



From the series for MAGIC Magazine

Part V: Systems

Before I entered the world of magic, I managed Broadway shows and theaters in New York City. I remember starting work in 1982 for the producer of *Oh! Calcutta!*, who also happened to be the theater owner. My job was that of company and theater manager — the person who takes care of most of the day-to-day operations of the business of the show and theatre. I paid all the bills, prepared and distributed payroll, did nightly and monthly box office reconciliations, and kept track of all bank deposits, royalty payments, purchasing of supplies for the theatre, ordering of *Playbills*, etc. It was very much a full-time job. I probably averaged ten hours a day, six days a week, and barely stayed on top of things.

After a short time, though, I began to look for ways I could do the job better. This was the early '80s and the theatre didn't own a computer at the time. I lobbied the producer successfully for one on my desk and one on his personal assistant's desk. Hers was primarily for word processing, which changed her life immediately, because he was the kind of executive who would write and re-write every correspondence five times. The computer on my desk was used to automate many of the things I was currently spending hours and hours doing each week.

I discovered that I could take each of the jobs I did and develop a system for doing it better. If I copied box office statements during the show each night and kept them organized in a special folder, I wouldn't have to spend an hour every Monday making copies for all the royalty recipients. If I wrote a program to calculate and print royalty statements for each of our dozen royalty recipients, this process would save me several hours each week. The real beauty of it was that I made fewer mistakes and was able to greatly improve the look and quality of what we were sending out each week. Taking every one of the jobs I had to do for the show and developing a system for it, then refining and improving each system, allowed me to eventually turn my 11 hour days into two hour days, *and* to do a better job!

One of my favorite series on creating successful businesses is Michael Gerber's *E-Myth* books. In the

first one, *The E-Myth*, he describes how a successful franchise business is really little more than a series of systems and branding. When you buy a McDonald's, what you're paying for is partly the marketing and the location, but mostly the systems. "Follow these systems, and you are guaranteed success," is the message. We can all learn from the successful franchises, and follow their examples. We can all create and refine a set of systems that will assure our own success.

Which is why I'm excited to share this particular aspect of running a business with you. It is the surest way I know of for really taking control of your own business, upping your level of excellence and, at the same time, taking back your life from all of the drudgery usually associated with running a business.

CREATING A SYSTEM

Here's one way to create a system. First, define where you begin and where you want to end. Then make a list of steps which will get you from the beginning to ending. Then analyze your list and see where you might combine or cut steps to make it more efficient. Try it out...and then start over and make any changes you've thought of.

For example, bills arrive in the mail, and I want to have them paid and accounted for as efficiently as possible. That's my beginning and ending. I make a detailed list of separate steps I must go through in order to accomplish this. Items on that list might include: Save bill in "bills payable file," check bank balance, write checks to pay bills, mail checks, file copies of the checks & bills, enter checks in my general ledger, properly categorized, and enter new balance in checkbook. I then examine my list, and see if there are steps I can cut out or combine efficiently without harming the ultimate result. I look at the result and ask myself how I might improve on it.

Suppose I choose to write and print checks on my computer. As it turns out this will save *several* steps in the overall process. Not only will the check be printed and look great, but it will be automatically recorded into the check register, properly categorized and entered into my general ledger, which I can just print out as a report at the end of the year for my tax accountant. I still have to open my bills, save them till I'm ready to pay them, check on cash flow, and several other things – but by using the accounting program to print the checks I've cut the steps in the process by

more than half. By organizing each of the other steps, having specific places to keep the bills before they are paid and afterwards, a “mailing center” where I keep envelopes, stamps, return address labels, etc. -- I can cut lots of time off some of the other steps.

As another example, let’s create a system for developing new clients. You might keep track of this through a contact program like *Outlook* or *Act!*, which are both multi-purpose contact & task management tools, or you might just do it using a box of index cards. Make a list of steps you need to take to develop a new contact. It might look like this:

1. Research the Internet to find new potential contact.
2. Place an initial call to the contact to find out who I should address materials to.
3. Send initial postcard.
4. Send initial sales letter (three days later).
5. First phone contact with target person (call them if they don’t call me).
6. If they are interested, send promo kit or set up a meeting.
7. Add to my active client list *or* remove them from my active contacts.

You can check each item off or put a date next to it as soon as you’ve completed it. If you’re using a computerized contact manager, each time you complete one of the tasks, you can check it off and set yourself a reminder to do the next task within a few days. If you’re using cards, you can keep a file where the cards “live” in sections you’ve set aside for each task, and move each card to the next section once you’ve completed a particular task. Once a week or so, you go through the box, one section at a time, and do the next task for each of the potential clients there. Perhaps you decide that on Mondays you’ll begin the process for at least five potential new clients. On Tuesdays you’ll make the initial calls and send off the first postcard or mailings. On Wednesdays you’ll send second mailings to last week’s starting clients, and on Thursdays you’ll make those first follow-up calls to clients you started two weeks ago. These tasks are set out on your regular weekly calendar, and none should take more than a few minutes out of the day you do them.

Of course, it will take you some time and effort to get the system working. You’ll need to get your postcards designed and printed, your basic sales letter composed, phone scripts prepared, promo materials developed and printed, and to set up places where each of these items lives so you can access each easily when you need them, and keep well supplied.

Use this system and follow the steps every week, and at the end of the year you will have contacted 250

or so potential new clients. You probably will have added at least a third of that number to your active client list — people who look forward to hearing from you and stand a good chance of booking you for at least one event each year.

With just these two systems you’re off to a good start. Later on, you’ll want to develop systems to cover other aspects of the business. Virtually everything you do in the business can have a system created for it, and virtually every system can be refined and improved. It may seem overwhelming at first – but in the long run, the effort will save you time and money, and will vastly improve your overall reliability and professionalism.

SUMMARY

You’ve seen how systems might look for a couple of different tasks you’ll need to do regularly. You’ll want to develop systems for every job you do on a regular basis, and then develop an overall schedule for running each of your systems. There will be systems for each part of the business pyramid: A system for checking actions against your mission and purpose. Systems for team-building, leadership of the team and for developing new strategies. You’ll need systems for marketing and communications, for financial and legal management, systems for managing contacts and relationships, and systems for building, maintaining and performing your shows.

None of what I’ve presented you in the article will do you any good unless you apply it with discipline. It takes a few weeks...probably at least eight repetitions, to begin to get a system “into your muscles.” As you repeatedly work through each system, you’ll continue to find ways you can improve it. One of the wonderful things I’ve found about refining and automating my systems is that the more efficient I can make a system, the more professional the results tend to be. As I reduce time spent on each task, I increase the quality of my results. The more time I spend refining systems, the less time I have to spend actually doing the work! I can spend my “extra” time thinking of ways to improve my ultimate product, to increase revenue, or just to enjoy life.

All of this can seem daunting at first. There *is* extra work to do when you first set up your systems. You don’t have to set them all up at once, though. Just get one done at a time, over a course of weeks or months, then move on to the next. Rest assured, the time you spend building quality systems will come back to you many times over in the months and years to come. You’ll find yourself both saving time and feeling good about the quality of every aspect of the business you’ve built. Who knows, you might even find some extra time to read a book or two!
