boombirds

Get Started

Operating Procedures Maximiser

Everything you need to know about creating SOPs

but no one teaches you

Now let's move onto Standard Operating Procedures (SOPs)...

Think they're boring and unnecessary? Maybe you think they're too rigid and don't offer your organisation any flexibility. Or, maybe you're desperate to put some proper processes in place but you just don't know where to even begin.

This is where SOPs come in to save the day.

And, let's face it, if they're good enough for astronauts, brain surgeons and pilots then they're good enough for you and your team!

Thank you for downloading this workbook

If you haven't taken a look and tried our Process Optimisation Blueprint e-book, feel free to download it by heading back to our Knowledge Centre.

Yep, think about it. Do you think an astronaut just jumps into the rocket and presses a load of buttons randomly, hoping something works? Or that a brain surgeon doesn't follow a rigorous process in the OR? And what about pilots? They don't sit in the cockpit hoping they will remember which order to do things.

They ALL follow checklists and procedures. And that's all essentially SOPs are.

By following the workbook you will:

- Gain a comprehensive understanding of SOPs
- Identify the role of an SOP within your team and organisation
- Explore some tools you can use to create an effective SOP
- Create your own SOP

An Introduction to SOPs

Every successful business is built on a logical, step-by-step process-based framework. Irrespective of which industry or firm you belong to, every function needs Standard Operating Procedures to provide teams instructions on how to execute their operations in a consistent and efficient manner.

Think about your local coffee shop, for example. While it might be straightforward, they will probably have a step-by-step process they need all employees to follow to serve their customers (otherwise the milk would not be heated to the right temperature, the wrong cups would be used, the coffee would remain as beans; and the coffee shop would soon be out of business!)

On a much larger scale, Ray Kroc was only able to grow his humble burger restaurant into one of the world's best known brands through a carefully constructed system of procedures; without which McDonald's would have remained a one-off burger joint in California.

But effective SOPs are seldom created overnight. An effective SOP needs to be easy to understand, precise about what needs to be done, and should be grounded in the reality of the process.

With business processes becoming more and more complex, and organisations looking to do more with fewer resources, SOPs are crucial tools that help serve as training material for new hires as well as references in times of dispute. Creating SOPs is a collaborative process (when done well) and the SOP needs to be constantly improved to drive better results and improve efficiency; they are rarely a finished piece of work.

This guide is designed to share the Do's and Don'ts of how to create effective SOPs...

Creating Effective SOPs

Before chalking down the actual business process, there are a few details that need to be noted and understood. Three main steps are needed to create effective SOPs that serve their purpose:

01

The first step is defining the objective of the process in no more than a line or two. This tells the reader the purpose of the process without having to read too much.

02

The next step is ensuring the scope of the process is explained. This also means specifying what lies outside the scope of the SOP and ensuring everyone is informed of whether the process applies to them or not.

03

Once the scope is clearly laid out, it is important to ensure all the roles and responsibilities for the process are identified and noted down. The language used should be direct and active and there should not be any margin for subjective interpretation.

The Tools That Make Great SOPs

In this section, we run you through a few tools that help to make a great SOP and how each of these are essential components that gather crucial information, trigger a specific action, and ensure compliance. Depending on the complexity of the process, we may use one or more of these tools.

01 Checklists

Checklists are one of the most well-known and widely used productivity tools. Far from being too simple, they reduce the stress of decision making, ensure consistency, and eliminate errors. Checklists also ensure every step in a process is completed and they drive compliance. Based on what checklists are used for, they can either be a Read-Do (the checklist guides the process) or a Do-Confirm (the checklist is used to check if all the steps are completed during a review).

02 Forms

Forms are ways of collecting crucial information that needs to be recorded or used either later on in the process or for analysis. Each form needs to have the relevant fields and format to ensure accurate data collection. A field can either be open (undefined input) or choice (defined input for user to select e.g. a dropdown menu). Forms are typically made mandatory when used within the process.

03 References

If certain tasks or subtasks within the workflow require references or commonly used sources, it is important to ensure that these are accessible by those team members working on the Step. Including useful links or reference sites can make it simpler for teams to work more efficiently while staying on track. While this is a best practice, it is also crucial that these sources are reviewed and updated for relevance on a periodical basis.

04 Tasks (or Steps)

Tasks, here, refer to the various Steps (that's what we call them in Boombirds) that comprise the process. They may involve a specific action or a set of actions that indicate progress. Each task can also be broken down into subtasks if the process calls for it. Once this is done, each step (or subtask) is assigned to a team that is held primarily accountable for performing this task. Dependencies for each step will also need to be specified in order to avoid bottlenecks and miscommunications.

