The No-Fuss Guide to

Making (and Using!) Standard Operating Procedures (SOPs)

By Gwenn Aspen

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About the Author

Gwenn Aspen is the co-founder and president of Anequim.

Anequim helps property management companies be more efficient and successful through a variety of service offerings. From sourcing and managing professional remote labor from Mexico, to Rent Manager Call Center and Anequim Office Services, Anequim is able to provide game changing results to its clients. She is also co-host of the Bootstrappers Show which releases weekly episodes on Apple Podcasts, Spotify and Youtube. Gwenn was a founder of Wistar Group property management company in Omaha, Nebraska which manages 1,200+ doors. She continues to serve on Wistar Group's board. Gwenn has a background in the healthcare industry and is a graduate of the University of Michigan.

In This Guide:

Introduction:

If you have been to a business conference lately, someone has gotten on stage and proselytized at length on the benefits of having standard operating procedures (SOPs) in your organization. They talk about how you can sell your business for far more money, how you can hand off tasks that are below your pay grade, how much easier training new people is, etc. You know the drill. We all know processes and procedures are good for us. It's right up there with advice on eating healthy, exercising and getting enough sleep. We know we should do it, but we struggle to implement real change.

This guide will give you tips, tricks and strategies for creating a process- and procedure-driven company that can really scale. It will provide you with a road map of how to create change that lasts. Specifically, you will learn:

- How to motivate yourself to actually create processes and procedures
- Why commitment is essential for success
- What organizational strategies are best practices
- Tips on how to actually get your SOPs written down
- How to use them to create a culture of accountability
- How to keep SOPs up to date

SOPs: What's in It for YOU

It can feel overwhelming to think about adding another gigantic task to your to-do list like creating an entire manual for your business, but here are some things to think about to improve your motivation.

Prevent Hostage Situations (Where You're the Hostage)

If you do not have an SOP manual, you are at the mercy of your employees, and they can and will hold you hostage. They can hoard information and then blackmail you into paying them way too much. They can be rude, even abusive, and power trip all over you because they know you cannot function without them. You may find yourself at the mercy of a toxic employee that sucks the lifeblood out of you every single day, but that you need in order to remain operational… that's the fear anyway.

Like it or not, if you prefer to avoid any of these situations you must have usable Standard Operating Procedures written down and deployable. Use your post-traumatic stress associated with any of these terrible past experiences as a continual reminder to keep you on track with your manual.

Stop Working Below Your Pay Grade

Do you have to consistently complete work that is menial, mindless, that you hate because you do not have processes or procedures nor the time to train someone else to do the task at hand? There are time-usage apps that can show you how much time you are spending on tasks that are just not worth your time. Think about never having to do your least-favorite, most-hated task again and use that as motivation.

Start Earning Compound Interest on Your Time

Let's say there is a task that takes you five hours a week to complete, and you spend 10 hours writing it down, taking screenshots and organizing it in your manual, and then you hand it off to someone else. Over a year, you save yourself about a month's worth of work (31.5 eight-hour days to be exact). What will your business look like if you do that over and over again? What projects that actually transform your business would you be able to accomplish if you had that extra time for deep thought, analysis and development? How would implementing those projects transform your business in 5 years? In 10 years? Can you really afford NOT to have processes and procedures?
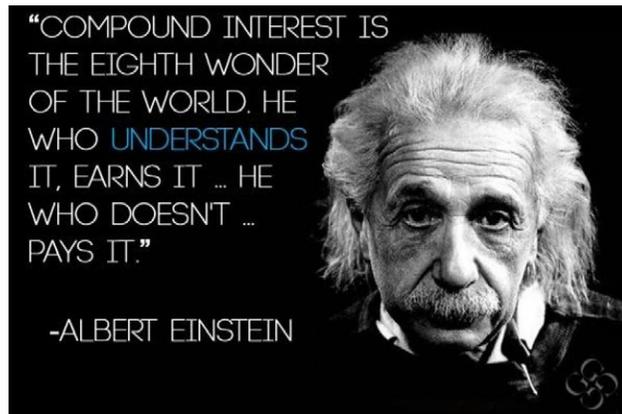
A Consistent Product/Service:The Gift That Keeps on Giving

When your company truly operates using processes and procedures you have a consistent product or service going out the door which will allow you to have more confidence in your business and in your ability to lead. This will cause you to naturally receive an increase in positive online reviews and good references, and it will help you grow your business faster.

