

Fast Start to Systems Thinking

10-Day Mini-Course

For startup and smaller companies
(see left-panel bookmarks)



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Business Systems are Your Building Blocks for Success!

Fast Start to Systems Thinking: Day 1

I know that owning a business brings a lot of daily challenges and frustrations that can remove much of the joy. I've owned several companies and worked in the trenches with many business owners over the years. Regretfully, it took much of my career to figure out the one absolute way to solve every business problem and eliminate most of the aches and pains.

Have you ever had any of these or similar thoughts?

- "Lack of cash to pay bills is stressing me out."
- "I can't get everything done myself."
- "There are too many mistakes, returns, or rework."
- "I don't get enough sales leads."
- "Am I making a profit? If so, where has it gone?"

In this 10-Day Fast-Start Min-Course, I want to show you how well-designed systems and processes are the solutions to most of your business problems. You may be thinking, "I already have systems." And I know you do. But frankly, most people don't fully understand the true nature of business systems, and how to develop them for maximum results.

"Let systems run the business and people run the systems. People come and go but the systems remain constant" (Michael Gerber, "E-Myth Revisited").

Learning is the Key to Lasting Success

Effective systems are the essential building blocks of every successful and profitable business; they encompass every business function! The ability to create effective systems and processes is a learned skill based upon powerful and proven principles.

In the next ten days, I'm going to discuss ways you can harness the power of your business systems to create a smooth-running organization that will increase your customer loyalty, profitability, and overall business success.

If you are a startup or small company, some of the things you learn may seem unnecessary or overkill, but the principles and strategies are essential to build an enduring and prosperous enterprise. Learn the fundamental skills now to develop a business operation in the right way, and to enjoy more profit at every stage of growth.

Discover the Power of Effective Business Systems

So, what exactly is an effective system? It is a procedure, process, method, or course of action that produces a consistent and measurable result. Systems enable your business to accomplish its most important objective—to profitably find and keep customers—even without your continual hands-on involvement!

Good systems are the “magic formula” for success! They increase productivity, accomplish objectives and give customers what they want every single time. They are the solution to frustrations, waste of resources, poor performance, and other business problems.

While the right people are critical to an organization, a mature business operation has fully developed systems and is systems-dependent rather than people-dependent.

If properly designed and implemented, systems boost cash flow and profit. The financial return of good business systems far exceeds the cost of their development.

When I go about doing business in the marketplace, I don't get frustrated with people so much any more. I see poorly designed or executed systems. And the person usually at fault is the business owner, not the employees. Owners or managers have failed to install an effective system or process. Could that be happening to you?

System Development is the Master Skill

I'm now going to make a rather bold statement: Developing effective business systems and processes is the primary skill that must be mastered by the small-business owner and entrepreneur! All business functions—marketing, finance, and operations—fall within the scope of this single skill mastery.

When all of your systems and processes—marketing, accounting, customer care, hiring, production, order fulfillment, and so forth—are delivering predetermined, consistent, and desirable results, your business will grow and flourish. It will become remarkable!

One day, you will be able to sell your company for top dollar, replicate it in other locations, or hire someone to manage it for you. You will enjoy the rich harvest of your labors. There is no other way!

Developing effective business systems is both an art and a science. I teach you how to do it in my eCourse, "Box Theory™: Double Your Profit with High-Performance Systems and Processes," I think it's the best few dollars you can spend. There is no risk, so please take a look.

I think you'll see the same value as did some recent customers:

"Just wanted to share – I have read this entire ebook already and I have to say that is in the top 5 books I have ever read, and I read A LOT of books. Thanks for sharing your wisdom."—Geoff R., Athletic Performance

"WOW! This Is Great. I'll be eating it up all weekend."—Jay M.

Tomorrow we will discuss how the quality and efficiency of your business systems leads to lower costs, higher profit, and a competitive advantage—just what you need in our ailing economy!



Quality and Speed Determine Your Costs!

Fast Start to Systems Thinking: Day 2

If you now believe that systems are the essential building blocks of your business, then you must believe that your primary task as a business owner is overseeing their development.

Michael Gerber, in his book "E-Myth Revisited," teaches that you have to work on the business, not just in the business. Creating effective systems and processes is how you work on your business. It is the primary responsibility of owners and managers.

You begin by improving the business systems that will provide the biggest payoff—the systems that make you money and directly benefit customers.

Keep in mind that your customers all want the same thing. They want your products and services better, faster and cheaper than your competition. They want:

- Quality
- Speed
- Low Cost

Quality Plus Efficiency=Low Cost

A quality product or service means that it has few or no defects. It does what it is supposed to do. It is as good or better than the competition. It meets customer specifications and often exceeds their expectations. Whether in the store, the workshop, or the office, you take cost out of your business when you eliminate the waste and rework that come from poor-quality business systems and processes.

Speed means delivering your product or service fast or on time, according to a schedule, or by a deadline. There is little delay or downtime. System speed is more important than employee speed. Employees can only work so fast, and if pushed, create more quality problems.

To increase system speed without losing quality, focus your efforts on reducing idle time—the time things are sitting around *waiting to be worked on*. Bad things happen when work sits around. Merchandise becomes outdated and damaged. Information becomes old, obsolete, and hard to remember. Momentum is lost. Products and services can't be billed.

Reduce your operational costs by getting things done right the first time, and out the door as quickly as possible.

Remember: A process that makes errors cannot go at full speed. High-quality makes it possible to attain a fast speed. Low-quality and slow-speed are what make business processes—and the resulting products and services—more expensive.

Therefore, if you want to be competitively priced—if you want to offer customers the best value—you must improve the quality and speed of your business systems and processes. Quality, speed and low cost are interdependent, *and you have to work on them simultaneously.*

"If you need a new process and don't install it, you pay for it without getting it" (Ken Stork).

A recent phenomenon in my town is a restaurant called Café Rio. They serve fast-casual Mexican food and are rarely without a long line. The selection is limited, but every food option is a proven winner at a cost of about eight dollars. Quality is outstanding because the food is fresh and moves quickly through the system—no heat lamps. The customers' orders are prepared in front of them to their exact specifications. The assembly-line approach moves hundreds of people through per hour—customers never wait very long. The Café Rio system produces a high-quality product, with lower than average labor costs, and continually delights customers.

The result of Café Rio's high-quality, fast-speed, and low-cost formula is a large base of repeat customers, a good profit on each meal, and a significant number of meals delivered each day. It has become a fast-growing franchise operation.

The only way to consistently offer the lowest possible price—and still make a profit—is to improve your quality and speed, and to eliminate waste—the defects and delay buried in the systems and processes of your business operation.

Increase Cash Flow and Profit

Effective systems and processes will give you an efficient and smooth-running business with maximum cash flow and profit. For just a few dollars, my eCourse, "Box Theory™: Double Your Profit with High Performance Systems and Processes," will provide you with many powerful principles to dramatically lower your costs and thrill your customers. It's a no-brainer decision, so I hope you will check it out.

Tomorrow we will talk about the importance of innovation from a Systems Thinker's point of view. It may not be what you think.

Innovation Drives Breakthrough Achievement!

Fast Start to Systems Thinking: Day 3

Many business experts will tell you that innovation is at the heart of every exceptional business. What is innovation? It can be a new invention, technology, process, or business concept. However, most of the time, it is a significant variation or improvement to something that already exists. It is the skill of developing the new "best solution"—*from the customer's point of view*.

"A business has two purposes: marketing and innovation" (Peter Drucker, business authority).

Innovate Your Systems and Processes

Your entire business is your product; it consists of a network of interrelated and interdependent systems and processes. Continual innovation at the system level is the key to your success. You don't have to come up with a new technology, but you may come up with a customer-care system that blows your competition away.

FedEx was the first to develop a remarkable system for delivering packages overnight. COSTCO created a compelling customer-service system that allows people to return merchandise for any reason. McDonald's developed a system for producing the same fast-food menu anywhere in the world by entry-level workers. All three took something ordinary and made it into something extraordinary by innovating remarkable business systems and processes. They differentiated themselves, and so can you!

In a two-hour documentary called "The Rise of Walmart," a regional manager said, "We get up every morning running scared, trying to figure out ways we can improve." Most of Walmart's improvements come in taking cost out of the business. Unrelenting focus on improvement is what makes Walmart one of the great American success stories.

"Four goals of improvement: 1) make things easier 2) better 3) faster and 4) cheaper" (Shigeo Shingo, industrial engineer).