05 Communication

Communication is a crucial aspect of every business process, and keeping customers and stakeholders in the loop is important. If the process is external facing, it is important to provide updates via email or messages at checkpoints to keep end customers aware of the status of the task.

When multiple teams are involved, it is important to ensure sufficient communication when handing over or collaborating on tasks. Some processes may even require a dotted line of communication to management personnel at strategic moments, and these updates or notifications need to be included as a part of the process.

06 Approvals

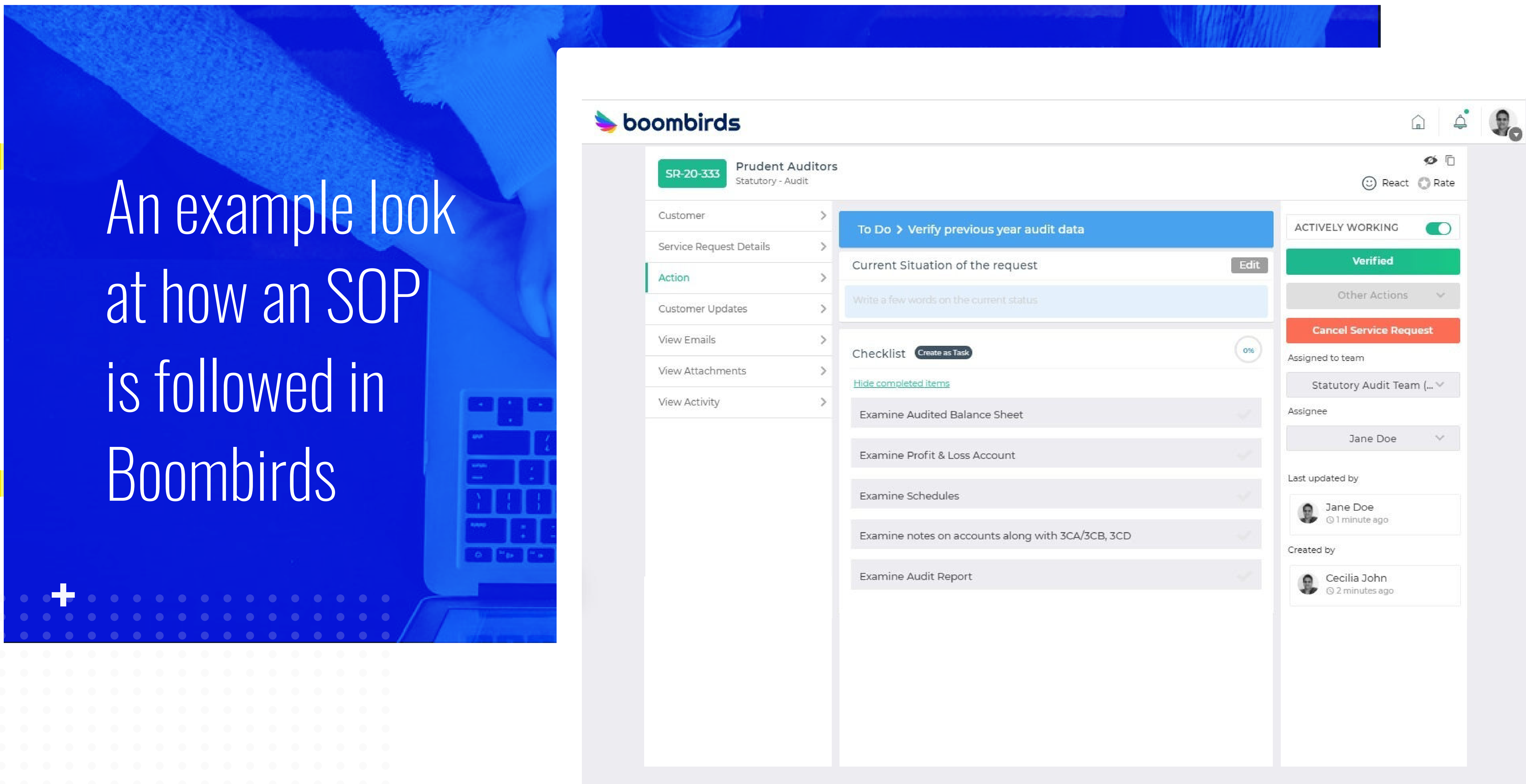
Post-process audits and checks are instrumental in ensuring quality standards are maintained. Some processes require a final approval, but others may require more than one. If tasks are not performed or not up to standard, reviewers will need to create rollbacks to ensure the necessary corrections are made and taken note of. These rollbacks and remediations will also need to be a part of the procedure.

Creating approvals not only helps in ensuring all the set criteria are met, but greatly contribute to improving process efficiency and driving consistency.

