

Despite the heightened attention to external risk since September 11, the biggest threats to most businesses come from inside, and often are not covered by insurance. Eighty percent of companies that suffer disasters without contingency plans go into liquidation within 18 months reports *Director* magazine, June 1998.

Business processes, like contingency plans, are a key example of internal risk. How does your organization fill orders, back up PC files, purchase supplies, hire new employees, and conduct performance reviews? Do your employees know clearly what to do?

Your poorly documented business processes may not cause someone's death like the recent Disneyland roller coaster accident where maintenance instructions were unclear, but they could lead to mistakes that cost money. Think about incorrect or damaged shipments, missed payments or license renewals, unusable backups, or neglected equipment repairs.

The good news is: while common, this scenario is simple to avoid.

A practical Procedure Guide (one that is updated monthly) starts producing tangible benefits right from the beginning. Drawing a process map 1) uncovers bottlenecks—like delayed partner billing statements in the customer invoice process, and 2) points to unnecessary work that can be eliminated—like printing draft invoices before all the changes are in. Simple changes and new "rules" improve quality and reduce costs. Equally important, detailed instructions bring new employees up to speed faster, and should a disaster occur, ensure you are not a fatality of the statistic mentioned above.

By engaging employees in the process and using their feedback to make improvements, you build a stronger company inside and improve your external reputation. Trusted and involved employees deliver better service. And

their more consistent performance generates the reliability that translates into customer loyalty.

Three steps to an effective Procedure Guide:

1. **Communicate.** First, discuss your business goals of efficiency and effectiveness in concrete terms: Why are we doing this? To respond more quickly to customer complaints? Meet shorter deadlines? Reduce employee stress?
2. **Write it down.** Involve everyone in the search for better ideas. Start with the procedures that are closest to the customers. If several employees perform the same task, create a joint description. Include the "little things," like turning off appliances and lights and setting the alarm before leaving the office, for example. Who's responsible?
3. **Test and improve.** Keep a copy of your draft Procedure Guide near each job site for two weeks. Encourage all employees to rethink their tasks and comment. Then assemble and update into several binders accessible to everyone. Store one copy in your secure offsite along with your other critical backup materials.

Encourage new ideas by acting on and rewarding innovative suggestions—especially the lessons learned from mistakes. Every month, focus attention on review and improvement of one procedure.

Finally, ask key service providers (computer guru, CPA, or a professional writer) to review your Procedure Guide and offer recommendations. Paying for a few hours of professional insight brings invaluable outside perspective to your business and makes these partners more committed to your overall success.