BOOK REVIEW
Entrepreneurial Operating System – EOS
From the book, <u>Traction</u>, by Gino Wickman <u>eosworldwide.com</u>
<u>Learn more from an experienced EOS Implementor</u>

BOOK TABLE OF CONTENTS:

COMMENT

This document is a review of the key concepts and tools outlined in the book, Traction, by Gino Wickman. I created these notes when I was reading the book for my second time (it's that good!) and wanted to discuss some of the concepts with a colleague. This isn't an official publication from EOS Worldwide.

EOS Worldwide is very generous in providing free resources to download from their website.

MAY I RECOMMEND...
If you'd like to learn more about the Entrepreneurial Operating System, contact Aaron West. He'd be delighted to have a conversation with you. He'll probably even gift you a copy of the book, Traction!

Cheers,

Anita

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Schedule a 30 Minute Call

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Helping organizations clarify, simplify and achieve their vision

Chapter 1 – The Entrepreneurial Operating System: Strengthening the Six Key Components
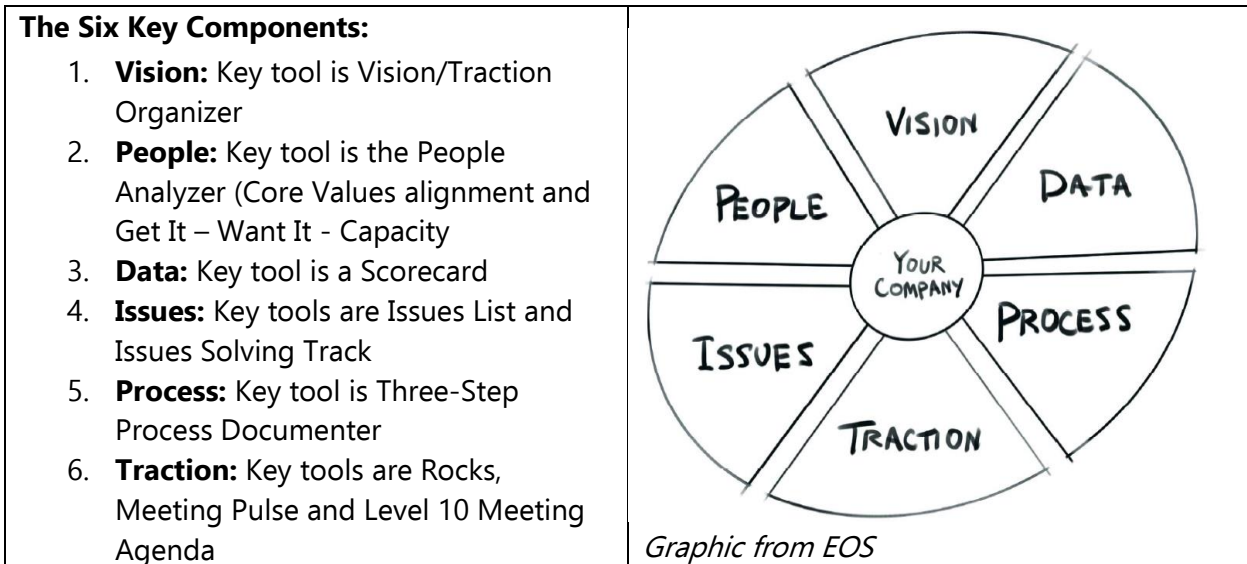
Clarify, simplify, and achieve your vision.

EOS, the Entrepreneurial Operating System®, is a complete set of simple concepts and practical tools that has helped thousands of entrepreneurs around the world get what they want from their businesses. Implementing EOS will help you and your leadership team get better at three things:

VISION

Get everyone in your organization 100% on the same page with where you're going and how you plan to get there.

TRACTION®

Instill focus, discipline, and accountability throughout the company so that everyone executes on that vision – every day.

HEALTHY

Help your leaders become a more cohesive, functional, healthy leadership team.

Graphic from EOS

Every successful business is made up of a core group of basic components, The Entrepreneurial Operating System (EOS) identifies Six Key Components of any organization. Company leaders should focus on these six things, and you won't have to worry about 100 other things.
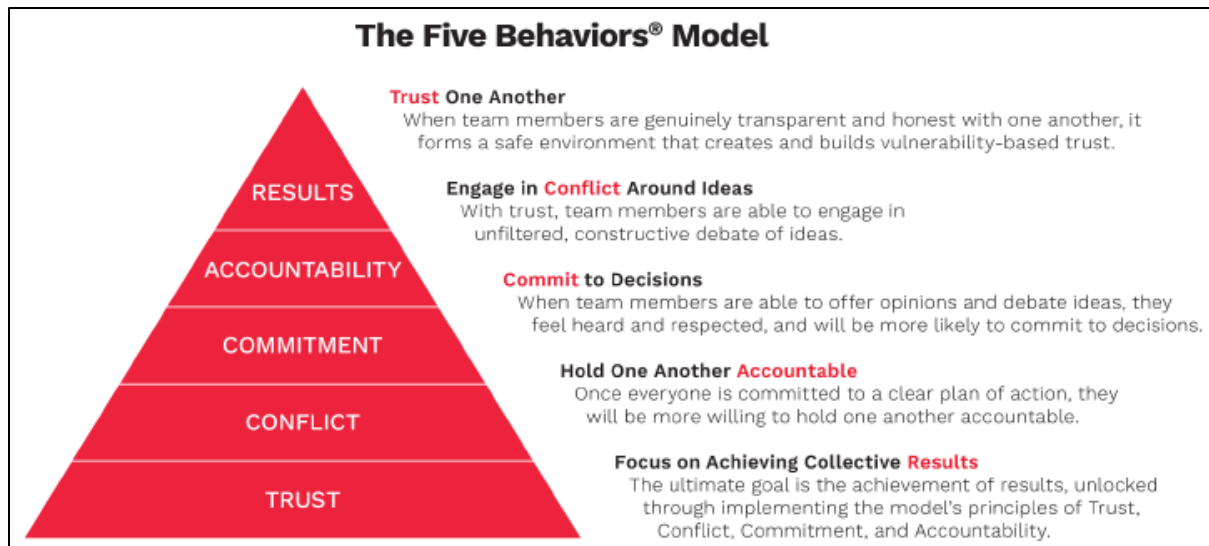
The Six Key Components:

1. **Vision:** Key tool is Vision/Traction Organizer
2. **People:** Key tool is the People Analyzer (Core Values alignment and Get It – Want It - Capacity
3. **Data:** Key tool is a Scorecard
4. **Issues:** Key tools are Issues List and Issues Solving Track
5. **Process:** Key tool is Three-Step Process Documenter
6. **Traction:** Key tools are Rocks, Meeting Pulse and Level 10 Meeting Agenda

Graphic from EOS

Chapter 2 – Letting Go of the Vine

Key Points:

- Organizational leadership needs to let go of the past and fully commit to a better way of operating.
- If you're not happy with the current state of your company, you have three choices. You can
  1. live with it,
  2. leave it, or
  3. change it.
- With the right vision, structure, and people in place, your company can evolve and realize its full potential. To be truly ready for this change, you must be willing to embrace the following four fundamental beliefs:
  1. You must build and maintain a true leadership team
  2. Hitting the ceiling is inevitable
     a. Happens on 3 levels: organization, department, individual
     b. To survive hitting the ceiling and grow to the next level, leadership team members need to possess 5 core leadership abilities:
        i. Simplify
        ii. Delegate
        iii. Predict
        iv. Systemize
        v. Structure
  3. You can only run your business on one operating system
     a. You must have one abiding vision, one voice, one culture, and one operating system. This includes a uniform approach to
        i. how you meet,
        ii. how you set priorities,
        iii. how you plan and set your vision,
        iv. the terminology you use,
        v. and the way you communicate with employees.
  4. You must be open-mind, growth-oriented, and vulnerable.

Anita's comment: A super resource is Patrick Lencioni's <u>Five Dysfunctions of a Team</u>. The key concept is that vulnerability-based trust is the foundation for high-functioning teams. A resource built on Lencioni's concept is "The Five Behaviors Team Development." This resource guides an organization through the process of strengthening its teams.

The Five Behaviors® Model

Trust One Another
When team members are genuinely transparent and honest with one another, it forms a safe environment that creates and builds vulnerability-based trust.

Engage in Conflict Around Ideas
With trust, team members are able to engage in unfiltered, constructive debate of ideas.

Commit to Decisions
When team members are able to offer opinions and debate ideas, they feel heard and respected, and will be more likely to commit to decisions.

Hold One Another Accountable
Once everyone is committed to a clear plan of action, they will be more willing to hold one another accountable.

Focus on Achieving Collective Results
The ultimate goal is the achievement of results, unlocked through implementing the model's principles of Trust, Conflict, Commitment, and Accountability.

(Pyramid from top to bottom: RESULTS, ACCOUNTABILITY, COMMITMENT, CONFLICT, TRUST)

Source: https://www.fivebehaviors.com/Solutions/team.aspx

A local (Wichita, KS) consultant who facilitates *The Five Behaviors Team Development* is Leslie Neinast.

Chapter 3 – The Vision Component: Do They See What You Are Saying?

Key Points:

- Clarify your vision and you will make better decisions about people, processes, finances, strategies, and customers.
- Entrepreneurs must get their vison out of their heads and down onto paper. From there, they must share it with their organization so that everyone can see where the company is going and determine if they want to go there with you.
- Vision: Clearly defining who and what your organization is, where it's going and how it's going to get there.
- To clarify your vision, create a Vision/Traction Organizer (V/TO):
    1. What are your core values?
    2. What is your core focus?
    3. What is your 10-year target?
    4. What is your marketing strategy?
    5. What is your three-year picture?
    6. What is your one-year plan?
    7. What are your quarterly Rocks?
    8. What are your issues?

Graphic from EOS

TRACTION

1 YEAR PLAN	ROCKS	ISSUE LIST
Future Date:	Future Date:	
Revenue:	Revenue:	
Profit:	Profit:	
Measurables:	Measurables:	

1 YEAR PLAN

Future Date:
Revenue:
Profit:
Measurables:

Goals for the Year

| 1. |
| 2. |
| 3. |
| 4. |
| 5. |
| 6. |
| 7. |

- Focus/Theme
- Roles and Responsibilities
- Cash flow analysis/budget
- Scorecard

ROCKS

Future Date:
Revenue:
Profit:
Measurables:

Rocks for the Quarter   **Who**

| 1. |
| 2. |
| 3. |
| 4. |
| 5. |
| 6. |
| 7. |

ISSUE LIST

| 1. |
| 2. |
| 3. |
| 4. |
| 5. |
| 6. |
| 7. |
| 8. |
| 9. |
| 10. |

Prioritize
- Identify
- Discuss
- Solve

Graphic from EOS

Chapter 4 - The People Component: Surround Yourself with Good People

Key Points:

