

The Power of SOPs Pt 2 – How to Create Your Own Effective SOP's

By Dave Luehr | 17 April 2020

In [Part 1 of the Power of SOPs](#), I wrote about how business owners and managers can – and should – use standard operating procedures to build a systems-driven business that prevents the business from running them. ([See that article here.](#)) In this article, I am going to provide specific tips on how shops can create their own simple, yet effective, SOPs.

To start off, let's discuss 8 keys to an effective procedure. Shop leaders can use these simple guidelines to construct new SOPs or to critique existing ones.

Good procedures...

1. Always add value to the customer.

In the world of “lean thinking” every good value stream or system begins with the customer in mind. When creating a process or procedure, it is wise to always ask, “How will this affect the customer?” Or, “How does this add value to the customer and what they are willing to pay for?”

2. Remove unnecessary waste from the system.

Far too many businesspeople add unnecessary policies and procedures to address some remote problematic instance that happened 15 years ago! This non-essential waste frustrates most employees, making them jump through extra hoops and feel both incompetent and incapable of making some decisions on their own. It needs to end.

3. Challenge your thinking on necessary operations.

How often do people just follow policies and procedures without ever questioning why it was originally put in place? Ever heard the story of ‘Grandma’s Ham’? No? Read this article, then ask, ‘why do we do things the way we are currently doing them?’ Challenge old beliefs and policies daily!

4. Direct solutions to the root problems, not the symptoms.

At Elite, our team as well as our clients use a 4-Step SOP Procedure ([download here](#)) that helps us dig into problems a little deeper to discover the underlying cause. Too many businesses rely on SOP Manuals that are ridiculously laden with convoluted procedures meticulously constructed to deal with symptomatic problems that wouldn't exist if earlier dealt with in an appropriate thoughtful manner. Kind of like the previous sentence that includes a lot of fancy filler words designed to impress the reader but serves little real value! 😊

Procedure writers should use the famous, lean ‘5-Why Method’ to determine whether the problem they are trying to solve really needs a procedure written or if there is another root problem that could simply be solved first. Do shops really need a 10-page SOP on how to effectively collect aging receivables when they could simply get better at producing accurate, timely final bills and collecting what's owed before the vehicle leaves the shop? Just sayin'...

5. Are simple to understand and train.

A good procedure is written at the fifth-grade level and able to be explained with full clarity in 30 seconds or less. I have been to many shops with written procedures that leadership was very proud of; however most of the administrative staff had no clue what was truly expected of them. Which brings me to...

6. Include the ability to audit and test.

No one likes to admit they don't understand what the boss wants from them, but at most shops they don't! The boss often sees their employees as disrespectful or unruly when, often, the truth is they simply haven't been properly trained, audited, and coached. It is super easy to create simple tests that allow employees to demonstrate their understanding of leadership's expectations. Train, test, audit, coach, repeat.

7. Are visual whenever possible.

Any time a shop can visually demonstrate a procedure using visual clues, it is a winner! For example, I really geek out when I see a shop that has outlines on the floor for vehicle and equipment placement. Shadow boards are also a great way to indicate when tools are missing. Shops can create visual standards with file systems in the office and even within computer management systems. There is an endless supply of visual cues shop personnel can use to expose problems and create consistency in their environments when they put their minds to it.

8. Capture 90% of instances, then manage the exceptions.

When it comes to admin processes, the difference between a 500-page SOP Manual and a simple 50-page Operational Playbook is a matter of 10%. If you hire good people and empower them to use their own brains, managers don't need to go crazy spending countless hours creating a massive manual that probably won't get used anyway. Shops should write their policies and procedures to handle a large majority of their work including demands by insurers, type of vehicles predominantly worked on, severity, etc. They must then trust and empower their people to manage the minority of instances not covered in the operational manual.

Additional Pointers

People do not need a college degree in literature or be an English major to write a simple Operational Playbook that covers the administrative processes. Trust me, I have none of those degrees and have written hundreds of procedures over the years. You just need a plan and a little persistence.

To start, lean on your paint company or material suppliers to help with the processes out in the shop. They have tons of recommended technical procedures such as which grit sandpaper to use prior to priming. When it comes to how to repair a particular vehicle, shops should, of course, be using OEM repair methods from the manufacturer as their procedures.

Once proper repair procedures are in place, immediately get started on the admin procedures. Good admin procedures such as vehicle/customer check-in, damage analysis, proper parts management, etc., are critical elements to good operational procedures. They allow continuous workflow and profitability once the repair job hits the production floor.

When my Elite team and I construct an Administrative Operational Playbook for a client, we use a simple structure of 4 playbook segments: 1. Sales & Service 2. Pre-production 3. Production 4. Delivery. In each segment we begin writing the important steps that employees must follow in each segment. [See this example of a process for updating customers here.](#)

The easiest way is to simply begin at the beginning. What is the first thing that begins the admin process? Usually it begins when a potential customer calls or walks in the front door. Start there!

Dedicate a few hours each month to working on your procedures and it won't be long until you have your own Operational Playbook and the framework to begin taking back control of your business!

If you want the support of an Elite mentor to not only create an effective Playbook but also implement it, send us an email at info@elitebodyshopsolutions.com.