

A man with short brown hair, smiling, wearing a dark suit jacket over a blue and white checkered shirt. He is holding an open book with a blue cover that has the word 'SYSTEM' on it. The background is a blurred indoor setting with a window and a plant.

JAMES SCHRAMKO

7 Myths About Systems with Dave Jenyns from Systemology

Do you resist creating systems in your business? SYSTEMology's Dave Jenyns examines myths that keep business owners from implementing good systems.



Dave Jenyns

James: James Schramko here. Welcome back to my podcast. This is episode 933. Today, we're talking about systems. And I've brought along a very long-term friend of mine, Dave Jenyns, welcome to the show.

Dave: Hey, James, thanks for having me.

James: Have you ever been on this show before?

Dave: I don't know, maybe back in the day on Authority Content days, I'm not sure.

James: Yeah, I might have to go and check. It's been long overdue. I know you spoke at my event. And that was a popular topic. We've got so much history. A little fun backstory for our listeners: when I started online, back in about 2006, I was researching and figuring out what I could do, what I could sell, and you popped up. You were one of the very first beacons of hope online, because I saw what you were doing in two different channels.

One, you were in a stock trading channel. And in the other, you were in a website platform, website-building channel, as an affiliate marketer, and you were offering bonuses to people who purchased through your affiliate link. And that was your business model, I suspect, apart from possibly trading and selling bits of the cricket stadium, etc., little entrepreneur you were.

And I applied the same sort of methodology. I was learning independently about collaborating and affiliate marketing and offering bonuses. I did some course by Patrick Chan, Winning in the Niche, and Steven Pierce, and I just put it all together. And I guess you were one of my earliest competitors in a way, because you were selling the opposite platform that I was promoting.

So you were like beta and I was VHS, in the same market at the same time. Back then I thought, you know, maybe I'm too late to the online space. But obviously, that was a very long time ago now. And gosh, haven't we had an interesting run since then? We've both been in the SEO business. We've both been affiliate marketers.

You have really gone deep into the system side of things. I remember at some point, you've published your book SYSTEMology, you sent me a copy, I read it. I sent you some notes about it. It was great to see. And I'm so glad to have you on this show and to talk about systems today.

Dave: It does, it goes by in the blink of an eye, and a lot of different things happened. As soon as you said the book, one thing popped into my mind. One of the bits of feedback that you gave for SYSTEMology at the time, and I think it was hilarious, I didn't end up putting it in the book, it was the best quote ever. It should have been on the front cover.

It was SYSTEMology is not sh*t, or it's not sh*t. And I remember thinking at the time, because that's such a high compliment, because you see so much stuff that you come across. And you would see a lot of real rubbish material. It's an Australian thing as well. That's not sh*t. That's actually a really high compliment. But I wasn't sure how some people might read it. So I didn't end up putting it.

James: Yeah, of course it's just, you know, it's telling you I think it's a great book. There's, I think, a whole Karl Barron comedy routine around Australians, and they don't tell you what something is. They always tell you what it's not. Like, how are you going? Not bad. You know? Or has it been good weather up there? Oh, not much, you know, this sort of stuff.

So yeah, I actually forgot about that. But I remember reading it, and I had strong feelings about it at the time. And, of course, when you send a review copy for, you know, when you have the option to make changes for publishing, that's always a good time to give feedback. I've been in that position with a few of my clients as well. Especially, I remember [Ryan Levesque](#) made one little change that made it into the book that I think transformed the meaning of it.

But it was quite well laid out. If I look at the structure of the book, what I liked about it, you put it into stages, which is obviously very in keeping with systems, like stage one, two, three, four, etc. And then you covered the seven myths of business systemization, which I think would be great to talk about because clearly, it's what people think about systems versus what systems actually are is where we can really create some value in today's episode.

Dave: That was actually one of your suggestions that made it into the book. I remember when you read it, you said, That piece is one of the strongest pieces in the book. And then you said, You need to have a page in the book that recounts those seven myths on one page. We ended up adding that in, and that was like, towards the end.

And I've had a couple of people comment on seeing that page and then be able to go, Yep, the myths now are presented front and center. And as they read them, they'll nod. And they'll say, Yeah, I believe that. Oh, yeah, that's what I thought about systems. And then we get to challenge them, which helps to kind of break down some of their paradigms.

James: I liked it, because it's like that Peter Thiel thing in his Zero to One book, he talks about, what do you know that nobody else knows? And when I read the book, I'm like, Yeah, you know, David gets it, he gets it. He understands systems. Because so many people don't. Like, we have to be careful, because we're both systems-oriented.

I mean, you're very structured and organized, I'd say far more than I am actually, just in general. But when I was a general manager, I had to morph into a far more systemized person than my natural being, because that's what gets results. I think you have a nice quote about that in your book, actually, that basically, let me see, all problems within business are ultimately caused by poorly performing systems, right?

So when you have a big machine, like a car dealership, there's a lot of opportunity for poor performance. So I had to really get systemized. And I couldn't wait to throw off the tie and just relax a bit when I left the dealership. And we have some basic systems. But one of the things I was most encouraged about in your book were the myths, because they really address some of the misconceptions that are widely held.

Someone says systems, you think, McDonald's

And I don't think many people do know this, and so I'm so glad that you confronted it, like myth number seven, people think you need to systemize like McDonald's. Don't we hear that in just about every discussion on systems, you know, it's got to be like McDonald's? And you don't.