RIGHT PEOPLE	RIGHT SEATS
• **Core Values**	• **Accountability Chart**
• **People Analyzer**	• **GWC – Get it; want it; capacity to do it**

- The right people are the ones who share your company's core values. They fit and thrive in your culture.
- Recall Jim Collin's concept: The right people on the right seat on the bus.
- Core Values + People Analyzer = Right People
    - Each employee operates within his or her area of greatest skill and passion and the roles and responsibilities expected fit his/her Unique Ability.
    - Unique Ability: When operating from within your Unique Ability, you experience never-ending improvement, feel energized rather than drained, and most of all, you have a passion for what you're doing that presses you to go further than others would in this area.
- Unique Ability + Accountability Chart = Right Seats
- The Accountability Chart (EOS version of the org chart):
    - What is the right structure to move your organization forward in the next 6-12 months?
    - The Accountability Chart forces its users to view their organization in a different way and to address people issues that have been holding them back for years.
        - Top level: Visionary
        - 2nd level: Integrator
        - 3rd level: 3 key functions – Sales/Marketing, Operations, Finance/Admin
        Some organizations may have more than 3, but you should have no more than 7.
    - Accountability Chart Verification – ask 3 questions to determine if it is 100% accurate:
        1. Is this the right structure to get us to the next level?
        2. Are all the right people in the right seats?
        3. Does everyone have enough time to do the job well?
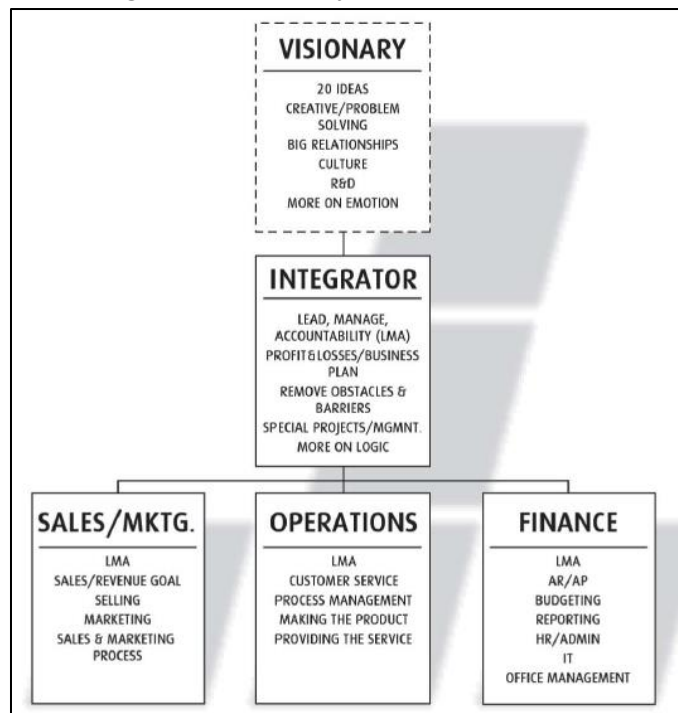
Graphic from EOS

- People Analyzer:
  - Rate each employee according to their adherence to company Core Values:
    - + He or she exhibits that core value most of the time.
    - +/- Sometimes he or she exhibits the core value and sometimes he or she doesn't.
    - - He or she doesn't exhibit the core value most of the time.
    - "The bar" is the minimum standard you will accept from the People Analyzer results.
    - The Three-Strike Rule: Use when working with someone who is below the bar (follow the positive discipline process from *Transform!* Managerial Development)
- GWC Filter: Get It – Want It – Capacity
  - After completing the Accountability Chart based on positions, it's time to put all the right people into the right seats using the GWC filter.
  - If they fulfill company Core Values (e.g. "above The Bar") but are not successful, they may not be in the right seat based on GWC.
  - GWC:
    - *Get It:* They truly understand their role, the culture, the systems, the pace, and how the job comes together.
    - *Want It:* They genuinely like the job. They understand the role, and they want to do it based on fair compensation and the role's responsibility.
    - *Capacity to Do It:* They have the time as well as the mental, physical and emotional capacity to do a job well.
  - Must have a "Yes" on all three for the person to be in the right seat.

Name	Be Humbly Confident	Grow or Die	Help First	Do the Right Thing	Do What You Say	Get it	Want it	Capacity to Do It	
Sally Jones	+	+	+	+	+	Y	Y	Y	
The Bar	+	+	+	+/−	+/−	Y	Y	Y	

THE PEOPLE ANALYZER™

Graphic from EOS

- "Delegate and Elevate"

  As your company grows, you have to rise to your Unique Ability, and the same goes for your leadership team. With your Accountability Chart in place, you can now determine when someone is working at full capacity. Each person only has 100 percent of his or her working time. This 100 percent represents the amount of time each person is willing to work and still maintain balance.

When the amount of work requires more than 100 percent to do the job well, say 120 percent, something has to give. This person needs to delegate and elevate the extra 20 percent because he or she is holding the organization back and hitting the ceiling. Delegate and Elevate means he or she needs to delegate more to other people, realize some efficiency, or eliminate some tasks altogether. In some cases, it's time to move this person into one seat rather than the two he or she is occupying right now. At all times, you want to make sure that this person is drawing closer to his or her Unique Ability.

