

# BUSINESS MANAGEMENT

# **12 WAYS TO**

# **MANAGE**

# **BUSINESS AUDITS**



# AT THE HEART OF EVERY GREAT BUSINESS IS A CLEAR PROCESS

These guides are in place to support your learning and help you put your plans into action.

Enjoy the read and good luck, do let us know of your successes and use our other guides to expand your continuous personal development.

# SUGGESTION 1 - WHAT IS THE IMPACT OF NOT PASSING AN AUDIT

Ensure you know the implications of non-compliance. Consider your business without it's franchise partner or without local authority permission to trade. This would significantly affect your ability to trade. Profitability would suffer, and your clients may choose to buy elsewhere.

Doubtless, you have worked hard to gain permission to trade, so take seriously any standard audits required of you.

Complete self-checks where these exist and make sure reporting staff buy into the process of passing an Audit

Results of Audits should be shared and published when standards are achieved.



# SUGGESTION 2 - GET YOUR STAFF INVOLVED IN THE SCOPE

Scope the areas of influence; with most operational members of your team involved in the audit, it is right to delegate responsibility where guidance and training has been provided. Many members of your team will welcome the involvement and grow in the role.



Clearly, you cannot be across every aspect of your business on a day-to-day basis, so share each element of the audit with the most appropriate person, and critically explain the impact of their actions on the audit process.

We assure you that involving your team will make the audit less painful and achieve a more likely successful outcome.

# SUGGESTION 3 - DEFINE THE AUDIT CRITERIA

Agree on the defined areas for checking; so, set time aside to match the brand or legislative standards asked of you against departments or job functions within your business.

For each checkpoint you must identify not only what is expected, but how to do it. This is where Suggestion Two comes to the fore.

Feel comfortable to ask team members on how to achieve each checkpoint. You'll be staggered how much positivity is gained through participation and involvement.

Practice self-audits regularly, make it part of your Standard Operating Procedures and watch your business improve efficiency.



## SUGGESTION 4 - DEFINE THE TIMING OF THE AUDIT

Timetable your self-check audit and communicate to all involved. Plan to complete your self-audit in advance of your Brand / Franchise or Legislative audit, giving you time to put corrective actions in place before any deadline imposed.



Let all affected staff know the timetable to which you're committed, this will aid communication and help them prioritise their time in the weeks and days leading up to your self-check.

Leave yourself at least 2 weeks implementation time post-audit so you can seek out best practice and implement change wherever identified.



## SUGGESTION 5 - MEASURE THE IMPACT

Your scoring matrix will be largely dictated by the Brand/Franchise or Legislative standard to which you are being measured, however, this forms a great first base starting point to self-check. So, gather the questions and areas of audit from your supplier partner and begin to investigate not only what is being asked, but most importantly how to do it.

Consider recreating your own check documents, using their criteria against your own business. This will make the audit more familiar and help break it down into manageable sections.

Take time to look at splitting your audit between Operation and Management areas or back of house v customer-facing areas. Each decision made will help then define who, within your team, should have an influence on the self-check you need to perform.



# SUGGESTION 6 - INTRODUCE A SCORING MATRIX

Having your own priority scoring matrix will help visualise where attention and staff focus is required. Fourmative use a proven matrix of 0-3

0 = Not done – no supporting evidence available at the time of the audit

1 = Not witnessed but some limited evidence (process may exist, but not all staff use it)

2 = Witnessed but inconsistent (processes do exist but are not followed by everyone all of the time)

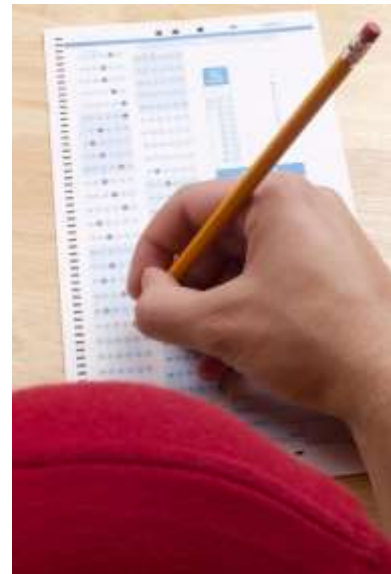
3 = Process demonstrated and is followed by all staff all of the time

So, a score of 0 would be recorded if the audit point is new to the team member or Department processes don't exist to address the requirement.

Then we would score a 1 if the department staff were aware of what is required, or a process was written to achieve the audit point, but it wasn't being done wholly.

A score of 2 would be awarded if staff knew what needed to be done and the defined/documentated process existed, but it was not being done all of the time.

Finally, a score of 3 would be recorded if it was evidenced that the staff and the processes were being applied all of the time.