Continuous System Improvement Drives Success

Simply put, Friend, when you get up every morning—when you are working on the business—engage your mind in ways to improve your organization. Let a philosophy of "continuous improvement" guide your thinking for better and better results.

Striving to improve business systems and processes is the only way to develop excellence in people, products, and organizations, AND the only way to increase customer loyalty, profitability, and growth. To have a successful company requires "pig-headed" determination and discipline to make each day better than the day before.

Improvement will follow your discovery and application of the laws, principles, and best-practices that govern the results of your business operations. You can learn these laws and principles in my eCourse, "Box Theory™: Double Your Profit with High-Performance Systems and Processes."

However, that's only the beginning. You can also apply the laws and principles using our powerful software tool. This amazing product will guide your system-building activity so that you do it right—AND IN HALF THE TIME! I invite you to check out this one-of-a-kind software program today.

When you roll up your sleeves and go to work, you'll discover there are only two ways to improve anything. Tomorrow we will talk about the first of those ways.



Make Money with Smooth-Running Business Systems!

Fast Start to Systems Thinking: Day 4

Today, I want to dig a little deeper into what makes business systems and processes work effectively, even in small companies. No matter what system you are trying to improve—lead generation, customer care, accounting, training, order fulfillment, and so forth—one law governs them all.

Cause and Effect Determine System Results

System results are controlled by the Law of Cause and Effect. To get a better result, you have to work on the cause; you have to improve either the *system procedure* or the *component* parts used by the system. That's it! These are the only two things you can do to improve anything.

So, let's first talk about the system procedure or "process." These are the steps, from beginning to end, in one system cycle—for example, getting a sales lead through a sales-conversion process, a license application through an approval process, or a putting a bicycle together in an assembly process.

If the tasks performed in a system or process require a precise order, like assembling a bicycle, you need a procedure listing the sequential steps; perhaps a visual flowchart would be helpful. If the order in which tasks are accomplished does not matter, such as cleaning an office (e.g., vacuum, empty trash, clean bathroom), the system may only require a simple checklist.

How smoothly and efficiently the work flows through your business is very important. In fact, the "throughput"—what goes out the door—is your single most important measurement.

"If you can't describe what you are doing as a process, you don't know what you're doing" (W. Edwards Deming, Total Quality Management).

The Toyota Motor Company, a model of efficiency, believes that a well-designed and consistent system flow, with little variation and few mistakes, produces the best long-term results. Considering the fable of the tortoise and the hare, Toyota favors the strategy of the tortoise, with less emphasis on actual speed and more emphasis on a process that is stable, steady and sustained; the latter produces more cars per month.

Think of your entire business as a group of interrelated and interdependent systems and processes. Like the gears of a watch, they are all working individually to fulfill a predetermined purpose, and they are all working together for the good of the whole.

Within your business systems, there are also subsystems focused on tasks that are more specific. For example, your lead-generation system may consist of direct mail, radio advertising, and a website. Each of these subsystems is a unique process with a single objective. In fact, each page on your website is yet a lower subsystem, also with a distinct purpose and goal.

By drilling down through subsystems, you can improve the important details of your operation, giving customers a better experience and improving your profit margin. The dollars are in the details, and Box Theory™ Software makes it easy to work with all your subsystems, no matter how deep they go.

Create High-Performance Business Systems

Ideally, each step in a process contributes value to the customer, with little wasted time and energy. The system generates results that meet quality standards and avoids accumulation of rejects or rework. The workload is level, with standardized tasks, and paced as much as possible with the receipt sales orders. *I am referring here to the workshop, the store, or the office.*

Bottlenecks that delay order completion are eliminated. "Speed bumps" such as clutter, poor layout, and downtime are minimized. Employees are trained, incentivized, and learn from the ongoing feedback of system results. If you can accomplish these objectives, you will have a smooth-running business operation!

While much thought, planning, and experimentation may go into developing a good system, everything learned is eventually reduced to a single procedure or checklist that is used by workers. Their responsibility is to follow that procedure or checklist with exactness until the system is improved. If your organization encourages and rewards innovation, workers will also drive the improvement process.

If you want to solve problems, end frustration, boost sales, improve quality, become more efficient, please customers, increase profit, and grow your company, the only way is to create outstanding business systems and processes. *There is no other way!*

I teach the principles of good system-design and process-flow in the **Box Theory™** eCourse, and you can become an excellent system designer using the flowchart and checklist tools found in **Box Theory™** Software. If you want a smooth-running and efficient business operation, please check them out today. *You can expect a big payoff from a very small investment!*

When it comes to creating systems, I see small-business owners fail to do one thing more than any other. We will cover that topic tomorrow.

Critical System Components Make All the Difference!

Fast Start to Systems Thinking: Day 5

Yesterday we talked about how you can only improve a system's results by improving the [process](#) or the component parts. There is no other way! Today I will spend a few minutes talking more about the importance of "components" in your business systems and processes.

You are probably familiar with the term "system components" as it refers to electronics such as a stereo system. The components are the physical things used by a system or process to make it perform properly—to transform materials or information into something that customers will value. In the case of a stereo system, the electronic components transform signals or data into music.

What are Business System Components?

Business-system components come in several varieties. They include self-made documents such as policies, checklists, forms, reports, brochures, and so forth. They also include purchased items such as equipment, tools, software, materials, or supplies. Some systems utilize finished materials or inventory, such as the bricks used in a brick-laying process. People are also important components of most systems. *Every physical object in our world is a component of some system!*

"Missing or poor-quality components cause degraded system performance and are a major weakness of most small businesses" (Ron Carroll).

Good system developers identify and acquire all the essential components to have a smooth-running process. Imagine your hiring system without an employment application, your accounting system without software, or your custodial system without a vacuum. Yes, you could get the job done, but the results would be sub-par and the cost excessive.

The examples above are obvious, but many small-business systems suffer greatly from omitted or poor-quality components. Owners fail to notice the missing components, do not realize their potential benefit, or are not willing to spend the time or money to acquire them. Whatever the reason, inadequate components cost business owners dearly in customer satisfaction, quality and efficiency.

Like cutting wood all day with a dull saw-blade (component), the work is slow, the finished edges are rough, and the customer is disappointed with the result.

Consider this: Components are actually mini-systems themselves. A form is a system to collect information. A paper clip is a system to hold pieces of paper together. A pen is a system for writing and communicating. Look around your desk and you will see many objects; each is a component of a larger system, and each is actually a system itself. Again, everything is part of a system! *How components work—and how they work together—are critical to your business success!*

Manage Your System Components

You and other business owners have many components to keep track of. Not all components are of equal importance, but managing even the essential ones can be a daunting task. However, *Box Theory™ Software* offers a unique way to manage components that make the job a snap! Here is what one person had to say about this amazing productivity tool:

"Thanks so much for creating this software which has given my business the ability to take Quantum Leaps that otherwise may have taken another lifetime to hammer out."—Mark F., serving people with developmental disabilities

Give the software a try, at no risk, and I'll bet it becomes the most valuable component of your business-improvement activities—besides YOU, of course!

Tomorrow we will talk about the one system component that is more important and critical to your success than all the rest. See you then.

People are Your Most Important System Components!

Fast Start to Systems Thinking: Day 6

Let's talk about people. In most organizations, people are the most important and most expensive business-system component. The best organizations invariably have the best people. Larger companies are often experts at hiring, developing, and motivating their people. Their human-resource systems shine! For small companies, it is even more critical to get the right people.

Every person plays a vital role in startup and small companies. Knowledge, skills, work ethic, and attitudes determine how well the business performs. Just as a stereo needs the right component parts, successful companies require the *right fit* of people to jobs—the essential business systems and processes they work in.

Jim Collins, in his book "Good to Great," said, "Those who build great companies understand that the ultimate throttle on growth for any great company is not markets, or technology, or competition, or products. It is one thing above all others: the ability to get and keep enough of the right people. GET THE RIGHT PEOPLE ON THE BUS FIRST, AND THE WRONG PEOPLE OFF THE BUS. ..."

(Keep in mind: the cost of worker turnover and poor performance is always more than the cost of an effective hiring system.)

Put the Right People into Remarkable Systems

Good systems and processes can leverage ordinary people to produce extraordinary results. They also reduce the company's dependence on people that come and go—especially the superstars. A systemized work environment increases job satisfaction and boosts productivity. People stay longer and become more valuable to the organization. If you are not satisfied with worker performance, just elevate your business systems and watch your people bloom.

