7 Proven Tips
for Transforming Your
Policies and Procedures
into a
Powerful, Sustainable, Business Improvement System

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Executive Summary

Too bad it often takes a crisis such as a failed project or regulatory sanction to remind organizations how important it is to have clear policies, procedures, and controls in place. CEOs, Managers — even Boards of Directors — are re-evaluating the roles policies and procedures play in their organizations. In today's highly competitive and regulatory business climate, leaving things to guesswork and chance is too risky.

For many businesses, their operating practices and methods are the essence of their competitive advantage. Clear P&Ps enable managers to set boundaries and direction so that everyone can make better decisions. Companies that integrate their P&Ps into everyday life realize improved quality, reduced training/turnover costs, and a more empowered workforce.

The Numbers Don't Lie

Management is often unaware of the impact operational inefficiencies and knowledge transfer problems have on their bottom line.

One 18-person firm was surprised to learn that their cost exposure was over $600,000 annually and that by just improving best practices knowledge transfer by a small amount — 10% — **they could save $60,000 a year!**

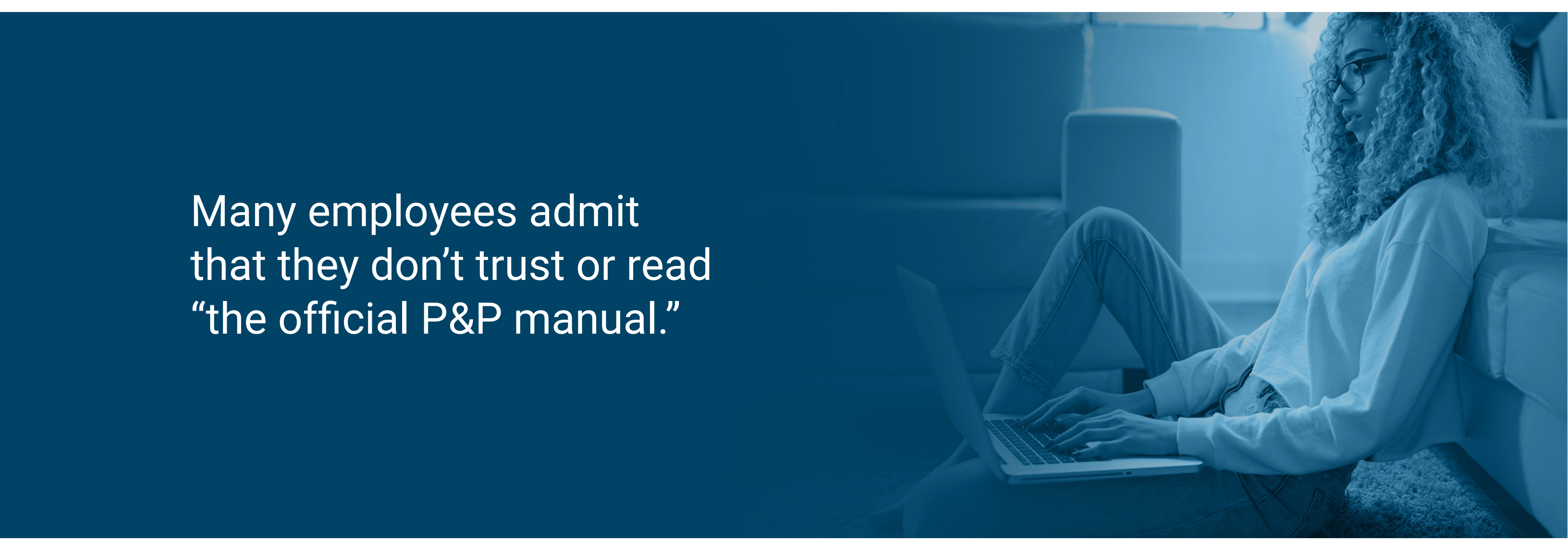
Another example… By "standardizing" a best practice from their star performer, a 5-person workgroup **cut monthly expenses by $30,000.**

The Value of Integrated Policies and Procedures

Even though the potential value proposition is obvious, there is strong evidence that organizations are not getting the results they want from their policies and procedures.

