage
- Systems will leave staff feeling supported and more motivated
- 80% of issues arise due to lack of systems not lack of skills/training with

the people

- Follow a process to create a system
- Document the system in a knowledge base that is easily updated and also easy to use Refer to HowKnow™ (<http://www.businessfitness.net>).

“Systemise the process, humanise the experience” Rod Douglas

How do your systems rate?

Rate the veracity of systems in your organisation. If you would like to be sent a free self assessment tool then reply to this email with “Self Assessment” in the subject line.