Your employees are deeply influenced by the workplace you provide. Weaker people can become very productive while stronger people can lose their edge, depending on the work environment. The magic really happens when the right people come together with remarkable business systems or processes to create a culture of discipline, enthusiasm, and top results.

"A culture of discipline involves a duality. On the one hand it requires people who adhere to a consistent system; yet, on the other hand, it gives people the freedom and responsibility within the framework of that system" (Jim Collins, "Good to Great").

Turn Business Systems into Games and Keep Score

The combination of good people and good systems produces great companies. To get top results, turn your systems into meaningful games. Create fun or competition. Keep score. Give feedback and praise. Celebrate victories. Reward outstanding performance. People work harder at play than they work at work! When you promote fun, your employees will have more energy, self-esteem, enthusiasm, and team spirit. This translates to increased creativity, productivity, and superior customer service.

In my **Box Theory™** eCourse, I talk about the time-tested principles for creating a work environment that keeps workers happy, productive, and focused on achieving top results. I touch on training and development, ownership and accountability, teamwork, performance standards and goals, and much more. You'll learn how inspired and motivated workers enable well-designed systems to hum along, *making you money!*

The **Box Theory™ Gold** software (upgrade from the Silver edition) is also a great tool for creating job descriptions, setting up teams, and documenting company and system policies. The return on investment in the eCourse and software will happen almost immediately. And if you purchase *Box Theory Gold™* software by the time you finish this 10-Day Fast-Start Mini-Course, I'm going to give you a discount on the price.

Finally, the **Box Theory™ Business Systems Academy** is a self-paced workshop that takes you through powerful business principles, software video tutorials, real-world examples, and brainstorming worksheets. You will create your own Organization Blueprint and then begin developing or refining your vital business systems.

I encourage to get started today. This will be one of the best business decisions you have ever made!

Tomorrow we will discuss the one thing that customers expect above all others. If you fail at this, wave good-bye as they head-off to buy from your competition.

Better Business Systems: Quality is Job 1!

Fast Start to Systems Thinking: Day 7

You have designed a business system, acquired all the components, and implemented it into your operations. Now you are interested in the quality of the product or service that your system produces.

The output of a business system may move to the end-user or consumer, or to the next step in a workshop or office production-path. In either case, the receiving party is the "customer," and your system output must meet their specifications and expectations.

The customer's idea of quality may take different forms. For example, does the product or service meet their technical specifications? Is the workmanship acceptable? Does the product function as promised? Was it delivered on time? Did the customer have a good buying experience? In short, does the product or service meet or exceed customer expectations in every way?

Any quality considerations that are critical to the customer must be critical to you, or the customer will take their business elsewhere.

What are the Quality Standards for Your Business Systems?

More specifically, quality refers to the "yield" of any business system or process—how many times the end-result meets the quality standards, or conversely, how many people or system mistakes cause rejects, waste, and rework. This applies to small companies as well as big companies.

Since the products and services produced by business systems aren't "perfect," certain tolerances are acceptable to the customer and fall within standards. For example, a local furniture company tells the customer they will deliver between 8:00 a.m. and 10:00 a.m. Anywhere in that range is a success. Delivery outside the promised time is a failure to meet the standard. System results are either acceptable, or not, and quality is usually easy to measure.

As I mentioned earlier, business systems with high quality or high yield have lower costs. Everything you do to improve your business systems and processes comes down to removing *defects* and *delay*—the waste of the business that drives away customers and steals profit.

"The most dangerous kind of waste is the waste we do not recognize"
(Shigeo Shingo, industrial engineer).

A typical small business like yours produces about 3% waste in its business processes. At first, this may seem reasonable. However, this level of waste—much of which goes undetected—is what prevents many small-business owners from achieving healthy profit margins.

For example, a business has annual sales of one-million dollars. Three percent (3%) of sales are attributed to the waste of time and materials throughout all the business operations. This loss of \$30,000 comes directly off the bottom line! If the business in this example is striving for an 8% profit margin, or \$80,000, the 3% waste amounts to nearly 40% of the profit. In other words, \$30,000 of the possible \$80,000 profit is lost. A seemingly small waste-factor of 3% robs the business of a large portion of its profits. Many small businesses have much more than 3% waste, and this is a major reason for failure.

Small-business processes—in the workshop, the store, the office, or the factory—with a 99% yield, or 1% waste (mistakes and errors), are not only achievable but also essential in a competitive marketplace.

Continually Seek Quality Improvement

There are many opportunities to improve quality in your business—defects and delays are everywhere. However, it would be a daunting task to correct every mistake in every business process. In fact, no one has ever done it. Nevertheless, it is essential that you improve process-quality wherever it adversely affects customer satisfaction, profitability, or growth.

Stunning improvements can be made in a short period of time!

The Box Theory™ Way incorporates a powerful method called "Six Sigma" for identifying quality problems and achieving high-performance results—defects of less than 1%.

Begin building your bottom-line today by *minimizing mistakes and maximizing yield* of your core business systems and processes. *Learn how* to get your waste to under 1% with the Box Theory™ eCourse, and then *do it* using the Six Sigma and other quality-control tools in Box Theory™ Gold software (upgrade from the Silver edition).

One idea from the Box Theory™ Business Systems Academy can quickly pay back the nominal cost of the eCourse and software. Dramatic financial results are common!

Tomorrow we will discuss another characteristic of high-performance business systems. Like a diamond, this powerful principle has many faces, and you will find it to be of great worth!

Better Business Systems: Develop the Need for Speed!

Fast Start to Systems Thinking: Day 8

The speed of a system or process is the total elapsed time it takes to go through one system cycle—the first step to the last step—including idle time. System speed has very little to do with how fast employees work and much more to do with eliminating wasted time.

Studies show that the actual time required to produce a product or deliver a service is about 5% of the total elapsed time. For example, a printer tells you that it will be a week before your job is finished. However, it only takes him two hours to do the actual preparation and printing. *The rest of the time your job is sitting around, waiting to be worked on.* Improving process speed will put money in your pocket!

"Every 25% reduction in elapsed process time will double productivity and reduce costs by 20%" (George Stalk, "Competing Against Time").

Increase System Speed and Efficiency

There are many ways to improve process efficiency, and they apply to all of your business functions—marketing and sales, operations, financial, human resource, and so forth. Here are a few ways to crank up the speed:

- Create a smooth-running system with no unnecessary steps and little or no idle time between steps. As much as possible, synchronize operations with sales orders—avoid overproduction and inventory buildup.
- Improve your quality to lessen wasted time on rework, repairs and reprocessing. Don't accumulate defects for later handling. Stop the process if necessary and fix the problem before continuing.
- Look for bottlenecks in the process and make changes to improve the weak-link in the chain of tasks. *Your system is only as fast as the slowest point!* Bottlenecks kill system productivity.
- Reduce downtime due to poor planning and stop-start work-flow as people switch between processes. When people have shifting assignments from multitasking, being "spread too thin," or "wearing too many hats," system velocity and momentum are diminished. Worker-error increases and performance is hard to measure.

- Simplify where possible. Lessen complexity, customization, and exceptions in products and services. Reduce the physical path, clutter, barriers, and distractions. Eliminate excessive employee discretion, caused by inadequate policies or procedures.
- Elevate employee performance with training, accountability, performance standards, reporting, recognition and incentive. Provide a safe and pleasurable work environment with good communication systems.
- Measure and monitor system speed and quality; use this feedback to make necessary improvements that keep performance levels high.

Brian Tracy, business consultant, teaches, "Continuous practice of a key skill (system) reduces the time required to perform the task and increases the output achieved" ("100 Business Laws"). Speed improves when the same people do the same things repeatedly—when they get really good at their job. Employee turnover takes a heavy toll on productivity.

System Efficiency Pays Off

An efficient process offers a number of benefits. It creates higher employee productivity and work satisfaction, increased capacity for sales, faster invoicing and cash flow cycles, happier customers who will buy again, and overall lower costs.

The principles of speed are varied and covered in-depth in my eCourse, "Box Theory™: Double Your Profit with High-Performance Systems and Processes." You will learn methods for creating efficient business systems you have never thought about before.

By applying the principles of speed, you can expect your labor costs to go down and output to go up. By shifting just one system in your company out of low gear, you will quickly recover the cost of owning the totally awesome Box Theory™ Software.

As I said, "speed pays," and in this case, a speedy decision to own Box Theory™ Software will pay off big-time! Go get it now, then get on the learning-fast-track at Box Theory™ Business Systems Academy. In no time, you will become an expert!

