5 Steps to Create Efficiency in Your Small Business

Creating Efficiency in Your Small Business

Step 1- Identify the processes to work on

- Jot down the tasks you do daily, weekly, monthly, quarterly, and annually.
- Prioritize the list to begin working on the ones with the biggest impact. Start there.
- What seems to be the most inefficient, complicated or costly to your business?
- Identify what you want to achieve: save time, save money, improve customer service, eliminate overlapping tasks.
- Ask yourself why this process is important.
- Identify the person or people currently responsible and/or involved in this task. Who is the person/position in charge of this task? Is there a duplication of effort? Is there a place where the process seems to break down?
- Are you clear on what the expected outcome is for each task?

Step 2- Document what you are doing now

- Create a single page for each task you perform. List how to do it, the steps to take, how often to do it, where to find any needed documents, who can answer questions. Include even the smallest of details. If you don't know the answers to any of these questions, speak to the person or persons that do.
- For each page include:
    - Name of the Process
    - The purpose of this Process
    - Why it's important and what can happen if it goes wrong
    - It's priority level compared to other tasks
    - How it affects other tasks and other departments
    - Who is responsible for completing the process. Use job title rather than names.
    - How often this process is done
    - Step-by-step execution of the process
    - Who this should be reported to and in what format (verbal, written). Use job title rather than names
    - Note any tools needed to complete the task and any access codes or passwords needed.

Step 3- Identify where you need to improve

- Identify any problems that currently exist because of the process or because of the lack of a process being put in place.
- Assess each task and ask yourself: can this be: Deleted? Automated? Consolidated? Delegated?
- Estimate how long it took you to do the task before changing the process

Creating Efficiency in Your Small Business (cont'd)

Step 4- Create your new process and document it

- Once you have identified what parts of the process stay and what needs to either be changed or eliminated, create a new, updated sheet for the process following the procedure in Step 2.
- Once done, move to Step 5 to test the process.

Step 5- Test, implement and document each process

- Have an employee or outside person follow the steps to see if they flow smoothly and end with the result you want. Review with them for any suggestions.
- What steps need to be added; what steps need to be eliminated?
- Determine how long it takes to do the process now that changes have been implemented.
- Ask yourself:
  - Did the system solve the problem?
  - Is it easy to replicate?
  - Did you see drastic improvements or just incremental ones?
  - Is it worth using this system or should you start over again?
- Determine how this information will be delivered for best results. Will it include checklists? Flowcharts? Screenshots? Photographs? Diagrams?
- Add to Operations Manual as each task is complete

As you complete the assessment of each task, and approved the process, update the single page and add to your Operations Manual. We recommend you have both a digital copy on your computer as well as a hard copy, in a binder with tabs for each department.

Here's how to set up an Operations Manual.

Creating an Operations Manual

What to Include:

- **Company Organizational Chart**
  - List every department and include in a flow chart
- **Products and Services Offered**
- **Target Markets Served and Business Growth Plan**
- **Tools and Resources**
- **Company Guidelines**
- **HR**
  - Scheduling and Time Off
  - Illness and Emergencies
  - Communications
  - Reporting requirements
  - Policies on dress codes
  - Urgent Situations- What to do
  - What constitutes an urgent situation?
  - Job descriptions
    - Create a procedure and responsibilities for each role in the company
    - Approved job listings for advertising open positions
- **Health and safety**
- **Emergency Contacts**
- **Filing System**
  - File Names
- **Financial Information and Policies**
- **Accounts and Access**
- **Customer Service**
  - Refund Policy
  - How to handle complaints
  - Chargebacks
  - Past Due Accounts
- **Any other departments and/or positions unique to your company**

Use this information to create your Employee Handbook.

Creating an Employee Handbook

You can pull information from your Operations Manual to create an Employee Handbook. Here are some items you could add:

What to Include:

- **Welcome to the Company Letter**
- **About the Owner**
- **About the Company**
  - Your Mission and Vision Statement
  - How and why the company was started
- **Company Organizational Chart**
  - List every department and include in a flow chart
- **Tools and Resources**
- **Company Guidelines**
- **HR**
  - Scheduling and Time Off
  - Illness and Emergencies
  - Payroll schedule
  - Vacation and sick leave policy
  - Communications
  - Reporting requirements
  - Policies on dress codes
  - Urgent Situations- What to do
  - What constitutes an Urgent Situation?
  - Health and safety
  - Emergency Contacts
- **Customer Service**
  - Refund Policy
  - How to handle complaints
  - Standard way of answering the phone
  - Standard way of greeting customers in person
- **All policies and procedures related to their specific position or department**