

# A Book Report on *Traction – Get a Grip on Your Business*

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(Book Report by Gary Tomlinson)

## Introduction:

This book is not another silver bullet management book or flavor-of-the-month strategy. It's based on real-world experience, practical wisdom and timeless truths. More importantly, it works. Through hands-on experience, I have developed a practical but thorough method to help strengthen and re-energize your business.

If you're like most entrepreneurs, you're probably experiencing one or more of five common frustrations:

1. **Lack of control:** You don't have enough control over your time, market or your company. Instead of controlling the business, the business is controlling you.
2. **People:** You're frustrated with your employees, customers, vendors or partners. They don't seem to listen, understand you or follow through with their actions. You're not on the same page.
3. **Profit:** Simply put, there's not enough of it.
4. **The ceiling:** Your growth has stopped. No Matter what you do, you can't seem to break through and get to the next level. You feel overwhelmed and unsure of what to do next.
5. **Nothing's working:** You've tried various strategies and quick-fix remedies. None have worked for long, and as a result, your staff has become numb to new initiatives. You're spinning your wheels and you need traction to move again.

What I teach business leaders is simple, but not simplistic. I help them melt away the five common frustrations by implementing the same basic tools that successful organizations employ. As a result, business leaders come out feeling more in control, happier and less stressed. Their organizations are more profitable, more focused and staffed by great employees.

You are not your business. Your business is an entity in and of itself. Yes, you created it, but in order to find success, you have to turn it into a self-sustaining organism. Reaching the next level requires more than just a product or service or a simple determination to succeed. You need skills, tools and a system to optimize your people, processes, execution, management and communication. You need strong guiding principles that will work for your company day in and day out.

This book contains all the tools and components that make up the Entrepreneurial Operations System (EOS). EOS is a holistic, self-sustaining system that addresses the six aspects of your business. Master the individual elements of EOS and you'll be able to integrate them into a powerful framework that will help you gain traction and realize the vision you've always had for your company.

## Chapter 1: The Entrepreneurial Operating System:

The Entrepreneurial Operating System (EOS) identifies Six Key Components of any organization. They are:

- 1. Vision:** Successful business owners not only have compelling visions for their organizations, but also know how to communicate those visions to the people around them. They get everyone in the organization seeing the same clear image of where the business is going and how it's going to get there. It sounds easy, but it's not. The more clearly everyone can see your vision, the likelier you are to achieve it. Focus everyone's energy toward one thing and amazing results will follow.
- 2. People:** Successful leaders surround themselves with great people. You can't build a great company without help. Be truly honest with yourself. Are all of your people the right ones for their jobs? The reality is that some are probably hurting your cause more than helping.
- 3. Data:** The best leaders rely on a handful of metrics to help manage their business. The Data Component frees you from the quagmire of managing personalities, egos, subjective issues, emotions and intangibles by teaching you which metrics to focus on.
- 4. Issues:** Issues are obstacles that must be faced to execute your vision. Just as an individual's success is directly proportionate to his or her ability to solve any issues that arise, the same holds true for a company.
- 5. Process:** Your processes are your *Way* of doing business. Successful organizations see their *Way* clearly and constantly refine it. Due to lack of knowledge, this secret ingredient in business is the most neglected of the Six Key Components. Most entrepreneurs don't understand how powerful process can be, but when you apply it correctly, it works like magic, resulting in simplicity, scalability and profitability. You will never get your company to the next level by keeping your processes in your head and winging it as you go.
- 6. Traction:** In the end, the most successful business leaders are the ones with traction. They execute well and they know how to bring focus, accountability and discipline to their organization. Due to fear and lack of discipline, the Traction Component is typically most organizations' weakest link. The inability to make a business vision a reality is epidemic

Now that we know what the Six Key Components are, we need to assess where your company is right now. The *Organizational Checkup* at the end of this chapter will tell you exactly where you are on this path (pages 10-12). You can also fill out the questionnaire at [www.eosprocess.com](http://www.eosprocess.com).

In summary, successful businesses operate with a crystal clear vision that is shared by everyone. They have the right people in the right seats. They have a pulse on their operations by watching and managing a handful of numbers on a weekly basis. They identify and solve issues promptly in an open and honest environment. They develop their processes and ensure that they are followed by everyone. They establish priorities for each employee and ensure that a high level of trust, communication and accountability exists on each team.

