



**Systems & Playbooks**

**Ask an old soul small business owner how she scales and she'll essentially just describe a world where she works harder LOL.**

# Picture This...

- Right now you're essentially doing ALL the jobs, ALL the time.
- I want you to write down all the jobs/tasks so it looks something like the table below.

Task Title	Task Description	Who Or What Is Responsible
Invoice Clients	We send out bi-weekly invoices and followup on unpaid bills monthly via a followup call.	Wes
Run Advertisements	We experiment with various keywords on Google Adwords, checkin to see what words need to be trimmed weekly.	Wes
Calibrate Accounting	Weekly we go in and categorize our expenses and peruse our accounting statements for red flags.	Wes
Fulfill Orders	Daily we package orders and take them to FedEx for shipping.	Wes
Etc. All The Way To Line 100 or worse	This list will be about 75-200 lines long. So just pretend it keeps going....and going...	Wes

# Working On Your Business Instead Of In It

- This phrase was invented by a man named named Michael Gerber in the book, the E-Myth Revisted.
- What he's describing is the table in the former slide...where the business owner is doing so many “day-to-day” tasks that they're working in their business, almost more like an employee, than they are working on their business like an owner.
- When we first start, this is the only option because we can seldom afford technology and employees to run our companies for us. So we step up and do the things ourselves... which was the right move...at the the time!
  - But relatively soon, we need to learn how to replace ourselves from the job.
  - This is why our small businesses tend to slow down, or reach plateaus...because we're busy doing lower level tasks.

# Why Replace Ourselves?

- The main one for the purposes of this class is to free up time for us to do CEO things. We need to have our eyes on the market; new products/services; financing growth; expansions; recruiting; culture building...etc... not day-to-day tasks.
- This allows us to work less (IF WE WANT), or take vacations or extended breaks. It takes away our reliance on a single human, in this case us.
- It will allow us to sell the business one day. If the business can't be run without us, it also can't be sold.

# Some Of Us Take Pride In How Many Hours We Work

- I, Wes Bergmann, am proud of how hard I work. To a certain extent it's a part of my identity.
- But a key distinction in whether you should be proud of the hours you work is whether you do so because you HAVE to or because you WANT to.
- If you stopped working for a week, would things absolutely erupt? If yes, you're working your tail off because you HAVE to.
- If instead, you're working your tail off on bigger picture, boat steering tasks because you're trying to accelerate your venture or grow it...fine..great...me too! But this is us working our tail off because we WANT to.
- The point of this class is make it to where you get the option of working your tail because you WANT to....not because you HAVE to.

# Systematizing Myths That Stifle You From Starting

- If you were to hold a baby elephant in captivity with a stake it would stay in place. Then, over the years it would grow to the size where it could escape because it's so big. It doesn't though because it's falsely learned that the stake is too strong for it. You are the elephant and the myths of systems are holding you back from breaking free.
- Myth: systems will stifle the creativity of the business
- Myth: you've learned about systems for corporations, using frameworks such as Six Sigma and believe it's too bureaucratic and rigid for a small business (PS this is true, it's just that we're going to use a different style of system).
- Myth: creating systems will be too time consuming.
- Myth: you and your team won't use or follow them.
- Myth: we need the quality and quantity of systems required to run Starbucks or Apple.

# Businesses Scale In Three Ways

- Technology - equipment or software
- “The Crowd” - where their customers do a lot of the work
- Employees



# Now Picture This...

- We replace ourselves with a series of contractors, employees, or technology.
- We take ourselves out of as many, if not all, of the day-to-day tasks.