In most organizations:

- Preparing for audits and regulatory examinations is still disruptive and costly.
- Many employees admit that they don't trust or read "the official P&P manual."
- There still exists a high degree of "tribal knowledge" and process variation.
- Many managers are not using their P&Ps to their full advantage.



Why are Businesses Still Struggling?

We will share proven strategies that successful companies like McKesson, State Street Bank, Wellpoint, and Toyota have followed to create efficiencies and improve their businesses. Hopefully, this information will provoke your thinking and present possibilities you may not have considered.

Who Should Read This White Paper?

Executives whose organizations are undergoing significant business change or expansion, those who deal with regulatory compliance, or those looking for new ways to improve productivity and contain costs.

Document Managers, Quality Control Managers, Training Managers, or any business professional involved in improving efficiency, productivity, and consistency.

Management Consultants who specialize in process re-engineering, productivity improvement, or business change management.

Why You May Not Be Getting the Benefits You Should Be from Your P&Ps and What You Can Do About It

Instead of viewing policies and procedures (P&Ps) as a vital tool and game plan to run their business, many managers perceive P&Ps as a necessary evil.

Old-fashioned thinking and misconceptions take people down the wrong path and cost organizations hundreds of thousands of dollars in wasted time and missed opportunities. Many people think of P&P development solely as a writing or a clerical function, when in fact, the very exercise of examining how your business works — or how it should work — allows you to gain a greater understanding of your business and how to address the problems facing it.

In the next section, you'll learn how just **shifting your thinking** about policies and procedures can mean the difference between having an effective system for continuous improvement and hundreds of pages of documents and files that no one wants to read.

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What is Your P&P ROI?
Are Your P&Ps Driving Business Outcomes?

To assess the business value you are getting from your policy and procedures, ask yourself the following questions:

- Does everyone in the organization have easy visibility on how things are done at all levels? Are roles and responsibilities clearly defined?
- Are training costs too high? Is it taking too long to get a new employee productive? Is new employee training taking too much supervisor time?
- Are there areas where you would be at significant risk of incurring high cost or project failure if a key employee left today?
- Are work processes repeatable? Is it easy to shift people from location to location?
- Are managers spending too much time fighting fires, and dealing with mundane issues, instead of mentoring employees and focusing on innovation?
- Is most best practice knowledge still in peoples' heads?
- Are your experts overwhelmed by people constantly asking them for help?
- Can your policies and procedures support operations and address multiple compliance requirements? Or do you have separate efforts for regulatory compliance, operations support, and training?

7 Proven Tips:

For Transforming Your Policies and Procedures into a Powerful Business Improvement System

A shift in thinking will help you create a P&P system that people will want to use and your auditors will love. Instead of focusing on creating documents, create good systems. Instead of just writing up your patient safety policies, create a “Patient Safety System.” Instead of writing software change management procedures, why not design a rock-solid “Change Management System” that truly aligns IT with your business users? It might seem subtle, but it’s an important distinction.

A **system** encapsulates “how we do business and why we’re better than our competition.” If you have a good system, anyone who follows it can get a good result every time. Give it a try; it will change your thinking. You’ll start to see those boring, hard-to-follow policy and procedure manuals transformed into powerful performance improvement systems.

Here are seven more best practices that will improve your results and help you avoid common mistakes.

1. Link your initiative to a specific business outcome
2. Plan for change
3. Infuse quality and standardization — at the beginning
4. Don’t overlook re-engineering opportunities
5. Involve your subject experts directly
6. Leverage P&Ps for multiple initiatives and groups
7. Use the right tool for the job

Tip 1:
Link Your Initiative to a Specific Business Outcome

Most people are so focused on the "work aspects" of writing up P&Ps, they lose sight of WHY they are developing them in the first place. So, **the real value is never communicated** to the team, let alone management! Everyone is told, "Let's get this done so we can get back to our real work." This mindset is common when there is no link to economic value.