Tomorrow we will talk about the strategy that makes everything work—that puts you on track and keeps you on track. I am continually amazed at how many business owners don't get it!

Manage by the Numbers for Greater Profit!

Fast Start to Systems Thinking: Day 9

In 1891, a British scientist named William Thompson, also known as Lord Kelvin, said, "When you can measure what you are speaking about, and express it in numbers, you know something about it. But when you cannot express it in numbers, your knowledge is of a meager and unsatisfactory kind."

Managerial accounting is the art and science of managing by the numbers. It requires a thorough understanding of both leading and lagging indicators. Leading indicators measure real-time system performance such as the number of sales leads so far in the current month. A lagging indicator could be a monthly financial statement that reports last month's total sales.

By measuring results and providing frequent feedback to managers and teams, it is possible for you to improve the performance of your organization in a dramatic way.

Business Accounting Includes System Measurement

Accounting isn't just for managing payables, receivables, and so forth. It is your primary system to measure the effectiveness of all your business processes—the operations of your company. Its essential purpose is to help you maximize sales and profit—the lifeblood of your business.

Your accounting system is the "brain" of your organization. It reduces large quantities of data into useful information. Numbers reveal your strengths and weaknesses. They tell you what went wrong in the past and what you can do now to improve the future.

"Managing by the numbers" replaces gut feelings and opinions with business intelligence. It provides the seeds of solutions to problems and is the basis for making vital and informed decisions. You can know the financial effect of a decision before you ever spend a dollar! *Good decisions will save or earn you far more than the cost of acquiring the information. So don't skimp on your accounting system, and learn how to use it!*

"You cannot manage what you cannot measure" (Peter Drucker, business authority).
"Anything that can be measured can be improved" (Michael Dell, Dell Computers).

With business systems and processes, the types of measures you will apply include productivity, quality, timeliness, cycle time, resource utilization, and costs. In Box Theory™, we use a simple "Balanced Scorecard," developed by two professors at Harvard Business School, to establish measures and set target goals. You would love it!

What are Your Key Performance Indicators?

A few key performance indicators (KPIs) drive the "economic engine" of your organization. If these results are good, everything else tends to fall into place. You should decide what those key numbers are for your company and watch them closely.

Key numbers may include ratios like profit per square foot of space, profit per customer visit, sales leads per day, sales conversions per presentation, defective units per thousand produced, and so forth. You get the idea. In this ratio, focus on your most important results (numerator) and your most expensive resources (denominator). What are the one or two KPIs that drive the success of your organization?

Select your measurements carefully, and only measure what you will use. Establish process measurements that let you know *every day* how you stand in relation to your goals. Keep in mind that the earlier your measurement system catches a problem, the sooner corrections can be made. Begin now to manage your company by the numbers; let measurable results drive improvement of your vital business systems and processes.

By the way, if you are not a numbers person, or don't have a numbers person in your organization, get one, or find someone who can help you! In this highly competitive world, you have to manage by the numbers to be successful.

"In God we trust. All others, bring data" (W. Edwards Deming, Total Quality Management).

The Box Theory™ Way relies on data for teaching, improving, and making important decisions. You will learn some easy concepts about baseline data, benchmark data, trend data, diagnostic data, and other ways to look at a problem. *Numbers are the language of improvement.*

Now get this, just by measuring your business systems or processes—without making any changes to them—your performance will increase. *Sweet!*

My Box Theory™ eCourse will help you know what to measure and how to measure, and Box Theory™ Software has a built-in report wizard for creating fully-formatted measurement reports in seconds. Your performance data will also show up on the system dashboard.

Other valuable information and articles, such as how to do a sales break-even analysis, are available from within the Box Theory™ Business Systems Academy. Let's get going today. This could be the start of something big.

Oh, and one last reminder, tomorrow is the final day of the 10-Day Fast-Start Mini-Course. If you are ready to get going, I hope you will take advantage of the special pricing before time runs out. Until then...

Better Business Systems: It All Begins with a Plan!

Fast Start to Systems Thinking: Day 10

Today is the last day of the mini-course, "Fast Start to Systems Thinking." By now, I hope you understand why good systems and processes are the essential building blocks of your business. Their primary purpose is to help you find and keep customers, eliminate mistakes, inefficiencies, and lost profit, and to make you a standout in your target market.

Good systems will also help you accomplish your business objectives. When using Box Theory™ Software, it all begins with a master plan to guide your thinking and ongoing system development work. As we all know, "he who fails to plan, plans to fail, so plan your work and work your plan" (author unknown).

Consider the wisdom of the Cheshire cat in the story of Alice in Wonderland:

Would you tell me which way I ought to go from here?" asked Alice. "That depends a good deal on where you want to get," said the Cheshire Cat. "I really don't care where" replied Alice. "Then it doesn't much matter which way you go," said the Cat. (Lewis Carroll, "Alice's Adventures in Wonderland," 1865).

"A good plan is like a road map: it shows the final destination and usually the best way to get there" (H. Stanley Judd, author).

Your Organization Blueprint

The Box Theory™ Way includes planning with a purpose. You first create an Organization Blueprint in the software so your business systems and processes propel your company to achieve its mission, vision, strategy and goals.

Within the Box Theory™ Software, you will address ten important areas of business planning to complete your Organization Blueprint.

1. Mission Statement (Why do you exist?)
2. Values Statement (What are your core values?)
3. Vision Statement (Where do you want to be in five years, and beyond?)
4. Voice of the Customer (What do your customers expect from you?)
5. Voice of the Employee (What must you do to retain the best people?)

6. SWOT Analysis (What are your organization strength and weaknesses?)
7. Strategy (What is your unique game plan for success?)
8. Balanced Scorecard (What are your specific measurable goals?)
9. Organizational Structure (What business activities are you engaged in?)
10. System Framework (What business systems and processes must you excel at?)

While the type of business plan required by venture capitalists may not be necessary for your company, planning is still essential. Throughout Box Theory™ Software, you create meaningful Action Plans that, when carried out, will enable you to produce a smooth-running, profitable, and even remarkable business operation.

Your entire business is a system. The recipe for excellence includes the right people, a good plan, the will to excel, a philosophy of continuous improvement, and effective business systems and processes.

“Reduce your plan to writing. The moment you complete this, you will give concrete form to your intangible desire” (Napoleon Hill, author).

Just the Tool You Need

"Box Theory" is a simple statement of logic that will make all your system development efforts straightforward and crystal clear. The Box Theory™ eCourse, Box Theory™ Software, and the online Box Theory™ Business Systems Academy will pay for themselves quickly and dramatically.

Whether you want to start, grow, fix or replicate your business operation, this is the best solution for small-business owners. *There is nothing like it!*

Every day you wait is costing you money, *perhaps more than the price of the product!* I'm really hoping you will choose to get started today before the special prices end. Here is a reminder of what you will get:

1. Box Theory™ Software
2. The ebook, "Box Theory™: Double Your Profit with High-Performance Systems and Processes"
3. The Online Box Theory™ Business Systems Academy
4. A Fast-Start Coaching Phone Call

5. 30-Day, No-Questions-Asked, Money-Back Guarantee
6. A Significant Savings from Regular Prices
7. And don't forget, your free subscription to "The Systems Thinker Newsletter" starts in a few days with lots of tips, practical advice, and real-world examples

Today is a great day to start planning for a remarkable business! I agree with Brian Tracy, business author and coach: "A clear vision, backed by definite plans, gives you a tremendous feeling of confidence and personal power.

What Customers are Saying

Here are a couple of comments from Box Theory™ customers:

"I purchased the Box theory silver from you about two years ago. I love it!"—Jeremiah G., education.

"When I discovered Box Theory software, I finally found the answer I was looking for after many years. The software not only has a way to organize the systems, but also a unique way of assessing what systems to work on first that can have the biggest impact on a business. The tools to build and maximize each system are built right in, and once you have them created, it also provides a framework for measuring and managing those systems."—Wade C., accountant

Make the year ahead your best ever with the Box Theory™ Way. Taking the next step could be one of the most important business decisions you ever make!

Fast Start to Systems Thinking

10-Day Mini-Course

For more mature and established companies
(see left-panel bookmarks)



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- Day 2: Quality and Speed Determine Your Costs
- Day 3: Innovation Drives Breakthrough Achievement
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- Day 5: Critical System Components Make All the Difference
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Business Systems are Your Building Blocks for Success!

