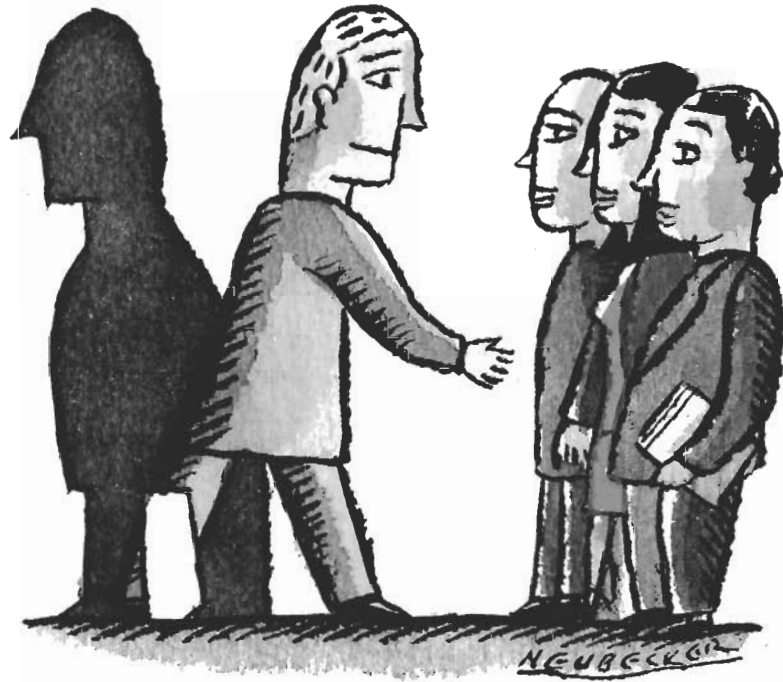# CREATING a BUSINESS PROCESS FLOW

Hiring another 'right person' is usually not the key to success, while establishing a solid business structure usually is. **by Susan Sipe**

Five years into their system integration business and with business brimming with sales, the owners of one custom installation company recognized that they were running out of hours in the day. Both of them were used to working hard but didn't see keeping this pace up for another five years. Their goal was to build a company that they could grow and possibly even sell?

They had meetings, set goals, even bought software. So why was it that they were still working many long days and feeling as though they were tied to the office? The thought occurred to them that maybe they were micro-managing.

They delegated areas of responsibility to their ready and willing staff. They decided they would hire highly qualified people in key management positions starting with a new bookkeeper, who was a licensed CPA; they hired an operations director with experience managing 50 cable techs, even went so far as to bring on an engineer who had extensive CAD training. Hiring the "right person" for the job is the key to success … right?

There were improvements in the business; however, it seemed as though everyone had their own ideas of how their department should run. Management meetings weren't resolving the lack of coordination nor were they working fewer hours. On the contrary, they were working more. To make matters worse their profits were dropping.

The owners started asking the hard questions: What's the problem? Where's the problem? Who's the problem? Sales said operations wasn't coordinating the jobs, resulting in labor overruns; Operations said they weren't getting updated information from engineering; Accounting said

| Management

Business Process Flow Chart

Client's perception of "The Product" they purchased is formed by their experience of our Business Processes