- "36 Hours of Pain"
    - It's vital that once you delegate, you have confidence in the person you are delegating to. If they walk in your office with a monkey, he or she needs to walk out with it. If he or she can't or won't, you've hired or delegated to the wrong person.
    - Using the *Transform!* positive discipline process, this would be what happens when the employee chooses to return after their Recommitment Day, but they still fail to meet expectations.

Chapter 5 – The Data Component – Safety in Numbers

SUMMARY:

SCORECARD	MEASURABLES
• **5 to 15 high-level weekly numbers** • **Lets you have a pulse and gives you the ability to predict**	• **Everyone has a number** • **The 8 advantages to everyone having a number**

Purpose of chapter:
- Formulate and manage your data to let you take the pulse of your business consistently and accurately so you can take effective action. You will no longer be managing assumptions, subjective opinions, emotions, and egos.
- Manage your business through a chosen handful of numbers.
- Monitor your business on a weekly basis, quickly showing which activities are on or off track.
- Develop ability to see patterns and trends to predict the future.

Part 1: Scorecard:
- Other terms: dashboard, flash report, scoreboard, metrics, measurables, key performance indicators, true north board, pillars, etc.
- Sidenote: (not in EOS book) Steven Covey's Lead & Lag Measures: Lag measure shows the past – what you accomplished. Lead measures lead toward accomplishing the lag measures. For example:
  - Lag Measure: Reduce Turnover by 10% in FY2021
  - Lead Measures:
    - Analyze past turnover and share data and goals w/ directors and managers in February
    - Directors attend managerial development by June
    - Managers and supervisors attend managerial development training by August
    - Meet with managers of departments with high turnover and develop a plan to work with them individually
- How to create a Scorecard
  1. STEP 1: What are the core numbers you need to measure the pulse of your business weekly? Develop a list of 5 – 15; preferably closer to 5.
  2. STEP 2: Determine who is accountable for each number.

3. STEP 3: Determine the goal for each week for each measure. These should tie into your one-year plan based on your Core Values and V/TO
4. STEP 4: Start measuring in one week!
5. STEP 5: Determine who will collect the numbers, fill in the Scorecard and provide to leadership to review.
6. STEP 6: Use it! View 3 months of data on a scorecard.

WHO	MEASURABLES	GOAL	JANUARY				FEBRUARY				MARCH				
			5	12	19	26	2	9	16	23	2	9	16	23	30
	WEEKLY REVENUE														
	CASH BALANCE														
	SALES CALLS														
	SALES MEETINGS														
	PROPOSALS														
	CLOSED BUSINESS														
	PAYROLL														
	CUSTOMER PROBLEMS														
	CUSTOMER RATING														
	ACCOUNTS RECEIVABLE														
	ACCOUNTS PAYABLE														

Graphic from EOS

- Three Rules:
  - The numbers should be weekly activity-based numbers, not the high-level numbers. The weekly numbers show whether you're on track for strong high-level numbers.
  - Use the Scorecard as a pro-active tool, helping you anticipate problems before they happen, or before they get out of hand.
  - Red-flag categories that are off-track. One option is to set your spreadsheet up so that if a number is outside of the target range, the cell turns red
- Pointers:
  - Your Scorecard will evolve over the next several months and you may need to fine-tune it during your first three months.
  - Your Scorecard will cause an organizational shift. Your leadership team will become more pro-active in solving problems because you'll have hard data to point out current problems and predict future ones.

- o If a number is off track, you know the source on your Scorecard so you can go directly to the root cause and create better accountability and clarity with your people.

Part 2: Measurables
- Everyone has a number (Mill manager example)
- 8 Advantages to everyone having a number: (These concepts tie in well with *Transform! Managerial Development* concepts.)
    1. Numbers cut through murky, subjective communication between manager and direct reports. They become a communication tool between the two.
    2. Accountable people appreciate numbers. Wrong people in the right seats usually resist measurables. Right people in the right seats love clarity and hitting their numbers.
    3. Numbers create clarity and commitment. When an employee is clear on his or her number and agrees that he or she can achieve it, you have commitment.
    4. Numbers create competition. (Make sure it's healthy competition.)
    5. Numbers produce results.
    6. Numbers create teamwork.
    7. Numbers enable you to solve problems faster.
- Tips for creating numbers: Start with your Accountability Chart. Look at the five roles for each function (page 96). One to three of those five roles can be measured by a number.

Chapter 6 - The Issues Component: Decide!

SUMMARY:

ISSUES LIST	ISSUES SOLVING TRACK
• **Open and honest**	• **Identify**
• **Three types of Issues Lists**	• **Discuss**
1. **Vision/Traction Organizer V/TO**	• **Solve**
2. **Leadership team**	• **No tangents**
3. **Departmental**	• **Ten commandments of solving issues**
	• **Personal issues solving session**

Purpose of chapter:

- Key premise: Successful companies solve problems efficiently and promptly.
- Problems are like mushrooms: When it's dark and rainy, they multiply. Under bright light, they diminish. In an organization where there is nowhere to hide, the problems are easily illuminated.
- Your ability to succeed is in direct proportion to your ability to solve your problems.
- What is draining your energy is not having a lot of work to do; rather it's having unresolved issues. What issues do you find draining your energy?
- It is less important WHAT you decide than it is THAT you decide. More is lost by indecision than by wrong decisions.