Task Title	Task Description	Who Or What Is Responsible
Invoice Clients	We send out bi-weekly invoices and followup on unpaid bills monthly via a followup call.	Sally's Accounting Firm
Run Advertisements	We experiment with various keywords on Google Adwords, checkin to see what words need to be trimmed weekly.	Bob's Social Media Agency
Calibrate Accounting	Weekly we go in and categorize our expenses and peruse our accounting statements for red flags.	Sally + QuickBooks
Fulfill Orders	Daily we package orders and take them to FedEx for shipping.	John's Fulfillment Center
Etc. All The Way To Line 100 or worse	This list will be about 75-200 lines long. So just pretend it keeps going....and going...	Not Wes

# The Technician, Manager, & Entrepreneur

- The Technician is the person that makes the widget. This could be the person cutting hair; the person doing the consultations; the person fixing the cars.
- The Manager is the one that oversees the technicians and ensures high quality work, administrative duties, etc.
- The Entrepreneur is the one who innovates and executes in the first place. Then puts systems in place so the manager and technicians can perform their work without the entrepreneur needing to intervene.
- These three roles need each other. Without the entrepreneur and there would be no business; no employees; nothing. Without the technician and no one is making the widgets. Without the manager and nothing would get shipped; no bills would be paid; no new hires would be made.
- Despite that need, there is a spiral power struggle between them. The technician simply wants to make widgets and anything that interrupts that flow stresses them. The manager doesn't want anything to change because that will result in learning new systems. The entrepreneur must make decisions that mirror where they are directing the ship, which means they might need to change how the business is run which affects the managers and technicians.
- A lot of us right now are trying to be the technician, manager, and entrepreneur simultaneously. Don't worry, we all essentially start out this way. But we need to realize that if we don't solve this problem we are destined for a lifestyle business at best - which means you might as well have gone and worked for someone else with half the stress and risk.

# How Do We Eat An Elephant?

- Don't worry, we don't have to do this all overnight.
- We simply want to take one line item at a time and replace ourselves (from that task list we showed earlier).
- However, before we do, we must have done the job ourselves!
  - This ensures we can hire the right contractor/employee, or purchase the right software.
  - This ensures we can manage the job from afar better.
  - This ensures we can write better job descriptions.
  - This ensures we can create better systems to empower whoever or whatever is taking over the role.
  - This ensures we understand the idiosyncrasies of the task so we can purchase the right software.
- This is a multi-month or multi-year job.

# Using Technology To “Replace” Yourself

- This is an appetizer slide, for what is an entire other class in the Blox curriculum. So consider this just proving an important point and then moving on.
- Technology allows us to automate certain tasks (with software), or to fulfill larger/faster batches of fulfillment (with equipment). This allows us to do more work in less time - and possibly little-to-no human intervention.
- In some cases tech can be used to replace an entire employee or task all together. In other cases it's used to make that employee more efficient e.g. it will take an employee that normally produces \$100K in revenue for you to \$200K in revenue without paying them anymore.
- This tech can be built custom, or bolted on from third party sources. The accumulation of all the tech you use to run your company is called your tech stack.
- This class, however, is not about your tech stack. It's about your human stack.

# When “Replacing” Ourselves, We Do So With Systems

- For the purposes of this class, “Systems” is a synonym for “Playbook” or “Standard Operating Procedures (SOPs)”.
- Systems are the step-by-step instructions to the person reading it so they can operate those tasks without you needing to be there. Those step-by-step tasks use videos, pictures, screenshots, screen recordings, audio recordings, outlines, links, etc. to tell explain to the person doing the task how it needs to be done.
- The goal of your systems is to produce a PREDICTABLE result.
- Think of the different departments in your business as various linear step-by-step tasks that are done in an effort to run the department. Those tasks, in that one department (like sales, or manufacturing, or customer service, etc) is a system. Think of your business a series of interconnected systems from all the departments.
- At BetaBlox we like to call the sum of your SOPs your “Playbook”, but it really doesn’t matter what they’re called.
  - We like the word Playbook the best of all of them because a playbook connotes visions of diagrams/ words/arrows. They’re NOT overly detailed, but provide enough information to where theoretically a good coach could use a playbook to run another team’s plays.

