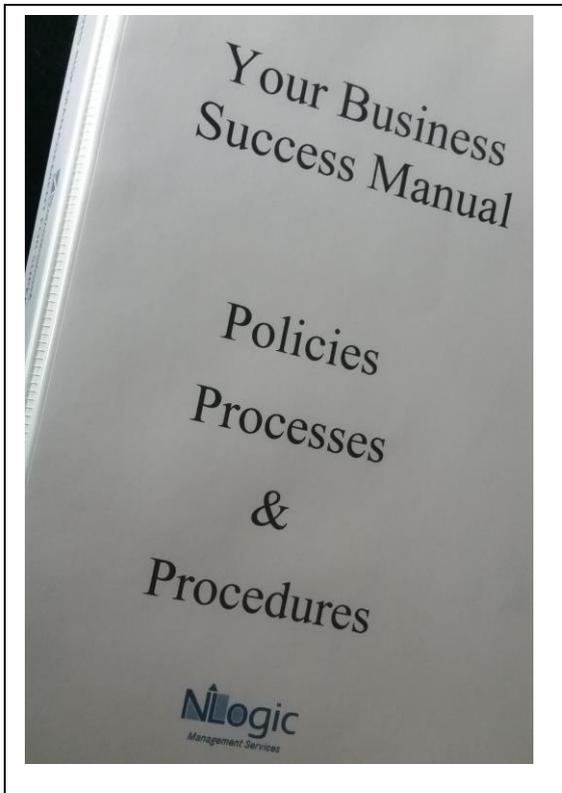


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## **I don't need to follow Procedures – Why the 3Ps are Important?**



As the well-worn cliché goes, if we had a \$1 each time we heard the above comment, we'd be doing ok. In reality, the world of good business depends of good policies, processes and procedures. The ISO9001 accreditation system and many like it, hinge on a business demonstrating that it has workable processes and procedures which are documented, communicated and diligently followed. The main objective is that there is a very high level of confidence that the final result, the product or service, is repeated each time to the required quality. Obviously, there is a lot more to it than this simple statement but it suffices to say that without good policies, processes and procedures, or the 3Ps, it is unlikely the business will have any accreditation to its name. However, accreditation should not be sort for accreditation's sake – many businesses who have done just that have little to show for it except reduced sales. In a competitive world, where quality, pricing, service and productivity need to be at their very best, the 3Ps will help the business gain that advantage and help sustain profitable growth.

Why are the 3Ps so important? We constantly hear;

*"I've survived without them for so long, why do I need them now!"* or

*"I know what I have to do, why do I need a document to tell me that!"* or

*"Producing all these procedures, keeping them updated and forcing people to use them is a huge waste of effort, time and money - for what purpose?"*

These are questions which have been asked and will continually be asked until the end of time, although, if competitors and good managers are doing their job, the frequency will get less. One answer to all of these questions is simply, no you don't need the 3Ps to survive and make a living. The caveat we should put against that is; as long as you have a monopoly, you and your people remain in the business forever, you're content with the status quo, you don't wish to grow, from a WHS&E perspective, you operate in a bubble, and finally, your competitors don't use the 3Ps. If that is your situation, then you're fine. Otherwise, to survive and grow you need the 3Ps. We all live in a democratic society which functions extremely well because of the 3Ps. How many times, have you been in an organisation and you continually hear the questions "what do I do to organise this?" or "who do I see about this?" or "what is the boss's view on smoking, internet use, etc?" In many 3P absent businesses, the way things are done are normally communicated via word of mouth or, if it is difficult to get that help, the employee refers to the manager and hope that he/she is available to help. In addition to the difficulties of finding colleagues and managers with available time to help, there is the added concern that verbal correspondence can often be misunderstood, misinterpreted and very quickly forgotten. So make no mistake, having a good set of 3Ps which are regularly updated, easily communicated and accessible by all employees is a key cornerstone of a professional business.

What exactly are the 3Ps – Policies, Processes and Procedures?

Policies: A policy is an overarching guideline or framework containing principles, values and decisions that the company and its employees will abide by for a particular area/function of the business. The policies of the business align and help drive the strategic direction of the organisation.

Processes: A process is best described as an identified number of inputs coming together in a defined sequence to produce an output. Inputs include labour, material, contractors, plant, etc, whilst the output is a final outcome, typically a product or service. A process is best represented in a flowchart format.

Procedures: They are the specific individual steps required to undertake a defined task. A process may contain many procedures.

In any good business, the 3Ps are a must. Obviously the more complex the business the more rigour and importance should be placed on the 3Ps. However, a word of caution. Business leaders and their managers can at times go too far with the number and amount of detail when formulating the 3Ps. This is unnecessary as it makes the document lengthy, complex and arduous to follow and only achieves in annoying the employees required to follow it. The KISS principle must always be observed when formulating the 3Ps. They must be easily followed, reflect reality and be of benefit to the user.

