GUIDE

The 2 Habits Your Company Needs Before Scaling for Growth

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Note: I wrote this in October 2015 when I was directly leading the marketing team responsible for generating Mindvalley's primary source of revenue.

As I've encountered other leaders and business owners over the years who have asked for my advice on how to standardize their company's or team's processes, or how to begin working with (or upgrade their own) standard operating procedures (SOPs), this is the article I shared. I hope it's as valuable a resource for you as it was for them.

One of the biggest challenges I've faced as a team leader at Mindvalley is to ensure consistent, quality output from my team.

When Mindvalley started scaling for growth, our team had to not only keep up with the growth, we were *leading* it.

We were responsible for producing and broadcasting free online events for our Mindvalley Academy members, and at one point, early on, we doubled the number of events we were doing per month.

And we did this in *one month*.

As we rapidly grew the size and capacity of the team, it became harder for one person to keep an eye on the entire operation. Quality gaps started seeping in. We would catch them, but the risk was there, and it was growing.

This was one of the biggest challenges of scaling—and it would only become more challenging as we continued to grow.

Many business owners face the same challenge when they scale.

The challenge is: once you have figured out a scalable model, how do you replicate it in a *consistent* and *predictable* way to ensure that the same results are achieved on a bigger scale?

How do you ensure *consistency* and *predictability* in your output?

Sloppiness, key-person dependencies and unclear workflows all get exposed once companies start scaling for growth.

How do you prevent this?

First, everything that you are scaling must become a *process*. There must be a clear recipe for how a given process of your business is done before you can give it to 10 more chefs to execute. Otherwise, you are going to end up with inconsistent or unpredictable results.

Second, as companies scale, business owners need to start thinking more about *institutional memory*—how a business or elements of the business will run those processes without close supervision.

Knowledge management is the cornerstone of institutional memory. You need to document everything.

So whenever there is an issue or an exception in a business, large or small, think of it as boiling down to only one of two root causes:

1. The correct process was not documented.

2. The correct process was documented but not followed.

This is the mindset needed to scale. And these are the habits that will help you get there—without burning you out as a leader.

That's it. Any issue you can identify will inevitably be due to one of these root causes.

To prevent these root causes, there are two habits in particular that you will want to engrain in your team as you scale:

1. **Habit #1:** Document everything ("Say what you do")

2. **Habit #2:** Follow what is documented ("Do what you say")

Habit #1: Document Everything

Every element of your company that you want to scale should be recognized as a process and documented. This includes not only line duties like planning and production, but support duties like customer service as well.

This will force unclear processes to be clearly-defined—a prerequisite for scaling.

All processes should be documented. This includes procedures and standards.

What does this mean in practice?

1. Every standard process must have *one single procedure* that is documented.

Having two copies of the procedure causes confusion as to which one is the most updated, and requires reconciliation between the two. Kill all duplicate procedures. Make sure that any procedure only exists in one place and is the master procedure for that process.

2. Documented procedures are different from trainings. Separate them.

Don't confuse documented procedures with *training*. Training is a one-time orientation for new people to learn a platform or process.

Documented processes and standards, unlike trainings, are *references* that team members should always follow as part of carrying out their job responsibilities. These are the reference notes or checklists that are followed to ensure nothing gets missed.

Documentation needs to be lean and reference-able. Write as if you are writing for someone who has already been *trained* on the process, but merely needs a reminder of what steps are not to be missed. Checklists and simple step-by-step guides are good for this.

Don't clutter or mix your documented procedures and standards with actual training. Assume anyone reading and following the procedure or standard is already trained on the basics of whatever platforms or technology is needed to execute that standard, unless it is specific only to that one procedure.

If you have a documented procedure on writing a report, for example, assume they already know how to use a word processor.

If the platform is relatively esoteric and only used for this one procedure, you may want to *link* the procedure to a training on that platform, but don't start teaching the platform in the middle of the procedure.

This habit just requires the discipline to document everything, and keep everything updated. For every new process or process change, documentation needs to be updated.

But this habit alone is insufficient. The second habit, below, is even *more* key.

Habit #2: Follow What is Documented

For every task, every process, a team member must follow the documented procedures and standards. Everyone in your team needs to operate with this mindset.

What you *do* must match what you *say you do*. And what you *say you do* must match what you *do*. This habit ensures these two are in sync.

Then everyone in the organization is aligned.

What does this mean in practice?

1. Every time a team member executes a standard procedure, the documentation is referenced.

Team members must not operate merely from memory. This is especially important in a dynamic environment—as businesses scale, the way things are done may change rapidly, and you can't have team members operating off of old ways of doing things.