Unless you stay focused on the business outcome, the overall initiative loses focus and importance. If management views P&Ps as a low-value task, they probably won't commit the time and resources to do it right, and won't see performance results. **Unless your P&Ps drive performance and profits, why bother?**

A better approach is to shift the focus to how your P&Ps will be used. What performance outcome are you trying to achieve? Is it to train new hires faster? Reduce defects? Roll out a new system? Implement a new regulation? Respond to customer inquiries faster? It's helpful if your desired outcome is something measurable. Examples might be a25% reduction in call handling time, collapsing new-hire training time from five weeks to two weeks, reducing errors by 20%, and so on.

What is the business outcome you want to achieve from your policies and procedures?

Unless your P&Ps drive performance, why bother?

If you let business outcomes drive your efforts, business improvement just happens!

Like magic, focusing on the desired business outcome and less on documentation will render a higher ROI. We've seen that when organizations clearly articulate the value proposition, management's reaction is often: "Why aren't we doing this already?"

Focusing on business outcomes also helps everyone base decisions on objective business results. It also prevents the common trap of basing decisions on personal opinion or "this is how we've always done it before."

Tip 2:
Plan for Change

Change is inevitable, so you should always factor that into your approach. High-level processes might not change often, but even in small organizations, the details typically change a lot — new systems get implemented, companies re-organize, employees come and go, and so on.

Establishing the Right Framework at the Beginning is Key to Managing Change

Rushing out and creating many documents without adequate planning often results in a mess that may be difficult to fix or maintain later. Common mistakes include mixing policy and procedure, creating redundant information, and chaining multiple processes together in long documents.

Designing an easy-to-maintain structure at the beginning in which information is broken down into components will increase usability and ease ongoing maintenance.

Here is a proven approach:

1. Pick one area.
2. Define the specific, measurable business outcome you want to achieve.
3. Map out the high-level process and then break it down into its components.
4. Link to guiding principles, define accountability.
5. Test and modify until you get the desired outcome.

Look at the Long Term

Tunnel vision is a common reason for non-sustainable P&P initiatives. Everyone rushes to meet an immediate deadline, but after the deadline is met, the P&Ps don't get regularly updated. When the next new regulation or project comes along, everyone starts scrambling again. And so, the cycle continues.

This is a tremendous waste of effort and resources. Instead of a one-off project with a specific end date, your P&Ps should be viewed as **your tool for managing ongoing business change and continuous process improvement.**

If You Are Dealing with Regulatory Compliance

Organizations that create P&Ps just to pass the next audit often end up with a deliverable jury-rigged for a specific situation but of little use for anything else. Case in point — one of our clients hired outside consultants to document P&Ps for HIPAA. They followed the HIPAA spec to the letter but did not consider operational use. **This resulted in thousands of wasted dollars for this IT department because** they ended up with P&Ps that no one used and no one updated.

There will always be a new law or regulation coming down the pike. Instead of focusing on a single situation, consider the operational flow first, then layer on regulatory nuances. If you follow this approach, you'll end up with a flexible, sustainable framework that can be easily adapted for anything that comes along.

Tip 3:
Infuse Quality and Standardization at the Beginning

Good systems and procedures further business goals. Bad systems cause errors, frustration, and increase costs. Many organizations are so consumed with getting the documentation done or making documents physically accessible that they completely miss the fact that the actual procedures are confusing or even broken.

Procedure Quality Directly Affects Performance

Quality is the difference between having a powerful business improvement system vs. a stack of documents no one uses. In this context, quality means the ability to cause the desired performance outcome; it's not about document management. (Physical accessibility and management of the information is important but a secondary concern.)

Unless information is useful — people are using it to make better decisions — who cares if it is easy to find? **The true test of quality** is in the use of procedures. If someone unfamiliar with a task can perform the job the right way, with minimal supervision, then you've achieved your quality benchmark.