Dave: Yeah, that's a big one, because people have this picture in their head. And you'll say, Oh, what's the first systemized business that comes to mind? And it's McDonald's, or Amazon, or Google. And these are businesses that have been systemizing for such a long period of time, and you're looking at where they are today, and the output, and thinking, well, that's where I need to start, rather than thinking, well, where did they start 60 years ago, and start there.

And the picture for McDonald's often referenced the movie, *The Founder*, because it tells the early stories of the McDonald's brothers and Ray Kroc, and one of the first things they do is they go out to this basketball court, and they've got some chalk, and they're chalking out the floor plan for the McDonald's store.

And they say, Oh, let's put the fryer here. Oh, no, let's push the drinks machine here. No, oh, let's move that around, that's too close. And that's the way that systems start. It's really raw. Things get moved around. And you don't want to overcomplicate things at the start, because then it just gets in the way of making them work.



And I actually think the sign of a great system is something that's flexible enough that can then be applied in multiple different scenarios. If it's too rigid, and it's over optimized, which you found in the stock market education space, it tends to perform less well in real-world scenarios, because it's over optimized to a situation where as things that are slightly more flexible enabled smart team members to fill in the gaps or make adjustments where it's not exactly fitting the system.

James: Yeah, that makes sense. It probably explains why trading robots often tank a whole market, because they're too rigidly following their parameters, which were programmed by a human, probably. And also sort of touches on some of the things like The Checklist Manifesto, where one of the rules of checklists is to not over-detail checklists, because if you do, it actually clutters it up, makes it too much friction and difficult. It's like, you know, on an airplane, you just got like an exit here, you know, and a handle. Don't put anything extra than you need, like, you know, it doesn't say, pull the handle down with 15 bars of pressure, three degrees to the right, like, too much detail.

And when I do think of McDonald's and systems, firstly, I think my understanding is these days, they're probably more of a real estate business than a food joint. But secondly, they must have a lot of churn of staff, it's probably not the most exciting place to work for any great length of time. It's possibly not aspirational.

Are systems incompatible with creativity?

And so I think there can be a relationship between too much process, and you know, not being exciting. Let's sort of delve into that, because myth number six is systemization destroys creativity. So this one, I think, is a really interesting one.

Dave: So this one was really highlighted to me when I had a video production business. And I remember going out on a shoot with my videographer, we'd recently set this business up as like a sister business to Melbourne SEO, because we had some inquiries for creating content. And I'm not a video guy, like, I don't know how to operate the equipment, I don't do the editing or anything like that.

So I didn't understand the inner workings of the delivery of the product or service. And I remember going on a shoot with the videographer. The first shoot I went on, we drove, it was about 45 minutes from the office in St. Kilda. And I spent the entire time listening to the videographer, who was driving, ask questions like, did I pack the spare battery? Did we email the client to tell them not to wear checkered shirts because it looks rubbish on camera? Have I got that extra extension cable? Did I get the extra lens?

And we spent the whole journey just on things that just should have been taken care of. And the light bulb for me at that moment was, well, we obviously need to have a shoot checklist, like a packing checklist. And after that shoot, we put that into place. About six months later, I go on another shoot with him, and in the car, the discussion was worlds apart.

We were having discussions, he was talking about, how am I going to get the best shots? What performance do I want to get from the staff? How do I want them to interact? All the creative stuff now had space for that discussion. Whereas previously, he was just caught up in the minutiae of organizing and setup.



So that taught me that valuable lesson that if you get all of the administrative stuff just done and handled by systems, that then creates the space, which then allows for creativity, and you need space for creativity.

James: Yeah, I've heard a quote something along the lines of with art, that having boundaries and parameters actually enhances the art, because if it's too open, you know, there's no endpoint or start point, there's no definition. So if, for example, when I give my daughter a white canvas and paint brushes, she'll want to use every single paint in the box.

And I'm like, No, let's just pick three. Otherwise, like every single time, it always ends up, she gets every paint and mixes them together. And it's just the brown. And so we've talked about, let's do something other than a poop today, right? Because we just keep, we're like, we're painting a few poops here and there. Let's just limit the palette. Let's just have three or four colors. And let's see if we can create something different.

And so by limiting that, having a system and you know, now we know the rules, there's like three or four paints, there's a paintbrush, there's one thing. And like, don't paint the table, don't paint the chair or anywhere else, we're just going to put it on that paper now. That's the part that comes to life, because we've created some limitations that actually let that creativity come out. And isn't it often the wildly creative and highly visionary people who can benefit from systems the most?

Dave: Definitely. Like, the business owner, oftentimes is that person, they are the creative visionary, the big picture thinker. And that's oftentimes why the systems is the weakest part of the business, because they don't think that well, oh, systems don't work for me. So systems aren't going to work for my staff.

Who's going to want to follow process? I'm going to put the systems in place and no one's going to follow them. Because they're thinking, Well, I don't follow process. I don't like it. And they project themselves onto the staff. So it's quite common that the business owner pushes it away for that reason.

Oh, but the team won't follow them...

James: That'd be for myth number five. Even if you have systems in place, your team won't follow them. That actually shocked me, because when I went from the dealership, I wanted to just chuck away my tie. By the way, I still think a necktie is one of the most out-of-date, useless pieces of clothing ever. Back in the day, it was probably a way to flex a bit, you know, the peacock with their, like, there's not many things a man can accessorize with.

