Foundation - Module 4

# MONTHLY

# PROGRAM

Systemisation & Productisation Part 1

## WHY PRODUCTISE?

Productisation does exactly what Jim Rohn has articulated above.

It lets you add **VALUE** to your product/service for your customer, and this will automatically increase your businesses **REWARDS**.

The services you offer - either around the product you represent, or the service you provide, are flexible and adaptable. Your value proposition will need to keep changing until you find product market fit. Your business model will be influenced and directed by your final value proposition.

Productisation establishes and increases the trust relationship with your customer.

We will explore and give you examples of how to do this in your business:

- Increasing your customer's satisfaction
- Increases Productivity
- Gives your Business a Standout - *Point of Difference*

We will now watch a short video about adding value in your business.

www.youtube.com/watch?v=dhcHpzJjnXg

Productisation makes the intangible – tangible.

# PROPERTIES OF A PRODUCT VS AN IDEA

| Product | Idea |
|---|---|
| It exists | Is a thought (a unit of energy) |
| Has a purpose | Is constant |
| Made for a market | Is Universal & looking to launch |
| Has design features | Is **TRUE POTENTIAL** |
| Known by name | Makes possible - complex and immaterial things |
| Has a value | Is **PRICELESS** |

**Exercise:** During the 2nd Week of our Quality Assurance Accelerator Course, we ask you to **"Brainstorm your New Business Opportunities"**

- If you can, access this brainstorm document, then please do so, and reflect on this for a few minutes. If you actioned the additional steps in the QA Course, these included adding the logical opportunities to your 1, 3, 5, 7, Year Mastered Business Model Organisation Chart (which included revenue streams etc.).
- If not, then use this time to write down any ideas that you may be currently entertaining for your Business. These can include ideas that you may have shelved until you have the team & capacity to roll them out. There are no right and wrong answers – write them all down!

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# IDEA TO PRODUCT LAUNCH:

Launching a new revenue stream will take genuine commitment to do so, and most likely, it will also take 12-18 months to achieve a genuine level of success, so persistence is essential.

First, let's begin with a Best Practice example.

**Best Practice Case Study – Idea to Product Example – BSM (Buy Sell Merge)**

Years ago, our BSM division was struggling on cashflow. Buy/Sell transactions would often take 6-9 months to complete. We needed a "cashflow solution". So we applied this methodology being taught in this session.

One Hour Free Consultations with Accountants/Business Owners = Providence BSM

  Buy/Sell Mandate

⬜   6-9 Months = $ Success Fee

**=**   <u>POOR CASH FLOW</u>

**The Productisation Process: >** Create New Cost Recovery "Check Points" throughout the BSM Process

1. **Upfront Payment**   – Seller $ Healthy Engagement Fee $1,500 - $10,000

   – Buyer $ Small Membership Fee = "National Acquisition Register"

Bullet Points, Features, Benefits etc. ⬜ Product Sheet ⬜ T.O.Bs = $550 PER BUYER

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2. **"Introduction/Facilitation Fee** = Bullet Points, Features, Benefits etc. ⬜ Product Sheet ⬜ T.O.Bs

   = $250 per intro to each party $550 per hour

3. **First Offer** Fee = $250 = 50/50
4. **Non-binding Heads of Agreement** $750 = 50/50
5. **Formal Sale Agreement** $2,000
6. Repeat and Innovate/Fine-Tune ⬜ 50% of Customers Didn't Hesitate

   ⬜ 50% of Customers Negotiated = Discovered Closing Technique

   ⬜ Increased Conversion = ☺ Really Happy Clients and Happy BP
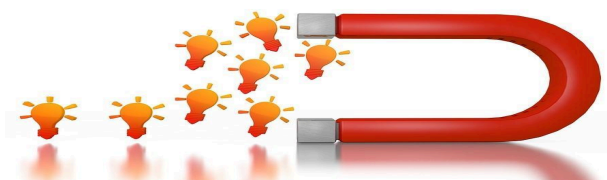
**Exercise: Idea to Product Launch:**

From the previous exercise *(New Business Opportunities Brainstorm)*, Choose your most logical product, service, or new business idea and we will now explore how to this into a valuable ***product/service.***

Your Business Idea:

_____

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Steps for your Productisation Process**:**

1.  Drafting your Product Sheet: (Bullet points, Features/Benefits –Artwork - who can provide/prepare it?)

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    _____

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2.  Your Ideal Terms of Business (Terms and Conditions, Payment Terms etc.)