"Everyone realize[s] the importance of having a motivated, quality workforce and the latest technology, but even the finest people can't perform at their best when the process is not understood or operating at its best."

CMMI Overview, Carnegie Mellon University 2005

Quality Cannot Be an Afterthought

Right from the start, it is essential that you build in controls that will ensure usability and prevent garbage in / garbage out.

- Employing a document management system after the fact can't fix usability problems.
- Putting your documents online as is with a search engine will facilitate physical accessibility, but unless your content is user-friendly, readers will get frustrated.
- Forcing users to scroll through long lists of search engine results or forcing them to read a lot of text to find what they need is extremely unproductive.

Unfortunately, far too many organizations learn this lesson the hard way after they waste hundreds of thousands of dollars developing hard-to-use, poorly-designed content. **Usability and quality come first. Everything else is secondary.**

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Everything else is secondary.

Tip 4:
Don't Overlook Re-Engineering Opportunities

Many organizations don't realize that P&P initiatives can be utilized to drive innovation or reengineer problem areas. For example, you might discover a new way to streamline a complex task. Or you might design a system to address a serious problem. By re-examining detailed workflows, you might discover what errors are causing cash flow problems, or you might gain insight into why some people perform their jobs faster and better than others.

By re-engineering a complicated, error-prone conversion process that took two days, one IT team leader was able to simplify it into a two-hour push-button procedure that anyone on the team could perform. If you are still thinking about creating a P&P system as simply a writing or word-processing activity, you are missing a powerful opportunity to truly understand how your business operates and how you can make it better.

Tip 5:
Involve Subject Matter Experts Directly

We hear excuses all the time — “we don’t have time” or “our people are too highly paid to spend their time on P&Ps.” Considering the traditional paradigm, since most employees don’t end up using the official manual anyway, this reaction is perfectly understandable. But it’s wrong.

You can either pay the price now or later. Think about how many times a day your experts get interrupted by people asking them for help. If your procedures are incomplete, vague, or inaccurate, your subject experts are going to spend a lot of time anyway — answering routine questions, fixing peoples’ mistakes, or putting out fires. How would you rather they spend their time? People are often astounded at the amount of freed-up time they gain by taking time upfront to transfer their know-how and lessons learned.

Contrary to popular belief, **involving subject experts actually reduces overall costs.** It’s more efficient and results in shorter review cycles. Consider how most organizations capture knowledge. Someone either guesses the procedure, or the subject expert dictates the procedure to someone who then writes it up. Then that person must repeatedly go back to the subject experts and get them to review the write-ups, validate accuracy, and plug the inevitable holes.

Even if the expert does invest the necessary review time, the holes may never get plugged. It’s easy to see how this development method is inefficient, impractical, and error prone. A better approach is to give subject matter experts structured interviewing tools so that they easily share critical information and lessons learned. By involving the people who know and perform the work, you have a built-in system for re-evaluating processes and continuously improving processes.

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Tip 6:
Leverage P&Ps Across Multiple Initiatives and Groups

Re-inventing the wheel for every new situation is very costly. With the right framework, you can address compliance, training, and operational needs all at once. By broadening your thinking beyond a narrow project view, you'll get much more value for your effort.

Visualizing processes across functional areas can minimize redundancies and help break through knowledge silos.

By linking high-level processes to detailed responsibilities, employees will feel more empowered because they'll understand their roles and how they fit into the big picture.

Tip 7:
Use the Right Tool for the Job

If you want to make sure your P&Ps will drive improved performance, then you need a specialized approach.

General-purpose tools such as MS WORD and EXCEL can be extremely costly choices in the long run because they lack the built-in controls needed to ensure a deliverable you can manage with and train from. Additionally, word-processing tools have been benchmarked at requiring up to 60% more labor to deploy than specialized tools because they are so clerical and labor-intensive.

