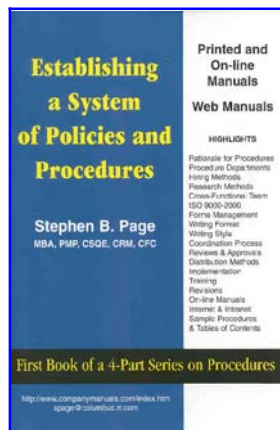


# Establishing a System of **Policies and Procedures**



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**Stephen B. Page**

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# **Establishing a System of Policies and Procedures**

Setting Up a Successful  
Policies and Procedures System  
for Printed, On-line, and  
Web Manuals

***Stephen B. Page***  
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# *Introduction*

I started writing policy and procedure books in 1983. Up to this time, I had worked in various positions on business processes, policies, and procedures. Being a researcher, I was frustrated with the lack of books in my career field. My mother had just written a book so I decided it was time to write my first book based on my current experience. The first book was called, “*Handbook of Business Policies and Procedures*.” This book focused on setting up a system of policies and procedures for printed manuals only.

I continued working in the policies and procedures field and greatly increased my experience through projects like ISO 9000:2000 Quality Standards, Capability Maturity Model, Malcolm Baldrige Award, Six Sigma, or Value Engineering. I did extensive research and added two chapters; the book was renamed *Establishing a System of Policies and Procedures*.

In 2000, I wrote *Achieving 100% Compliance of Policies and Procedures*. This book concentrates on how a procedure is written, published, communicated, trained, and measured to make substantial improvements to publish a procedure. This book uses a real life case study to show how a labor-intensive procedure is converted to a streamlined procedure based on the results of metrics.

In 2001, I wrote *7 Steps to Better Written Policies and Procedures*. My readers had been pestering me to write an entire book on the writing format, a method of writing that has become central to any system of policies and procedures. This book is an extension of Chapter 4 from my first book, *Establishing a System of Policies and Procedures*.

In 2002, I wrote *Best Practices in Policies and Procedures*, a book that focuses on a proven method of determining **content**, one of the most difficult tasks in the policies and procedures field.

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Although I have extensively researched all sources to ensure the accuracy and completeness of the information contained in this book, I assume no responsibility for errors, inaccuracies, omissions, or any other inconsistencies.

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# ***ACKNOWLEDGMENTS***

Thanks go to all my friends and previous companies where I have worked for allowing me to implement the policies and procedures system outlined in this book. The system has proved to be very successful since the market is almost void of practical books on policies and procedures. I have taken the initiative and have written this book to outline my successes.

This book has been well received by those readers who want a simple and yet effective book for writing a system of policies and procedures. I have found that most companies try to publish their policies and procedures manuals in a variety of formats including print, online, web, CD-ROM, and video media. I wish to thank my past and current employers for giving me the opportunity to test my theories and provide practical feedback on the delivered products, the intent of which is to assure that one is getting a method of developing a system of policies and procedures that are representative of the best practices of developing policies and procedures in the industry.

I wish to thank Joseph Burrow for editing this book. He is currently the Academic Director of a small English school, a Second Language School located in Washington, D.C. A graduate of New York University's Tisch School of the Arts, Mr. Burrow recently returned from Italy where he had been pursuing a career in Opera Performance.

I sincerely thank my wife for allowing me the time to spend countless hours on researching, writing, rewriting, editing, and promoting this subject matter. She has been very understanding and supportive of my efforts.

*This book is dedicated to all individuals who have been assigned or who have taken on the task to establish, revise, or re-engineer a policies and procedures system.*

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## **Books by Stephen B. Page** (Reading Sequence)

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## ***ABOUT THE AUTHOR***

**Stephen B. Page** is the author of six books, five of which focus on process improvement, business processes, policies, and procedures. Stephen holds a Masters of Business Administration (MBA) in Management from the University of California at Los Angeles (UCLA). He is certified as a project manager (PMP), software engineer (CSQE), records manager (CRM), and forms consultant (CFC).

