

The 12-Month Total Transformation Program

Micro Systems

*How to delegate the day-to-day tasks that
keep you chained to your flooring store!*

By Jim Armstrong



“Crush The Competition”

Important Notices

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Introduction

The main purpose of your business is to fund and facilitate your Ideal Lifestyle. The reason you own your own flooring store instead of working for someone else is for the rewards. You figure that you can make more money and have more freedom as an entrepreneur than you can as an employee.

Yet most dealers remain slaves to their stores; even those that make a good income rarely achieve the freedom and time they desire. The main reason for this is because the store is *owner* dependent rather than *system* dependant. As an Inner Circle Club member, you are learning how to make YOUR store system dependant; you are being given the tools to create the freedom that inspired you to own your own store in the first place.

Most dealers want two things from their store: time and money. Which is why half of the coaching in *Jim Armstrong Marketing Systems* focuses on generating money (marketing), and the other half focuses on giving you time away from your business to enjoy the money (systems).

Microsystems are all about giving you time. Time to pursue what has meaning, purpose and value for you outside of your business.

How Micro Systems fit into the 12-Month Total Transformation program

An example I use again and again of a business that is system rather than owner dependent is the McDonalds franchise. Franchises in general make excellent business models because they are designed to be system dependent. Michael Gerber, author of the E-Myth, says that you should build your business *as though* you are going to franchise it, even if you never do.

The core of any franchise is the operations manual because it contains all the written systems for how the franchise is run. As an Inner Circle Club member, part of your coaching includes customizing an “Ideal Operations Manual” to fit your exact business. The Micro Systems manual shows you a very simple, 2-step process for creating all the systems that will go into your “Ideal Operations Manual.”

Why delegation usually fails—and what to do about it

How many times have you heard a business owner say, “If you want it done right, you’ve got to do it yourself?” How many times have *you* said or thought that?

This sentiment is usually held by an entrepreneur whose time is completely maxed out at the business; they need help. The business has reached a point where it cannot grow any larger without the owner delegating. So with dreams of a larger business, more money, and more free time, the owner begins delegating tasks and duties to others. To the owner’s horror, they discover that the tasks are done incorrectly, inconsistently or not at all. Customer complaints go up, sales are lost, and instead of experiencing freedom, the store owner is faced with even more stress. His new job is a fireman, rushing to put out whichever fire is burning most brightly.

The business owner is now faced with a choice: either to continue trying to grow, thus adding more stress, complaints and lost business. Or, keep the business at a small-enough size where the owner can personally do or monitor everything himself.

Unfortunately, most flooring dealers opt for the second choice. The reason is clear: they fear that if customer complaints continue, their reputation will suffer and they will lose money or go completely out of business. This is terrifying. So rather than risk that, they keep everything a level they can personally monitor. And there they stay: unable to grow because they are afraid to delegate, and unable to reduce the size of the business to a less stressful level because they can’t afford the loss in revenue.

It’s time to end the madness.

The key to the whole mess I’ve just described is delegation. Most flooring dealers do not delegate correctly—they set themselves up to fail. Here’s why:

No written systems! Actually, an unwritten system is an oxymoron, because if it’s not written down, it’s NOT a system.

Remember: if it’s not written down, it’s not a system.

The example I want you to keep in mind is of a McDonald’s. You never see the owner in the back flipping burgers or making French fries. You never see them taking orders or wiping down tables. You never see them running around, stressed out, trying to put out “fires.” In fact, you usually don’t see them at all because they’re not around. Yet the business is a model of efficiency. This is because a McDonald’s is system rather than owner dependent.

And McDonald’s has a written system for EVERYTHING. I actually worked at a McDonald’s one summer while I was in high school, so I got to see the operation first-hand. They have a written system for making a hamburger; for making a cheeseburger,

for making a Big Mac; for making French fries; etc., etc., etc. Some of the benefits to the McDonald's owner are:

1. Written systems are clear and unambiguous
2. Training is far quicker and easier (McDonald's employs mostly high school kids, and has a huge turnover. Yet you never see a store owner freaking out about losing an employee. It's easy to plug a new one into the system.)
3. Excellent accountability

Compare that with what most flooring dealers do. When attempting to delegate, most dealers rely on verbal instructions. This causes a lot of problems:

1. Instructions are ambiguous and easily forgotten
2. Training is a grueling nightmare (This has the unintended consequence of making the owner a hostage to lousy employees. They dread the prospect of trying to find, hire and train a new employee so much, that they keep bad employees around far longer than they should.)
3. Poor accountability

This is why a written system—done properly—will make the difference between success and failure when it comes to delegating.

