

## 5 Key Steps to Setting up Systems that Work

Systems are only as good as your habits. With that proviso, let's look at how to set up a system that will work for you.

**Step 1: Identify** what you need your system for. Identify the breakdown or issue that you have. Are you bills being paid on time? Is your mail handled? Does your dry cleaning get put away when you bring it home?

Identify the details of the breakdown. Where, when, and why is the breakdown happening? Identify what you would like the outcome of the system to be.

Let's look at an example - tax related documents. Clients often have trouble with tax related documents. They end up mixed in with other papers, or in mess, stuffed in a drawer or a box.

There are two main reasons to keep tax related documents through the year.

- 1) You need them to do your taxes, or to give to your accountant to do your taxes.
- 2) You need them in case the IRS does an audit.

The first reason is the biggest reason to keep your papers in some sort of reasonable order. I say this because I expect that you will file taxes every year. The IRS will not perform an audit on you every single year (at least, I hope they don't!) Keeping your papers in order will save you time and headache at tax time.

**Step 2: Categorize** the items or types of task for your issue. For our tax example you could decide to categorize your paperwork into charitable donations, mortgage payments, investment payments, and so on. Check with your accountant for the categories that would be best for you, or take a look at last year's filing and see which categories you had items for.

**Step 3: Assign homes.** Many problems with organization can be solved as soon as the items have a home and you get into the habit of using that home. For our tax items, setting up hanging folders, envelopes, tab-divided binders, or accordion files will all work - as long as they are labelled. Use what you will use. If you like things to be pretty, make sure you find something pretty to put them in. If you really don't care, just make sure it is functional.

**Step 4: Retrievability.** For things you need to access often, have them close at hand. For things you only access infrequently, put them on a higher shelf, in the back of a closet, or where ever is appropriate. For this year's taxes, make sure you have a place to put the paperwork that is relatively close at hand - a hot file, file drawer close to your desk, or bins that are easy to get in and out of. Don't stack the bins on top of each other unless they have an easy side access or you won't put your paperwork away!

**Step 5: Ease of maintenance.** What can you make a habit? Every day, every second day, or every week - identify a task that is super easy for you to do that will get you started on your organization.

Follow these steps and keep it simple – you'll have more chance of success.