It's like a tie, a watch, a pen, shoes maybe. But I couldn't wait to get rid of it. I just wanted to get in that T-shirt. And I wanted to destructure my organization from all the bureaucracy. Because you know, if you ever work for a big company, like a huge company, like I did General Motors, Vodafone, BMW, Mercedes-Benz/DaimlerChrysler at the time, there's so much crap. I just had to strip it away. I went back to basics.

But what I discovered, because I was bringing my team from call centers in the Philippines and they'd been trained by American companies, they actually like structure. They would do things like track days that they were working and sick leave and stuff. And I'm like, we don't do that, we don't need to do that.

I don't care what day you work, I don't care what hours you work, I don't count the numbers, I don't know what your hourly rate is. I don't need any of that stuff. But they still do it anyway, because they like structure. And people want to know where the boundaries are so they can always play safely within the zone of comfort.

And that's where they can often get their very best performance, when they're not worried about looking over their shoulders to see that they're off track. And of course, as you would know, a lot of owners are really, really bad at communicating with their team, and when they find a team member off the path, the way they communicate that is often the deal breaker. That's what causes churn in many cases, because they say something too savage or irrecoverable. And that person loses face or gets scared and leaves.

Dave: Sometimes also, like A players, they want to do well, and they want to perform. So systems and process can give them the rules of the game and show them how they can win. Now, you don't want to, again, going back to what we said earlier, over-optimize and not allow room for creativity and thought.

But if you can give someone a little bit of a structure, especially when they're just starting in a new role, if you don't know how to do something, and you want to feel like you're contributing and adding value to the business, if you can give them tasks and show them how to do that, that can make them feel really great and then get them on the path.

And then some of these tasks, maybe that new team members go through, you document those quite well. So they can then be passed on to the next new team members. And it can be kind of like constantly passing these gateway tasks to the newer team members to get them up to speed.

And that's kind of like a big part of the process where really all business, they're training organizations. Like, we think about how can you take new team members who don't know anything about the business and get them to a point where they're productively adding value to the business and achieving the goals of the business? That's the win, it's how do we shorten that space in time, and makes everybody feel better about the scenario.

James: Oh, yeah. Nobody wants to have to keep training a person with some loosey goosey rules. I still remember a lot of my early lessons, I think it was about 1992 or 1993, I had a boss at the time called Caroline. And I used to look across the desk. Hey, Caroline, can you tell me the dealer code for Boyd Edler Kimba? And she'd say look it up.

I'd say, But you know the code. And she goes, No, if I tell you the code, you'll just keep asking me the code, and you'll never learn it. The codes are in the register, which is in your drawer. So I'm like, Okay, so I have to pull it. But I learned the system, the system is, this is where the codes are, you learn the system.

So it was annoying at the time. But it was liberating in that I could become self-dependent. And I remember later on in my career, when I was a General Sales Manager, I was able to hire people new to the car industry and have them selling Mercedes-Benz cars within two weeks, because my system was so strong.

It was so good that Mercedes-Benz asked us what we were doing and asked me to train my competitors. They literally brought me to a conference to train all the other sales managers on my system, which I now teach, of course, in my own membership, because it's adaptable to everything else.

But I think some of the simple systems, I'll just give a couple of examples that have worked for us that the team like. We do have a little daily check-in. So they just post what they're up to today. So we're all on the same page. And then a little end-of-day summary, what they did, so that the whole business can see what's happened that day, and they can work together. And just for reference, we got about seven people in our team. We're a tiny team.

And then the other thing that's really good is we have a daily snapshot of the stats of the business. They're not dollar figures, by the way. They're things like the number of current subscribers in our membership, the number of emails we sent the last 30 days, the number of podcast downloads the last 30 days, the number of visits to our website last 30 days, the size of our email database, and that's about it.

But those things are all areas that my team can contribute towards that result, and we map it yesterday versus a month ago versus six months ago. So we can all see the trend, you know, whether we're up or down. That builds safety, it builds inspiration. We can see when we're getting on a good trend. And we all feel like we're moving in the same direction.

So that sort of structure has been really welcomed. But what I don't require them to do is, you know, like, log on and fill out a 20-question survey or whatever, I think you can go way over the top with that, or you could spend a huge amount of time with your staff just on administration of them. Like, you know, screenshare capture stuff, software and stuff.

I really don't like that stuff, because are you actually ever going to look at it? And does the benefit outweigh the negatives of it? And so, I've got strong feelings about things like that, just based on how they've resulted for a lot of the clients that we've worked with as well. So interesting, there's a fine line.

But in general, quite a lot of your team probably do want some kind of structure and system, and you as an owner are more likely to be less structured or systemized than your team is a general rule of thumb, if you're a visionary type.

Dave: A good way to kind of bridge and kind of move over is exactly what you're talking about. What are the minimum viable set of systems required to run your business? And start there. I mean, this is the 80:20 thing. You've been seeing 80:20 from the hilltops for many, many moons, but it's the same with systems like, what is the 20 percent of the systems that deliver the 80 percent of the result?

Think about it. Firstly, in the delivery of your core product or service, pick one product or service and think, what are the steps required to deliver that core product or service? And then after that, you break out and you think of the different departments. Like you talked about, effectively some management or some HR-related systems there.