So how does an organisation go about developing and incorporating the 3Ps into their business? This depends on the size of the organisation, the number of separate functions and obviously the availability of resources to undertake the task. It must also consider how to communicate and access the 3Ps – electronically off a central server that all employees have access to; electronically and hard copy – some employees may not have access to a computer terminal; or hard document only, with the master electronic version centrally controlled by one person or department.

The following are some of the key steps to follow. Please note that this is a much summarised overview and a host of variables will dictate how complex the process becomes:

1. CEO Support. The plan needs support from the highest management position that is the CEO, MD etc. Without that support this important management project will flounder and ultimately fail. It is worth noting that many key personnel need to make time to undertake a task they would rather not to. So it's important that it receives and be seen to receive, continuous support from the top. Regular communication via email, newsletters is strongly recommended.
2. Business Status. Understand where the business is now. Are there any Ps and if so are they documented or are they in employees' heads and verbalised throughout the organisation? This understanding will help determine the size of the task and the steps involved. The following steps assumes that there are very few Ps documented and they're followed because they have been transferred through word of mouth.
3. Project Leader. Nominate a leader to drive the initiative. Ideally, this should be someone from within the organisation in a senior management capacity, has the ability to grasp the technicalities of the business, an eye for detail and is organised. Another good option is to contract an external organisation with industry experience in this discipline who reports through to the CEO.
4. Plan. Develop a plan complete with timeline and the required team to get the job done. The team should consist of personnel directly involved with the task or area which is subject to a 3P. In most instances, these people are frontline and key to the daily operation of the business. There is a good chance that these employees are not good at or in some cases, unwilling to transfer their task to words and onto a document. A resource from within or external to the organisation should be sought to help with extracting the important information and properly scripted to a document.

5. Team Leadership. The leader clearly communicates the plan and timeline to the team and regularly stresses its importance. Meet monthly to ensure progress as per the commitments and timeline.
6. Policy Development. Policies are generally the realm of senior management, typically, the CEO, MD or GM. However, the CEO can seek advice from others with knowledge in the relevant business area or discipline and request they draft a policy. The CEO will review, refine as required and then sign off on the policy and organise it to be communicated to all employees and where required to customers and the public. Processes and procedures normally flow down from policies so they generally come first.
7. Processes. Due to the quantity and variable nature of the inputs, the more complex processes will generally have a team involvement. In this case it is best to flowchart the process and either add notes on the flowchart or have an additional document which describes the steps in words. This detailed analysis of the process will reveal ideas on how to improve the process - a major benefit of this exercise.
8. Procedures. Ideally undertaken by the actual person doing the task however, due to workload and capability, this is not always possible. It should always be compiled with a thorough understanding of what the task is and what it is meant to achieve. In many instances, thinking about the steps involved raises questions and concerns about why it is done a certain way, which in turn seeds ideas for improvement. An outsider's perspective will also throw different ideas on how to improve the task - again, a major benefit of the 3Ps.
9. Communication & Accessibility. The 3Ps must be communicated and easily accessible by all employees. Easy accessibility cannot be overstressed. If they are not accessible there is a temptation not to bother and rely too heavily on memory or what feels right. In a typical organisation, a combination of electronic and hard copy is typically the best method to ensure accessibility. However, as stated above, it does depend on the type of business and how it functions.
10. Training. It's very important that all relevant personnel understand the 3Ps. This is especially important for new employees however, a regular refresher training is recommended every 6 to 12 months.
11. Continuous Business Improvement. Due to growth, downsizing, introduction of new product or service and other factors most businesses undergo change. This means the 3Ps must also be regularly reviewed for relevance. As part of continuous business improvement, new policies, processes or procedures may need to be added.
12. Audits and Measure. A measurement system should be put in place which records and provides feedback on how the 3Ps are working. This system will measure and report on compliance to the 3Ps, business improvement as a result of the 3Ps, what are the productivity gains, employee satisfaction level, etc.
13. It never stops. Ensure a culture of ownership on continuous business improvement and the entire 3P system

Businesses that wish to sustain profitable growth must implement a continuous improvement program with the 3Ps at its core. The 3Ps of Policies, Processes and Procedures allow business to function as a self-governing team, continuing to deliver quality products and services even when the inevitable hiccup occurs such as a key person is sick or on leave or when a new employee joins. Employees are not to blame if they do not have easily accessible and clear guidelines on how to achieve a repeatable quality outcome. The 3Ps come together to form a system of guidelines, owned by the employees and management and which delivers a repeatable quality product or service ensuring continued success for the business.