Trep Tip #2

In the first Trep Tip, we discussed a value proposition—distilling the fundamental premise of your business into the problem you’re solving, the solution, and the corresponding price.

Nailing down a value proposition is complicated, and will likely require a number of different iterations. At a certain point, however, you will hone in on your solution, and if all three components align you should begin to see early traction.

So what’s next? The simple answer is to **scale your business**. But what does that mean, and how do you do it?

Everything you do in your business is a process. Whether it be the series of steps to create your product in a manufacturing plant or the strategy you use to pitch to customers, there are systems and patterns that any successful business must standardize and replicate as they scale. Every entrepreneur must get these processes out of their brain and onto paper. **This is called process flow mapping**.

You will want to eventually illustrate all the processes of your business, everything from payroll to outbound sales. But to begin with, focus on the key operations of your business, **the ones that drive the value proposition.**

Here’s what I would recommend:

1. Identify the processes within your business that are direct drivers of the value proposition.
2. Document and understand these processes through process flows.
3. Evaluate how these processes will have to change as you scale.
4. Proactively implement changes to achieve growth goals.

Let’s consider an example. Jim runs a donut shop. He opened up a few months ago and people are taking notice. His donuts are not only delicious, but they are also incredibly fresh, because they are daily made on the premises. His value proposition—delicious, fresh donuts—allows him to set higher price points than his corporate donut competitors. The initial traction of his shop has Jim excited about the potential for expanding his business. How should he begin thinking about this growth opportunity?

**1. Identify processes that drive the value proposition:**

There are many processes that go into running the donut shop, including making the donuts, fulfilling the orders, providing customer service, marketing the business, and ensuring the quality of his product. Ultimately he will want to document and improve all of these, but when it comes to *driving* the value proposition, it is the making of fresh donuts that is the most important.

**2. Document and understand these processes through process flows.**

*Making the donuts:*

Jim sits down with his employee who runs the back of the house at the shop and together they map out the process of making donuts in the back of the store.



**3. Evaluate how processes will have to change as you scale.**

*If customer flow increases by 50%:*

* Surplus batter and glazes needs to be prepared at the beginning of the day to deal with the demand at peak times.

*If Jim’s Donuts expands to a second location:*

* Donut batter and glazes will be made in a central kitchen and delivered to each location. However, each shop will continue to fry and glaze their own donuts, maintaining the freshness that clients are expecting.

**Example updated process flow:

*Supporting Processes:*

* Jim then can ask himself, given these new processes, how supporting processes will also need to change as the business scales:
	+ Should he change the service model, expanding from one employee behind the counter to one that takes orders, another that calls out numbers, and a third bussing tables and prepping the kitchen?
	+ Should he invite his cash register to the 21st century, begin to accept credit cards as well as cash?

**4. Proactively implement changes to achieve growth goals.**

Knowing where the business is headed, Jim can evaluate his goals and begin to proactively implement the necessary changes. Maybe he begins the hiring process. Maybe he starts looking at available real estate for a second location. Regardless, by planning ahead he will be better positioned for bringing his deliciously fresh donuts to the masses.

Well, that’s the 101 on scaling your operations and process mapping. Have a great week and thanks for reading!

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