Where’s the Real Business Value in SOPs?

When the topic of “Standard Operating Procedures” (SOPs) comes up most people immediately fall into one of two camps: “lovers” and “haters.” For every quality manager, auditor, process consultant, training director and COO who views clear SOPs as the bedrock of efficiency and organizational success, there are just as many if not more “haters” out there. Instead of viewing SOPs as a vital tool and “game plan” to manage and improve their operations, many managers perceive SOPs as, at best, a “necessary evil.” You may be one of them—especially if you’ve watched your organization spend colossal sums of staff time and money creating convoluted, incomprehensible operations manuals and SOPs that only confuse, frustrate, and confound their employees. Despite investing significant time, money and staff resources, many corporate SOP manuals end up unusable, unreadable, and sometimes even dangerous! If you ask, “Where’s the business value in that?,” you’ve got a good point. You might ask, “WHY do it at all? Should we just stop?”

SOPs Started as a Way to Prevent Train wrecks—literally!

To answer that question, it’s interesting to consider where the whole idea began. Have you ever wondered who started writing SOP manuals in the first place and why?

Well in America at least, it was the railroads—and they did it literally as a way to prevent train wrecks. That’s what scholar JoAnne Yates discovered in her book *Control Through Communication: The Rise of System in American Management*.

Starting in the 1890s, the railroads and later manufacturing firms “sought to achieve better control of business processes and outcomes by imposing system through controlled communication.” (xvii). In seeking ways of improving safety and efficiency, these industries pioneered the practice of *writing standardized policies and procedures down* and sharing standard best practices.
No one had done that before!

By creating standard operating policies and procedures—and distributing them to all employees—the railroads found they could **better coordinate and standardize their operations**—and thus prevent major problems (aka train wrecks!) as their operations grew increasingly complex and geographically spread out.

There’s a lot of business value in that!

Modern organizations need standardized operations and clear SOPs as much today as they did back in the 19th and 20th centuries. The technology has sure changed, but the core needs have not.

Modern life and modern organizations are far too complex and fast-paced to navigate by trial and error. According to estimates, average American workers have to make more than 10,000 separate decisions every single workday. Researchers at Cornell University discovered Americans average 200 separate decisions every day just about food. No wonder people need guidance, a roadmap to the goal.

Without instructions, “trial and error” is pretty much all we’ve got to go by—but trial and error is “messy,” slow, and sometimes even fatal!

**Good systems clearly communicated are still the key to operations success and avoiding business “train wrecks.”**

SOPs that real people can access, understand and use really do deliver big business benefits. Good SOPs improve people performance, reduce errors reduce risk, reduce costs, ensure regulatory compliance and ultimately improve profits.

That’s why the “lovers” love SOPs! **SOPs CAN be incredibly practical and powerful tools to transform business results.**

The point the “haters” still have is that SOPs don’t always succeed.
How to avoid the “epic fail” when it comes to SOPs

Even though the potential value proposition is obvious, far too many organizations are NOT getting the results they want from their SOPs. Their SOPs and corporate operations manuals don’t deliver.

Why is it that?

Most people are so focused on the “clerical aspects” of writing up SOPs, 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 in situations where 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 SOPs as a low-value task, they probably won’t commit the time and resources to doing it right--and so won’t see performance results.

A better approach is to shift the focus to how your SOPs will be used.

What performance outcome are you trying to achieve?

- Standardize work practices across locations?
- 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: 25% reduction in call handling time, collapsing new-hire training time from 5 weeks to 2 weeks, and so on.

What is the business outcome you want to achieve from your SOPs?

Unless your SOPs drive performance, why bother?
To assess the effectiveness of your approach to SOPs, ask the following questions:

1. Does everyone in the organization have easy visibility on how things are done at all levels?
2. Are roles and responsibilities clearly defined?
3. Are work processes repeatable?
4. Is it easy to shift people from location to location?
5. Can your policies and procedures support operations as well as address multiple compliance requirements?
6. Is best practices knowledge still in peoples’ heads?
7. Are your “experts” overwhelmed by people constantly asking them for help?
8. Are training costs too high? Is it taking too long to get a new employee productive?
9. Is new employee training taking too much supervisor time?
10. Are managers spending too much time fighting fires, dealing with mundane issues, instead of mentoring employees and focusing on innovation?

Unless you can say **YES** to questions 1-5 and **NO** to questions 6-10 you are NOT getting the business benefits you should be from your company’s SOPs.

**A simple shift in thinking will help you create an SOP system that people will want to use and your auditors will love.**

Instead of focusing on creating documents, create “good systems.” If you have a good system, anyone who follows it can get a good result every time. Capture those systems into clear, reader-friendly SOPs and make them easily accessible to employees as aids to their work. You’ll quickly start to see those confounding, hard-to-follow, waste of time SOP manuals transformed into powerful performance improvement systems. Now that is something to love!

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*COMPROSE’s Zavanta software enables organizations to build GOOD SOP systems intentionally designed to improve employee performance and reduce training costs. To watch the Zavanta feature demos, visit:*  
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