# Why Do We Need A Playbook

- To replace yourself with contractors and employees....for all the reasons discussed before.
- Even YOU, the inventor of the business and it's playbook, will forget idiosyncrasies of your processes. Especially those that we don't do weekly. We use these to remind ourselves how it's done.
- It can be used to onboard employees faster....with higher retention. In some cases it can completely replace needing to train an employee, but in most cases it really just speeds up the process and massively reduces the time it takes to get an employee up to speed.
- Whether it's you personally, or an employee/contractor...a playbook will speed up their work and make it higher quality. You don't have to sit there and re-think through, "okay, what steps do I need to follow"...or "am I forgetting any steps". You simply go through your checklist, copy and paste things that get used regularly, and move through your to-do's faster.
- This will empower your employees to go on vacation or take breaks because either you, or other team members, can take over their responsibilities while they're away.
  - This also reduces your reliance on star employees. Not that we want to lose star employees, but now if we do - it's not fatal.

# A Note On Playbooks To One-Man Bands And Incredibly Early Founders

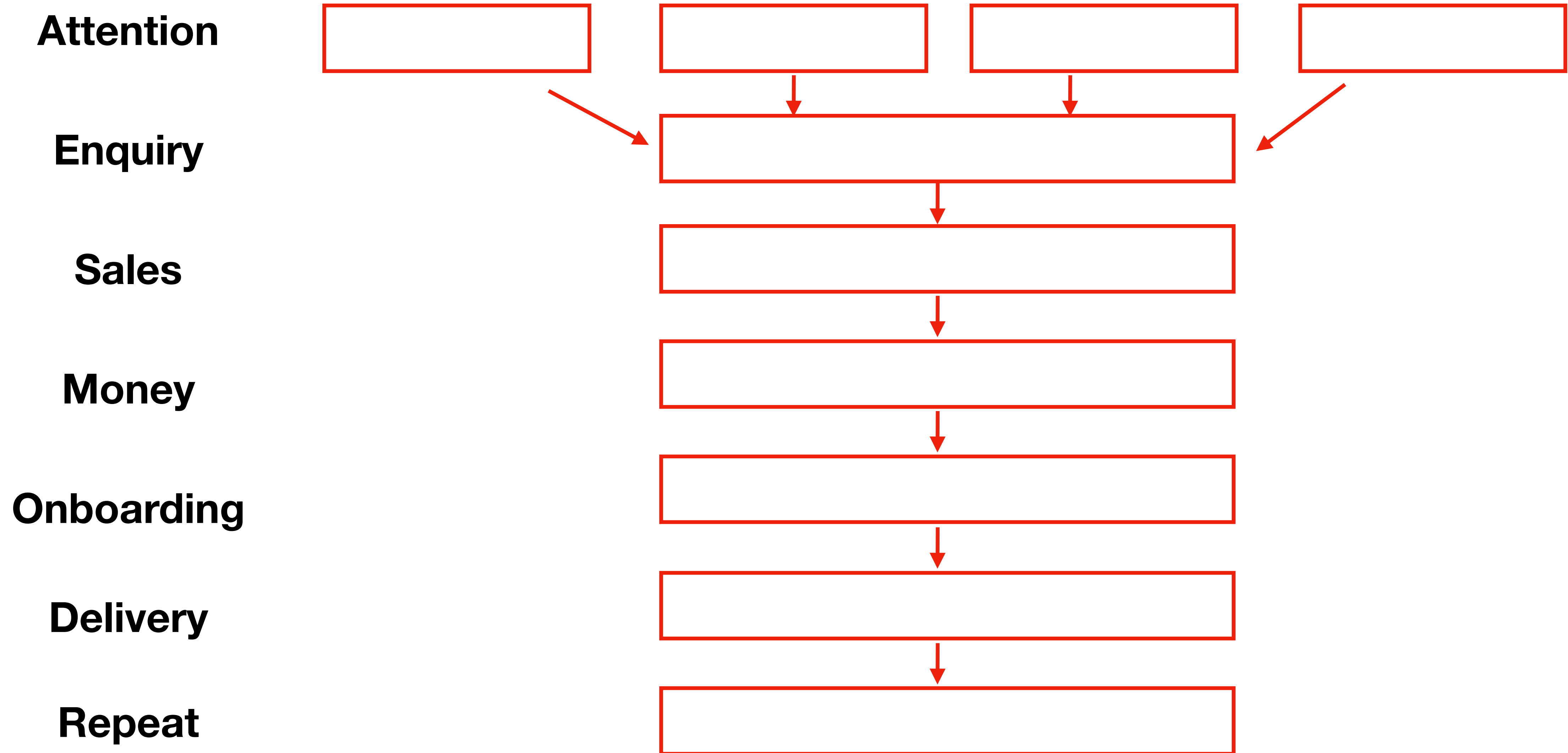
- Systems are mostly used to empower employees, which you don't have yet.
- BUT, you're also an employee.
- You touch every area of your company. And companies are designed to repeat processes over-and-over again.
- Think about certain emails you have to write over-and-over again.
  - What if this was written one time and then every time you go to write that email from now on, you can go to your playbook and copy-paste it.
  - This also means you'll get to revisit it, thus allowing you to edit and improve it.
  - This also means you can adjust it to be more effective than whatever the results of the previous sent emails have been.
- Think about your sales phone calls or "free consults" or new client Zoom meetings you do:
  - What if you had a checklist of things you wanted to cover on these so you don't forget anything?
  - What if that checklist could be edited over-time to adjust to customer pushback?
  - What if that checklist could added to as you hear new frequently asked questions?
  - What if particularly challenging parts of your company's descriptions could be outright scripted so it's done properly?
- What if some of the above things could be replaced by a video we make one time and text message it to the client?
- We could go on-and-on-and-on about examples of how creating a Playbook just for yourself could take you from whatever value you're currently creating on a weekly basis and increase it because you can get more done, faster, more accurately, and more effectively.
  - Then, one day, when you need the playbook for your company that is growing from just you to one, two, three, etc. people...you have a skeleton in which to start from.

