



# Bluestone's by Marc Bluestone Retail Strategies

## *If You Want It Done Right, Write It Down*

**W**hat do you do when a customer changes their mind about a mat color they selected two days after placing their order?

What temperature should your employees set the thermostat to when they leave at night?

What do you do when the credit card machine breaks on a busy Saturday?

These questions, and hundreds of others like them, are faced by retailers every day. The answers to these hundreds of questions, when taken together, form the operating manual for your company. Unfortunately, most small businesses (and too many larger ones) never take the time or energy to commit their operating procedures to writing.

The result is a company that responds to recurring issues in a slightly different way each time. Many times, the business owner or manager expects that “common sense” will prevail. In reality, every person has his or her own version of what’s sensible and the leader who depends on discretion is likely to face disappointment.

Having managed hundreds of employees, I have come to the inescapable conclusion that if you want something to be done right, you must define how you want it done in writing.

For our purposes, the tool is called a “Manual of Standard Operating Procedures” or SOP for short. The SOP is a book that you create. It is neither fancy nor elaborate. Our SOP is a big thick looseleaf binder that is divided into logical sections.

Within its pages is an explanation of how an employee should do any task or handle any situation they are likely (or unlikely) to face. The SOP is a single place where an employee (or owner) can gain instant access to the combined body of knowledge that the company has developed during its years of operation.

You might be thinking, “I run a small family business. My staff will resent having to follow a book.” Maybe. But in my experience, your staff is more likely to resent *not* having a book to follow. Why? Because the SOP gives them a chance to perform their job properly. It is a road map they can use to fulfill your expectations. In the absence of such a road map, most business owners expectations are little more than a moving target with Thursday’s answers often having little resemblance to Monday’s decree.

To an employee, the SOP is a trusted friend that relieves ambiguity in times of confusion and provides direction in times of uncertainty.

To an employer, the SOP is a remarkably liberating and satisfying accomplishment. A properly developed SOP relieves the owner of their job as “Chief Answer Person.” By providing direction for daily events, the SOP eliminates the need to rethink answers to questions that have already been asked dozens of times. The SOP makes it easier to take time off (without worry of what happens in your absence) and reduces the chance of getting phone calls when you’d rather be eating dinner at home.

Are you sold on the idea of creating an SOP

manual yet? Then here's a brief guide towards tackling this ambitious project.

### Step 1: Create An Index

The index for an SOP manual is the users' guide to finding the sought after information in the fastest possible time.

Decide first on Broad Categories. The category heading is the banner under which individual SOP's will be organized. Think about your business and divide the everyday operation into categories. Here are a few examples: Sales Procedures, Operational Procedures, Emergency Procedures, and Employment Policies.

For each category, fill in topic names for individual procedures. For example, under the heading "Sales Procedures" you might initially choose to produce written procedures for: Using the Cash Register for a Regular Sale, How to Handle a Refund, Daily Closing Procedure, Using the Credit Card Machine, Making Tax Exempt Sales, Selling and Redeeming Gift Certificates, and other tasks.

### Step 2: Outline Each Individual SOP

For each individual procedure, decide on key informa-

#### How To Know What To Include

In many cases, it will be immediately obvious to you that an SOP is required to direct people's actions. However, there are also many areas that are somewhat less obvious. The "Question Log" is a great tool for determining areas that require the structure of an SOP. Here's what to do:

- For a period of 30 days, carry a small note pad with you. Each time a staff member asks you a question (either in person or by phone) you should write that question in your note pad.
- At the end of the 30 days, transfer the questions to a clean sheet of paper and tabulate how many times each question was asked.
- Use the information derived from this exercise to help determine what issues you will address in your SOP.
- Repeat this entire process periodically until nearly all of the questions you are asked are addressed in your SOP. ■

tion to cover. For example, under the heading "Using the Credit Card Machine" you might choose to cover information including: Making a regular sale, What to do if the charge is not approved (including the difference between "call center" and "declined"), How to call the merchant center, The completion and handling of

paperwork, and Error messages and what they mean (and what to do.)

### Step 3: Time To Write

Many SOP documents have to be created by the owner or manager of the business. However, depending on the individual circumstance, there can be some great team-building advantages to creating the SOP with your staff. Individuals with specific areas of competence can write documents relevant to their specialty.

*Hint:* If you are going to share the work, be sure to first write a procedure on writing procedures. Although this may sound crazy, the fact is that you want to create a set of documents that cover information in a particular way. Unless you clearly define that format, you are injecting the same ambiguity that this project is meant to eliminate. By allowing people to contribute their ideas, you might reduce resistance when the SOP is finally introduced.

Include all relevant information that defines the way things should be done. Be sure to also include information on handling issues when things do not go as planned. Finally, it is also helpful to include answers to frequently asked questions (as asked by either customers or staff).

Don't forget to test the documents. Before a document is entered into the SOP book, it must be reviewed by multiple people for accuracy, completeness, and ease of understanding. Changes should be made to assure that the document reflects the way the task or process should be completed in the future.

### Step 4: Introduce The SOP

When a significant number of documents have been completed, it is time to introduce the SOP. A word of advice... don't wait until you have completed the entire document to introduce and begin using it. That level of completion is unlikely to occur in a short time and there is benefit to be derived by the presence of any, even limited, documentation.

### Step 5: Watch It Change

The SOP is a living document. There will always be another SOP to write and there will always be changes to existing SOP's. It is important to change SOP's to reflect the current thinking of your organization rather than simply ignoring the old.

A well-documented company runs better, with

fewer disruptions, than a company whose methods and processes are simply handed down from employee to employee.

In addition, a well-documented company is in a better position to service customers because every staff member feels more empowered to resolve problems instantly based on the guidance provided and their thorough understanding of their allowed discretion.

Finally, a well-documented company often fetches a higher price, should it be sold. This is because the buyer will likely value a highly organized business over one whose organization is less defined. They will also be more comfortable believing that they will be able to step into and understand the existing business. ■