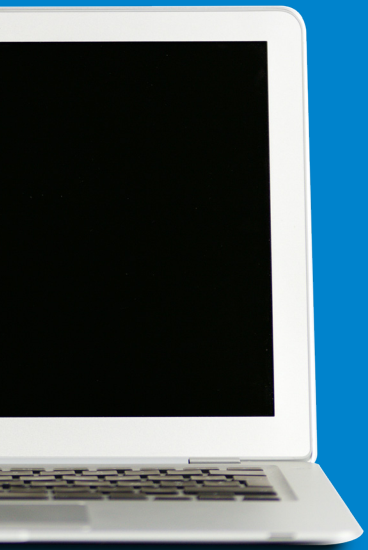
Consider the number of organizations that already own MS Office. Why have so many of them **failed to develop a sustainable system** for transferring policy and procedure information to their workforce? The time and effort needed to successfully deploy general-purpose tools for this application is so great that without extraordinary dedication of staff time and resources, most initiatives fail to meet expectations or deliver results.

Document or content management systems aren't the answer either because they do little to ensure usability or facilitate the thinking through processes. There are hundreds of document management tools on the market today, but few people address planning, development, or ongoing maintenance challenges.

Why Word Processing Templates and Style Sheets Fail as a Standardization Solution

Because standardization has a direct impact on how people work and learn, it is a must-have for any P&P initiative. **Many people mistakenly believe they can achieve standardization with MS Word or a P&P/content management system.** By applying "templates" and style sheets, they can achieve format standardization. In practice, this approach falls short because there is simply no way to ensure or automate the enforcement of standards. Without rigorous, labor-intensive reviews, tracking, and clean-up, the goal of consistency and standardization quickly evaporates.

If you currently use a word processing-based approach, you've probably already run into this problem. Because the enforcement effort is so expensive and often impractical, many organizations abandon the word processing template approach and look for other approaches — after they've invested significant time and resources.



Word processing templates and styles lack the intelligence and controls to:

- **Ensure content completeness.** Is all the right material — tips, nuances, lessons learned — included in a logical and easy-to-follow manner? Are responsibilities defined?
- **Prevent common mistakes.** Is Policy separate from Procedure? Is it easy to follow complex step logic, or are conditions piled up?
- **Ensure standardized terminology.** Are terms and titles used consistently and correctly? Is approved legal language used consistently?

The above are just a few of the standardization and usability issues that provide the highest return on investment yet cannot be enforced through conventional templates or styles.

Other Technology Options

Advanced technology like XML or HTML editors may seem appealing but are not practical for the average business user and can be counter-productive, distracting the content provider from the fundamentals. Flowcharting, Process Mapping, and Business Process Management (BPM) tools are effective for visualizing the big picture but are ineffective in communicating policy or details such as lessons learned, warnings, tips, troubleshooting information, and specific how-to knowledge.

Your optimal approach may require a combination of tools. The bottom-line consideration for any technology evaluation is to keep the focus on the business outcome you want to achieve. **Whatever technology you select must be able to generate a deliverable that people will use, rely on, and learn from; one that enables everyone to make good decisions and improves business performance.**

Summing It Up:

Good outcomes require good systems. If you are still struggling to:

- Train, cross-train staff
- Ramp up for new systems, new contracts, new projects
- Keep up with regulatory compliance
- Reduce quality problems, inefficiencies, and errors
- Prevent brain drain

The status quo is probably not working for you. We can offer a fresh perspective and some new ideas.

Discover how Zavanta can transform your policies and procedure into a powerful business system.

Contact us at sales@comprose.com

About Comprose

We are dedicated to helping people thrive by gaining access to accurate, updated “how to” knowledge anytime, anyplace, in any language.

Everything we do – our method, our software, our advice – is focused on one thing: helping our clients achieve their strategic goals by getting procedural knowledge out of peoples’ heads and shareable.

We’re passionate about the power of good systems and clear standard operating procedures because of the tangible results we’ve seen our customers achieve: agility, reduced operating costs, faster training, predictability, greater transparency.