# Where Do We Start

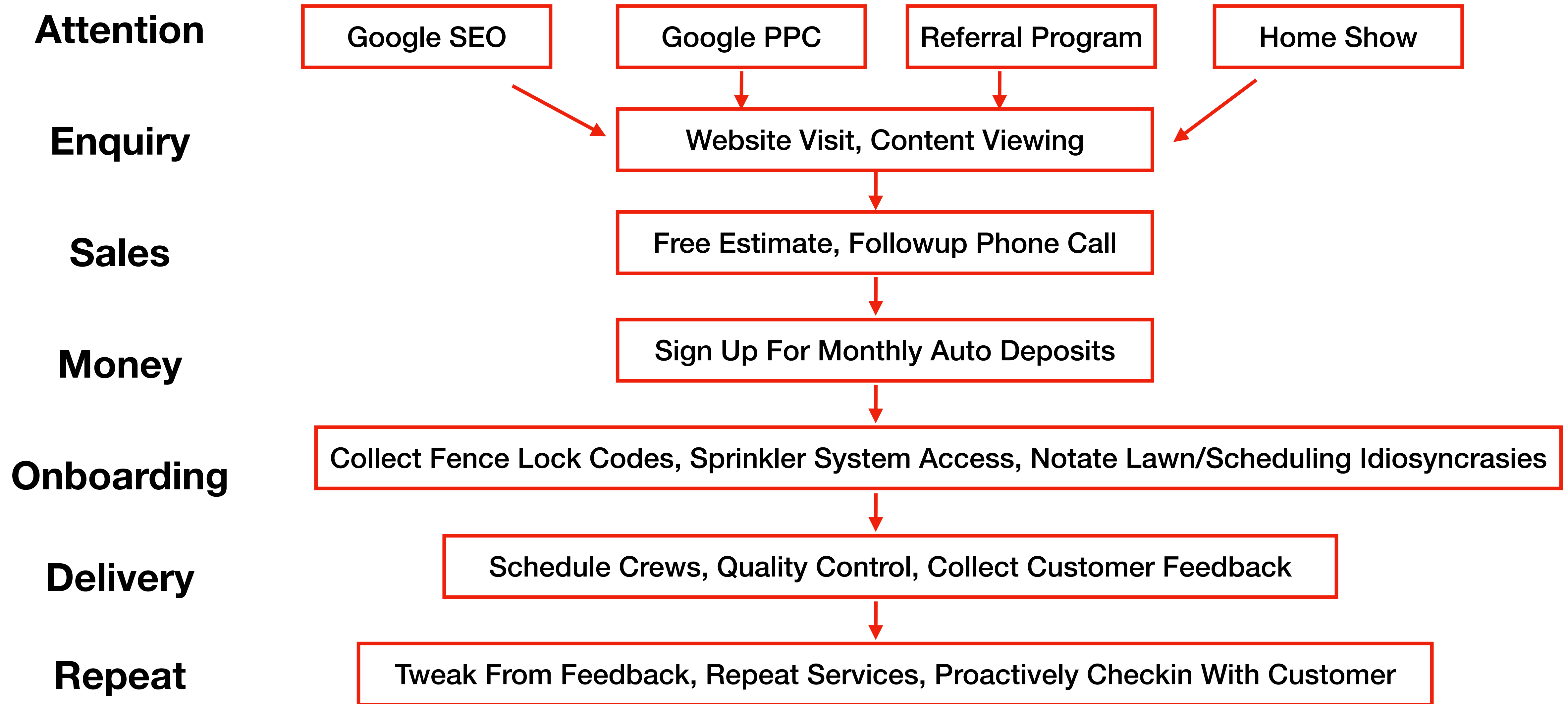
- We want to start with the big and important tasks that need to be systemized first.
- We tend to start by visualizing the process of your customers going through your funnel. This will illuminate tasks that could be systematized in a bit of a chronological order.
- At this point in the process we care mostly about the task name and a brief description. The nitty-gritty-details are done later.