The Single Most Important Factor

Before you do one minute of work to make your SOPs, here's an important reality check: Are you fully committed?

SOPs Are Not a One-Time Project

Many people think about creating processes and procedures as a project, but it isn't a mere one and done activity, it is a way of being. It is a culture. If you are not 100% on board with operating your business via processes and procedures, you may not want to embark on the project at all because it is very time consuming and every procedure will be outdated within a few months if you do not actively manage them real-time.

If you create SOPs and then forget about them, then they are worthless and the project ended up being an abject waste of time. In order for your company to operate like a machine, processes and procedures need to be referred to and used on a daily basis.

When people are given feedback, you give it based on if they are following the procedure or not. In best practices, the procedures are to be referred to during quality audits, job reviews and when something goes wrong.

This is so important because when an employee knows their job performance is based on the SOPS they are expected to follow, they end up embracing them too. Following the procedures and updating them when necessary is the best way to show that they are competent. This creates a culture of accountability not just from the owners or managers, but from the employees themselves.

SOPs Get to the Heart of Your Management

To be a real process- and procedure-based company, you will have to change how you manage. Your team will have to change the way they interact and relate to one another. In return, you will have ample ammo to let go of low performers ("you are not following your procedures"), and you will have less chaos because your team knows exactly what they are responsible for and how to do it, so there are fewer instances when you are putting out fires. Fewer angry customers, and less drama. This means that you have even MORE time to work on your business instead of in it (compound interest strikes again). My team knows that every time they tell me they fixed something in their department, the follow-up question is, "Is it updated in **Sweet Process** (our process software)?"

So you have to decide if being an SOP-driven company is how you want to conduct business. It can be such a drastic change for some people, but if you keep your end goals in mind (Do you want to sell your business at some point? Make a certain amount of money annually? Grow into other markets?) and you are obsessed with it, then the transition is manageable and certainly worth it.

How to Get Started

Design Elements To Consider at the Beginning of the SOP Creation Project

1) Determine how you are going to organize your procedures
Processes are a grouping of procedures. Are you going to organize them by department? By life cycle (life cycle of an employee, customer, resident, etc.)? Or by role/job description? You can view your procedures in several ways, but it is important to determine this on the front end.

2) You need a procedure for managing your procedures
Just like your closet gets messy if you don't put things back in defined places, your processes and procedures will get out of control in a hot second without boundaries and a maintenance procedure. Who gets to write procedures in each department? Who gets to approve them? What is the process to submit them for approval? Who gets to edit them after they are created and what is the editing process? Defining this at the front end will prevent you from having a giant, overwhelming cleanup project in the future. Who gets access to the procedures and how is access managed? Are you going to have a documents control person who audits processes and procedures for consistency, clarity and comprehensiveness?

3) Create a glossary
Be deliberate about your vernacular and do it consistently — are they "customers" or "clients"? Are there "teammates" or "employees"? What do the acronyms mean? As you build your processes, add to the glossary. Additionally, define what constitutes a procedure vs. a process.

4) Pick a platform

It could be as simple as Google Docs, or you could use **Sweet Process** or **Process Street** or a number of other software platforms. Keep in mind this is a significant choice you are making because to switch later means you will encounter significant pain. Choose wisely, but don't let it prevent you from taking action. One key aspect of whatever platform you choose should be that it notifies the owner of the document that changes were made automatically. Additionally take care to recognize how different software programs utilize nesting functions and organizational layout. How are you going to be able to see all the procedures related to one job, or one department? This is a key consideration when determining which software to use.

5) Make some formatting decisions

Make sure that you format your processes and procedures in the same way. Are you going to start with a paragraph about purpose? Are you going to hyperlink to other procedures that come before and after that procedure? Make sure each process and procedure look consistent between departments and document authors.

