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Auto Shop Tip #9

Tips for Systemization – Why and How

By Michael Strautman

You have all most likely heard it said that your business should be systemized. Many shop owners overlook this step in business ownership. As a result, they have a business that is highly dependent on them. The purpose of systemization is to create independence of the business. This allows the shop to work for you rather than you working for the shop. I have heard it said that usually, “The cause of every frustration is the absence of a system.” Here are the basic guidelines of building systems to run your business.

The first guideline of systemization is that there is a standardized form you use to build the system. The forms should be clear and concise, making the processes as easy as possible to read, write, and repeat by someone who *knows nothing about the system*. Here are the essential questions that should be answered by such a form.

- **Why?** – Why am I documenting this procedure? Document the business problem we are attempting to solve. Answering this question serves two purposes. Showing the problem before the solution, and showing employees why it is to be completed in this manner.
- **Who?** – Who will be involved in executing this system on a regular basis? This establishes the accountability for the system being executed, not as a blame-placing mechanism, but as an agreement that the employee is accountable to perform the tasks listed as part of the system. This could be a specific name mentioned, or a position in the corporate structure’s accountability.
- **What?** – List key elements of the system so there may be headings for more specific actions. For example, a key element of a financial system would be a budget process, P&L process, cash flow process, and a reconciliation process.
- **How?** – Each heading should then have a list of specific actions as to how the task is to be completed. Notes can also be made with regard even to the spirit in which the task is to be completed.

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Use these principles to begin systemizing your business. Eliminate the guess work with your employees. Take the first steps to having a business that is independent of you. This will give you more time to work “on it” instead of “in it.”