The Necessity Of Having Good Employees

“Systems enable ordinary people to achieve extraordinary results predictably.”

-Michael Gerber, *The E-Myth*

Inverse:

“Without systems, it's difficult for extraordinary people to achieve ordinary results predictably.”

-Bob Burg, *Endless Referrals*

Most dealers have problems not because of bad employees, but because they have no written systems. I've known business owners who are perpetually frustrated with their “lousy” employees, when it was clear upon visiting their business that the problem was the business owner and a complete lack of written systems.

However, a well-designed system can still be sabotaged by a lousy employee. One Inner Circle member customized and implemented my World Class Installation System template into his business. He then hired what he thought was a good employee; friendly, outgoing, etc. After a month or two it became obvious that the employee was simply not following the system, and had a complete lack of motivation. Nothing was getting done. This powerful, “paint-by-numbers,” check-listed system (that I have used for years, and other club members are using successfully) was rendered useless by a bad employee.

Therefore, when you implement the World Class Installation System (and micro systems) according to the instructions I have laid out, and you STILL aren't getting good results from an employee, chances are you need to find a new employee.

Module 8 of the Rapid Launch program has an excellent strategy for finding good employees, and weeding out the people who can't follow instructions.

Here is a basic hiring process to follow:

1. Run the ad for recruiting an employee (module 8 of the Rapid Launch), and follow the steps outlined there.
2. Schedule interviews with the candidates who follow your EXACT instructions as outlined in module 8. Schedule interviews back-to-back in one-hour appointment slots on a single day (Saturdays are good for this).
3. Have the top candidates come back for a second interview and administer an online Kolbe personality test. (Got to www.Kolbe.com.)
4. Make your decision.

Sanity-saving tip: Hire slow, fire fast

The Principles Of Aerodynamics

When an airplane crashes, investigators from the FAA go to the scene to try and determine exactly what went wrong. They look at atmospheric conditions, problems with the engine, pilot error...anything that could have caused that particular plane to crash.

What you'll never, ever hear investigators do is call into question the principles of aerodynamics. You'll never hear them say in a press conference, "Yeah, I guess airplanes just don't work after all."

The principles of aerodynamics are proven and they work. Even though airplanes sometimes crash, that doesn't disprove aerodynamics. Again, investigators look for what caused that *particular* plane to crash.

The same is true with the principles of systems: they are proven. Thousands of businesses around the world—including flooring dealerships—use systems successfully.

As you implement the World Class Installation System and Micro Systems, and delegate, you probably will encounter challenges and problems. You might have some "crashes." This is normal. When this happens, your job is to go to the "scene of the crash" and determine what went wrong with that particular system.

Then fix it. Implementing systems is all about tweaking and fixing. Systems almost never work 100% right out of the gate. Tweak and fix; fix and tweak.

**Implementation is 10%
putting the system in place;
90% fixing and tweaking.**

Don't call into question the principles of systems. Don't say to yourself, "Yeah, I guess systems don't work after all. If you want it done right, you've got to do it yourself." This will keep you enslaved to your store. Instead, figure out what went wrong with that *particular* system and fix it.

Systems work.

How To Create A Micro System

Definition of Micro Systems

Systems to perform the tasks not covered by the World Class Installation System, but which are still necessary for the day-to-day operations of your store.

Examples:

- Opening/closing the store
- Buying office supplies
- Stocking inventory/accessories (spotters, vacuums, area rug pads, etc.)
- Maintaining the showroom
- Cleaning the store
- Processing accounts payable/receivable
- Handling customer complaints
- Re-orders
- How customers are greeted
- How sales meetings are conducted
- Home Advisor newsletters customized, sent to printer, and prepared for mailing
- Implementing the Shock-and-awe campaign
- Sending out birthday cards to clients each month
- ETC.

Creating a Micro System is a two-step process:

1. Make a checklist of every step necessary to accomplish a specific task.
2. On a separate sheet, or below, create detailed instructions on how to do each step

That's it! It's an incredibly simple concept, but very powerful.