Fast Start to Systems Thinking: Day 1

I know that owning a business brings a lot of daily challenges and frustrations that can remove much of the joy. I've owned several companies and worked in the trenches with many business owners over the years. Regretfully, it took much of my career to figure out the one absolute way to solve every business problem and eliminate most of the aches and pains.

Have you ever had any of these or similar thoughts?

- "My slow cash flow is stressing me out."
- "I can't seem to hire good people."
- "Our quality needs improvement."
- "Employees are wasting time."
- "I don't get enough sales leads."
- "Profits are down."

In this 10-Day Fast-Start Min-Course, I want to show you how well-designed systems and processes are the solutions to most of your business problems. You may be thinking, "I already have systems." And I know you do. But frankly, most people don't fully understand the true nature of business systems, and how to develop them for maximum results.

"Let systems run the business and people run the systems. People come and go but the systems remain constant" (Michael Gerber, "E-Myth Revisited").

Discover the Power of Effective Business Systems

Effective systems are the essential building blocks of every successful and profitable business; they encompass every business function! The ability to create effective systems and processes is a learned skill based upon powerful and proven principles.

In the next ten days, I'm going to discuss ways you can harness the power of your business systems to create a high-performance organization that will increase your customer loyalty, profitability, and overall business success.

So, what exactly is an effective system? It is a procedure, process, method, or course of action that produces a consistent and measurable result. Systems enable your business to accomplish its most important objective—to profitably find and keep customers—even without your hands-on involvement!

Good systems are the “magic formula” for success! They increase efficiency, accomplish objectives and give customers what they want every single time. They are the solution to frustrations, waste of resources, poor performance, and other business problems.

While the right people are critical to an organization, a mature business operation has fully developed systems and is systems-dependent rather than people-dependent.

If properly designed and implemented, systems boost cash flow and profit. The financial return of good business systems far exceeds the cost of their development.

When I go about doing business in the marketplace, I don't get frustrated with people so much any more. I see poorly designed or executed systems. And the person usually at fault is the business owner, not the employees. Owners or managers have failed to install an effective system or process. Could that be happening to you?

System Development is the Master Skill

I'm now going to make a rather bold statement: Developing effective business systems and processes is the primary skill that must be mastered by the small-business owner and entrepreneur! All business functions—marketing, finance, and operations—fall within the scope of this single skill mastery.

When all of your systems and processes—marketing, accounting, customer care, hiring, production, order fulfillment, and so forth—are delivering predetermined, consistent, and desirable results, your business will grow and flourish. It will become remarkable!

One day, you will be able to sell your company for top dollar, replicate it in other markets, or hire someone to manage it for you. You will enjoy the rich harvest of your labors. There is no other way!

Developing effective business systems is both an art and a science. I teach you how to do it in my eCourse, "Box Theory™: Double Your Profit with High-Performance Systems and Processes," Please take a look.

I think you'll see the same value as did some recent customers:

"Just wanted to share – I have read this entire ebook already and I have to say that is in the top 5 books I have ever read, and I read A LOT of books. Thanks for sharing your wisdom."—Geoff R., Athletic Performance

"WOW! This Is Great. I'll be eating it up all weekend."—Jay

Tomorrow we will discuss how the quality and efficiency of your business systems leads to lower costs, higher profit, and a competitive advantage—just what you need in our ailing economy!

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Quality and Speed Determine Your Costs!

Fast Start to Systems Thinking: Day 2

If you now believe that systems are the essential building blocks of your business, then you must believe that your primary task as a business owner is overseeing their development.

Michael Gerber, in his book "E-Myth Revisited," teaches that you have to work on the business, not just in the business. Creating effective systems and processes is how you work on your business. It is the primary responsibility of owners and managers.

You begin by improving the business systems that will provide the biggest payoff—the systems that make you money and directly benefit customers.

Keep in mind that your customers all want the same thing. They want your products and services better, faster and cheaper than your competition. They want:

- Quality
- Speed
- Low Cost

Quality Plus Efficiency=Low Cost

A quality product or service means that it has few or no defects. It does what it is supposed to do. It is as good or better than the competition. It meets customer specifications and often exceeds their expectations. Whether in the store, the workshop, the office, or the factory, you take cost out of your business when you eliminate the waste and rework that come from poor-quality business systems and processes.

Speed means delivering your product or service fast or on time, according to a schedule, or by a deadline. There is little delay or downtime. System cycle-speed is more important than employee speed. Employees can only work so fast, and if pushed, create more quality problems.

To increase system speed without losing quality, focus your efforts on reducing idle time—the time things are sitting around *waiting to be worked on*. Bad things happen when work sits around. Merchandise becomes outdated and damaged. Information becomes old, obsolete, and hard to remember. Momentum is lost. Products and services can't be billed.

Reduce your operational costs by getting things done right the first time, and out the door as quickly as possible.

Remember: A process that makes errors cannot keep up its speed. High-quality makes it possible to attain a fast speed. Low-quality and slow-speed are what make business processes—and the resulting products and services—more expensive.

Therefore, if you want to be competitively priced—if you want to offer customers the best value—you must improve the quality and speed of your business systems and processes. Quality, speed and low cost are interdependent, *and you have to work on them simultaneously.*

"If you need a new process and don't install it, you pay for it without getting it" (Ken Stork).

A recent phenomenon in my town is a restaurant called Café Rio. They serve fast-casual Mexican food and are rarely without a long line. The selection is limited, but every food option is a proven winner at a cost of about eight dollars. Quality is outstanding because the food is fresh and moves quickly through the system—no heat lamps. The customers' orders are prepared in front of them to their exact specifications. The assembly-line approach moves hundreds of people through per hour—customers never wait very long. The Café Rio system produces a high-quality product, with lower than average labor costs, and continually delights customers.

The result of Café Rio's high-quality, fast-speed, and low-cost formula is a large base of repeat customers, a good profit on each meal, and a significant number of meals delivered each day. It has become a fast-growing franchise operation.

The only way to consistently offer the lowest possible price—and still make a profit—is to improve your quality and speed, and to eliminate waste—the defects and delay buried in the systems and processes of your business operation.

Increase Cash Flow and Profit

Effective systems and processes will give you an efficient and smooth-running business with maximum cash flow and profit. My eCourse, "Box Theory™: Double Your Profit with High Performance Systems and Processes," will provide powerful principles to dramatically lower costs and thrill customers. Isn't it time to start working on your business?

Tomorrow we will talk about the importance of innovation from a Systems Thinker's point of view. It may not be what you think.

Innovation Drives Breakthrough Achievement!

Fast Start to Systems Thinking: Day 3

Many business experts will tell you that innovation is at the heart of every exceptional business. What is innovation? It can be a new invention, technology, process, or business concept. However, most of the time, it is a significant variation or improvement to something that already exists. It is the skill of developing the new "best solution"—*from the customer's point of view*.

"A business has two purposes: marketing and innovation" (Peter Drucker, business authority).

Innovate Your Systems and Processes

Your entire business is your product; it consists of a network of interrelated and interdependent systems and processes. Continual innovation at the system level is the key to your success. You don't have to come up with a new technology, but you may come up with a customer-care system that blows your competition away.

FedEx was the first to develop a remarkable system for delivering packages overnight. COSTCO created a compelling customer-service system that allows people to return merchandise for any reason. McDonald's developed a system for producing the same fast-food menu anywhere in the world by entry-level workers. All three took something ordinary and made it into something extraordinary by innovating remarkable business systems and processes. They differentiated themselves, and so can you!

In a two-hour documentary called "The Rise of Walmart," a regional manager said, "We get up every morning running scared, trying to figure out ways we can improve." Most of Walmart's improvements come in taking cost out of the business. Unrelenting focus on improvement is what makes Walmart one of the great American success stories

"Four goals of improvement: 1) make things easier 2) better 3) faster and 4) cheaper" (Shigeo Shingo, industrial engineer).

Continuous System Improvement Drives Success

Simply put, Friend, when you get up every morning—when you are working on the business—engage your mind in ways to improve your organization. Let a philosophy of "continuous improvement" infuse your business culture, driving people and operations to better performance.

Continuous and unrelenting focus on improving business systems and processes is the only way to develop excellence in people, products, and organizations, AND the only way to increase customer loyalty, profitability, and growth. To have a results-driven culture requires "pig-headed" determination and discipline to make each day better than the day before.

Improvement will follow your discovery and application of the laws, principles, and best-practices that govern the results of your business operations. You can learn these laws and principles in my eCourse, "Box Theory™: Double Your Profit with High-Performance Systems and Processes."

