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A Better Way of Implementing Standard Operation Procedures (SOP)

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What this document is about

It presents our approach to building a framework for the successful implementation and use of Standard Operation Procedures (SOP) by:

Identifying the causes of failures of SOP

Classifying SOP based on the value they add

Identifying the success factors of SOP

Developing an effective implementation process for SOP



Failing to follow a process can become costly or even catastrophic to a business and there are many examples of failures of this type

- **In 2012 Standard Chartered** “admitted that some of the transactions it completed on behalf of Iranian clients did not comply with US sanctions” **Fine of \$340M**
- **In 2012 G4S** had a poor process to recruit its 10,400 staff for the Olympics ..it found only 4,000 staff. The head of G4S said “It came as a complete and utter shock ... completely out of the blue. I had no idea there had been operational difficulties.” **Cost to company £640M** in market value
- **In 2010 BP** endured the Deep Water Horizon Oil Disaster – The US commission stated “each of the mistakes made on the rig, and onshore by industry and government, increased the risk of a well blowout” Likely **total cost to BP £4.8B**



They are two main causes of SOP Failures/ Successes

The success or failure of SOP is due to the following factors



Human Factor

The way in which a SOP is interpreted. It is prone to be misinterpreted or even ignored!



Quality Factor

Does it represent the most effective or useful process? Is it simplified or complicated to explain this best possible method?



It is important to Distinguish SOP into Guidelines, Operating Instructions and Mandatory Instructions

1. Guidelines

Sets out ways to achieve an outcome, but any route can be taken, based on local team and employee preference.

Illustrate certain steps that can be interchanged or a set up that isn't critical.

3. Mandatory Instructions

Developed by the employees performing the work.

Describes the most effective and efficient process for the employee.

Needs to be continuously improved.

2. Operating Instructions

Cannot perform the job without doing the mandatory process.

Example - element of process which impacts safety or a critical quality step.

Create instructions that forces the operator to work in a specific way (poka – yoke), i.e. the process becomes error free.

Distinguishing SOP



Our experience shows that poor execution of SOP creates a huge problem for organisations

- **Failure to encourage employees to find better ways of doing their jobs and document critical processes.**
 - Employees understand the work they do more than anyone, and will be able to inform improvements to SOP
- **Lack of employees motivation and/or competency including organisational commitment**
 - Poor Organisational culture and poor understanding of process, means poor following of procedures are tolerated
- **The people creating the SOP are not the ones using them**
 - This often creates confusion and a serious lack of commitment to the SOP by the person, or people, applying it
- **Absence of a system of checks and controls which determine whether the SOP is used as defined, or whether there is a need for improvement**
 - Including the use of fail proof processes (poka-yoka) or error reporting
- **Insufficient training of employees**
 - Employees are not monitored, or shown how to perform their roles to the required standard



An outline of an SOP Implementation Process