SOURCE: ABACUS PRIME LLC
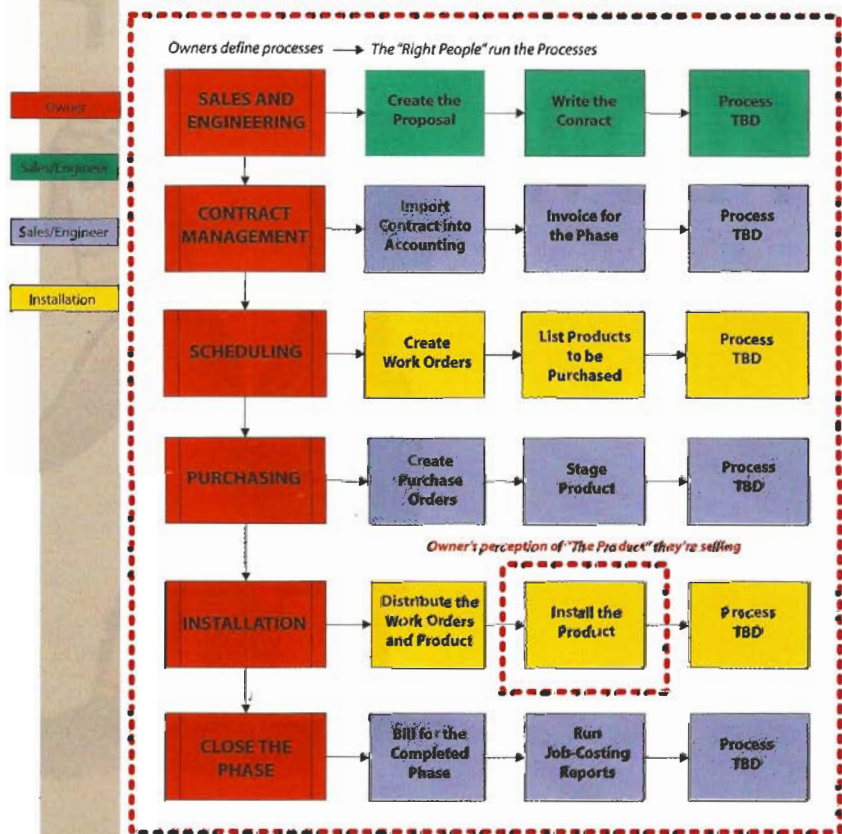
When you look at your custom installation business, most integrators do not realize that the installation of the products is actually a very small part of their overall business operation (circled with red dotted line). The actual "product" being purchased by a customer encompasses all of your operational services, including sales and engineering, contract management, scheduling, purchasing and more.

that sales were giving away profits.

Still not knowing what to do, and with profits at their lowest level, they decided to cut back on and reassess the staff. The engineer was the first one to go, with the thought that the sales staff really needed to design its own jobs. Operations quit from the frustration and stress. Accounting, on the other hand, continued producing its financial reports, but the reports weren't correct, so the department was ultimately replaced with an outsourced payroll service or a basic bookkeeper.

Just as the Small Business Operator (SBO) experiences frustration, so too does the client. In this case, when the technician did arrive, he didn't have all the equipment and wasn't available to finish the job for another week. This of course upset the client. Later, the client was surprised to receive an invoice for change orders months after the work had been completed. And even though it appeared everything had been installed correctly and was working, he wondered if there was going to be any other surprises.

Creating a Business Process

If all those problems sound familiar, you're in good company. Small Business Operators (SBOs) assume that everyone has a general understanding of how the system integration business works — and they probably do. However, they have their own definition. The SBO believes that the (next) "right person" will bring both the skill and the process necessary to get their work done. Frustration occurs as each "right person" attempts to define his or her processes before the overall processes are defined.

By defining and printing the "what," "who" and "when" for ALL the processes, an SBO has more fully communicated his company's business model. Now with the processes defined, the "right person" will understand the business owner's expectations and can further define the process for their area.

Most integrators believe that their "product" is the installation of equipment. However, the customer perceives "the product" to be much more than just the installation. He sees the overall experience, the result of the integrator's sales/engineering, contract management, scheduling, purchasing, installation and customer support to be the actual "product."

How much detail does the business owner need to provide in his process plan? Each clarification will take the company one step closer to successfully and consistently executing the company's processes.

A clearly defined processes will enable the SBO to accurately identify the forms, software, time, skills and the "right people" necessary to execute their business processes. Determining what you need before you set out getting it is a wise way to operate. CE Pro

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How to Overcome Negative Perceptions

Beyond just the quality of the installation and the functionality of the technology itself, customers can form a perception about your integration business from several "minor" flaws in your business process. Here are three common client perceptions and how to overcome those impressions.

Sales/Engineering Process
PROBLEM: Client waits a week for a proposal, forming a negative impression
RESOLUTION: Client is given a budget in their first meeting, forming a positive impression

Contract Management Process
PROBLEM: Client is confused by his or her invoice, forming a negative impression.
RESOLUTION: Client receives a bill matching the payment schedule they signed, leaving a positive impression.

Scheduling Process
PROBLEM: Client is calling because they don't know when you'll be showing up, leaving a negative impression
RESOLUTION: Client is called a week in advance to confirm the schedule, leaving a positive impression.

It is the responsibility of the SBO to define the business-process flow of his company and build their business model. The business-process model will also embody "the product" they are truly selling. (see diagram) Business Models can be repeated and run without the owner present. The owner has now created something they can sell or franchise or maybe just take a well-deserved vacation.