If you just started off by picking out, you know, five or 10 systems in each of those different departments and go, Well, it's important everybody gets paid every fortnight, okay, well, that's an 80:20, let's make sure we have a system to make sure that everybody gets paid correctly and on time. So you just got to identify those. And just doing that will get tremendous wins for businesses.

James: That's so true.

Do you really need expensive, complex software?

So this is episode 933. I'm chatting with Dave Jenyns, and we're talking about his book SYSTEMology, in particular, the seven myths.

It kind of leans into myth number four, David, you need to invest in expensive and complex software. I'm so glad this one was in there.

I had a funny story around this one, actually, I was visiting my team in the Philippines, we'd been signed up to Basecamp, I think at the time. And I was just watching over the shoulder of a couple of my team members, like we used to sort of get into little groups by department. At this time, we had about 65 people in my business, it was a pretty big operation.

And we'd sort of break out into, we had whole rooms in this three-bedroom apartment. There's the content team, and the link-building team and whatever. And I was watching them updating, and I saw one of them flip between a Google spreadsheet and then back to Basecamp, and then back to Google and then back to Basecamp.

And I'm like, What's going on here? And they said, Well, we're just updating Basecamp. And I said, Okay, but from what and why? They said, Oh, well, the team prefer to use the Google Sheet because we can all join that and put stuff, and we're just updating Basecamp, so that it's up to date.

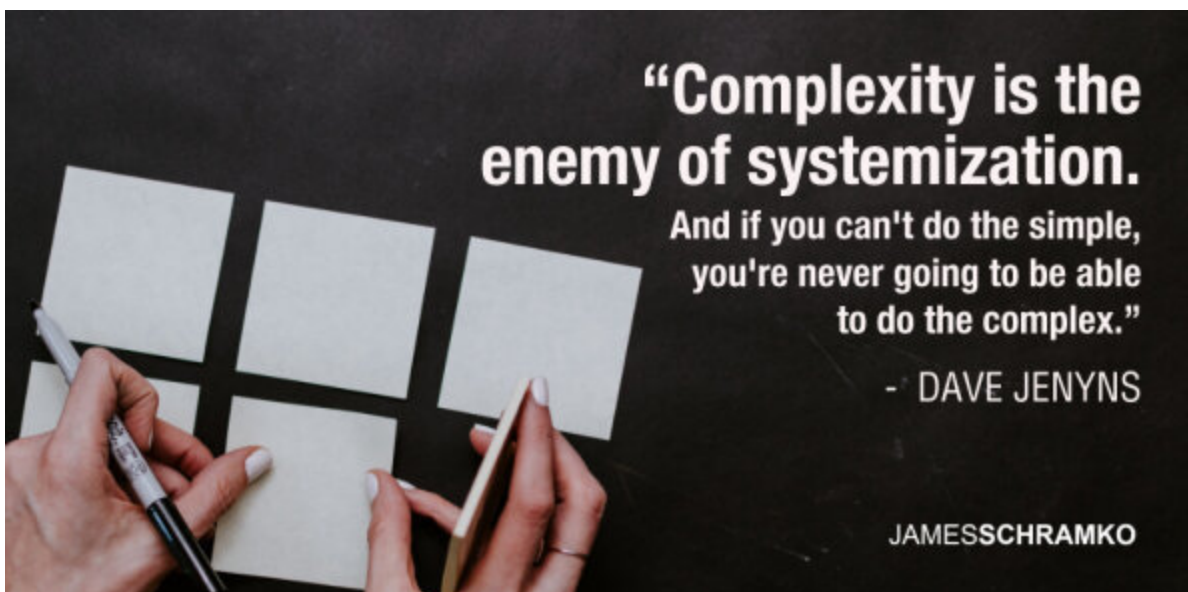
I'm like, But who's that for? And they're like, Well, for you, Boss. I'm like, I don't care what platform you use. Like, if we want to use Google, great, let's all get Google for business and ditch Basecamp. We don't need it. If you're only updating it for me... And this is so common, what I have discovered is that humans generally don't use software tools the way that the software developers think that they're going to use them.

We have a literal scrap heap of software tools we've used in the past and then ditched or unsubscribed from. Like, I'm talking about dozens. In fact, in the last 30 days since we switched our brand, we have turned off at least six software tools. Everything from tracking through to video-editing stuff through to a software that does little bits and pieces in the background, gluing things together, we just scrapped it.

Quite often, it's easy as an online business to start buying tools and getting, like you need this and you need that. And before you know it, you've got thousands of dollars a month in subscriptions. But what I discovered is when I leave it up to my team, and say, Look, you choose a tool that's going to get the job done the way you want. And you learn the tool, and you tell me if you need something or we max out or whatever. Because there was this other situation where we'd used up our quota halfway through the month, and then they were waiting for the end of the month to come till it rolled over to the next batch of quota.

I said, Hang on a minute, what's going on? And they're like, Oh, we've used up our quota. And I'm like, Well, then get another license. Like, let's get more quota. Don't stop and wait for it to end. And this is because in their home life, you know, if they use up the internet thing, they just wait till their plan renews or whatever. But that's not how business runs.

So you've just got to watch that. It's great to give them power over the tools they use. But also just keep in mind that in some cultures, and some people who are not entrepreneurs, they may not realize that it's a good idea to go and get another license and to re-up. So keep an eye on it. But give them a lot of say in it, is what I've discovered has worked well for us.