07 Notes or Action Logs

Though not an active part of the procedure, action logs are an important tool in maintaining transparency of operations. Maintaining an audit trail ensures that all actions are recorded and gives upper management a comprehensive view of the process. Reviewers and managers can also gain a granular view of the process and trace back every action taken at every stage to troubleshoot if needed.

Things to Keep in Mind When Designing an SOP



01 Steps

Steps form the bulk of the process. In order to define a procedure, one needs to first visualise the entire process in great detail. This may involve recording it in its entirety and then documenting each step. For some organisations, this might mean following people around on the factory floor and documenting everything they need to do to complete a specific process. It will be worth the effort when you're running a much smoother process.

02 Sequence

The sequence of the process needs to be carefully noted down. Certain steps need to be completed within a specific time frame or at a particular time. Some may be moved or completed anytime between initiation and completion. Tasks can be moved around based on the time they take to complete, dependency, or overall importance.

03 Expert Advice

As mentioned earlier, SOPs need to be grounded in reality. While defining processes, it is important that goals are attainable as opposed to being unrealistic in terms of delivery. In order to get a more accurate reading of execution and timelines, it is important to reach out to Subject Matter Experts (SMEs). They will be able to highlight some of the challenges they face and will be more equipped to negotiate a buffer for the process they handle. It is also pertinent to obtain documentation they are currently using to manage their processes.

04 Improvements

Any business process has scope for refinement. It is pertinent that any SOP that is put together is periodically reviewed (ideally every six to eight months) for improvements or amendments (based on changes that are circumstantial or for operational reasons). Plus, reviewing SOPs also ensures that redundancies are identified and eliminated for improved efficiency.

Before we get started, we highly recommend you take a look at our workbook on Kanban workflows - **Process Optimisation Blueprint**. It takes you through a new perspective on creating workflows that helps you identify bottlenecks and make significant improvements to your working process.

05 Switching back to SOPs, let's see an example in action...

Here is a short example of the SOP for Filing of Income Tax returns for an auditor. Please note that certain details of this example are bound to vary depending on how different organisations carry out their process, it is just for illustration purposes.

Name of the Process:	Filing of income tax returns
Objective:	Create and submit verified income tax and returns documentation for the year in accordance with government
Scope:	Process end to end filing of income tax returns, from collecting initial client documentation through to payment receipt.
Process Owner:	Managing Partner
Responsible for Updating:	Administrator
Frequency of Review:	Annually
Teams Involved:	Quotations, Fulfilment, Partners, Accounts and Billing
Total Duration:	10 days

Process Steps

01

Prepare Quotation

Preparing the quote and seeking approval from manager

Assignee team: Quotations Team
Assignee: Jonathan
References: Client Account Information
Checklist:
- Prepare quote
- Review quotation with manager

02

Send quotation

Send the client a quotation of services

Assignee team: Quotations Team
Assignee: Jonathan
Checklist:
- Send quotation to client

Form:
- Quotation number: QA140289
- Acknowledged receipt: Cathy

03

Get Client Approval

Gain approval from client for quotation

Assignee team: Quotations Team
Assignee: Jonathan
Checklist:
- Gain proof of acceptance

Form:
- Proof of acceptance: YES
- Date of acceptance: 14th Jul 20

04

Collect Documents

Once the quotation has been sent and approval is gained, the next step is to plan the IT filing activity and implement the process.

Assignee team: Fulfilment Team

Assignee: Susan

References: Client Account Information

Checklist:

Bank statements

- Personal Account Number (PAN Card)
- Form-16 (Proof of Investments)
- Proof of property investments
- Tax Deducted at Source (TDS) certificate

05

Verify Documents

Verify Collected Documents

[Alternate action: Inform Susan of missed documents – Reroute to Step 4 - Collect documents]

Assignee team: Fulfilment Team

Assignee: David (Manager)

06

Filing of Income Tax

Initiate filing of Income Tax

Assignee team: Fullfillment Team

Assignee: Susan

Checklist:

- Log-in to e-filing portal
- Select appropriate ITR, assessment year, and XML
- Upload Digital Signature Certificate (DSC)
- Download ITR-V
- IT filing acknowledgement

07

Quality Check

Verify Collected Documents

[Alternate action: Inform Susan of changes needed – Reroute to Step 6 – Filing of Income Tax]

Assignee team: Partners Team

Assignee: Michael (Partner)