Anita's recommendation: Use assessment results to "know yourself & manage yourself"
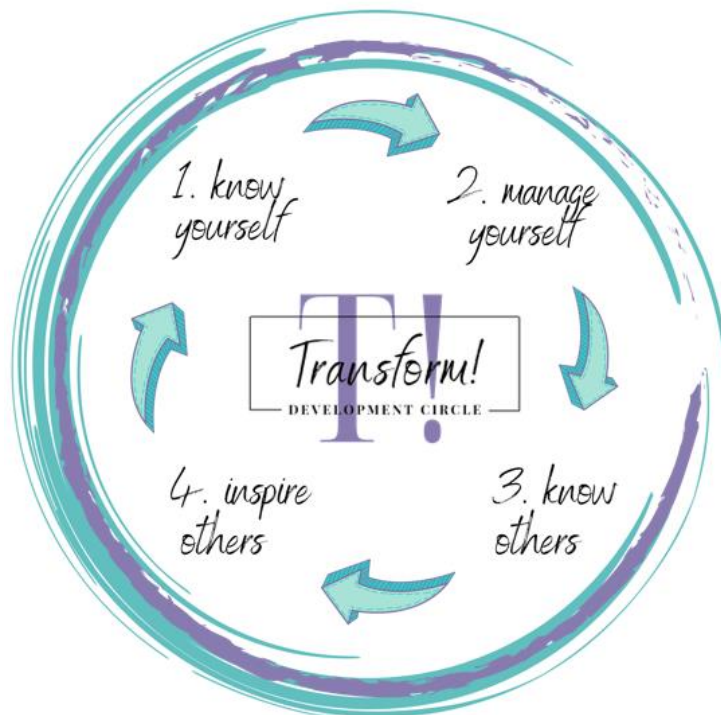
Graphic from *Transform!* My Workplace

DISC assessment: What is your D/Lion score? Lions are more decisive than other types.

PXT Select assessment: What is your score on the Decisiveness scale? Those who are shifted to the right on the scale find it easier to make prompt decisions based on the information at hand.

If you are not naturally decisive, focus on becoming aware of when and how you make decisions, and push yourself to make decisions faster.

Key Component 1: The Issues List
Foundation: Trust
A vital first step is creating a workplace where people feel comfortable calling out the issues that stand in the way of your vision.

In the book, The Five Dysfunctions of a Team, Patrick Lencioni makes the point that a high level of trust is the foundation of what makes teams health and functional. In the book, Managing by Values, authors Ken Blanchard and Michael O'Connor write that *"communication happens naturally when you make the work environment safe."*

What are your thoughts regarding trust and feeling safe in calling out issues:
- In your department?
- At the company, in general?
- At the leadership team level?

Three types of Issues Lists:
1. Issues List from Vision/Traction Organizer, V/TO
2. Weekly leadership team Issues List
3. Departmental Issues List

Key Component 2: Issues Solving Track
1. Identify:
    - Be aware that there are three types of issues:
        1. A problem that needs to be solved,
        2. Information that needs to be communicated,
        3. An idea or opportunity that needs feedback, brainstorming, insight or a green light.
    - Prioritize and start by addressing the first three issues on the list.
    - Clearly identify the real issues, because the stated problem is rarely the real one.
        o The underlying issue is always a few layers down. One technique to use is The Five Whys drill-down technique: Ask *"Why?"* five times to get to the real issue, and not just a symptom.
        o Most real issues are people. That is why trust is so important. You have to become more vulnerable with each other and willing to be straight about real problems. Don't be afraid to utilize the People Analyzer tool.
2. Discuss:
    - Be sure to identify the real problem before moving to the discussion stage.
    - Everyone should say what they believe but they should say it only once, because more than once is politicking.

- Tangent Alert: Be aware of tangents and don't let the discussion get off track. Saying *"Tangent Alert!"* is a friendly triggering mechanism that keeps you on track. If the tangent is a real issue, but not relevant to the current one being discussed, put it on the Issues List in order of priority.

3. Solve:
    - The ten commandments of solving issues:
        1. Thou shalt not rule by consensus
        2. Thou shalt not be a weenie – have strong will, firm resolve and be willing to make a decision
        3. Thou shalt be decisive
        4. Though shalt not rely on second-hand information
        5. Thou shalt fight for the greater good
        6. Thou shalt not try to solve them all
        7. Thou shalt live with it, end it or change it (The Three Ts: Tolerate it, Train it, or Terminate it)
        8. Thou shalt choose short-term pain and suffering - remember the "36 hours of pain" rule and solve your problem now rather than later.)
        9. Thou shalt enter the danger - the issue you fear the most is the one you most need to discuss and resolve.
        10. Thou shalt take a shot: Propose a solution! Make a solution statement to confirm the solution

Key Component 3: Personal Issues Solving Session
- Building a healthy team is not always a smooth process. If a team is not opening up, it might be because two individuals don't get along and a Personal Issues Solving Session is needed to relieve the tension.
- Four components:
    1. Have each person prepare and then share with the other what he or she believes the other's three greatest strengths and the three greatest opportunities for growth are.
    2. List all the issues and solve them.
    3. List the action items from the solutions.
    4. Meet 30 days later to make certain that the action items have been accomplished.