6) Define how you are going to handle passwords

Where in the procedures/processes are the passwords? Do you use a **password management tool**?

Getting Your SOPs Written Down

We're doin' it NOW!

- Block time on your calendar and the calendar of anyone else working on this project for creating procedures/processes.

- Train your staff on the new platform you've selected by showing them a simple example you have already created.

- Have your staff write their job descriptions and list the procedures they are following.

- Compile a master list of procedures that need to be written down and completed.

- Outline the order in which you are going to tackle the procedures with due dates for each one and a point person who will write it. Mapping out the project helps it get finished on time and creates accountability.

- Make sure you define triggers for all of the procedures. What is going to kick off this procedure or process? Is there an action in your computer system? An email notification? A calendar invite? Triggers need to be defined for every procedure.

- Don't forget about the policies! Policies are a set of standards and expectations rather than operational tasks. They are the responses to things such as, what is your dress code? How soon do emails have to be responded to? What is your policy regarding using your cell phone for business calls? Do people clock out for lunch? What are your expectations for using company vehicles? What are the consequences for not behaving in accordance to the standards and expectations? These policies play a big role in culture so they are as important as the SOPs.

- If you endeavor to write your SOPS and do not complete this task in 6 months, then it is safe to say it likely won't get completed unless you

manage the project differently. Maybe make a new point person to head up the project. Maybe pay a consultant or technical writer to get the initial procedures and processes done. If this is a true goal of yours and it makes no headway in a manageable timeframe, it won't happen unless something significantly different is done with the project management.

Pro Tip: Have Each Employee Create their Own Job Description (& SOPs)

In process- and procedure-driven companies, I find it fantastic to have an internal job description that hyperlinks all the processes and procedures that the individual is responsible for throughout the SOPs. This way if the person ever leaves, then you know exactly what procedures you need to hand off to others to ensure that tasks still get completed. Additionally, when you have your annual or quarterly review, you can easily review the list of processes and procedures and make sure they are up to date and the job description is an accurate reflection of the role functions. Regular reviews of these job manuals prevents anyone from hoarding information.

Prepare to Enjoy a "Culture of Accountability"

The Rollout Matters

Once your initial processes and procedures are written down you will have to effectively communicate subsequent changes. The success of a procedural change really depends on how a rollout is executed. For small changes, you can simply send out an email, or if you house all changes in a computer system, a weekly/monthly report that goes out to everyone can signal and explain what is new or different. For bigger changes, people need to see, do and then be supervised doing the new task themselves. Then a follow up is necessary to ensure that they are not reverting back to old ways. If you can measure the task, have a measurable that the person is responsible to report on every week that is dependent on them completing the new task in the prescribed way.

For instance, say your company has an unruly list of service orders in its computer system because an employee has habitually neglected to close out completed tickets. You want to set a new precedent that from now on the list must be clean and orderly. Once you clean up the list and roll out the new expectation, then require a weekly or monthly report on the number of open and recently closed service orders at least until you are confident the new habit has taken hold. Procedural outcomes should be reportable and watched by managers.

People inherently go back to the way they were doing things before unless you roll out the written procedure officially, confirm those responsible will do it the new way, and then follow up that it is done.

Use Your SOPs in the Feedback Process

Whenever you are giving feedback to an employee, review the process or procedure and show them from the document where they went wrong. If the process/procedure is vague or not accurate, these moments are a good time to change the procedure to more accurately reflect reality. If the process/procedure is accurate, your employee is expected to follow it. Not following the procedure if it is clear, they have been trained and have the right tools to do it, is not acceptable and can result in disciplinary action. This prevents anyone from saying, "Well, so and so told me to do it this way (i.e. the wrong way)." It also prevents drama or any accusation of favoritism and adds to a healthy work culture.

How to Keep Your SOPs Up to Date

Don't shoot the messenger, but the real work begins after you have created the initial manual. It takes time, energy and focus to keep processes and procedures up to date so that they are relevant, act as a training manual and hold people accountable for their work. There is nothing more demoralizing than seeing your manual turn into a tangled ball of yarn that is unruly and unmanageable, especially after you spent countless hours thoughtfully devising it with a coherent organizational structure and nomenclature. Yet, this is exactly what happens if managers are not held accountable for their departments' SOPs and the documents are not managed well.