    _____

    _____

3.  Determine your Price Point $

    _____

    _____

4.  R & D Phase > The ways you will Trial, Test and Measure – then Repeat, Innovate and Fine-Tune

Brainstorm a list of 5-10 "warm and fuzzy" clients that you get on really well with, whom you are most likely to be able to offer a "trial phase" to;

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# FLOWTOWN INFOGRAPHIC – THE VALUE OF AN EXISTING CUSTOMER
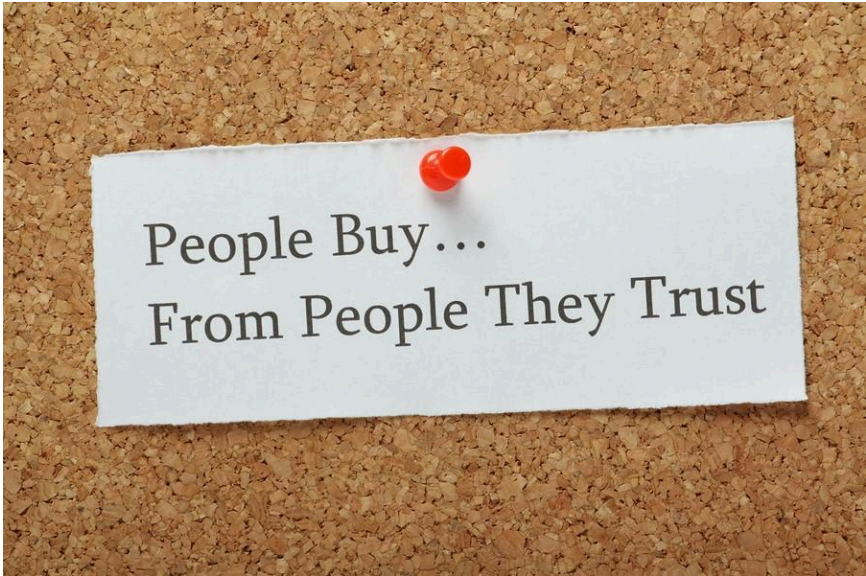
Productisation adds value for your customers and builds trust and retention.

Systemisation is included in the Systems/IT/QA Division in the diagram below.
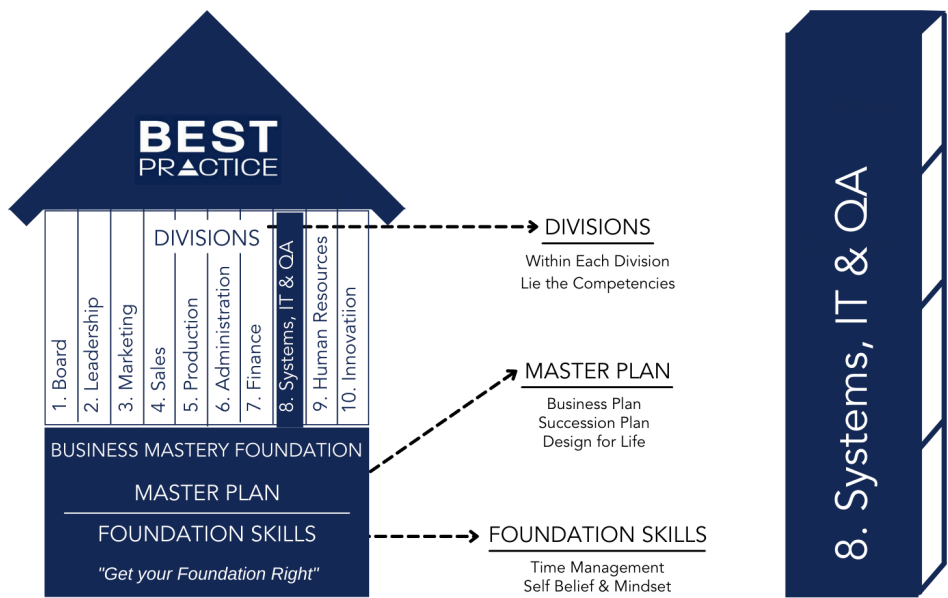


# INTRODUCTION TO SYSTEMISATION

Verb

1. *(transitive)* to arrange in a system

Synonyms:

arrange, organise, rationalise, sequence, regulate, classify, dispose, standardise, tabulate, put in order, make uniform, schematise, methodise

## WHY SYSTEMISE?

### *"94% of problems in Business are systems driven and only 6% are people driven"*

- W. Edwards Deming, 1900-1993
(Engineer, Statistician, Professor, Business Author, Lecturer, and Management Consultant)

- ✔ Systemising is documenting what you do on a daily basis.
- ✔ Documented Processes = Consistent Results

**"Of the 94%, 51% of the Time it is a lack of a system or process, and 49% of the time, your team have not been trained in that system or process"**

**- John Peterson**

## SYSTEM VS PROCESS

A system is a set of processes.  Each process within the system contributes to achieving consistent, measurable & specific outcomes.