## **Chapter 2: Letting Go of the Vine:**

If you're not happy with the current state of your company you have three choices. You can live with it, leave it or change it. If the first two are not an option, it's time to admit that you don't want to live this way any longer.

Change is scary. You're not alone in feeling anxious. About jeopardizing what you already have. But despite the worries, it's time for a shift in thinking. You need to change from believing that you are your company and letting it become its own entity. 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.
3. You can only run your business on one operating system.
4. You must be open-minded, growth-oriented and vulnerable.

**Building a True Leadership Team:** Would you prefer a dictatorship or a true leadership team approach to running your business? Both leadership methods can work, so you have to decide. The philosophy of this book advocates a healthy leadership team approach, where you build a team of people that define the company's vision with you. These leaders all have clear accountabilities and must be able to take initiative over their respective departments. You must also all remain open and honest about all issues and be willing to fight for what is best for the company as a whole.

Your job right now is to select your leaders wisely. If they don't already work in your organization, you'll have to find them elsewhere. Once your team is in place, each member needs to agree that the problems in the organization are also his or her responsibility. Once you take responsibility for a problem, you can help to solve it.

The next leap of faith you have to take is this: As goes the leadership team, so goes the company. Your leadership team must present a united front to the rest of your organization. In a nuclear family, when the child doesn't like the answer from Mom, he or she might go to Dad. In your company, there can only be only one answer and your leadership team needs to parent everyone to greatness.

**Hitting the Ceiling is Inevitable:** Organizations usually expand in spurts, by smashing through a series of ceilings. Reaching the natural limits of your existing resources is a byproduct of

growth and a company continually needs to adjust its existing state if it hopes to expand through the next ceiling. You and your leadership team need to understand this, because you will hit the ceiling on three different levels: as an organization, departmentally and as individuals.

In all of these instances, growth is your only option. If you're not growing, be it internally or externally, you're dying. Most companies strive for external growth, but internal growth also leads to future greatness. In fact, most companies need to start with a focus on the internal growth before they can even think about external growth. The paradox is that they will actually grow faster externally in the long run if they are focused internally from the outset.

Once you understand that hitting the ceiling is inevitable, you and your leadership team must employ five leadership abilities to reach the next level:

1. Simplify the organization.
2. Delegate and elevate.
3. Predict both long-term and short-term.
4. Systemize.
5. Structure your company the right way.

**You can only run your Business on one Operating System:** You must have one abiding vision, one voice, one culture and one operating system. This includes a uniform approach on how you meet, how you set priorities, how you plan and set your vision, the terminology you use and the way you communicate with employees. EOS is an operating system that puts everybody on the same page. Just as a computer program is made up of components that organize activity and various data into a system that enables its users to be more productive, EOS does the same for a business.

**You must be Open-Minded, Growth-Oriented and Vulnerable:** You have to be willing to be open to new and different ideas. If you don't know something, you have to admit that you don't know. You have to be willing to ask for and receive help. Most of all, you have to know your strengths and weaknesses and let other people who are more skilled than you in a certain area take charge.

You cannot embark on this journey if you're not willing to be vulnerable. You have to let your guard down to see your organization for what it is. Eliminate the façade with your leadership team and invite openness and honesty. You must also be growth-oriented to take this journey.

### **Chapter 3: The Vision Component:**

Most entrepreneurs can clearly see their vision. Their problem is that they make the mistake of thinking that everyone else in the organization sees it too. In most cases, they don't and as a result, leaders end up frustrated, staff ends up confused and great visions are left unrealized. The process of gaining traction starts here. Clarify your vision and you will make better decisions about people, processes, finances, strategies and customers.

Entrepreneurs must get their vision 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. By getting everyone on the same page, you will find that problems get solved more quickly.

To learn how to create a strong vision, you must first answer eight important questions (You can use the *VTO – Vision Traction Organizer* found on page 32 to record your answers). The eight questions are as follows:

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 3-year focus?
6. One is your 1-year plan?
7. What are your quarterly rocks?
8. What are your issues?

**What are your Core Values?** Core values are a small set of vital and timeless guiding principles for your company. These core values define your culture and who you truly are as people. When they are clear, you'll find they attract like-minded people to your organization. You'll also find that when they are applied in your organization they will weed out the people that don't fit. Once they're defined, you must hire, fire, review, reward and recognize people based on these core values. This is how to build a thriving culture around them. (Examples of Core Values can be found on pages 35 to 44.)

