

WORK BOOK ONE



PROCEDURES INTRODUCTION

THE FIVE GUIDING PRINCIPLES

HOW TO BUILD AN EFFECTIVE COMPANY SYSTEM



COACHING ACADEMY SPECIALIST
Where Small Businesses Grow

Procedures Introduction

The Five Guiding Principles

McDonalds does not necessarily produce the best burgers in the world but it does have the best systems and procedures in the world for marketing and selling burgers.

Michael Gerber in the bestseller “E Myth” eloquently outlines it as follows:

The business owner sets out with the technical ability, i.e. A perfect understanding, indeed a passion for the product or service, the ability to sell it, the vocation to develop the staff and the talent to manage the systems and procedures and then the entrepreneurial courage to take the risk.

Does the business owner have a passion for the product or service or a passion for the business? A big difference.!

The business person is part entrepreneur 10%, part manager 20% and part technician 70%. The entrepreneur is the dreamer, the manager keeps things in order and the technician is Action Man’.

Most businessmen set up in a trade they are familiar with, a true entrepreneur would have asked what do I need to do to achieve all that I desire, not just an improvement from their current position.

The owner is a separate entity from the business. The business owner needs to continue to be entrepreneurial or else he is just doing a job and is working for a lunatic.

The three stages of the businessman, are infancy, adolescence and adult hood.

In infancy, if the businessman is removed from the business it dies and in adolescence, help is sought.

For a business to move from infancy to adult hood, is not inevitable. Maturity is not inevitable. McDonalds, Disney and Fedex did not grow into maturity they started out that way.

The Five Guiding Principles/Continued

As the business grows you hire people who may not have your vision, your ability, your drive, your energy, your interest or your enthusiasm and to compensate for these shortcomings you will need robust systems and procedures.

What are systems?

A system is a set of processes that can run without you. As your business grows, you'll need to build systems and processes that can be automated as much as possible. You'll need to build distribution systems, inventory systems, marketing systems, customer support systems, research and development systems, accounting and hiring systems, and many others.

Systems are rules, policies, and procedures that trained individuals can repeat as your company grows and run independently of you.

You will need systems and procedures for all the following disciplines:

1. Goals/Targets
2. Planning
3. Marketing
4. Selling
5. Administration
6. Management.
7. Profitability

What Does A Sound Reliable System Do For You And Your Company?

1. A good system helps you to work on your business, not in it.
2. Get your business to work without you.
3. Get your people to work without you.
4. Get your business in such a position it could be replicated 5000 times.
5. Get to own your business and still be free of it.
6. Get to doing what you love rather than what you have to do.

Sound systems and procedures are the orchestration and elimination of discretion or choice at the operating level of your business This is to install order and avoid creating chaos.

The continuous investigation into the way we work becomes key to our own personal transformation.

We are talking about franchising your business in a propriety way that differentiates it from everyone else's.

The job of the owner is to prepare yourself and your business for growth.

To educate yourself sufficiently so that as your business grows, the business's foundation and structure can carry the additional weight.

Intelligent processes and systems produce exponentially greater returns than any staff will do. In a people dependent business the assets go home at night in a systems based business the assets remain there.

What Does A Sound Reliable System Do For You And Your Company?/Continued

So to really revolutionise the people processes at your company, your primary matter of concern should be for every person in your organisation to agree to become a master at the various POLICY systems in place

The system produces the results, your people manage the system.

The hierarchy of systems in your business is composed of 4 distinct components.

1. The first is how do we do it?
2. The second is how do we recruit, hire and train people to do it?
3. The third is how do we manage it here?
4. The fourth is how do we change it here?.

With Fedex the “It” is When you absolutely positively have to get it there overnight!!!!

The Challenge

The most common problem with businesses in trouble that I have encountered is not that the owners don't know enough about Finance, Marketing, Sales, Management or Production, it is that they have just failed to install and implement simple systems, to produce and sell their product or service.

Staff do not wish to be managed.

You cannot imagine your colleagues leaving home with a cheery goodbye whilst saying "I'm off to work to be managed all day".

What we need to do is install simple and effective systems which are well documented.

**DON'T FORGET TO WATCH THE
"PROCEDURES INTRODUCTION, FIVE
GUIDING PRINCIPLES" VIDEO.**

Success Story And Positive Mental Attitude

Muhammed Ali

70th Birthday party attended by all the American Presidents.

He was a great boxing champion and attracted people to boxing who would never have been interested previously.

Ali once said “that he wasn’t just born to be a great Boxing champion, that was what he did for a living”.

He wanted to touch the world, make it a better place. Fight injustices and racism. That was a pretty tough ask when people were saying that he was a traitor when he refused to serve in Vietnam. He was so unpopular when he joined the Black Muslims that he had to fight all the way to the Supreme Court to win his livelihood back.

He changed his slave name of Cassius Clay to Mohammad Ali.

I hated every minute of training but I said “don’t quit, suffer now and then live the rest of your life a champion”.

His lawyer friend Gene Kilroy was summoned to join Ali as Ali’s plane was about to land in Kinshasa for the fight against George Foreman. Ali wanted to know which type of person the people of Zaire most detested. Kilroy aware of the harsh colonial days speculated that it was probably a Belgian. When Ali stepped off the plane to be welcomed by an excited crowd he announced immediately ‘George Foreman is a Belgian’

“I ain’t got no quarrel with them Vietcong. I’m not going to Vietnam to help bomb brown people when black people back home in Louisville are being treated like dogs.”

Hating people because of the colour of their skin is wrong and it don’t matter which colour is doing the hating. It’s just plain wrong. “A man whose views are the same at 50 as they were at 20 has wasted 30 years”.

Boxing is just what he did for a living. His purpose was to make a difference. “Racial abuse should not be tolerated and it ain’t matter who’s doing the abusing”

Muhammed Ali World Heavyweight Champion