A process is the sequence of tasks or activities performed in a certain order to achieve the desired system outcome.

Some systems will be bigger than others in your business i.e.: they have more processes included in each, to reach the result.

### *"If it is not documented, it doesn't exist. As long as information is retained in someone's head, it is vulnerable to loss."*

- **Louis Fried – Process Management Author**

**Exercise**

1) Reflecting on your daily work, take a few minutes to brainstorm a list of your recurring frustrations. Write down at least 5-10

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2) ==Using the above brainstorm, identify your three biggest frustrations. And then add your ideal outcome you would like to see if these frustrations were removed.==

   2.1

   2.2

   2.3

# MICROSTEPPING A PROCESS

1. Identify the Process (or Product/Service) you want to improve on.

2. Open a word document and save this in your master Admin Folder / Process Improvement / (NAME of Process Product Service).

3. Work on Zoom / with a colleague that is familiar with this topic to brain dump every single micro-step you can think of that needs to be done to achieve a high-quality outcome on this topic. (NOTE: Do not worry about the order initially, just write down anything that comes to mind.

      a.   Include all elements – small, big, simple, or complex.

4. Once this is done, review the list to see if you have opportunities to further break down a particular topic into more micro-steps.

5. Refine this brain dump by putting the process in ordered steps.

6. Once in order, review with other team members, check if there are steps you've missed and add them in order.

7. Once updated, book a meeting with additional team members to review and proofread the topic, check for understanding and additional suggestions/innovations.

8. Add any final recommended steps you agree with.

9. Once completed, brand it with your company logo and details.

10. File this micro-stepping process in your relevant document storage, share it with the team, and walk through it in your weekly team meeting or next team huddle.

11. Over time > review and add/refine micro-steps as you/your team become more fluent and productive, further advancing the integrity of the Process, Product or Service.

# HOW TO SYSTEMISE IN YOUR BUSINESS

## CREATING A TEMPLATE FOR SYSTEMISATION

Creating a standard template for your process documenting ensures both efficiency and consistency.

Use this template each time you document a process.

The template must always contain the basic information required to perform the process.

Including:

    I.     The system that the process contributes to
    II.    The name of the process
   III.   Date of creation
   IV.   Who is responsible for performing the task
    V.    Date of completion
   VI.   Reason for the process

VII.     List **ALL** the steps required to complete the process (micro-step, do not miss any detail!)

Organise all Systems documentation on your computer.

Create a folder "Business Operating Systems" – store your standard template in here. Create three folders including "Current Processes", "WIP Processes" and "Upcoming Processes".

In the "Current Processes" folder include all completed processes filed into their relevant systems.

In the "WIP Processes" folder include all processes still in development.

In the "Upcoming Processes" include all ideas for systemisation that need addressing.

### *"A good system shortens the road to the goal."*

-     Orison Swett Marden, 1850-1924 (Business Author)

**See below sample Workflow Process Template**

| Name of Process: | | | |
|---|---|---|---|
| Process Owner: | | | |
| System Related to: | | Last Updated By: | |
| Date Created: | | Last Revision Date: | |
| Process Purpose: | | | |
| Process Flow: | 1. | | |
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| | 30. |
| Process Output: | |
| Exceptions to Normal Process Flow: | |
| Control Points and Measurements: | |

**Explanation of Sample Workflow Process Template**

Business Processes are effective ways to improve business performance, increase workforce and resource efficiencies, and perform value-added functions to meet critical needs. To be effective, a business process should also be easily integrated with other processes and the business structure.

As potentially useful and effective as business processes are, often times they're poorly planned, implemented, or communicated.  In such cases, a process may result in confusion and create an even more ineffective environment than previously existed.

When planning, implementing, and communicating a new business process, it is important to provide structure, a formal process flow, process boundaries, inputs/outputs, and control points.

This will allow the organization to not only achieve improved performance, but to have a mechanism to continually improve the business process.

