



Excerpted from  
FastTrac® GrowthVenture™



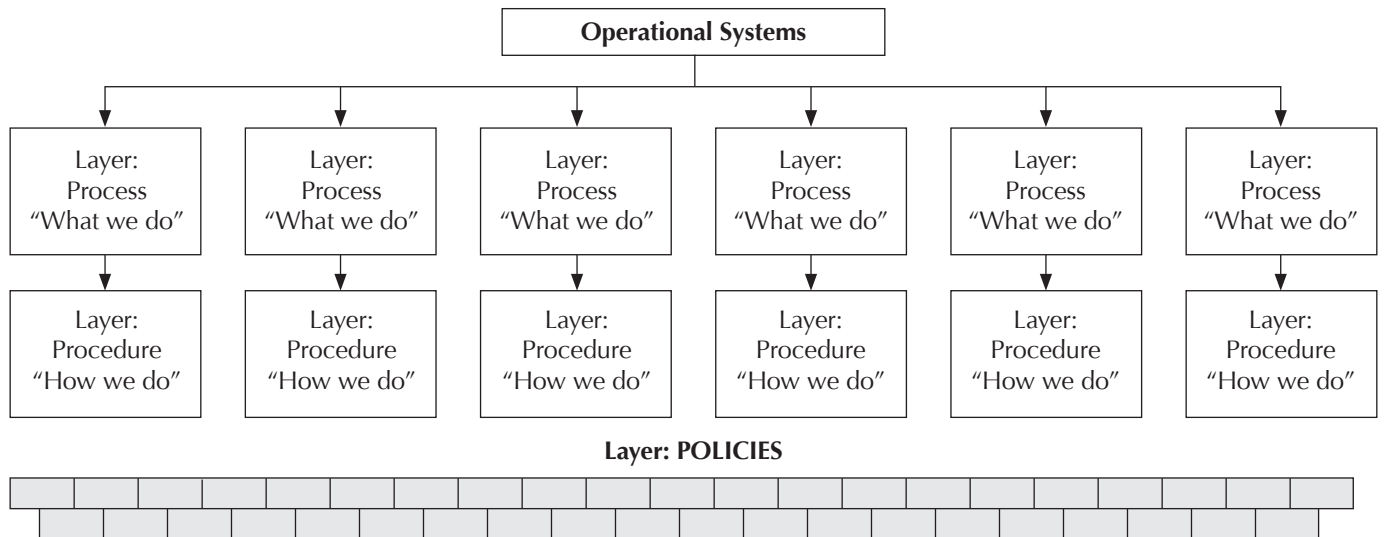
**TAKE CHARGE OF YOUR BUSINESS®**  
A program of the Kauffman Foundation

# Creating an Operational Systems Workflow

Each operational system will include policies, processes, and procedures for making that system work well. These aspects of system design create a natural workflow of information through the organization and assist in the management of knowledge.

The following illustration provides an overview of how processes, procedures, and policies interrelate. Keep in mind, this is just a broad overview. In reality, one policy may drive multiple processes, or each process may include many specific procedures.

**Tip** *Workflow* describes how the work flows from Point A to Point Z, who touches it, what happens to it, and how you will know it is complete.

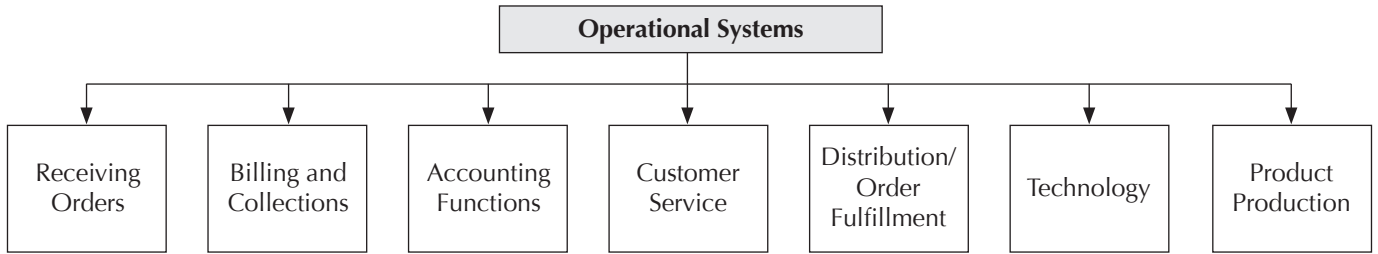


Why should you document your systems' policies, processes, and procedures? Without the constructive documentation of your business's processes it is nearly impossible to know how well your business is running and whether the products and services you are delivering are actually meeting customer needs. Well-designed operational systems will support the vision and goals of your plan. Later in this module, we will discuss how you measure the success of your systems.

**Tip** Processes are often referred to as "what we do;" procedures are "how we do it;" and policies are "why or when we do it."

Another purpose for documenting operations becomes apparent when workers either leave or transition within the organization, taking with them a wealth of information that may be lost or set aside. As an entrepreneurial concern, you can either pay for the documentation of this information once in an operations plan or risk having to recreate it every time someone changes positions.

Much of the research available concerning today's competitive global environment indicates that all businesses must recognize the importance of intangible assets. In fact, intangible assets such as the knowledge that resides in the minds of its workers can make up as much as 90 percent of the real value of an organization's intellectual capital.



**Systems Level: Identifying the operational systems of your business**

### *Don't Let Knowledge Get Away*

You've heard the adage that employees are a company's greatest asset. It's not just because they get the work done...but because of what they know. Each of your employees is building knowledge, abilities, and skills about your business. This can be a huge advantage—if you can keep the knowledge working for you.

When people leave the company or even transfer to a new job within the company, this knowledge can be lost. You should protect this knowledge so that it can be transferred within the company and used again and again. Following are some ideas you can implement to find, build, and keep this knowledge working for you:

- Build a directory of expertise based on your management and employees' expertise and backgrounds.
- Identify people within your organization that have key knowledge. Capture that knowledge and design ways to transfer it through training programs, job aids, apprenticeships, or mentoring.
- Design a system to maintain relationships with employees after they have left the company. In many cases, you may be able to continue to tap into their knowledge through consulting contracts.

A documented approach to operations helps you prove the value inherent in your company's intangible assets. It also provides a way of using that value as you operate your business. It's important not just to document this information but to share it with other workers.