

Why You Need Procedures

If you analyze your operations you will find people, even seasoned employees, redoing a job. The reason can be incorrect specifications, defective machinery, or the operation was inaccurately performed. In most cases, the reason for the redo is there are no up-to-date, complete (or any) procedures for the work being done or no method to determine problems and correct them. Every redo costs time and money, neither of which you can afford in a competitive market.

Some of the redoes are because the job hasn't been done in a while. More commonly however, redoes are by new employees. The new workers can't remember all the verbal instructions or realize the notes they took left out some important steps—generally because the instructor left them out during the training. That is assuming the person who should have been doing the training was even there when the new employee arrived.

Some redoes don't take much time to fix. Others take a significant time. Some redoes aren't done because the problem isn't caught until it gets to the customer, who decides to rethink who he buys from in the future.

While organizations without procedures or with outdated procedures aren't courting disaster (their lack hopefully won't close the company) they could be courting decreased cash flow, defective products, and poor customer service. So why does a company let this problem occur?

Generally, the reasons appear to be simple.

Jack knows what he's doing; he doesn't need procedures.
Jack knows how to do it and so does his backup.
Jack knows how to do it and he's written procedures.

However, management should ask itself some questions.

- If Jack leaves, or Jack and his backup both leave, how will you transition the job to a new employee?
- If there are written procedures, are all the steps covered? Steps are often left out because actions are done by rote and therefore not remembered or recorded. As a test, have someone write a description of his or her work that you've never done then try to do it.
- Are the procedures up-to-date? Does the procedure really reflect what is being done?
- Does the procedure help you identify where a defect or breakdown might occur and how to fix the problem? Or even how to prevent problems.
- If you have procedures and resolved problems aren't staying resolved, why aren't people doing what they're supposed to do? Could the procedure be.....wrong?
- Can the job steps be easily analyzed to find improvement opportunities?
- If your operations are governed by regulations, does the operation really follow the regulation? If you have numerous problems or defects that can be traced back to the same root cause, is it misunderstanding of the regulation, an improperly developed operation, or a poorly written procedure?
- Is the operation efficient and effective? Are you getting the best possible results at the lowest cost? Can you even tell?

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- Does the operation contribute value? If what's being done doesn't support business objectives, why is it being done?

If answers to these questions aren't positive, it's time to look at what procedures you have or don't have, how well each covers the related operation, and where they can be improved to make the operation more cost-efficient and effective.

One way to analyze the viability of your procedures is to list your major operations then draw a map showing their sequencing and interaction to the final output. From this you can then list the steps in each operation and determine what has been documented. To ensure all activities are identified, a process map, also called a flow chart, will show where decisions cause branches in the flow revealing overlapping or unnecessary actions. Besides providing a road map to improve operations, process maps are great substitutes for written procedures because, yes, a picture is worth a thousand words.

By looking at your company both from the top down and the bottom up, you can:

- Determine what procedures or work instructions are missing or out-of-date.
- Provide a baseline of what it is you really do, documented or not, followed or not, effective or not.
- See critical activity points where objectives can be developed to measure that the process is being performed correctly or to catch failure before it causes irreparable damage.
- Determine if the process is meeting business goals or if it's needed at all.
- Provide a common understanding for employees on their contribution to the process' inputs and outputs.
- Assign responsibility and accountability at critical points in the process.
- Identify other process owners impacting your processes and how you impact others.
- More readily recognize the upstream causes for downstream errors.

Once you've developed a clear picture on how the company operates, you might want to use more sophisticated process improvement methods, such as business process reengineering, ISO 9000, etc. to do the work more efficiently or with less errors or to better satisfy your customers. Studies have demonstrated that eliminating defects at the customer level costs 1000% more than eliminating them at the design stage. Isn't that a good enough reason to ensure your operations are documented properly from the start?

Don't be like the company whose business was sterilizing packages with radiation and as part of their emergency shut-down procedure had:

Enter time in log, notify supervisor, shut down processor.

Nuclear winter, here we come!