Chapter 7 - The Process Component: Finding Your Way

SUMMARY:

DOCUMENTING YOUR CORE PROCESSES	FOLLOWED BY ALL
• **Identify your core processes** • **Document and simplify them (20/80 rule)** • **Package them into one source**	• **Create your "Circle of Life" model** • **Train everyone** • **Manage people to follow the core processes**

Purpose of chapter:

- Key premise: Consistency works. Nothing can be fine-tuned until it is first consistent.
- The Process Component is strengthened through your understanding of the handful of core processes (on average, about seven) that make up your unique business model. You then have to make sure that everyone in our organization understands them, values them, and follows them.
- To break through the ceiling and build a well-oiled machine, you need to possess the ability to systemize.
- **Way:** The culmination of identifying, documenting, and having everyone follow the core processes of your business is your *Way*. When you have a clear *Way*, you immediately increase the value of your business, strengthen your control over it, and give yourself options.

Key Component 1:

Documenting your core processes: Three stages in documenting your *Way*

1. Identify your core processes
   - Identify the ones that address every activity going on in the business. This creates clarity of thought.
   - Identify and agree on what to call your core processes. By using consistent names, you reduce complexity and increase efficiency.
   - Core processes typically include the following:
     - HR process
     - Marketing process
     - Sales process
     - Accounting process
     - Customer-retention process
2. Document each of the core processes
   - The person who is accountable for a certain process takes charge of documenting it.

- Don't start documenting until you've completed the first step of identifying your core processes.
- Follow the 20/80 rule: Document the 20 percent that produces the 80 percent of results, e.g. keep it high level.
- Anita's observation: The process is high-level; a procedure is the detail.
- You're creating basic guideposts to help your people become consistent and efficient.
- Use **checklists** for steps in the process that can be converted to checklists. Make your process bulletproof so no one can mess them up. They create consistency, quality control and repeatable results.
- **Technology:** look for ways to use technology to increase efficiency and improve your *Way.*
- Process documentation allows your business to become self-sustaining; it can run without you.

3. Package your *Way*
- Titles of your core processes become the table of contents

Key Component 2: "Followed by all"
- When everyone follows their process, it's much easier for managers to manage, troubleshoot, identify and solve issues, and therefore grow the business.
- Clear lines of process enable you to let go and gain more control.
- Your business now becomes more scalable, which means you can add more customers, transactions, revenue, and employees while reducing complexity.
- **Circle of Life:** Just as in nature, everyone in the organization depends on each other to thrive.
- **"Followed by all" action steps:**
  - Create your Circle of Life visual (page 160, Traction)
  - Share your *Way* at a company meeting
  - Retrain everyone
  - Manage your people to follow the processes

Chapter 8 - The Traction Component: Call to Action

SUMMARY:

ROCKS	MEETING PULSE
• **3 – 7 most important things that must get done in the next 90 days** • **The Rock Sheet** • **Everyone should have Rocks**	• **The 90-Day World** • **Annuals and quarterlies** • **Weekly Level 10 meetings** • **Same day and time each week; same printed agenda; start and end on time**

Purpose of chapter:

Key premise: Bridging the gap between vision and execution. The ability to create accountability and discipline, and then execute, is the area of greatest weakness in most organizations. Bringing discipline and accountability to the organization will make people a little uncomfortable. What usually holds an organization back is the fear of creating this discomfort.
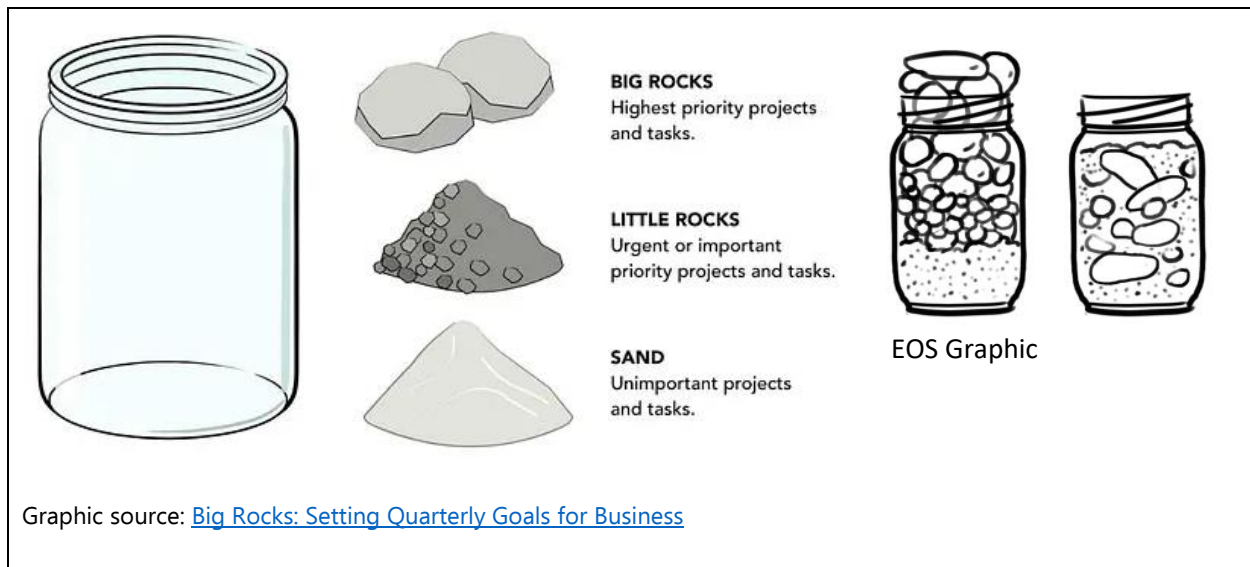
Two key disciplines are needed to gain traction: **Rocks** and **a Meeting Pulse**. Rocks and a Meeting Pulse will help you get out of day-to-day emergencies, focus on the most important priorities, and make decisions more efficiently.

