



FREE YOURSELF UP

By Brian Tracy

Create a detailed operations manual and start letting others do your nitty-gritty work for you.

Has your business grown to the point that you're ready and able to delegate the daily menial responsibilities that are taking up your time to someone else? As a business owner, you can free yourself from the need to be involved in countless activities by creating a system for others to follow. Whether you're creating one for the first time or improving an existing one, a detailed operations manual is a key component of a successful business – and a happy owner.

This is when your operations manual becomes your bible for running your business. It's a series of policies, procedures and instructions that make it possible for you to operate your business efficiently and profitably.

Planning out your business processes on paper is easier than you think. Like furnishing each room of a house, you decide exactly what's required in each area to perform the necessary functions. You then write it down in a logical order so someone else can do it.

There are two ways to approach this. Firstly, look at your business as though you were an outside consultant; you've been called in to learn about this business and prepare it for sale to a third party. Secondly, look at the business as though it were a franchise prototype. Your job is to systemise every activity of the business so you can create a blueprint that can be replicated.

To help you get started, ask yourself the following most important questions for planning and organising your business. Answering each question will give you a blueprint for mapping out your operations manual.

Exactly what do I sell?

Make a list of every product or service you sell. Determine the sales volume, real or projected, that you expect from each product. Determine the exact cost of offering each product, including everything from raw product cost through to the finished and delivered product. In order to do this, you need to determine the cost of:

- The product/service itself
- Marketing and sales per unit
- Administration and overhead per unit
- Labour – including yours – per unit
- Defects, returns and losses on sales; and
- Profit per unit

Make a list of every step necessary to create or procure the product for sale/delivery. Write out the list as a series of instructions, like a recipe, so someone else can do it. Make this the first section of your operations manual.

Who do I sell to?

This is a description of your ideal customer – the person your business is designed to serve above all others. Your description should include your ideal customer's:

- Demographic profile
- Psychographic profile (social class, lifestyle and personality characteristics)
- Benefits they'll receive when they buy from you and
- Wants, needs, expectations or demands when they buy from you

Explain this customer profile to everyone in your business who deals with customers.

Who is in charge of selling the products?

This describes the people who meet and talk to your customers face-to-face. Who exactly in your business is responsible for selling? What exactly do they say to the customer when he/she inquires about what you sell? What about when your salesperson calls on them outside of the office?

What is your sales methodology and process to ensure maximum conversion rates from prospects to customers? Write it out word-for-word, identifying the areas of weakness. Continually edit this methodology to improve the sales process.

What is your sales training process?

Each person who sells or deals with customers must be trained in what to do and say. You can't expect a person to make a sale or get a result that he or she hasn't been trained for. The best, most profitable companies have the best-trained salespeople – in every industry. Remember: nothing happens until someone sells something to somebody.

How do you sell your product?

This refers to the entire process of marketing, advertising, attracting customers and finally making the sale. You need a complete marketing plan. Determine your core marketing message and unique selling proposition. Determine the best ways to reach your prospective customers. Determine how you'll advertise, where you'll advertise, and how much you'll spend.

Set standards to measure the effectiveness of your marketing efforts. Write all these things down on paper, in advance, and analyse them carefully. You require a complete sales process – with pre-planned steps and scripts for each product and each step of the process. You need contracts, order forms, price lists, brochures, website design and everything else to take the order once the sale has been made.

What are the prices and terms?

This answers the questions about how much you're going to charge, and how you're going to require payment. Determine your individual retail prices. Determine any discount, combination or special prices for special reasons that you're willing to offer. Decide on your wholesale prices and those for large-volume purchases. Determine how much you're willing to pay or discount to acquire a customer.

Estimate the lifetime value of each customer; how much is he or she likely to spend with you in the future? Continue to revisit and be willing to reconsider your prices, especially in the face of declining sales.

How is the product produced?

List the steps from the beginning of the production process to the finished product. Explain it in such detail that someone else could do it. If you purchase products for resale, write out a step-by-step description of the process of acquisition and payment.

Imagine that you're going away for a month and are hiring a temp to produce or acquire your products or services. Keep this saying in mind: "Your instructions should be written by a genius so clearly that they can be followed by a novice."

How is the product delivered?

How is the finished, sold product or service going to be put in the hands of the end customer? Chart out every step of the delivery process. Determine how long each step will take. Determine how much each step will cost. Identify the possible problem areas where delay, damage or mistakes could occur in the delivery process. Take steps in advance to guard against problems in shipment and delivery. Document the entire process so that a child could do it.

How is the product serviced, repaired or replaced?

Set up a process to provide for breakage, returns and dissatisfied customers. Set up policies and procedures to deal with servicing, replacing and repairing the product, and set up a return policy and procedure. Document everything in your operations manual.

Whenever you have a problem, breakdown or blockage in any area of your business, take action to ensure it doesn't happen again. A recurring problem is usually a sign of bad management. Determine exactly what has happened.

Every new business or business activity takes enormous effort and expense to learn and standardise. But once you've created your business process, it can be carried out quickly and correctly by ordinary people.

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