His employment record contains an impressive list of multinational companies including Nationwide Insurance, Qwest Communications, Boeing Aircraft, Eastman Kodak, and Litton Industries. Stephen has more than 30 years of experience in researching, writing, editing, publishing, communicating, training, measuring, and improving business processes, policies, procedures, and forms. He has written more than 250 company manuals in printed and electronic formats and more than 6000 policies and procedures. He has designed over 4000 forms and has set up manual and electronic form management systems. He has delivered policies and procedures in printed, network, web, and CD-ROM formats. He has had first-hand experience with the application of project management standards, ISO Standards, IEEE Standards, the Capability Maturity Model (CMM), Six Sigma, and the Malcolm Baldrige Award. Stephen has trained thousands of people in the principles of writing effective policies and procedures.

Mr. Page has written many trade journal articles on the subject of process improvement, policies, and procedures, and is a skilled presenter, facilitator, and team leader. He has participated on hundreds of cross-functional team projects. He has lectured at several seminars on the subject of printed and electronic policies and procedures, business processes, process improvement, and forms management.

Mr. Page has worked in various industries including insurance, manufacturing, telecommunications, financial banking, research and development, disaster recovery, software engineering, retail, and general consulting. He has received dozens of awards for his suggestions for various quality programs.

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# ***PREFACE***

Policies and procedures are like a state road map. The map at a glance shows areas of interest and the general direction in which to travel to reach a desired destination. The roads on the map provide possible paths (choices) to reach a particular destination. If the correct roads are followed, the destination can be reached.

In comparison, a **policy** points out the general direction (objective) to reach a destination (goal) while a **procedure** provides the paths (methods) to accomplish the objectives and goals. The procedure lays out the steps usually followed when performing repeatable types of work.

## **Challenge to Tradition**

Few books have been written that discuss the relationship between business processes, policies, and procedures. The books that attempt to address this subject fall well short of what is most needed by businesses today. This book is unlike any other book available because it contains so much practical information for the procedures analyst. This entire book is devoted to teaching you how to establish a system of policies and procedures based on my successes in several multinational companies.

The heart of this book is the writing format (or outline or structure of writing). It has been successfully used in hundreds of companies and is very easy to understand and apply. After you learn it, it becomes just a matter of filling in the blanks, more or less. It allows you to devote most of your time to establishing a successful system of policies and procedures based on your company's business processes, strategy, and vision.

This book can be used by almost anyone. This is what makes this book so valuable. It is the only book offered on the market today that provides a total solution for establishing a complete policies and procedures system. No other book can make this statement because they do not address such issues as writing format, research, setting up cross-functional teams, working with users and management, converting research to the documentation stage, distribution, implementation, training, or even on-line or Intranet manuals. These are only a few of the

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practical functions that the procedures analyst should learn.

This book is the first book of a series of policy and procedure book, and serves as the primer as it lays down the foundation needed for the next three books in the series. I wrote this first book in the early 1980's when I had the good fortune to have worked in several large companies where we were given the seemingly impossible task of developing a new system of policies and procedures. I used this as an opportunity to implement the system of policies and procedures that is now the core of this book.

The second book, “*7 Steps to Better Written Policies and Procedures*,” is a “how-to” book that focuses on the use of a structured writing format for policies and procedures. The third book, *Best Practices in Policies and Procedures* focuses on two themes: (1) on the alignment of policies and procedures to the vision, strategic direction, and core processes of policies and procedures; and (2) on developing **CONTENT** for actual policies and procedures. The fourth book, “*Achieving 100% Compliance of Policies and Procedures*” focuses on the improvement of business processes and published policies and procedures through improved communications, training, and monitoring programs; auditing and compliance programs; and metrics and measurements for achieving 100% compliance.