However, that's only the beginning. You can also apply the laws and principles using our powerful software tool. This amazing product will guide your system-building activity so that you do it right—AND IN HALF THE TIME! I invite you to check out this one-of-a-kind software program today.

When you roll up your sleeves and go to work, you'll discover there are only two ways to improve anything. Tomorrow we will talk about the first of those ways.



Make Money with Smooth-Running Business Processes!

Fast Start to Systems Thinking: Day 4

Today, I want to dig a little deeper into what makes your business systems and processes work effectively. No matter what system you are trying to improve—lead generation, customer care, accounting, human resource, employee training, custodial, and so forth—one law governs them all.

Cause and Effect Determine System Results

System results are controlled by the Law of Cause and Effect. To get a better result, you have to work on the cause; you have to improve either the *system procedure* or the *component* parts used by the system. That's it! These are the only two things you can do to improve anything.

So, let's first talk about the system procedure or "process." These are the steps, from beginning to end, in one system cycle—for example, getting a sales lead through a sales-conversion process, a license application through an approval process, or a putting a bicycle together in an assembly process.

If the tasks performed in a system or process require a precise order, like assembling a bicycle, you need a procedure listing the sequential steps; perhaps a visual flowchart would be helpful. If the order in which tasks are accomplished does not matter, such as cleaning an office (e.g., vacuum, empty trash, clean bathroom), the system may only require a simple checklist.

How smoothly and efficiently the work flows through your business is very important. In fact, the "throughput"—what goes out the door—is your single most important measurement.

"If you can't describe what you are doing as a process, you don't know what you're doing" (W. Edwards Deming, Total Quality Management).

The Toyota Motor Company, a model of efficiency, believes that a well-designed and consistent system flow, with little variation and few mistakes, produces the best long-term results. Considering the fable of the tortoise and the hare, Toyota favors the strategy of the

tortoise, with less emphasis on actual speed and more emphasis on a process that is stable, steady and sustained; the latter produces more cars per month.

Think of your entire business as a group of interrelated and interdependent systems and processes. Like the gears of a watch, they are all working individually to fulfill a predetermined purpose, and they are all working together for the good of the whole.

Within your business systems, there are also subsystems focused on tasks that are more specific. For example, your lead-generation system may consist of direct mail, radio advertising, and a website. Each of these subsystems is a unique process with a single objective. In fact, each page on your website is yet a lower subsystem, also with a distinct purpose and goal.

By drilling down through subsystems, you can improve the important details of your operation, giving customers a better experience and improving your profit margin. The dollars are in the details, and Box Theory™ Software makes it easy to work with all your subsystems, no matter how deep they go.

Create High-Performance Business Systems

Ideally, each step in a process contributes value to the customer, with little wasted time and energy. The system generates output that meets quality standards and avoids accumulation of rejects or rework. The workload is level, with standardized tasks, and paced with the input of sales orders. *I am referring here to the workshop, the store, or the office.*

Bottlenecks that delay order completion are eliminated. "Speed bumps" such as clutter, poor layout, and downtime are minimized. Employees are trained, incentivized, and learn from the ongoing feedback of system results. If you can accomplish these objectives, you will have a highly-efficient workflow!

While much thought, planning, and experimentation may go into developing a good system or process, everything learned is eventually reduced to a single procedure or checklist that is used by workers. Their responsibility is to follow that procedure or checklist with exactness until the system is improved. If your organization encourages and rewards innovation, workers will also drive the improvement process.

If you want to solve problems, end frustration, boost sales, improve quality, become more efficient, please customers, increase profit, and grow your company, the only way is to create high-performance business systems and processes. *There is no other way!*

I teach the principles of good system-design and process-flow in the Box Theory™ eCourse, and you can become a proficient system designer using the flowchart and checklist tools found in *Box Theory™ Gold* software. If you want a smooth-running and efficient business operation, please check them out today. *You can expect a big payoff from a very small investment!*

When it comes to creating systems, I see small-business owners fail to do one thing more than any other. We will cover that topic tomorrow.

Critical System Components Make All the Difference!

Fast Start to Systems Thinking: Day 5

Yesterday we talked about how you can only improve a system's results by improving the [process](#) or the component parts. There is no other way! Today I will spend a few minutes talking more about the importance of "components" in your business systems and processes.

You are probably familiar with the term "system components" as it refers to electronics such as a stereo system. The components are the physical things used by a system or process to make it perform properly—to transform materials or information into something that customers will value. In the case of a stereo system, the electronic components transform signals or data into music.

What are Business System Components?

Business-system components come in several varieties. They include self-made documents such as policies, checklists, forms, reports, brochures, and so forth. They also include purchased items such as equipment, tools, software, materials, or supplies. Some systems utilize finished materials or inventory, such as the bricks used in a brick-laying process. People are also important components of most systems. *Every physical object in our world is a component of some system!*

"Missing or poor-quality components cause degraded system performance and are a major weakness of most small businesses" (Ron Carroll).

Good system developers identify and acquire all the essential components to have a smooth-running process. Imagine your hiring system without an employment application, your accounting system without software, or your custodial system without a vacuum. Yes, you could get the job done, but the results would be sub-par and the cost excessive.

The examples above are obvious, but many small business systems suffer greatly from omitted or poor-quality components. Owners fail to notice the missing components, do not realize their potential benefit, or are not willing to spend the time or money to acquire them. Whatever the reason, inadequate components cost business owners dearly in customer satisfaction, quality and efficiency.

Like cutting wood all day with a dull saw-blade (component), the work is slow, the finished edges are rough, and the customer is disappointed with the result.

Consider this: Components are actually mini-systems themselves. A form is a system to collect information. A paper clip is a system to hold pieces of paper together. A pen is a system for writing and communicating. Look around your desk and you will see many objects; each is a component of a larger system, and each is actually a system itself. Again, everything is part of a system! *How components work—and how they work together—are critical to your business success!*

Manage Your System Components

You and other business owners have hundreds or even thousands of components to keep track of. Not all components are of equal importance, but managing even the essential ones can be a daunting task. However, *Box Theory™ Gold* software offers a unique way to manage components that make the job a snap! Here is what one person had to say about this amazing productivity tool:

"Thanks so much for creating this software which has given my business the ability to take Quantum Leaps that otherwise may have taken another lifetime to hammer out."—Mark F., serving people with developmental disabilities

Give the software a try at no risk, and I'll bet it becomes the most valuable component of your business-improvement activities—besides YOU, of course!

Tomorrow we will talk about the one system component that is more important and critical to your success than all the rest. See you then.

People are Your Most Important System Components!

Fast Start to Systems Thinking: Day 6

Let's talk about people. In most organizations, people are the most important and most expensive business-system component. The best organizations invariably have the best people at all levels. Successful companies are experts at hiring, developing, and motivating their people. Their human-resource systems shine!

People play a vital role in most operational systems and processes. Knowledge, skills, and attitudes often determine the quality and quantity of work performed—the system output. Just as a stereo needs the right component parts, effective business systems require the right fit of people to jobs.

Jim Collins, in his book "Good to Great," said, "Those who build great companies understand that the ultimate throttle on growth for any great company is not markets, or technology, or competition, or products. It is one thing above all others: the ability to get and keep enough of the right people. GET THE RIGHT PEOPLE ON THE BUS FIRST, AND THE WRONG PEOPLE OFF THE BUS. ..."

Keep in mind: The cost of worker turnover and poor performance is always more than the cost of an effective hiring system.

Put the Right People into Remarkable Systems

Good systems and processes can leverage ordinary people to produce extraordinary results. They also reduce the company's dependence on people that come and go—especially the superstars. A systemized work environment increases job satisfaction and boosts productivity. People stay longer and become more valuable to the organization. If you are not satisfied with worker performance, just elevate your business systems and watch your people bloom.

Your employees are deeply influenced by the work environment you provide. Weaker people can become very productive while stronger people can lose their edge, depending on your company culture. The magic really happens when the right people come together with remarkable business systems or processes to create a culture of discipline, enthusiasm, and high-performance results.

"A culture of discipline involves a duality. On the one hand it requires people who adhere to a consistent system; yet, on the other hand, it gives people the freedom and responsibility within the framework of that system" (Jim Collins, "Good to Great").