**Process Purpose:** This section should provide a description of the purpose of the process.  This may include why and how the process will benefit the organisation.

**Process Flow:** Many business process documents provide the process flow in a graphical format. Some provide the flow in a verbal format.  Some provide both. This may depend on organisational standards.
However, it is imperative that some detailed description of the flow of the process is provided.
Without this, the process becomes open to interpretation and will suffer from a lack of formality and clarity.  <u>This section should describe each step of the process from beginning to end</u>.

**Process output:** All business processes have an output or result that they must achieve. This is directly tied to the process purpose. While the output may not necessarily be a formal part of the process itself (depending on where the boundary is established) it is an integral part of the document as it explains what is expected upon completion of the process.  This section should provide an explanation of the process' output.

**Exceptions to Normal Process Flow**: Often, a business process will not follow its normal workflow from beginning to end as there may be many variables involved in the process.  This section should explain where <u>exceptions to the flow</u> may occur and what steps will be taken in such an instance.

**Control Points and Measurements**: Business processes are not without risk and uncertainty. Nor are they exempt from any type of effort to continuously monitor and improve them.
Control points should be established at various points of the process flow where risks have been identified. This helps the process owner monitor risks associated with the process and is useful in ongoing process improvement efforts.

Measurements are also necessary for determining the effectiveness of a process and performing process improvement. Measurements may coincide with control points in an effort to identify where risks or problems may reside and to determine a methodology for improving the process around these risks and problems.

# GO WITH THE FLOW

Some businesses like to have their work processes documented into a Flow Chart. Keep these as clear and easy to read as possible. We have included a simple, sample Flow Chart on the next page which has a simple Flow Chart key to refer to.