KEY DISCIPLINE 1: ROCKS

With long-term priorities set by the vision, **rocks are the three to seven most important things that must get done in the next 90 days**. In each quarter, everyone should have Rocks, including your company, leadership team, and all employees. The way you move the company forward is one 90-day period at a time.

Rocks should be limited to three to seven because, in the short-term, you should focus more intensely on the most critical priorities. For individual employees, it is better to limit them to about one to three rocks. We are not trying to give the organization or anyone too many rocks, as less is more. By limiting the goals set, you and your people can focus on what is important, which will result in more work done.

"If the big rocks don't go in first, they aren't going to fit in later." – Stephen Covey

BIG ROCKS
Highest priority projects and tasks.

LITTLE ROCKS
Urgent or important priority projects and tasks.

SAND
Unimportant projects and tasks.

EOS Graphic

Graphic source: Big Rocks: Setting Quarterly Goals for Business

Establishing Your Rocks:

STEP 1: Review V/TO. List everything that has to be accomplished in the next 90 days.

STEP 2: Determine the most important priorities for the next 90 days. Make a decision to "keep it, kill it or combine it" for the quarter. Make as many passes on the list until you're down to 3-7 Rocks.

STEP 3: Set due dates for each Rock. Make sure each Rock is clear. It must be specific, measurable and obtainable.

STEP 4: Assign an owner to each Rock. Only one person can own a Rock and they are the person who dries the rock to completion during the quarter.

STEP 5: Once company Rocks are set, each person on the leadership team sets their own Rocks. Some of the Rocks that were discarded in Step 1 as company Rocks may become individual Rocks.

STEP 6: Create a Rocks Sheet. List the company's Rocks at the top and below are the Rocks for each leadership team member. This is reviewed each week at the leadership team meeting. No new Rocks can be added for the quarter.

STEP 7: Share the company Rocks with the entire organization

STEP 8: Each department sets department and individual Rocks.

Rocks Traps & Pitfalls:

- Garbage in; garbage out
- It takes two quarters to master Rocks
- Commitment fizzle
- Too many Rocks

KEY DISCIPLINE 2: MEETING PULSE

MYTH: Meetings are bad; area a waste of time; there are too many of them.

TRUTH: Well-run meetings are the moment of truth for accountability. To gain traction, you'll probably need to meet even more than you presently do. Patrick Lencioni stated that for those of us how lead and manage organizations, meetings are pretty much what we do.

The Meeting Pulse is your organization's heartbeat. A Meeting Pulse operates just like and EKG illustrating a spike. When people have to get something done for a meeting, they wait until the last minute and usually finish it—that's the spike. The more you increase the meeting interval, the more spikes you get, and the more business you'll finish.

In addition to an annual meeting that sets the stage for the new year, you will have quarterly and weekly meetings.

Quarterly Meetings:

The 90-Day World: The 90-day idea stems from a natural phenomenon that human beings stumble, get off track and lose focus roughly every 90 days. People whose focus was clear in the prior quarterly session became unfocused by the next quarter. To address this aspect of human nature, you must implement a routine that refocuses your organization every 90 days.

The Quarterly Meeting Agenda:
- **Segue:** Each person shares 3 things: 1) best business and personal news in the last 90 days; 2) what is working and not working in the organization; 3) expectations for the day.
- **Review previous quarter**: Review your numbers and Rocks. If you didn't complete 80% of your Rocks, understand why not and learn from it.
- **Review the V/TO:** Refresher on absolute clarity on the company's greater good.
- **Establish the next quarter's Rocks**
- **Tackle key issues:** Review issues list created previously in the meeting; remove all that were solved by creating Rocks. IDS the remaining. Any left will be carried to your next weekly meeting.
- Next steps: Recap items such as who is doing what and messages to communicate to the company.
- **Conclude**: each person shares 3 things: 1) feedback on the meeting; 2) whether expectations were met or not; 3) rate the meeting from 1 to 10. Goal is to get your meetings to 8 on a regular basis

Weekly Level 10 (Traction) Meetings:

Implementing weekly meetings creates traction and helps you execute the vision. Once quarterly Rocks are set, you must meet weekly to stay focused, solve issues and communicate. If you're on track for the week, you're on track for the month. If you're on track for the month, you're on track for the quarter. If you're on track for the quarter, you're on track for the year. (I like to call them "Traction Meetings." (Template)

Two Roles:
1. Identify who will run the meeting by following the agenda and keeping it on track
2. Identify who will update the agenda, scorecard, Rock sheet, the To-Do list and Issues list.

The Weekly Traction Meeting Agenda:
- **Segue**
- **Scorecard**
- **Rock review**
- **Customer/employee headlines (wins)**
- **To-Do List**
- **IDS:** Identify, Discuss, Solve
- **Conclude:** Review to-do items and each person rates the meeting from 1 – 10.