**What is your Core Focus?** Your job as a leadership team is to establish your organization's core focus and not to let anything distract you from that. The central concept of a core focus has been given many different names, including "mission statement," "vision statement," "core business," "sweet spot," etc. I call it core focus because it should come from your company's core and you must stay laser-focused on it. (How to determine your core focus can be found on pages 48-52.)

**What is your 10-Year Focus?** Now that your core values and core focus are clear, the next question to answer is your long-term target. Where do you want your organization to be a decade from now? (The reason this particular target's frame is 10 years is the 90% of EOS clients have selected it in the past. Some preferred a 5-year target. The length is entirely up to you.)

**What is your Marketing Strategy?** The intent of this section is to create a laser-sharp focus for your sales and marketing efforts. Marketing strategy is made up of four elements:

1. Your Three Uniques
2. Your Guarantee
3. Your Proven Process
4. Your Target Market/"The List"

**Your Three Uniques:** These are what make you different, what make you stand out and what you're competing with. If you line yourself up against 10 of your competitors, you might all share one of the uniques. Some of you many even share two, but no one else should have the three you do. Southwest Airlines is a great example of this. It focuses on low fares, on-time flights and having fun. That's what drives everything in the organization's business model. If you've flown on Southwest, you know it doesn't offer any frills. As a result, it doesn't appeal to everyone, but that's okay. Southwest matters to its ideal customer and that's all that counts. (How to choose your three uniques can be found on page 57.)

**Your Guarantee:** The second element of marketing strategy is your guarantee. Think of what Federal Express did with overnight delivery: "When is absolutely, positively has to be there overnight." Domino's did the same with pizza delivery: "Thirty minutes or it's free." A guarantee is your opportunity to pinpoint an industry-wide problem and solve it. This is typically a service or quality problem. You must determine what your customers can count on from you. If you guarantee it, that will put their minds at ease and enable you to close more business. Your guarantee has a secondary benefit. It forces all the people in your organization to deliver on it. That in turn forces you to look inward and make sure you've got all the right people, processes and systems in place to do so. If not, you'll be forced to improve upon it. Your client will never need to make good on that guarantee if you're at your absolute best. (How to select your guarantee can be found on pages 58-59.)

**Your Proven Process:** There is a proven way you provide your service or product to your customers. You do it every time and it produces the same result. It's what got you where you are. What you need to do is capture that process in a visual format to guide your sales team. It should be encompassed on one single piece of paper, it must illustrate your proven process and it must have a name. It should show each step, from the first client interaction to the ongoing follow-up once your product or service has been delivered. Instead of giving a sales presentation and inundating them with information, you're saying, "Let me show you exactly how we are able to accomplish great results for our customers. We have a proven process that we follow called The (your company name) Difference." (How to create your proven process can be found on pages 60-62.)

**Your Target Market:** The fourth and final element of marketing strategy is your target market, or "The List." Identifying your target market involves identifying your ideal customer. Who are they? What are they? You need to know their demographic, geographic and psychographic characteristics. By identifying your target market, you create a filter. Out of that comes "The List" of perfect prospects for your organization and sales team to target. (How to make "The List" can be found on pages 63-65.)

**What is your 3-Year Picture?** With life and business moving as fast as it does in the 21<sup>st</sup> century, there is little value in detailed strategic planning beyond a three-year window. This step greatly improves the one-year planning process. With the three-year picture clearly in mind, you can more easily determine what you have to do in the next 12 months to stay on track.



**What is your 1-Year Plan?** We're now going to the traction side of the V/TO, which is about bringing your long-range vision down to the ground and making it real. That means deciding on what must get done this year. Remember, less is more. Most companies make the mistake of trying to accomplish too many objectives per year. The EOS approach is going to force you to focus on a few goals rather than too many. By doing that, you will actually accomplish more. That is the power of focus. (How to create your one-year plan can be found on pages 68-69.)

**What are your Quarterly Rocks?** Once your one-year plan is clear, you need to narrow your vision all the way down to what really matters: *the next 90 days*. You should determine what the most important priorities are in the coming quarter. Those priorities are called Rocks. Quarterly Rocks create a 90-Day World for your organization, a powerful concept that enables you to gain tremendous traction. How do they work? Every 90 days your leadership team comes together to establish its priorities for the next 90 days based on your one-year plan. You discuss and ultimately conclude what has to be executed in the next quarter to put you on track for the one-year plan, which in turn puts you on track for the three-year picture, and so on.