**Flow Chart Example**
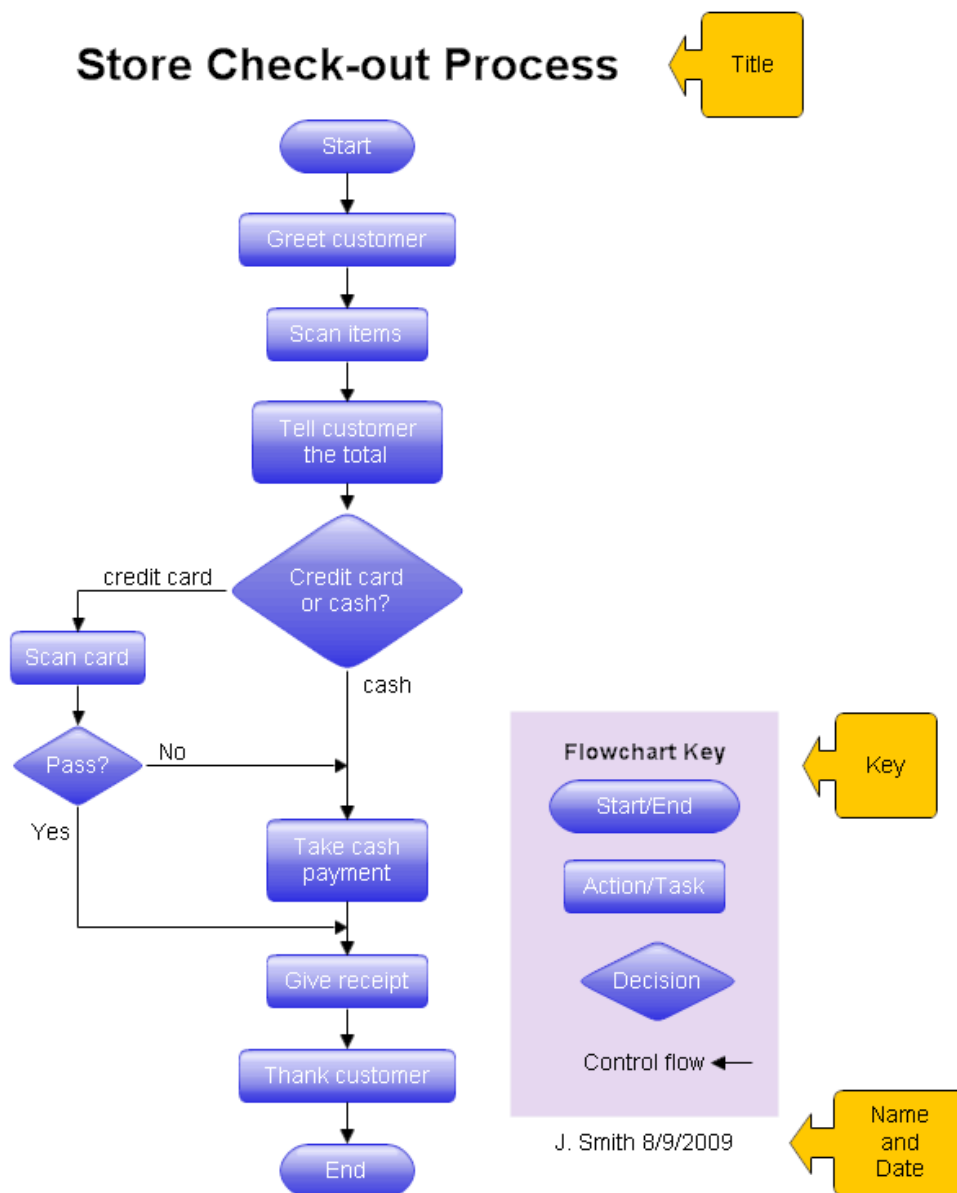


# SYSTEMISATION STOPPERS

Many small business owners are trapped in the domain of working <u>"in" the business</u> not **"on" it**, they often feel that they are <u>the only ones</u> who could be passionate and knowledgeable about their product/service.

They end up wearing **every hat** in the business.

The processes for the current systems are often "in their heads." Not clearly documented or even written down at all.

Another 'stopper' is time and money. Sometimes cashflow volatility and poorly productised business models create "Groundhog Day" where the team experiences the same ongoing issues time and again. This in turn creates the recurring problem itself and stops any effort to systemise the processes.

**Listed below are some creative ideas to help systemise the sales process:**

1. **Partner-up** – Get out there and get networking with other industry related businesses that could create exposure for your business through their database. Creating a joint venture, you must think of the types of businesses your customer would need before or after purchasing from you.

2. **Sales Systems** – Begin creating process documents and systems manuals, scripts, even training videos for training that next salesperson. Documenting the systems and testing them before any new staff member starts is a great investment as you will enable them to 'hit the ground running'.

3. **Creative Staff Solutions** – Sometimes, it's not what you know it's **WHO** you know. With social media these days you have the ability to advertise a position via virtual "word of mouth." Share this position with people you know, who **SHARE** your values. As always, hold any potential staff members in alignment to your MVV – above all else. Attitude above skill**.**

4. **Give that they WILL grow** – invest in personal development books/audios and assign a new title each month for ALL your team members (**self-included,** of course!). Growth and job satisfaction often outweigh salary for staff. Both you and your staff will find the more you invest in "personal development" the **bigger the bottom line** for all parties will be!

5. **Moving Targets** – Set challenges and targets that are varied. Shake up the team with new objectives each month to keep the competition fresh.

6. **Open Communication** – Provide your staff with time for their input and feedback. Reward great ideas, manage complaints and encourage enterprise.

# FIVE KEYS TO A SYSTEMISED BUSINESS  - Quad B Time!

1. **Make the Long List**

Getting your head around the scope of the systems required in your business entails listing every task that will require a process. List them first then sort into departments (admin/finance/sales etc) to determine who will be involved in documenting the systems.

### 2. Prioritise your List

Which procedures once systemised, will have the biggest impact on your business? Which ones can wait for later? If you are about to hire a new staff member, make the hiring process a priority. If they are to be in sales, ensure that the sales procedures are documented.

### 3. Begin Documenting!

Enlist the staff that are involved with the process to help write the procedures. This ensures correct and current systems AND involved and accountable staff. Together everyone takes the steps towards having a great business.

### 4. Implementation & Training

Have a practice step through of the newly documented systems and this will identify any glitches before the procedure is signed off and formally brought to life in your business

### 5. Monitoring to ensure expected results are gained

Follow up and monitoring are necessary as you have put the effort into streamlining and systemising your business – you now need to make sure the benefits are there for your ongoing success and your bottom line!

# GROUP DEBRIEF & REFLECTION

Reflecting on the learning you have completed on Productisation & Systemisation, what processes in have you identified as important to act on immediately?

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# INSIGHTS AND ACTION PLANNING

Brainstorm all the insights and opportunities that you uncovered for your business, based on the learnings from this module?

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# MONTHLY IPT & ACTION PLAN

- Use the Action Planning Excel, identify and a minimum of 3 or more actions to be implemented between now and the next 30 days and plot them with micro steps into your Action Plan (S12). Bring them to your next Client Manager meeting to discuss.