Dave: I mean, one of the biggest things I'll say to someone is that complexity is the enemy of systemization. And if you can't do the simple, you're never going to be able to do the complex. So before you start adding in all of these tools, and connecting things, and Zapier and all the different automated software, at the guts of it, if you don't know the basics of what you're doing, automation isn't going to save you.

And even if you look at someone like Google as the most systemized or programmed business on the planet, they still start off, there's a stage they'll go through where they first come up with a hypothesis. And they say, Hey, this is the change that we want to make. Then they write it up into some sort of quality guidelines or something that gets given to manual reviewers who apply that thinking to the search results manually.

And then look, did this improve the result? Yes, it improves the result. Now let's look to program that into the software and roll it into the algorithm. And that's the stages. People just jump from idea and thinking, oh, I need to do this too, let's program it into Zapier, and they don't go through the stages that even one of the most systemized companies in the world go through, which is that manual review, figuring it out, keeping it simple.

And even with systems and processes, like, if you're just getting started, and you've applied the 80:20 that we talked about a little bit earlier, just start off with Google Docs. Just have a couple of folders. Try and figure out what are the 20 most important systems in your business and start off with Google Docs. Because if you can't do that, then you're not going to be able to use some fancy workflow software with nice charts that connects it to here and there.

And oh, wow, now you've introduced this piece of software that only one person on your team knows how to use. So no one now knows how to update that workflow. And it moves away from this collaborative team effort of building a culture of building systems to something that rests on one person's shoulder. And they're the only ones who know how to update it. And then it very quickly gets up to date. There's actually a whole complex range of issues that are automatically solved, just by keeping it simple.

James: I love it. And we're still simple, like for the record, after this podcast is finished, I'm just going to drag my recordings into Google Drive folder. And then it's going to go from there. It goes into the needs editing folder. And after that, someone goes and picks it up and takes it off to the whatever, you know, and then it'll end up in the published folder archive or somewhere.

I don't know. Don't care, doesn't matter. But what I do see is the podcast eventually comes out and it's perfect. So the railway system between where I put it and where it ends up is working great. And I think we only use Google for business and Slack in our business. We don't have any other bits and pieces, which is just, you know, it's lean and it's effective.

All the team members have been on board for about 10 years. We know what we're doing. You only have to look at Google's scrap heap to see they're quick to throw away a dud. Remember Google Buzz, Google Wave, Google Plus? Like, they went complex, tried to do the social, didn't work out, scrap it, right?

It's okay to scrap stuff. I mean, when we changed our brand across to my personal brand, I think we scrapped about 75 percent of the stuff that we had. We just went simple. One domain, a simple website, and just stripped away everything, and just turned it off, let it go, abandon old channels, it doesn't matter. It's okay to start fresh. In fact, online, you get rewarded for hitting reset occasionally.

Dave: One thing that sticks straight into my mind with this one, which I think would be really helpful for the listener, is the first exercise in the SYSTEMology book is a thing called the critical client flow. And you might have numerous different products that you have, you might have numerous target audiences that you address.

And the first exercise is pick your primary dream client, the one that you would love to have 100 times more of. Then think about, what is the first product or service that you would sell to them? What is the gateway into the rest of your business? And you focus there, and then all you do is you map this linear journey that the prospect and the client go through to deliver that core product or service.

And if you just focus on systemizing that and getting some basic systems in place, like, that is a starting point. And I've been working with plenty of businesses that will start off systemizing that, and they've got all of these other product lines. And then over time, they go, Wow, if we can make just one product profitable and work without key person dependency, maybe that's our business. Maybe we don't need all of this other complexity and 15 other products and upsells and downsells and cross sells.

James: Well, almost every single time. I've only ended up with two products, you know? And that's the front end. Obviously, there's the marketing capacity seesaw, I encountered this as a coach all the time. Like, big part of the equation is getting the customer. And then the other big part of the equation, the often less-focused-upon but probably far more important part, is actually delivering the thing you've sold, right?

I remember, way back in the day, I read this great book from Brad Sugars at the time, and it was something about systems, Instant Systems, I think it was called. Great book. And I read that book and I go, Okay, this makes sense. And in the car dealership, it's a pretty complicated process from the time someone says, I want that car, to getting it out the door with registration plates, because it's got to pass through a lot of hands.

So what I did, and we were dropping balls, Mercedes-Benz asked me to go to one dealership, the second last dealership that I went to, and then the last dealership that I went to were both Mercedes-Benz, insisted that they take me on. And I inherited like the worst-performing customer service, like, they were lagging in the market, they weren't making sales, and they certainly were dropping every possible ball delivering. Like cars weren't getting built correctly, they were late, missing or whatever.

So I just called everyone who was involved in the process into the boardroom. We had everyone from the salesperson, to the sales manager, to the detailer, to the finance person, to the registration clerk, the finance manager. I had them all in the room, I said, What happens from when someone says, I want the car?

And they go, Okay, we sign a contract, Great. Then what has to happen? We've got to order the car. When the car gets here, we have to register it, we've got to detail it, we have to check their trade-in for any encumbrances, we have to pay out the finance, we have to blah, blah, blah, and it just went on and on.

And so I put it all onto one page as a checklist. And then I broke it into boxes, you know, sales, finance, delivery, etc. And then a final sales manager sign-off. And basically, we printed it out into a one-page checkbox. And then we glued them, we stuck them on to an envelope. And when someone signed up a car, they stuck the contract in the envelope. And that envelope would work its way around the dealership and get all the ticks in the boxes.