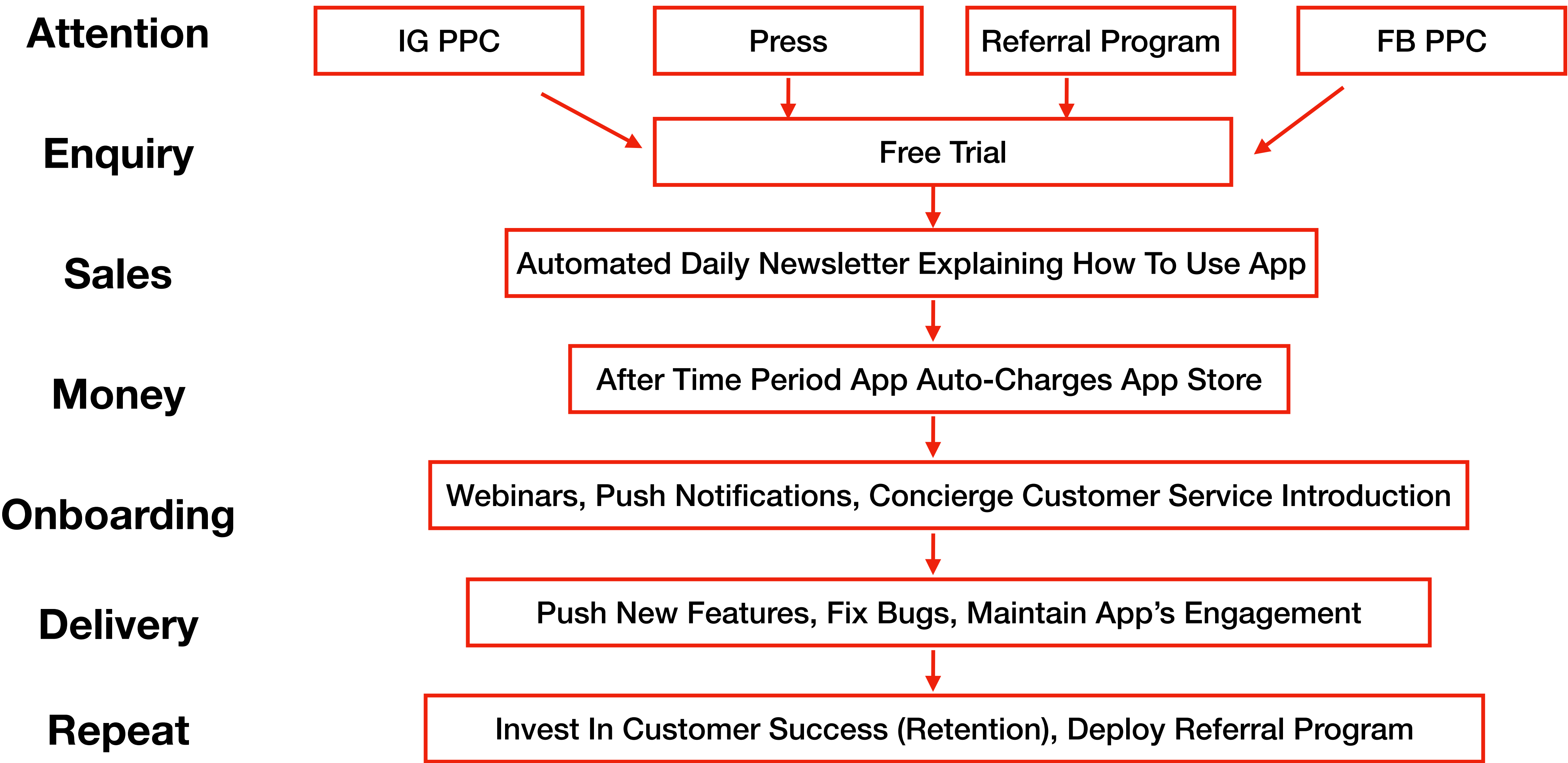
**We Need A Linear Depiction Of How Our Customers Flow In & Out Of Our Business So We Know What Our Total Tasks In Various Departments Are.**