# SUGGESTION 7 - MANAGE THE CHANGE

Identify the areas of self-check that did not meet the standard required. Ask staff members why they feel the standard is not being met and seek participation in the change. Document the step change that is required and monitor progress toward the fix

Agree a timetable for implementing the change with the staff members and reschedule a self-audit to ensure fullest application has been achieved. Consider re-writing procedures if required.

Train staff if change is not being achieved.

Applaud success across the team and share the positivity with all involved.



# SUGGESTION 8 - MEASURE THE IMPACT

Ensure you know what areas are being worked on for change. The success with Audits come when an area for improvement is identified, the team recommend and implement change and that the change is sustainable becoming a new Standard Operating Procedure (SOP)



The Audit should identify either a score or a percentage or perhaps a colour;

Score – If the maximum score is out of 300 and the business reports a total score of 200

% - Using same point count then  $200/300 = 67\%$

Colour – It could be that the business has many **RED** areas, some **AMBER** and many **GREEN**

Let all staff know what the scoring criteria is, and where any areas of concern are being monitored towards achieving excellence, then when the improvement is implemented and proven to be sustainable you must reward the success in an appropriate way.  
#SmilesGoMiles.



## SUGGESTION 9 - CREATE A SCORECARD

Making a meaningful change in your business, as a result of an Audit is a win-win situation. Sometimes Audits are perceived to be an interruption to the business or Supplier Partner's way of policing you, instead see it as an opportunity to continuously improve your business toward excellence.

You can use the audit results attained as part of Department scorecards and form personal reviews for team members.

Staff will gain a greater understanding of what is required of them, processes will improve, efficiency will increase, operating costs will reduce and the Audit is then owned by everyone, not just Owners/Department Managers.



## SUGGESTION 10 - CHECK AND CHECK AGAIN WITHIN YOUR TEAM

Advice on what to do and where to get better will come in all forms, Fourmative really believe that staff improve through involvement, if you ask a team member how their operation can improve you'll generally get a raft of suggestions, you then decide which ones to implement.

This involvement has far-reaching benefits, with enthusiasm and teamworking coming high up on the list of retention techniques, not least productivity and efficiency improvements regularly seen too across staff and management.



Take counsel from other departments too, consider one Department auditing another, this reflective view will again benefit greater understanding across your team and bring about a culture of further respect and empathy.



# SUGGESTION 11 - CONSIDER SPECIALISTS

Consider outside agencies to help take a fresh look at the audit too. You'll be familiar with the phrase 'Can't see the wood for the trees' well in Auditing this is a common issue, those who work the process often cannot see a different way of working, so bringing in a specialist auditing company can accelerate the areas for concentrated effort relative to the audit.

Having a defined action plan will then help operational staff lean towards best practice and their own ethos of continuous improvement.

Many specialist Companies offer a check service whereby they provide an elevated view on your standards and give an appraised health check to help you concentrate on real priority areas.

This check can then be a focus for your team with the best-placed people effecting the change.



# SUGGESTION 12 - A BIG SHOUT OUT

So, finally we're at #12, and this has to be about claiming and sharing success. Reward those that have helped the business achieve the Audit standard required. If suggestions have been coming in abundance then ask staff to nominate their Audit champion.

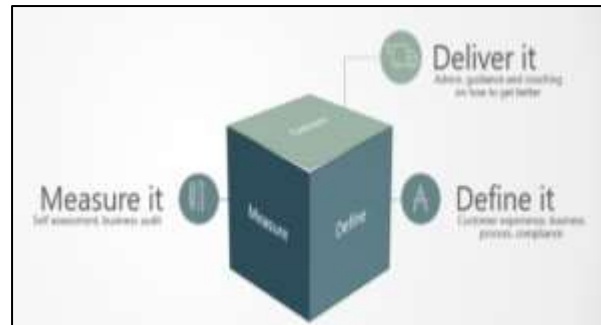


Don't become complacent, and having reached excellence, the real challenge is to see what else you can do to continually raise the bar and get better.

Use Social Media and your website to promote awareness of Audit success, your customers will enjoy reading about improvements in your service offering.

# NEED HELP CONTACT **FOURMATIVE BUSINESS CONSULTANCY**

At the heart of a great business is a clear process. We can help you Define it, Measure it and Deliver it. Following a logical step-through process, we work to help and guide you through best practice and you achieve your best possible results.



Fourmative is an automotive consultancy and training business with a passion to be different, to extend boundaries and enter new horizons combined with a desire to have an unquestionable impact upon our client's business. This lies at the very foundation of what we do and forms our commitment to you.

Fourmative was founded in 1993 with the underlying principle that still stands today - the desire to truly make a difference.

A difference that helps solve issues, educate staff and managers alike, enhance both your business and individual performance.

Celebrating our 25th year in 2018 and we are still delivering the same business benefit to our many global clients.

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