And when the last person signed off, that meant, Okay, it's good to let that person drive off in their \$460,000 vehicle. Yep, it's paid for. It's got all the bits it's supposed to have. We're all good to go. And we basically made very few errors after that. And we went from last to first with our customer satisfaction through that process. But that was the system.

Dave: I feel like you hit on something there that is so critical. And it's the simplicity of that system and having it in the moment easily usable that everybody could work across.

James: And every stakeholder had to be involved. There's not a single person who's involved in the process of that transaction was missing from the discussion. So they had a dog in the fight.

Dave: Yeah. I remember working with a martial arts studio, and we were systemizing their operations. And it got down to, they were working with the people who, you know, the sensei is running the classes. And they were having real trouble getting their senseis to actually go through. Because they were trying to squish people into Asana and do little checklists and have apps on their phones. And it was just mega-complicated.

And we ended up just creating a Google form that they basically redirected, it was theirwebsite.com/end of class. They could do it on their phone. And there was basically five questions that they needed to fill out, you know, did everybody get signed off? Have I turned the lights off? Have I swept the mats?

They would have to check it, and that was the trigger then for them to get paid for that session. We put that into place. And then it was just so simple that they could get it done. That became the trigger for them to get paid, so they wanted to do it. And it was just this simplification, what you just talked about, as far as getting it stuck on the back of an envelope. Like, that's so easy for everybody to follow, something that was in the moment that meant there was no real friction. And that's the key.

But the goal for systems, because at the best of times, systems and process, if there's too much bureaucracy, that becomes the friction why someone doesn't do it. If you can make it simple and easy, then you're making their job easier. And they're more likely to do it. I feel like that's oftentimes a big missing part of systems, thinking about, what is the benefit to the person who's doing the task?

The business owner thinks, hey, I want to install systems in place because it's going to make my business more valuable. I'm going to be able to take holidays, it's me, me, me, me, me, me. And then how is that interesting to the staff? How about, I'm making your job easier? How about, you can have holidays, and you don't have to worry about tasks piling up, because other team members can step in and do it? Or, this is how you work your way up in the organization. There needs to be a reframing of the benefit to the individual if you actually want them to follow it.

If you think systems take too much time to make...

James: It's so true. I've got a story around that too. This is really leaning into myth number three, that creating systems is time consuming. On my last day at BMW, which was in the beginning of 1997, when I said goodbye, there was a race to my desk, the other salespeople were diving to my desk. And what they were after was my drawer.

In the drawer were deal packs. I had pre-made envelopes with a registration form, a contract for sale, and a pre-delivery requisition. Like, I'd put them all together in packs. Because I think next time I sell a car, I'd like to reach over to my drawer, pull out a pack, fill out the paperwork, get their registration form, put the pre-delivery requisition for the carpet mats and the accessories. And then stick the envelope into the head office.

But these guys never figured it out. They were like, Oh, has anyone got a contract? Or then the customer would go and they hadn't had them sign the registration form. I could never understand why they wouldn't look forward and think, okay, well, I'm going to sell a car at some point. So I'm going to need all the paperwork, why don't I pre-package that?

So yeah, the benefit to me was that I never had to hunt around looking for bits and pieces under pressure. It really surprised me how it's not really that intuitive. But these things don't take a long time to do. I think I spent a couple of hours in a boardroom one day to take our dealership from last to first by getting the stakeholders in the room and coming up with a system.

I still applied that process later on in the SEO business. I'd sit there in the Philippines with my team. And I'd say, Right, what happens when we take an order for SEO to when we get a happy customer, what are the steps? Let's write them all out on a post-it note. And then we'd stick the post-it notes up on the window.

And we'd say what's the order that they would go in? And then okay, someone document this. And they'd write it all down in steps into a Google document. And like, now share it with everyone. And now let's run the system and see what needs changing. And it was fluid, it would change if it gets stuck here, or we could skip this step without any consequence. Great. And that formed the basis of it. But it wasn't complicated. It just required thought.

Dave: I think you, again, hit on a few key points to kind of draw out. One is the picture that people have in their head of what they think a system is. Again, a lot of this programming comes from, let's say something like McDonald's and you think about the Hamburger University and these big thick manuals that describe every single step so that a 15-year-old can come in and learn how to flip a hamburger.

But the reality of it is, in your business, you're probably not running a hamburger business, you probably don't need to hire 15-year-old kids. You're going to hire great staff who have skills and follow James's lessons and have staff that stick around for 10 years like he does. There's a reason they stick around. It's because they're feeling fulfilled in a great work environment.

And you want to kind of replicate this in your business and simplify those systems. It might be a Zoom recording or a Loom recording of someone doing the task in the moment. It might be a checklist. It doesn't have to be this over-documented, millions of bullet points, explaining down to minute detail how to do everything. Because that, again, goes back to what we were talking about earlier, that's like over-optimizing a system. You actually increase the likelihood of that system breaking if you over optimize it.

So keeping it simple is key. And to address the myth, which is the time-consuming to create, one of the secrets to it, oftentimes, is to understand that it's a two-person task to create a system. You've got the person who has the knowledge, and then you've got the person who might do the documenting.