# Example: Lawn Mowing Company



# Example: Subscription Based Mobile Application



# Create A List Of All The Systems From This Flow

Department	System Name	Description
Marketing	PPC Ads	Craft new copy, experiment with new placements, measure results
Marketing	Website Blog	Copy/Paste template, write new content, promote on IG
Sales	Free Consult Call	Schedule call, follow script, elevate hard FAQs
Sales	Followup Text Message	Download CSV, upload to text software, blast reminders
Operations	Initial Invoicing	Cross reference cost to current promotions, upload final price to Stripe, double check the invoice visually, send
Operations	Onboard Deployment	Welcome the client via text, push to onboarding checklist, keep the checklist up-to-date with new videos
Finance	Quickbooks Categorizations	On 27th of every month block off one hour categorize each expenditure, followup with team members & bank if unsure.
Management	New Employee Training	Walk them through employee handbook, show them how to perform tasks, watch them perform tasks, provide advice

# What Makes This Hard and How Do We Fix It?

- That last slide is only an iota of the total tasks/systems that will be needed. Meaning, that slide one day might be a hundred things long or worse.
- When we first start this process, we might want to create a system for something complicated. But when we start thinking about that complication we get scared by how many mini-systems that will be needed to touch it in order for it to work properly. So we just say “too hard” and do it all ourselves because we have all those things memorized.
- We need the list of system to be created from the last slide to be minimized down to what is absolutely necessary. Then each of those systems needs just enough information to get an average employee (or ourselves for the time being) to the finish line of that task. We don’t need so much information that they’re drowning in checklists and detail. They need just enough information for them to piece together what is expected of them and how to do it. They will figure out the rest.
- The idea at this stage is to create an almost overly-simplified systems list...with overly-simplified procedures/explanations/assets. We do this because we might be surprised by how little is needed, and also because we simply need to start tackling this giant multi-year task somehow.
  - At this moment I’m simultaneously trying to combat your tendency to be an over-planner that doesn’t take action and someone who attacks all the potential here with so much detail that it takes forever and is too complicated and too corporate.

# Prioritize

- Let's take this entire list now, and prioritize it down to the parts that we know need a system the soonest.
- Things to think about would be, where I am I hiring first, or next?
- Where are we repeating the most tasks?
- Where are my employees/contractors the most unclear?
- Where in my funnel are my customers the most unclear?
- The answers to these types of questions will illuminate what to systematize first.