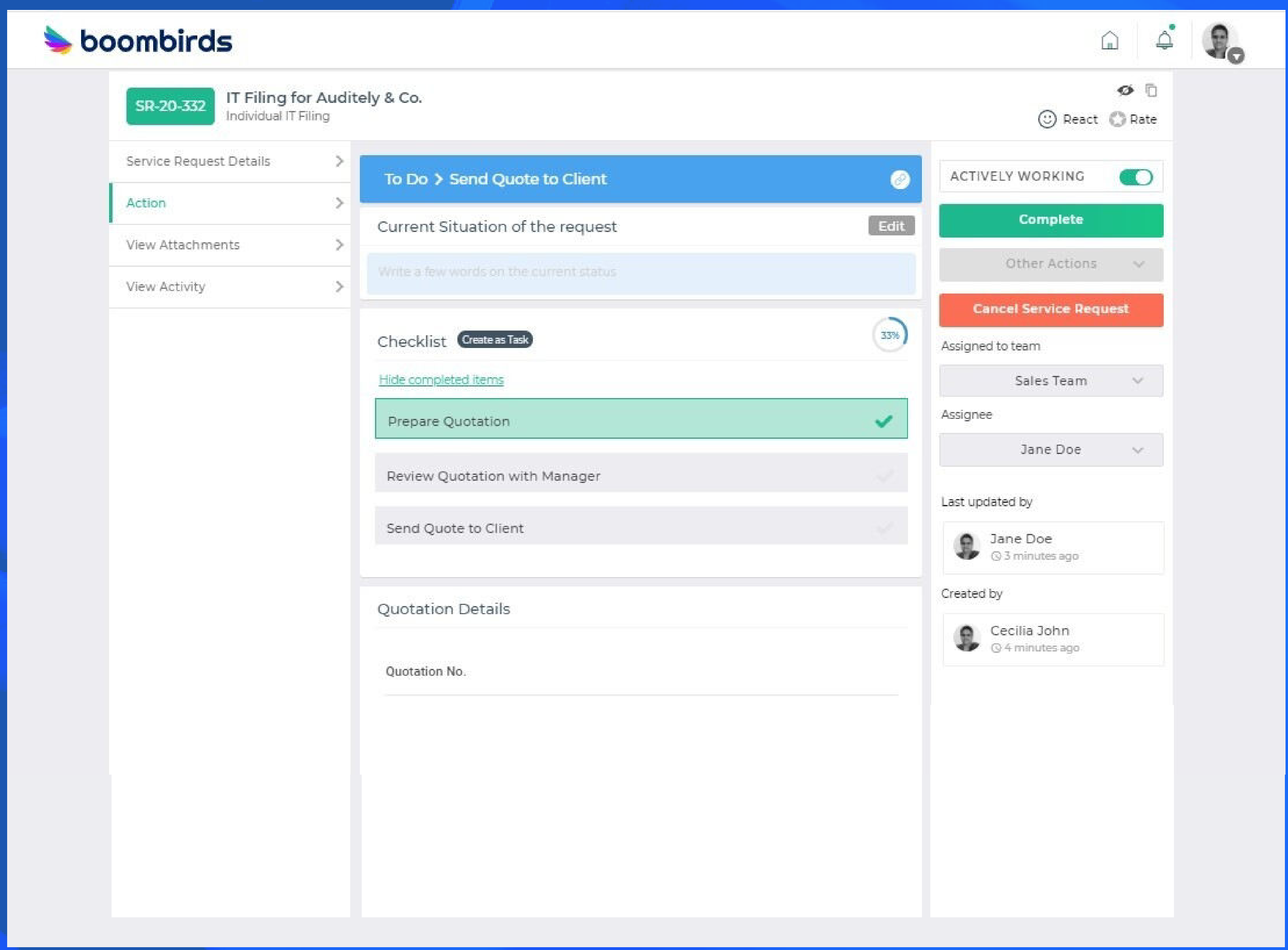
08 Receive payment and close request

Following sending of invoice, receive payment

Assignee team: Accounts and Billing Team
Assignee: Lisa
References: Client Account Information
Form:
- Received amount: $1,200
- Receipt date: 24th Jul 20
- Transaction number: TRN765789

Now that you have a good understanding of SOPs, it's time to put it to action. Choose a business process that you would like to create an SOP for. Use the template below to create your very own SOP.

An example look at how an SOP is used in Boombirds



Name of the Process:

Objective:

Team:

Responsible for updating:

Frequency of review:

Scope:

Total duration:

Start Date:

End Date:

Process:

In Conclusion

Now that you have your SOP for this process, we recommend reviewing this iteration with all of the team members involved in the workflow. Feel free to add or remove steps based on what you feel is important and be sure to review the in order to review the SOP every six to eight months for maximum efficiency.

Boombirds is dedicated to the singular vision of helping businesses accelerate their growth by boosting productivity, improving operational transparency, optimising the service delivery process, and ultimately providing customers with consistently delightful experiences.

If you'd like to learn more about an intelligent way to define your operational SOPs, seamlessly collaborate with teams, take advantage of built in compliance, reach out to us at support@boombirds.com, schedule a demo or start a free trial today by visiting our website.