So you might record the knowledgeable team member doing the task in the moment, as they're creating an invoice, sending something out, whatever, record it happening, take that video, pass it to a documenter, have someone just watch it and go, Oh, here are the 10 steps that they went through in this process.

And then you send that back to the knowledgeable worker. Because nine times out of 10, your knowledgeable worker is busy, you're knowledgeable worker, whether it's the business owner, or a department head or something like that, if you tell them, I want you to document your systems and your processes, they'll go, Yeah, great, I'll put it on my to-do list. And it's always, you know, important, if never urgent, it never ever gets done.

So we need to try and make that simple. And by splitting it out and then having the two separate people, you find the knowledgeable worker, when it comes back, draft number one, they're so much more eager to edit and provide feedback. Everybody loves to give edit and feedback information. No one likes to start from a blank page with nothing on it and write out their process. So that small micro change can actually make the creation infinitely easier for your knowledgeable team members.

James: It's huge. I mean, in the early days, I used to just get someone, say, Hey, listen, I'm about to do this thing. Do you want to hop on Skype, back then? I was one of the last people to leave Skype, I think.

Dave: I was there with you.

James: While I do this, I'll record it. But you just make notes and ask me questions, whatever. I try to get that hot potato off my lap. I'm not the one who wants to document.

It doesn't all depend on the business owner

Let's lean into myth number two, that the business owner is the only one who can create the systems. Well, obviously, that's crap, because I don't even know how to do half the things my team do. So clearly, I'd say, Hey, listen, we get this tool or this software, I want you to go through their course, do the training, hit up their support desk, I don't want to know about it.

It's not my area of expertise, I shouldn't be anywhere near it. Like I definitely don't want to edit my own podcast, for example. I'm not even that good at editing the podcast, my team are much better at it. But I'll buy them a course on how to edit a podcast. And they'll learn from someone who's actually a professional and good at it and made a course and documented it. So I don't know if there's much else that needs to be said around myth number two.

Dave: There's actually quite a few things that pop up that, again, we just need to short circuit this in the brain of the person who's listening. Because oftentimes, the business owner feels like they're the best person to do it. And a lot of it has to do with, they start to create this picture in their mind of what they would like their business to be.

So they have this future-paced business picture, which is what business owners do. They think about the business that they're building. And they're trying to build the systems based on where they want the business to be, which means they're often changing the systems, and instead of capturing what we're currently doing, or what is current best practice, they try and reengineer the process.

And the business owner will try and then really get in there and go, Oh, I heard about this tool Zapier, and I know we're not really using it. But let me write the system around Zapier. Oh, and I want to have this connect with that, and the business owner can't help themselves. So one of the core principles of SYSTEMology is capture what you're currently doing first, not what you would like to be doing, because that becomes your baseline.

I mean, this is classic, you can't improve what you don't measure. Now, that is about creating a baseline first. So capture current best practice where we can, and then we can improve and build upon that. And the business owner, nine times out of 10, is the worst person to be doing this because of that reason, because they're time-poor, and oftentimes, they don't even like creating systems.

So they're the worst people because they don't even like doing it. So where we can, we try and take them out of the picture. Sometimes they need to be involved. Sometimes, you know, a lot of times, if they've got a small team around them, the team can be the ones that really drive it.

James: Love it. I think that is a myth. Yeah, I think you can't improve what you can't measure, like, you just mightn't be able to know exactly to what extent or, you know, in granular detail.

Dave: To be fair, and I'll pull that one apart, you can improve by applying best practice. Because oftentimes, there's a lot of best practice. And if you don't have best practice in place, just putting best practice into place can improve it. The core thinking though, is this idea of first capture what is currently working, like model the best, and bottle that, get everybody up to that standard. Because what most business owners and businesses miss is repeatability and predictability.

They can't consistently market, they can't consistently sell, they can't consistently deliver the core product or service. And what we're talking about here is about consistency that's not key person dependent. So that regardless of whether or not who's working on what, functioning, like marketing as a function, happens all the time. Regardless of whether or not you've got lots of clients or you don't, you constantly market. And that's a big part of what we're trying to do. It's create that consistency and predictability.

James: I love it. I mean, that's why we focus on our report with certain lead and lag metrics, because that basically gives us a baseline to understand where we're at.