Examples:

Micro System: Opening the store

Checklist

- Turn off alarm
- Turn on interior lights
- Turn on lights for exterior signage
- Turn coffee maker on

Instructions

Turn off alarm

When you enter the building, the red “armed” light will be flashing. You have 30 seconds to disarm the alarm. Code: 12345 ENTER. The green “disarmed” light will come on.

If alarm goes off: If you don’t disarm the alarm within 30 seconds, the alarm will sound. Call Golden Bear alarm at 530-123-4567 and give them the security code: Floor Alarm. They will turn the alarm off remotely. If you don’t call them with this code, they will call the police.

NOTE: the numeral “3” sometimes sticks. If the alarm doesn’t shut off on your first try, re-enter the code, pushing each number slowly and firmly.

Turn on interior lights

The switches are located next to the employee restroom, behind the door in the hallway.

Turn on lights for exterior signage

Switch is located to the right of the front door.

Turn coffee maker on

Located in the break room. Coffee is located in the refrigerator. Make a full pot.

Micro System: Maintaining the showroom

Checklist

- Vacuum (daily)
- Clean entry door glass (daily)

Walkthrough twice daily: noon and at close of business

- Replace samples
- Literature holders neat/full
- Display signs neat
- Inventory/Accessory displays neat & fully stocked

Instructions

Vacuum

Vacuum the entire showroom.

Clean entry door glass

Windex and paper towels located in storage room

Walkthrough

Replace samples

Sometimes sales people or clients will pull samples and neglect to replace them.

Literature holders neat/full

This includes brochures, business cards, flyers, Consumer's Guides, and any other literature for clients. Boxes of literature are in the storage room; boxes are marked. If we are down to the last 1/3 of a box of any piece of literature, make a written note for the Office Manager to re-order. You are responsible to insure that we never run out of any piece of literature.

Display signs neat

Inventory/Accessories neat/stocked

Sometimes items get knocked over. If we are down to the last 1/3 of any item, make a written note for the Office Manager to re-order. You are responsible to insure that we never run out of any inventory.

TIP: Keep a copy of the checklist with the person who is performing the task, or posted where the task is performed. Keep the detailed instructions in your "Ideal Operations Manual."

These are examples of very basic systems. The World Class Installation System gives you an excellent example of a more complex system. Whether complex or simple, the principles apply regardless. It may have never occurred to you to actually write a system for something as simple as opening the store, but knowing that this small item is "off your plate" and being done consistently will reduce your stress.

Imagine having every day-to-day task off your plate and performed consistently. That's the goal.

More examples...

World Class Installation System

The World Class Installation System is a great example of this 2-step process. On your CD ROM you have an Excel spreadsheet with a checklist of every task that gets done in the World Class Installation System. The World Class Installation manual gives detailed instructions on how to do each step. You'll notice as you look through it that it's really series of Micro Systems put together to put the entire selling/buying/installation/follow-up into a single process.

Monthly Home Advisor Newsletter

Each month along with the Home Advisor newsletter, you get an instruction sheet that can easily be tweaked into a Micro System for delegating the production of your monthly newsletter.

How To Get Started

What you have learned

You now have the 2-step process that I have used over and over again to successfully delegate tasks in my businesses so I could focus on more important things. Keep in mind that this manual works in conjunction with all the other manuals in the 12-Month Total Transformation program. As you go through the Total Transformation, and create your Ideal Operations Manual, you will use this 2-step process over and over again. Your ultimate goal is to have every task necessary for the operation of your business written out like you see here. That will take some time, but it's well worth the effort.

So where to start? Well, the most important thing is to *make* a start. I recommend beginning with the tasks that will create the most freedom for you right away. In the 12-Month Total Transformation Game Plan workbook, I talk about the goal of freeing up one day per week. You are asked to make a list of every task that you are currently performing in your business on, say, Friday's. You then do one of two things with the tasks:

1. Reschedule them so they get done on another day
2. Create a Micro System and delegate them

Now you have Friday's freed up to do other things. (See the Game Plan workbook for detailed instructions on doing this.)

The World Class Installation System is also a great place to begin. As I said earlier, you'll notice as you look through it that it's a chain of Micro Systems hooked together to put the entire selling/buying/installation/follow up into a single process. The World Class Installation System covers a HUGE portion of the day-to-day activities that go on in your store. Therefore, getting that implemented can mean huge gains in your freedom AND reduction in your stress.