# Where To House Your Playbook?

- Lot's of options here. I'm not going to push you in any direction in particular because these are fighting words to some people.
- A great one, especially if your Playbook is going to be largely video-based is Trainual.
- Notion App is what the Blox CTO prefers. He refers to it as Google Docs on steroids.
- But honestly, there are countless softwares out there that do this sort of thing. Go shop around.
- What does The Blox use? We use Google Docs. It allows us to link to and reference third-party websites, videos, and documents. Various parts of our playbook can be shared with some team members and not others. It's incredibly easy to use and free.

# Knowledge Transfer Modalities

- Step-by-step written directions, in some sort of chronological format.
- Checklists that you or someone else can tick off as they complete a task.
- Videos where you are explaining the how and why of a particular task.
- Screenshots that point to the buttons to push or how to use a piece of software.
- Screen-share videos as you go through the usage of a software or how-to on your screen.
- Flowcharts
- Audio files



# You And Your Playbook Needs To Have A Culture Of It's Never Going To Be Done

- If you think there is a finish line here, it will take you years and you'll never get started.
- On the other hand, if you acknowledge it will never get done because it's a living, breathing, growing, document that evolves over time - you're more likely to get started.
- You also won't be as worried about be a perfectionist.
- Part of the system could be.... "Hey employee, as you're going through my system...when you find places to improve it....do it!" Or, as they're going through it, write down questions so you can answer those questions in later drafts.

# Your Team Needs To Change Their Culture To: The System Solves All The Problems

- Before the playbook, when a question arose they would always ping you!
- After the system, unless habits are changed...they'll always ping you!
- They need to be trained to always look to the system to answer their question. One of two things will happen:
  - Either the answer is in there, at which point the system solved their problem without the entrepreneur needing to intervene.
  - Or their answer isn't in there, at which point a hole in the playbook has been revealed. At which point, solve the problem with the team member, and then document how you did it into the playbook so it will be ready next time this arises.

# The Myth Of Creativity Dying

- The playbook is designed to take you out of day-to-day tasks that require zero creativity.
- This allows the entrepreneur to be free so they can paint whatever brushstroke is necessary to grow or evolve.
- When the business owner is free they will create a masterpiece that would have never been possible if they were stuck doing the day-to-day of their own operation.

# Let's Conservatively See What Happens If A Playbook Increases Efficacy By 10% At Each Of The Stages

	Without Playbook	With Playbook (10% Improvement)
Attention	500,000 See Your Message	550,000 See Your Message
Enquiries	5% Join Your Email List (25K)	5.5% Join Your Email List (30.25K)
Sales	2% Buys (500)	2.2% Buys (665.5)
Money	Product is \$500	Product is \$550
Repeat	1 (they buy annually)	1.1 (10% buy twice annually)
Margin	40% (\$200)	44% (\$242)
Profit	\$100,000	\$177,156

# Without A Robust & Proven Playbook Your Business Can & Will Never Be Sold

- Without a playbook, your business can't run without you and/or a key employee who has the systems memorized.
- When a business is bought it doesn't come with perpetual rights to your brain.
- Nor does it necessarily come with access to all of the employees, especially potentially key/important ones.
- Your job is to first figure out how to create a thriving business. Then your job is to document how you did it so it can be done predictably without you there. Then what you're selling is the playbook almost as much as anything.
- To those of you who think you will never sell:
  - How will you retire? What if you want to have an employee slowly buy you out one year at a time over the course of the next decade?
  - What if you want to pass this down to a family member so they can continue your legacy.
  - Neither of the above things would be possible without a playbook.

# Qualities Of A Good Playbook

- Accessible: You and your people need to be able to get to this when they need it.
- Searchable: How hard is it to find the answer to what they're looking for? Being actually searchable (like a search bar is helpful), so is well defined headings and document names.
- Collaborative: The best playbooks are created by the collective intelligence and experiences of everyone on the team. Thus everyone needs the power to edit/tweak the playbook as the brain of the business grows.
- Instructive: the Playbook isn't just checklists. It is a document that needs to mentor the next generation owner or employee or contractor as to the why you're doing things, not just the how.
- Fluid: As your market, customers, product, and economy changes...so will your business and thus so will the playbook that runs it.

**“Your small business will stay small if you can’t manage to remove yourself from the day-to-day hands-on running of it.” - Chris Ronzio, Trainual**