Turn Business Systems into Games and Keep Score

The combination of good people and good systems produces great companies. To get top results, turn your systems into meaningful games. Create fun or competition. Keep score. Give feedback and praise. Celebrate victories. Reward outstanding performance. People work harder at play than they work at work! When you promote fun, your employees will have more energy, self-esteem, enthusiasm, and team spirit. This translates to increased creativity, productivity, and superior customer service.

In my **Box Theory™** eCourse, I talk about the time-tested principles for creating a work environment that keeps workers happy, productive, and focused on achieving top results. I touch on training and development, ownership and accountability, teamwork, performance standards and goals, and much more. You'll learn how inspired and motivated workers enable well-designed systems to hum along, *making you money!*

The **Box Theory™ Gold** software is also a great tool for creating job descriptions, setting up teams, and documenting company and system policies. The return on investment in the eCourse and software will happen almost immediately. And if you purchase **Box Theory Gold™** software by the time you finish this 10-Day Fast-Start Mini-Course, I'm going to give you a discount on the price.

Finally, the **Box Theory™** Business Systems Academy is a self-paced workshop that takes you through powerful business principles, software video tutorials, real-world examples, and brainstorming worksheets. You will create your own Organization Blueprint and then begin developing or refining your vital business systems.

I encourage you to get started today. This will be one of the best business decisions you have ever made!

Tomorrow we will discuss the one thing that customers expect above all others. If you fail at this, wave good-bye as they head-off to buy from your competition.

Better Business Systems: Quality is Job 1!

Fast Start to Systems Thinking: Day 7

You have designed a business system, acquired all the components, and implemented it into your operations. Now you are interested in the quality of the product or service that your system produces.

The output of a business process may move to the end-user or consumer, or to the next step in a workshop or office production-path. In either case, the receiving party is the "customer," and your system output must meet their specifications and expectations.

The customer's idea of quality may take different forms. For example, does the product or service meet their technical specifications? Is the workmanship acceptable? Does the product function as promised? Was it delivered on time? Did the customer have a good buying experience? In short, does the product or service meet or exceed customer expectations in every way?

Any quality considerations that are critical to the customer must be critical to you, or the customer will take their business elsewhere.

What are the Quality Standards for Your Business Systems?

More specifically, quality refers to the "yield" of any business system or process—how many times the end-result meets the quality standards, or conversely, how many people or system mistakes cause rejects, waste, and rework.

Since the products and services produced by business systems aren't "perfect," certain tolerances are acceptable to the customer and fall within standards. For example, a local furniture company tells the customer they will deliver between 8:00 a.m. and 10:00 a.m. Anywhere in that range is a success. Delivery outside the promised time is a failure to meet the standard. System results are either acceptable, or not, and quality is usually easy to measure.

As I mentioned earlier, business systems with high quality or high yield have lower costs. Everything you do to improve your business systems and processes comes down to removing *defects* and *delay*—the waste of the business that drives away customers and steals profit.

"The most dangerous kind of waste is the waste we do not recognize"
(Shigeo Shingo, industrial engineer).

A typical small business like yours produces about 3% waste in its business processes. At first, this may seem reasonable. However, this level of waste—much of which goes undetected—is what prevents many small-business owners from achieving healthy profit margins.

For example, a business has annual sales of one-million dollars. Three percent (3%) of sales are attributed to the waste of time and materials throughout all the business operations. This loss of \$30,000 comes directly off the bottom line! If the business in this example is striving for an 8% profit margin, or \$80,000, the 3% waste amounts to nearly 40% of the profit. In other words, \$30,000 of the possible \$80,000 profit is lost. A seemingly small waste-factor of 3% robs the business of a large portion of its profits. Many small businesses have much more than 3% waste, and this is a major reason for failure.

Small-business processes—in the workshop, the store, the office, or the factory—with a 99% yield, or 1% waste (mistakes and errors), are not only achievable but also essential in a competitive marketplace.

Continually Seek Quality Improvement

There are many opportunities to improve quality in your business—defects and delays are everywhere. However, it would be a daunting task to correct every mistake in every business process. In fact, no one has ever done it. Nevertheless, it is essential that you improve process-quality wherever it adversely affects customer satisfaction, profitability, or growth.

Stunning improvements can be made in a short period of time!

The Box Theory™ Way incorporates a powerful method called "Six Sigma" for identifying quality problems and achieving high-performance results—defects of less than 1%.

Begin building your bottom line today by *minimizing waste and maximizing yield* of your core business systems and processes. *Learn how* to get your waste to under 1% with the Box Theory™ eCourse, and then *do it* using the Six Sigma and other quality-control tools in *Box Theory™ Gold* software.

One idea from the Box Theory™ Business Systems Academy can quickly pay back the nominal cost of the eCourse and software. Dramatic financial results are common!

Tomorrow we will discuss another characteristic of high-performance business systems. Like a diamond, this powerful principle has many faces, and you will find it to be of great worth!

Better Business Systems: Develop the Need for Speed!

Fast Start to Systems Thinking: Day 8

The speed of a system or process is the total elapsed time it takes to go through one system cycle—the first step to the last step—including idle time. System speed has very little to do with how fast employees work and much more to do with eliminating wasted time.

Studies show that the actual time required to produce a product or deliver a service is about 5% of the total elapsed time. For example, a printer tells you that it will be a week before your job is finished. However, it only takes him two hours to do the actual preparation and printing. *The rest of the time your job is sitting around, waiting to be worked on.* Improving process speed will put money in your pocket!

"Every 25% reduction in elapsed process time will double productivity and reduce costs by 20%" (George Stalk, "Competing Against Time").

Increase System Speed and Efficiency

There are many ways to improve process efficiency, and they apply to all of your business functions—marketing and sales, operations, financial, human resource, and so forth. Here are a few ways to crank up the speed:

- Create a smooth-running system with no unnecessary steps and little or no idle time between steps. As much as possible, synchronize operations with sales orders—avoid overproduction and inventory buildup.
- Improve your quality to lessen wasted time on rework, repairs and reprocessing. Don't accumulate defects for later handling. Stop the process if necessary and fix the problem before continuing.
- Look for bottlenecks in the process and make changes to improve the weak-link in the chain of tasks. *Your system is only as fast as the slowest point!* Bottlenecks kill system productivity.

- Reduce downtime due to poor planning and stop-start work-flow as people switch between processes. When people have shifting assignments from multitasking, being "spread too thin," or "wearing too many hats," system velocity and momentum are diminished. Worker-error increases and performance is hard to measure.
- Decrease lead-time for your customers by reducing idle time and work-in-process build-up between steps. You can also decrease lead-time by increasing your completion rate—more units per hour, day, or week. Shorter lead-times reduce problems and increase sales capacity, billing cycles, and customer loyalty.
- Simplify where possible. Lessen complexity, customization, and exceptions in products and services. Reduce the physical path, clutter, barriers, and distractions. Eliminate excessive employee discretion, caused by inadequate policies or procedures.
- Elevate employee performance with training, accountability, performance standards, reporting, recognition and incentive. Provide a safe and pleasurable work environment with good communication systems.
- Measure and monitor system speed and quality; use this feedback to make necessary improvements that keep performance levels high.

Brian Tracy, business consultant, teaches, "Continuous practice of a key skill (system) reduces the time required to perform the task and increases the output achieved" ("100 Business Laws"). Speed improves when the same people do the same things repeatedly—when they get really good at their job. Employee turnover takes a heavy toll on productivity.

System Efficiency Pays Off

An efficient process offers a number of benefits. It creates higher employee productivity and work satisfaction, increased capacity for sales, faster invoicing and cash flow cycles, happier customers who will buy again, and overall lower costs.

The principles of speed are varied and covered in-depth in my eCourse, "Box Theory™: Double Your Profit with High-Performance Systems and Processes." You will learn about Process Cycle Efficiency, The Theory of Constraints, Lean Thinking, and other powerful yet simple methods for creating efficient systems and processes, *and* a high-performance organization.

By applying the principles of speed, you can expect your labor costs to go down and output to go up. By shifting just one system in your company out of low gear, you will quickly recover the cost of owning the totally awesome Box Theory™ Gold software.

As I said, "speed pays," and in this case, a speedy decision to own Box Theory™ Software will pay off big-time! Go get it now, then get on the learning-fast-track at Box Theory™ Business Systems Academy. In no time, you will become an expert!

Tomorrow we will talk about the strategy that makes everything work—that puts you on track and keeps you on track. I am continually amazed at how many business owners don't get it!

Manage by the Numbers for Greater Profit!