## Overview of the Contents

This book can be used by any size of business in any industry. I try to cover a multitude of subjects necessary to develop printed manuals and electronic manuals for a local area network (LAN) and for an Intranet. The reader is led from researching the company's core business processes to the actual writing, approval, publication, implementation, training, and revision of policies and procedures. A successful writing format is recommended as the basis for writing policies and procedures in the printed, on-line, and Intranet/Extranet formats that will be acceptable to companies worldwide and should meet the necessary requirements for the ISO 9000 Series or the Capability Maturity Model (CMM).

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# ***INTRODUCTION: WHO IS THIS BOOK FOR?***

The policies and procedures professional, team leader, first-line supervisor, manager, strategic planner, project manager, computer professional, technical writer, trainer, forms professional, or anyone who wants to establish a successful policies and procedures system will find this book very helpful. In fact, this is the only book of its type in which a successful writing format is presented that is easy to learn and apply to new or existing policies and procedures for printed and electronic formatted policies and procedures. My goal is to help you to understand the techniques that you will need to successfully set up and write a successful system of policies and procedures.

I do this by showing you how to develop a successful system of policies and procedures from as early as (1) presenting convincing arguments to your management for establishing a new, or revised, policies and procedures to (2) participating on cross-functional teams to develop the core business processes and policy and procedure topics to (3) writing the content of the actual policy or procedure document to (4) publishing, implementing, training, and revising policies and procedures. I also include chapters on developing on-line manuals and on incorporating printed policies and procedures into an Intranet web site.

Employees of all sizes of companies will find this book worthwhile for many diverse reasons. For example, anyone involved with work flow and efficiency should find this book interesting. While small companies still use printed policies and procedures, larger companies are turning to on-line manuals and the use of the Intranet/Extranet (internal and external websites) for communicating to their employees. Computer professionals will find this book useful when they work with departments to convert printed policies and procedures to network or web manuals.

While the needs of management are different from those that actually write policies and procedures, they are still interested in the detail of the policies and operating procedures. While they may be involved in the

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writing and afterwords the implementation of the policies and procedures, their primary interest will be in their interpretation of the policies and procedures.

### **Terms Used Throughout the Book**

1. **He** instead of the awkward *he* or *she*.
2. **CEO/President** instead of distinguishing between the two positions.
3. **Senior management** instead of upper or top-level or any other term that could designate management.
4. **Procedures analyst** instead of policies and procedures analyst or any other term suggested in this book.
5. **Business Process** is a sequence of steps performed for a given purpose, for instance, the software development process. A process is any activity or group of activities that takes an input, adds value to it, and provides an output to an internal or external customer. A process is always behind every policy or procedure. For example, a process could be “write procedures.” The policy will give the company’s business rules for writing procedures; the procedure will give the details for accomplishing the business rules.
6. **Policy** is a general strategy or purpose. A policy supports a business process.
7. **Procedure** is a plan of action for achieving a policy; it is a method by which a policy can be accomplished and it provides the instructions needed to carry out a policy.

# ***THE NEED FOR POLICIES AND PROCEDURES***

## **Strategic Role of Policies and Procedures**

Policies and procedures play a strategic role in a company environment in which employees make decisions. Policies and procedures become the media by which business processes are documented and published. Through a well-conceived policy and procedure system, the company's vision becomes an integral part of company operations. These operations are the day-to-day planning and decision making which guide the processes of development, manufacturing, distribution, marketing, sales, and servicing of an organization's products or services.

Policies and procedures provide decision-makers with limits, alternatives, and general guidelines. They help to make instructions definite, provide a common understanding of a policy interpretation, and provide quick settlement of misunderstandings. Policies set boundary conditions so that actions and decisions are channeled along a particular path in pursuit of an objective. Policies allow management to operate without constant intervention and, once established, enable others to work within that framework. Policies and procedures need to be in a standard format because they cover recurring situations or processes. They help reduce the range of individual decisions and encourage management by exception. The manager only needs to give special attention to unusual problems not covered by a specific policy or procedure. As more policies and procedures are written to cover recurring situations, managers will begin to make decisions that will be consistent from one functional area to the next. Consistent and objective decisions should be the goals of all companies. They often reflect vision in action and will aid the integration