You need the "what we are doing" to exactly match the "what we think we are doing" closely. This step ensures that any changes to the process immediately become changes to how things are done on the ground—that this change in how we operate does not merely exist on paper or in email, but is actually implemented fully and consistently.

Non-standard scenarios or edge cases do not need their own procedure necessarily, but there should be a process documented for how junior team members should address or escalate non-standard issues as they are encountered.

2. Documentation must be easy to find and follow.

This is a must if you are to expect team members to always be following procedures.

As mentioned above, don't mix training with procedures. This will bloat the procedures and make them painful to reference. Team members are already trained. Distill the procedure down to the essential checklist or step-by-step items to ensure nothing gets missed.

3. Documentation must be easy to update.

The ability to identify and resolve gaps in the procedure *quickly* is crucial. If this cannot be done, the documentation no longer matches the latest process and team members will fall back to memory or fall back to doing the same process 10 different ways.

When a decision is made that changes a process, don't wait to update documentation. Update it *immediately*. Otherwise, especially in a dynamic environment, team members will be operating off of outdated procedures, and may lose trust in the relevancy of the procedures.

4. When a team member follows procedure and noticed something in the procedure that is outdated or does not make sense, it must get escalated and resolved quickly.

Otherwise, without clear direction, team members may make their own judgment calls on how the procedure should be followed.

This may waste time, as the team member must figure out how to execute in the absence of clear documentation.

It may also create risk for your business, as it may leave room for junior team members to make silent judgment calls that business leaders would not agree with or that may have broader impacts, such as a failure to comply with regulations or a failure to meet quality commitments to your clients.

Does this limit creativity and flexibility?

If we are training our team members to follow procedures like they are programming scripts, how will they grow and learn? Where is the creativity? Where is the flexibility that a healthy business needs?

One of the biggest concerns raised with this approach is the belief that these habits will limit freedom to grow, create, or be flexible.

This is also one of the biggest myths.

Following these habits removes time wasted that team members would otherwise spend re-inventing the wheel or following the process in an inefficient way. If you have a repeated process, the best thing you can do is find the most efficient way to run that process, and lock it in as a standard procedures so team members no longer waste time doing it a less efficient or less effective way.

This then *liberates* team members and leaders to be able to think about how to *innovate* on those processes. At any given point in time, processes are

documented, but they are always subject to testing, tweaking, and continuous innovation.

Rather than wasting time trying to ensure all teams are consistently following a process, this has all been automated. All teams *are* following a clear process. Now team members can instead focus their energy on tweaking the system that has been designed and documented to achieve even greater results.

Implementing This in Our Team

A few months ago, I challenged everyone in my team to adopt these two habits.

You would think that we would have spent the month documenting everything. That this was the more challenging habit to conquer. We thought the same in the beginning.

And we *did* spend time documenting some procedures that were not previously clearly documented.

In reality though, the more time-consuming one to implement was the second habit: having everyone actually *follow* the procedures.

We faced several challenges in the very beginning:

- **Procedures were mixed with trainings**, making the procedures large and hard to follow

- **The latest procedure was not always easy to find**. Or it was not clear which version of the procedure was the relevant one at a given point in time.

- **Team members had a bad habit of relying more on memory rather than referring to the procedure**. Given our process is dynamic and changes rapidly, this reliance on memory led to too many quality gaps and difficulty in implementing process changes consistently across everyone in the team.

- When team members noticed a gap or outdated element in a procedure, instead of escalating and us updating the procedure for everyone, **the individual team member would make judgment calls or skip steps without reporting it**.

By the end of the month, we had surmounted all of these challenges. Our challenge now is to keep these habits strong by keeping them incorporated into the culture of our team.

The Main Idea

For a growing business, one of your greatest risks when scaling is "what we think we are doing" falling out of sync with "what we are actually doing."

Leaders of a small business that is scaling for growth will find increasingly that they don't have time to spend on the smaller details. They have to trust more and more that things are getting done to the same quality and service standard as originally set.

They may continue to think their company has excellent customer service that always meets a certain standard, for example. But in reality the customer support team may no longer be following a consistent process and errors in judgment are impacting customer relations without leaders having a way of noticing.

Key performance indicators, or KPIs, are a good way for leaders to keep a pulse check on the health of a scaling company. But KPIs alone are not enough to ensure consistency in service, quality, regulatory compliance, or operational efficiency.

A scaling company needs that consistency, so team members are not wasting time reinventing the wheel or making poor judgment calls that could negatively impact the business.

As you prepare for lift-off—as you prepare your business for scaling to 2x, 10x, and beyond—consider ingraining these two habits into your culture now, before it is too late.