Fast Start to Systems Thinking: Day 9

In 1891, a British scientist named William Thompson, also known as Lord Kelvin, said, "When you can measure what you are speaking about, and express it in numbers, you know something about it. But when you cannot express it in numbers, your knowledge is of a meager and unsatisfactory kind."

Managerial accounting is the art and science of managing by the numbers. It requires a thorough understanding of both leading and lagging indicators. Leading indicators measure real-time system performance such as the number of sales leads so far in the current month. A lagging indicator could be a monthly financial statement that reports last month's total sales.

By measuring results and providing frequent feedback to managers and teams, it is possible for you to improve the performance of your organization in a dramatic way.

Business Accounting Includes System Measurement

Accounting isn't just for managing payables, receivables, and so forth. It is your primary system to measure the effectiveness of all your business processes—the operations of your company. Its essential purpose is to help you maximize sales throughput and profit—the lifeblood of your business.

Your accounting system is the "brain" of your organization. It reduces large quantities of data into useful information. Numbers reveal your strengths and weaknesses. They tell you what went wrong in the past and what you can do now to improve the future.

"Managing by the numbers" replaces gut feelings and opinions with business intelligence. It provides the seeds of solutions to problems and is the basis for making vital and informed decisions. You can know the financial effect of a decision before you ever spend a dollar! *Good decisions will save or earn you far more than the cost of acquiring the information. So, don't skimp on your accounting system, and learn how to use it!*

"You cannot manage what you cannot measure" (Peter Drucker, business authority).
"Anything that can be measured can be improved" (Michael Dell, Dell Computers).

With business systems and processes, the types of measures you will apply include productivity, quality, timeliness, cycle time, resource utilization, and costs. In Box Theory™, we use a simple "Balanced Scorecard," developed by two professors at Harvard Business School, to establish measures and set target goals.

What are Your Key Performance Indicators?

A few key performance indicators (KPIs) drive the "economic engine" of your organization. If these results are good, everything else tends to fall into place. You should decide what those key numbers are for your company and watch them closely.

Key numbers may include ratios like profit per square foot of space, profit per customer visit, sales leads per day, sales conversions per presentation, defective units per thousand produced, and so forth. You get the idea. In this ratio, focus on your most important results (numerator) and your most expensive resources (denominator). What are the one or two KPIs that drive the success of your organization?

Select your measurements carefully, and only measure what you will use. Establish process measurements that let you know *every day* how you stand in relation to your goals. Keep in mind that the earlier your measurement system catches a problem, the sooner corrections can be made. Begin now to manage your company by the numbers; let measurable results drive improvement of your vital business systems and processes.

By the way, if you are not a numbers person, or don't have a numbers person in your organization, get one, or find someone who can help you! In this highly competitive world, you have to manage by the numbers to be successful.

"In God we trust. All others, bring data" (W. Edwards Deming, Total Quality Management).

The Box Theory™ Way relies on data for teaching, improving, and making important decisions. You will learn about baseline data, benchmark data, trend data, diagnostic data, and other ways to look at a problem. *Numbers are the language of improvement.*

Now get this, just by measuring your business systems or processes—without making any changes to them—your performance will increase. *Sweet!*

My Box Theory™ eCourse will help you know what to measure and how to measure, and Box Theory™ Gold software has a built-in report wizard for creating fully-formatted measurement reports in seconds. Your performance data will also show up on the system dashboard.

Other valuable information and articles, such as how to do a sales break-even analysis, are available from within the Box Theory™ Business Systems Academy. Let's get going today. This could be the start of something big.

Oh, and one last reminder, tomorrow is the final day of the 10-Day Fast-Start Mini-Course. If you are ready to get going, I hope you will take advantage of the special pricing before time runs out. Until then...

Create a Culture of Excellence, Your Path to Freedom!

Fast Start to Systems Thinking: Day 10

Systems Thinkers look at the world from a unique point of view. They recognize the unwavering Law of Cause and Effect and apply it to their personal and business advantage. They know that every endeavor to build an organization and achieve lofty goals requires attention to process. The Systems Thinker understands there is no other way to grow a successful enterprise than to design and execute effective business systems and processes that consistently find and keep customers.

"Culture is the greatest determinant of success in an organization! The best way to insure your culture blows the competition away is to engage leaders at every level to be accountable for delivering meaningful results" (Randy Pennington, "Results Rule").

You have come to the last lesson of this Fast-Start Mini-Course. Do you feel committed to a system-building pattern of patience and discipline that will one day reward you with an organization of excellence?

Business Systems Determine Culture

Randy Pennington, author of "Results Rule!," put it this way:

"An organization's purpose and goals set the direction. Measures focus the energy on the outcomes. Processes create habits, and habits drive the culture. You can teach skills and concepts. You can even create momentum (and a few smiles) through inspiration. But investing in skills and inspiration is a waste of money if there are not processes to reinforce your purpose and principles. The creation and continuous refinement of work processes is a mandatory practice in the Results Rule! organization, regardless of the industry."

"The basic philosophy, spirit and drive of an organization (culture) have far more to do with its relative achievements than do technological or economic resources, organizational structure, innovation or timing"
(Thomas Watson Jr., former CEO of IBM).

Your entire business is a system. The recipe for excellence includes the right people, a good plan, the will to excel, a philosophy of continuous improvement, and high-performance business systems and processes. The resulting culture produces an organization with lasting value—one that you can sell, replicate, or let someone run for you.

Creating a culture of excellence is like creating a brand; it takes some time, but when it catches on, it is quite remarkable! Transforming your organization is your number-one task, and you must do it one system or process at a time. *There is no other way!*

Your Business Transformation

In describing great companies, business author Jim Collins writes:

"The best companies never transform to greatness in 'one fell swoop.' There is no single defining action, no grand program, no one killer innovation, no solitary lucky break, no miracle moment. Sustainable transformations [to greatness] follow a predictable pattern of build-up and breakthrough. Like pushing on a giant heavy flywheel, it takes a lot of effort to get the thing moving at all, but with persistent pushing in a consistent direction over a long period of time, the flywheel builds momentum, eventually hitting a point of breakthrough" ("Good to Great").

Simply put, this transformation to greatness—becoming a culture of excellence—requires steady dedication to the development of effective business systems and processes.

The Box Theory™ Way is a method to help you create a business culture that engenders confidence from stakeholders, customers and employees. Your company will enjoy outstanding profit and growth, find innovative solutions to problems, and weather the unrelenting storms of business life. Of course, you will never be perfect—or stop improving—but you will have an exceptional organization.

Our ultimate goal is to help you break through to a high-performance culture—a culture of discipline, a culture of excellence. When your people are working individually and collectively at their highest potential—even when you're not around—you will have reached a summit in your business accomplishments.

"Box Theory" is a simple statement of logic that will make all your system development efforts straightforward and crystal clear. The Box Theory™ eCourse, Box Theory™ Gold Software, and the online Box Theory™ Business Systems Academy will pay for themselves quickly and dramatically.

Whether you want to start, grow, fix or replicate your business operation, this is the best solution for small-business owners. *There is nothing like it!*

Every day you wait is costing you money, *perhaps more than the price of the product!* I'm really hoping you will choose to get started today before the special prices end. Here is a reminder of what you will get:

1. Box Theory™ Software
2. The ebook, "Box Theory™: Double Your Profit with High-Performance Systems and Processes"
3. The Online Box Theory™ Business Systems Academy
4. A Fast-Start Coaching Phone Call
5. 30-Day, No-Questions-Asked, Money-Back Guarantee
6. A Significant Savings from Regular Prices
7. And don't forget, your free subscription to "The Systems Thinker Newsletter" starts in a few days with lots of tips, practical advice, and real-world examples

Today is a great day to begin creating your remarkable business organization!

What Customers are Saying

Here are a couple of comments from Box Theory™ customers:

"I started my company twenty-five years ago. I thought I understood the business pretty well, and I thought I understood systems. This information opened a whole new world to me. Creating high-performance systems is now my top priority. Wow!"—Nick S., retail furniture and home decor chain

"When I discovered Box Theory Gold, I finally found the answer I was looking for after many years. Box Theory Gold software not only has a way to organize the systems, but also a unique way of assessing what systems to work on first that can have the biggest impact on a business. The tools to build and maximize each system are built right in, and once you have them created, it also provides a framework for measuring and managing those systems. From the start, Ron was eager to help in any way he could and volunteered several hours on the phone to get me going."—Wade C., CPA firm

Make the year ahead your best ever with the Box Theory™ Way. Taking the next step could be one of the most important business decisions you ever make!