

Business Operations

The Need for a Company Operations Manual

Introduction

This Article explains the need for a Company Operations Manual, it is directed at smaller companies. Larger companies have already seen the need and produced one, or they wouldn't be larger companies.

What is a Company Operations Manual?

A Company Operations Manual is a document describing the processes, systems, procedures, and the philosophy and concepts used to run a business. The information is presented in a logical and straight forward manner, allowing the information to be easily located and understood.

What does a Company Operations Manual look like?

Most people envision a huge set of three ring binders, and a Company Operations Manual can be just that - but it doesn't have to be. More likely it will be a single book bound in some manner. Or perhaps an intranet web site from which various policies and procedures can be viewed.

The appearance depends greatly on the size and complexity of the business and on the technology available. The document must be of a size and form that allows people to use it when needed.

What's the need for a Company Operations Manual?

Every company that wants to stay in business and grow needs a Company Operations Manual. The degree of need varies with the nature of the business, some can survive with out one, most can not grow without one, all would be better off with one.

In many small companies most of the "how to" knowledge is carried around in the head of one person. This knowledge is deeply understood and ready for immediate use - so long as that head is healthy and available. Capturing this knowledge in a Company Operations manual allows another competent person to "step in" should the key person be incapacitated - or just want a vacation. In the event of the death of the key person an effective Company Operations Manual could be of tremendous value. It could well be the difference between a family inheriting an on-going business that will provide an income stream into the future, or being left with a growing pile of bills.

To grow beyond a single location every company will need a set of rules and communications requirements. If these are written down, they become part of a defacto Company Operations Manual, if they are not, they become a source of "finger pointing" each time something goes wrong. Opening a new location and merging it into the on-going operations is never simple, but it can be made easier if the processes are thought out before hand and written down. There will probably still be problems, but they can be blamed on the procedures - then the procedures can be changed and moral maintained.

A Company Operations Manual can benefit a company simply by it's production.

Producing the manual requires that existing processes and procedures be re-examined, questioned, and identified. Who does what? When? By what authority? What do they need to do it? What happens if they don't? How long does it take? Just going through the process often uncovers inefficiencies, double work, bottlenecks, and vulnerabilities. The examination itself can be worthwhile.

A Company Operations Manual can be a valuable tool when implementing changes in a company. Things do change; markets, products, production capabilities, delivery capabilities, suppliers, laws and regulations, etc. When change is necessary a Company Operations Manual acts as a reference map in determining what has to be changed and what can be left the same.

Employee moral can be improved by a Company Operations Manual if properly done. Arguably the single most important factor in employee moral is employees knowing what is expected of them. A good Company Operations Manual can provide that knowledge - even more so if the employees feel they had some input into the manual.

As a basic training tool few things can beat a Company Operations Manual. It can provide new employees with the concept of the business, a perspective of their part in it, and details of the things expected of them - all in one place.

Summary

Every company would be better off with a Company Operations Manual, it provides the following benefits:

- More Security - the operational knowledge is captured for others to share.
- Easier Growth - established and known procedures lessen the pain of growth.
- Greater Efficiency - the review process can point out inefficiencies.
- Easier Changes - the manual acts as a blue print on which to base changes.
- Higher Moral - employees can see the whole picture and know what is expected of them.
- Better Training - the document is a great basic training tool.

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