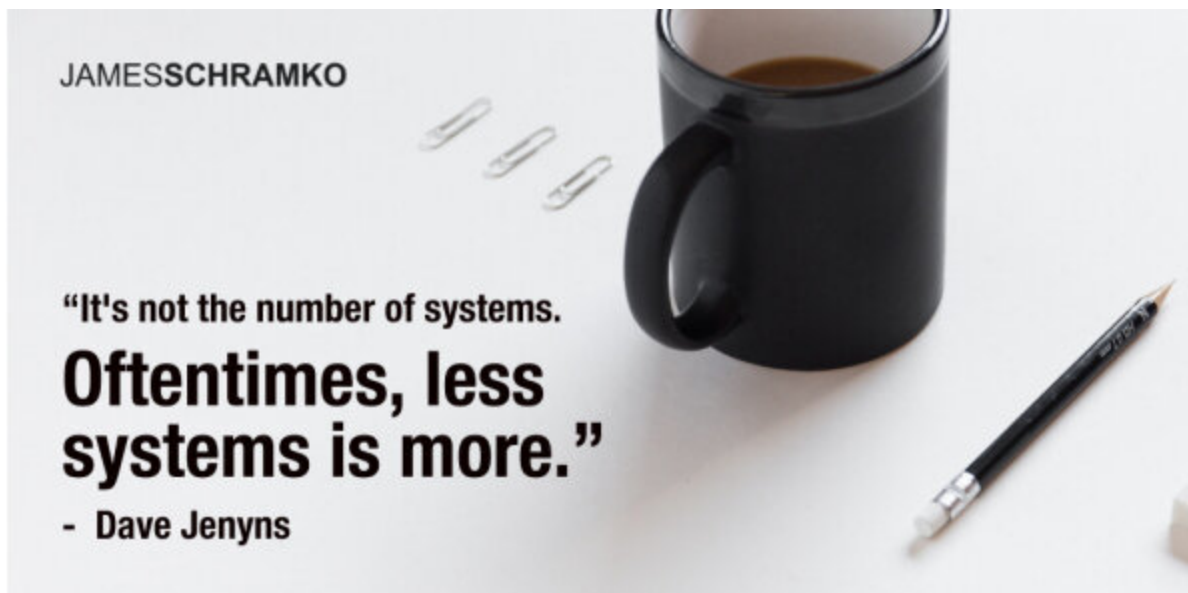
You won't need hundreds of systems

So we're ready to roll out the mack daddy, the big myth number one. You ready?

Dave: Yeah. Yeah. I think everybody's hanging for this one.

James: Big myth number one, I did it in reverse order just to create suspense. So I even got sound effects. Are you ready? Okay, you will need to create hundreds of systems to systemize a business.

Dave: This kind of just speaks to a lot of what we're talking about, like this ties together everything that we're covering in this episode. It's the 80:20, if you can find the 20 percent of the systems that deliver 80 percent of the result, and you just focus on that. And even more than that, it's not the systems. It's the culture that you're building for your team to think about how to solve problems through systems and thinking. That's at the guts of it.



It's not the number of systems. Oftentimes, less systems is more. And if you can't get 10 or 15 systems firing, then how are you going to get hundreds firing? Like, you've got to figure out how to do the least possible first, because if you can't do the least possible, don't make it harder for yourself.

And systems also have this compounding effect, where the critical mass, once you've figured out how to deliver that core product or service, without key person dependency, and consistently, that actually becomes the motivation and the excitement to continue building this culture and building this machine out. Just one system on its own is not going to do it. Hundreds of systems isn't going to do it. There's kind of like this sweet spot that you have to get right in the middle first.

James: I love it. David, I think, hopefully, we've lifted some fog on the whole idea of systems. If you don't have systems or you're in complete disarray, or completely out of control, you've probably got some great tips here on how you get started, and realize that it's not Mount Everest. You can start by just taking the first few steps - just start documenting, or having someone document what it is that you're already doing now, and just take it easy.

Of course, I recommend you buy and read, listen to, however you want to consume SYSTEMology. It's a good book, there's a few operating systems out there. But what I like about this book is that it's kind of operating system agnostic in a way. These are just solid fundamentals that are going to work, whichever cult you follow, or whatever.

Of course, David's got his own website up there at systemology.com. We'll put a link to that in our show notes at episode 933 on JamesSchramko.com. David, it's been a long time in the making, this episode. We got there, Episode 933, hey? And I'm so glad to see, you know, that journey you've had over so many years, since we've been online together in sort of parallel paths.

And clearly, both of us have a great discussion around systems, because it's been a huge part of how we got to where we're at right now. You can't do it without systems. So you either embrace it, or hire someone who embraces it. And you know, that certainly, for all of my clients, that's been a huge game changer. It's just bringing someone in who's really savvy around this stuff. I've got my favorite suppliers, etc. But, of course, it's a part of the game. You've got to have a system if you want to stay around. So thank you so much for sharing.

Dave: Oh, like you said, a long time coming, I love catching up, I love hearing stories and exchanging notes. And I think what helps me and kind of reinforces the work that we're doing is seeing, like a lot of the principles that you talk about, like the sign of a great system and someone who knows their stuff can create something, a system or a process that can then be dropped into numerous different situations, and it still performs incredibly well.

And that's what you've been able to do with your community, you've collected all of these best practices that you've built up over the years. And then you can reach into someone's business and drop those systems. And similarly, what I've tried to build with SYSTEMology is something that is platform-agnostic.

All businesses, great businesses that don't have key person dependency, that are predictable, reliable, repeatable, at the core of it, there are systems. And I feel like it's that fundamental sort of skill, that it's the master skill, that all business owners need to figure out how it's going to happen in their business or they're going to be forever trapped on that treadmill in the business, just doing the same thing in and out and being very dependent on them.

So hopefully, you know, I know systems to some people, they think it's a boring topic. If we've done anything today, I wanted to ignite that fire in you to maybe challenge some of those myths and go, Huh, maybe what I thought about systems was wrong, maybe I can run a systems business.

James: Systems will let you do the thing you want to do when you're not at work. It's the routine and the structure that sets you free, of course, and that's a big takeaway. Systems have delivered me the life I have, you know? My whole business is built on very simple systems that just work. It's a machine.

You don't have to get all geeky or technical about it, just identifying repeat patterns and making those modules that can be applied over and over and over again. So yeah, it's wonderful to catch up. Thanks so much.

Dave: Yeah, thank you.



JAMES SCHRAMKO

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