Hi, everyone Ernie Svenson here. Welcome to this episode of Law Firm Autopilot. Today, we'll be talking about the third pillar of the Law Firm Autopilot success blueprint, which is to say we'll be talking about operations.

Today, we'll begin by focusing on the most important aspect of a well-run law firm and that is **systems**. Technology can help make a law firm exponentially easier to manage but only if it's used systematically.

Not too many of us don't grasp the power of systems, or we take them for granted if we've learned how to use them, which is ironic. Because the more haphazard we are, the more we need systems. But also the more likely we are not to see them as valuable.

We tend not to know that there are resources out there that can teach us how to develop new systems. We'll be talking some of those resources in future podcasts, but for now let's focus on, "Why systems are so powerful and helpful?"

Number one: **systems allow us to do work efficiently and reliably**.

In other words, using a system will help you get predictably good results. Systems let you have work done by people with lower technical abilities, which saves you money. But also still gets you those great results that you need.

Having systems is the key to creating a business that can function without your constant input in decision making. So freedom is what a well systematize business provides.

Now the franchise food industry is the prime example something that was the result of well-crafted systems, and there's a lot of things to say about this.

In fact, there's a great movie called the *Founder* by-- it's about Ray Kroc, founder of McDonald's featuring Michael Keaton as the main protagonist which is really great. I highly recommend that you check it out.

All of that is to say that, what makes a systematized business better is not just that it's faster or more efficient, or that you can hire low skill people. But also: the success rate of businesses that are systematized is much higher.

For example, 80% of all small businesses will fail within the first five years. But 90% of all franchise businesses are still alive after five years. And that's because they rely totally on systems.

There's a great book to read about running your business systematically, it's called the *E-Myth* by Michael Gerber. It has about 1,800 Amazon reviews, 73% of which are five-star reviews. And 15% are four-star reviews.

So this book, it has gotten tremendously high acclaim. You can read the reviews and see how many people feel like they've been helped by this book. But the main thing to understand is that this is a book about how to systematize a business.

The author of the book recommends that small firms have systems for three big areas: Number one **marketing**; number two **operations**; and, number three, the **financial** area—dealing with financial data.

If you want to create a highly systematized firm, the author recommends you ask certain kinds of questions. Number one would be:

- "How can I get my business to work but without me?"

- "How can I get my people to work without my constant interference or involvement?"

- "How can I own my business but still be free of it?"

Gerber prescribes six rules for an ideal business model that systematized. Only five of these are applicable to law firms. I'm going to discuss those five.

Number one is **you must systematically provide consistent value to your clients beyond their expectations**. That's number one.

Number two, **your operations must be operated as much as possible by people with the lowest level of skill**. Automation's one way to replace low skilled labor with computers but you must do this systematically. We'll talk about that in a future podcast episode.

Number one, is you must provide consistent value. Number two, you must operate with the lowest skill level people.

Number three, is that **your operations must use systems to create impeccable order.** If there's any disorganization that's because you're not systematic and you need to be systematic.

Number four, is that **your key workloads must be systematically documented in an operations manual**.

Finally, number five is that **your business must provide uniform predictable service to all of your clients**.

Gerber says that every business should first get clear about what kind of clients it wants to serve, which is something that we hinted at in several of the earlier episodes of this podcast. Something that is primary and in terms of marketing.

That's an overview of how systems can make your practice more efficient and run better. The basic takeaways are that one using systems is the key to a law firm that runs smoothly with or without your direction.

Using **systems will free you from having to be tied to your business all the time**. Systems will make your practice more valuable to you and to anyone you might one day want to sell your practice to.

If you want to learn more about creating systems stay tuned for upcoming episodes.

Okay, that's it for this episode of Law Firm Autopilot. In the next episode we'll be talking about automation.

I look forward to seeing you then. Until then I wish the best for you and your law practice.