

# Seven steps to STREAMLINE YOUR BUSINESS

Continuous improvement needs to be built into the DNA of a business, whether it be a manufacturing or a service business. Resting on your laurels will simply result in other businesses getting your customers. By **Daniel Lock**

**FOR EVERY STEP** you introduce into a process, the complexity increases exponentially. Actually it increases by the 'square' of the number of steps involved. That is one step has a complexity factor 1 squared = 1. A two-step process has a complexity factor of 2 squared = 4, and ten 'steps' has a complexity factor of 100.

It make sense, if you have a task to make a phone call and you ask someone else to do it, the extra complexity of relaying information and the risk of that person not understanding and making mistakes increases significantly.

So it makes sense to limit the number of steps in any process and thereby decrease complexity. But this is easier than it sounds. In a complicated world, with complicated customer requests, how do you simplify a process quickly and easily? Following is a step-by-step approach to simplifying business.

**1. Map out the current process and ask yourself if there is a better way.** Be willing and open to the possibility that your current approach is wrong — especially when there is some resistance, with lots of mistakes, complaints and errors. Don't slip into believing it is just a mistake and it can be fixed with a better staff member, or more discipline. Think of mistakes as part of the process and a 'systems' problem.

**2. Define the current reality clearly.** By defining the problem exactly, the solution often presents itself easily — or at least the immediate next steps. Be absolutely honest with yourself and your team about each situation exactly as it is today, not the way you wish it might be. Define the scope of the problem; because often we think



*Daniel Lock says the best laid plans will fail to get your business off the ground if your critical success factors are not in place.*

problems are bigger than we think. Also define problems objectively and without blame.

**3. Re-organise the process.** After mapping out the process it should become obvious where and how you can re-organise the process. Processes and functions often evolve over time. Identify which parts of the process are linked to Customer Value Add (CVA) — that is, where they add value directly to the customer and what they will pay for. Identify the

Business Value Add (BVA), that is what the business must do in order to be in business, eg finance, meeting government regulations, and so on. And finally identify and eliminate the Non Value Add (NVA).

**4. Restructure your resources and distribution channels to where you get the most results.** Look for the places where either 80 per cent of the problems or opportunities come from 20 per cent of the causes. In every process I have ever ►

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come across, this relationship exists. Restructure the processes to either deal with or take advantage of those causes.

Continually restructure your activities and resources to those which produce the best results. Concentrate exclusively on the highest and best uses of you time and resources.

**5. Re engineer.** Look for newer, cheaper, faster ways to do certain activities and processes. Introduce technology to do what people previously did, and re-use the people on higher value tasks.

**6. Eliminate.** Simply eliminate all Non Value Adding activities. Eliminate and reduce all waiting times. Often files are only touched for a couple of hours but spend weeks in holding patterns awaiting action. Outsource non-core tasks, this is a form of eliminating.

**7. Implement control plans.** Now you have a new process and business, don't lose the gains you have made. Implement simple and effective control plan and Key Performance Indicators, and explain to

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everyone what they mean. When the process start to go out of kilter, you will know where to look to fix the problem.

Then wash, rinse, and repeat. Move on to the next process and do the same. When the needs of the market change — and they will — then re-visit the processes and amend accordingly.

Finally, remember that timelines are critically important, as customers perceive speed to equal quality. Not to mention they may have signed with another business.

You can begin to implement these steps immediately. These apply to every area of business and no problem is so

complex that it can't be improved. I have worked on incredibly challenging projects and reduced time to complete tasks from 63 days to three and increased quality at the same time. These steps are quite painless and the results are profound and compounding. ●

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