Five Points of the Weekly Meeting Pulse:
1. Be on the same day each week
2. Be at the same time each week
3. Have the same printed agenda
4. Start on time
5. End on time

Chapter 9 – Pulling It All Together: The Grand Journey

SUMMARY:

ORGANIZATIONAL CHECKUP	DISCOVERIES, POTHOLES AND DELAYS
	• **Rolling out EOS to your company**
	• **You can only move at your own speed**
	• **Why it works**
	• **The "Click"**
	• **You have to do the work**
	• **Stay committed to the 90-day world**
	• **You will hit the ceiling again**
	• **Bigger isn't always better**
	• **Compartmentalizing**
	• **Same-page meetings**
	• **Take a clarity break**
	• **Shiny stuff**
	• **The road to Hana**

Purpose of chapter:
- "100% mastery" means that you and your leadership team understand each tool and have implemented them properly. It doesn't mean that you have an organizational checkup score of 100%. Your goal is progress, not perfection.
- Each individual tool is not as important as the whole. All six components of The EOS Model need to be understood and mastered in order to fully gain traction. The combination of strengthening the Vision, People, Data, Issues, Process and Traction component is what makes the real magic occur.
- Whether consciously or unconsciously, successful entrepreneurs have a habit of strengthening six components of their business and to the degree that you can do so yourself, you will build a great organization.
- Frustrations regarding control of your time and your business will diminish. Frustrations about employees will fall away because you will be surrounded by the right people in the right seats.
- Results won't always show on your P&L right away. In the early stages, you're also going to dredge up a lot of issues that will feel a bit overwhelming.
- Kanter's Law: "Everything can look like a failure in the middle." Sometimes on your journey, you'll feel like it's not working. Stay the course! Mastery requires total commitment, and gaining traction requires a complete operating system.
- Shifting your organization from chaos to strengthening the Six Key Components has been the journey to this point.

- Like the task of keeping anything else healthy, it takes nurturing, care, and a maintained course.
- Do the Organizational Checkup with your leadership team twice a year to see how you are progressing. (Micro level: for your department.) Look for gaps and add them to your Issues list. If they are high enough priority to tackle, they become Rocks.

Rolling our EOS to your company:
After the leadership team masters the tools, it's time to roll out to the rest of the organization, one tier at a time Start with the Foundational Tools:
- The V/TO
- Accountability Chart
- Rocks
- Meeting Pulse
- Scorecard

Every organization is different in its roll-out pace.

Why EOS works:
It's based on human nature. The system is built around how people really operate:
- **The 90-day World:** Stems from the reality that humans can only focus that long.
- **The To-Do List** in the weekly meeting is designed to ensure accountability. When people know someone is going to check up on what they committed to, they do it.
- **The V/TO** is designed to get your vision out of your head and into the heads of others using a simplified approach of answering only eight questions. This makes it easier to see. When they can see it, they will believe it and it's more likely to happen.
- **Data** forces you to give people numbers so you can measure achievement. People relate to numbers because measuring is a natural human tendency. It creates a benchmark.
- **Core Values** go the heart of human nature. Like attracts like. People who are like-minded work well with each other. Different people have different values, but when you meet someone who has yours, there is an instant fit.
- **The Meeting Pulse** forces people to stay connected. It keeps you from starting to stray and work at cross-purposes.
- **The Issues Solving Track** addresses the natural tendency to avoid conflict, hoping that the problem will go away on its own.
- **A single system** directs talent and energy in one direction. Everyone is speaking the same language and playing by the same rules.

The "Click"
At some point in the process comes the big "aha" moment when everyone gets it. Everything will click for the leadership team

You have to do the work
Don't think that your company will get better simply because you've gone through this learning. You'll still need to do the work. "It's like going to the doctor and not taking the medicine, thinking that going to the doctor is the cure." –Dan Israel, Asphalt Specialists, Inc (as quoted in the book <u>Traction</u>)

Stay committed to the 90-day world
Quarterly meetings keep everyone moving in the same direction and making sure you're still on track for your vision by reviewing how you did last quarter and setting next quarter's rocks.

You will hit the ceiling
When this happens, continue to practice the five leadership abilities:
1. Simplify, using the EOS tools. Remember that less is more. **When everything is important, nothing is important.**
2. Delegate and elevate by knowing when you and others are at capacity.
3. Predict well, both for the long term and short term, through your V/TO, Scorecard, and Rock setting and by following the Issues Solving Track.
4. Systemize by consistently managing your core processes.
5. Structure your organization the right way using the Accountability Chart, which continually evolves as it grows.

Compartmentalizing
With EOS implemented, everything has its place:
- Every issue, priority, action, or idea that is longer term than 90 days is listed on your V/TO Issues List.
- Anything that must be accomplished this year becomes a goal.
- If it needs to get done this quarter, it becomes a Rock.
- Issues that arise during the quarter and must be solved now go on your weekly Level 10 leadership meeting Issues List.

Take a Clarity Break
Most leaders spend their time, overwhelmed, tired, and buried in the day-to-day routine, unable to see beyond tomorrow. Great leaders have a habit of taking quiet thinking time. That means escaping the office on a regular basis for an hour or so. By working on yourself and the business, you will rise above feeling frustrated and overwhelmed to clearheaded and confident state.

Chapter 10 – Getting Started

There are seven main tools and an additional 12 secondary supportive tools. The main tools include:

1. Accountability Chart + People Analyzer and GWC
2. Rock
3. Meeting Pulse + IDS, Level 10 meeting, Quarterlies and Annuals
4. Scorecard
5. V/TO + core values, core focus, 10-year target, marketing strategy, three-year picture, and one-year plan
6. Three Step Process Documenter
7. Everyone Has a Number

Implement these tools in this order, starting with the leadership team first. Make sure you and your leadership team have mastered them before rolling them out to the rest of the organization.

Once the seven tools are implemented, follow the process and you will achieve the organization you want!