How do you prevent this from happening?

Training. When you onboard anyone, they should receive training on how the SOPs are organized. This includes training on how the SOPs are kept up to date and how the individual being hired will be responsible for maintaining them and working with them.

Managers MUST get on board. Managers have to realize that the business will not grow if there are not good SOPs in place. There are two misunderstandings about SOPs that prevent managers from getting on board.

The first misconception is that people think that hoarding information gives them job security, but this is an impoverished mindset. This mindset reveals the belief that the business will not grow, since only in a no-growth business will hoarding information keep a person in their current role. If the business is growing by leaps and bounds, an information-hoarding manager's department will not grow and any individual in it will not grow

either, since they won't be able to onboard people quickly and efficiently — which requires a manual. So if people really want personal and professional growth, they should welcome the sharing of information and the creation of SOPs because it acts like a highway getting them to where they want to go with a road map for all those who will need to be hired underneath their hierarchy.

The other misconception is that process- and procedure-driven organizations are old and stodgy, slow moving and ancient. People always think of beacons of business past, like Kodak, Enron and Standard Oil, which were sticklers for SOPs. But nothing can be further from the truth. What private equity firms and investment banks want to see is that you have a manual to quickly reproduce and scale results. Due to this pressure, the best and most sophisticated companies, companies that move fast and break traditions and norms, are obsessed with manuals and SOPs.

If you have a manager who just cannot get on board with SOPs and your goal is to grow, to become more sophisticated and make your business worth more, you should really ask yourself if this individual is going to help you move your business to the next level. Sometimes a parting of ways is in order for the ultimate success of your organization.

Every year, review a department's SOPs to make sure they are up to date.
Review the job description of the individuals in the department. The job description should have hyperlinks to each procedure they are responsible for. The manager should review each one and make sure that is actually how the individual is doing their job. Look in the computer system to verify it is really happening. Are the lists of tasks up to date? Do the numbers match up? Are there notes in the system where there should be notes? Are there messy logs or lists? Do a deep dive. If there are discrepancies, have the individual fix the procedure. Managers should follow up and make sure it gets done. Having their SOPs up to date should be part of the process to determine if they get a pay increase or not.

As you scale, consider appointing someone to be in charge of document integrity. This person goes from department to department, ensuring the integrity of the procedures and processes. They are charged with making sure the documents are in line with what is actually happening in the business, as well as keeping the standards for formatting, structure and nomenclature in line with current practices.

Life After SOPs

I once had a business coach ask me if I was selfish. I looked at him confused and insulted and said that no, I don't think of myself as selfish. He told me that when I don't give up the tasks that others could do, I rob them of learning and growth experiences and actually it is an act of selfishness.

I think of this often as we scale and grow our businesses. Creating processes and procedures is the mode with which we can give more opportunities to our teammates, and in that act we are telling them we believe in them and believe in their ability to expand their business acumen. This act of giving more responsibilities within the guardrails of processes and procedures is an unselfish act that gives back to our employees.

If we don't create processes and procedures, we end up doing a lot of the tasks ourselves. Processes and procedures allow our business to grow more rapidly and provide a framework where more people can learn and be held accountable for more difficult tasks. Both of these mean personal and professional growth for our team. They also allow business owners to spend more time on strategic planning and analyzing the business to help it grow and succeed.

Hopefully, after reading this guide, you can see how absolutely transformative becoming a process- and procedure-driven company can be for your business. It takes it from feeling chaotic, dramatic and disorganized and creates a culture of accountability, structure and positivity. It allows you to move fast on letting go of bad actors or toxic employees. It eliminates any ambiguity of what is expected of the team and helps the team move faster on projects that keep the business buzzing with excitement and creativity. Everyone knows the rules and expectations, and that makes people happy. So there is no better time to remake your company culture than the present. Start today and watch your future brighten faster than you ever imagined.

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