**What are your Issues?** While it may seem strange to include a list of problems as part of your vision, that list is actually as important as the previous seven questions. Now that you clearly know where you're going, you have to identify all of the obstacles that could prevent you from reaching your targets. The sooner you accept that you have issues, the better off you're going to be. You will always have them; your success is in direct proportion to your ability to solve them. Your leadership team should state them openly and honestly, so that you can get them out of your heads and into writing. By doing so, you're taking the first step to solving them. (How to identify your issues can be found on pages 70-71.)

**Shared by All:** Now that you have completed your V/TO (the first part of the Vision Component), the foundation for the rest of the EOS Process is set. The second part is to share your vision with your employees. The number one reason employees don't share a company vision is that they don't know what it is. The only way you can determine if your vision is shared by all is simply to tell them.

You can effectively communicate the company vision in three events:

1. Have a company meeting and unveil your clearly defined vision (V/TO).
2. Every 90 days, have a short state-of-the-company meeting with all employees. The objective of this event is to share successes and progress, review the V/TO and communicate newly set company Rocks for the quarter.
3. Each quarter, as you set the Rocks in each department, conduct a complete review of the V/TO as a team.

People need to hear the vision seven times before they really hear it for the first time.

You'll achieve your full potential when your leadership team is on the same page with answers to the eight questions. Everyone in the organization shares the company vision, wants to be a part of it and perpetuates it with his or her actions and words. Now you must start to make the vision a practical reality.

## Chapter 4: The People Component:

It all comes down to getting the right people in the right seats. The *right people* are the ones who share your company's core values. They fit and thrive in your culture. They are people you enjoy being around and who make your organization a better place to be.

In this chapter you will be introduced to your second EOS tool, the **People Analyzer**, which will cut through the murkiness of personnel choices to show you who's right for your company.

Core Values + People Analyzer = Right People

The *right seat* means that each of your employees is operating within his or her area of greatest skill and passion inside your organization and that the roles and responsibilities expected of each employee fit with his or her *Unique Ability*. When a person is operating in his or her Unique Ability, he or she is in the right seat.

One of the obstacles in gaining traction and achieving your vision is that roles, responsibilities, expectations and job descriptions are unclear due to structural issues. A hazy structure may have gotten you to where you are, but it will not take you any further. A common mistake entails creating a structure to accommodate people you like or don't want to lose. When creating a structure to function efficiently, you must take the long view. Sometimes this means eliminating or changing seats that are no longer relevant. To break through the ceiling, you must make sure you have the right structure in place to get to the next level. That leads us to the **Accountability Chart**, the ultimate tool for structuring your organization the right way, defining roles and responsibilities and clearly identifying all of the seats in the organization.

Unique Ability + Accountability Chart = Right Seats

**Right People:** When you have the answers to the question; "What are our core values?" you now have the ability to define who the right people are for your organization. It's important to note that whatever your core values are, they don't make the people who don't possess them right or wrong, nor do they make them good or bad. They just don't fit in your company culture.

**The People Analyzer:** The People Analyzer is designed to clarify whether you have the right person in place or not. This is one of the top five tools in the EOS Process. (The People Analyzer can be found on pages 84-87.)

**Right Seats:** Once you're confident you have selected the right people, it's important to get them in the right seats. That means all of your people are operating in their Unique Abilities and those abilities are clearly in line with their roles and responsibilities.

A seat cannot be created until the organization is structured in the right way to lift your company to the next level. To create that structure, we'll use a powerful tool called an Accountability Chart. This is a supercharged organization chart.



**The Accountability Chart:** This tool does not assume there is only one way to structure an organization. You could read a hundred books on organizational development and find a hundred different opinions of the way to structure an organization. The key question is this: “What is the right structure to move your organization forward in the next six to 12 months?”

Next to the V/TO, the Accountability Chart has the most impact of any EOS tool. It forces its users to view their organization in a different way and to address people issues that have been holding them back for years. (The Accountability Chart can be found on pages 88-110.)

With your vision clear and shared by all and with the right people in the right seats, the next step is measuring your progress and having an absolute pulse on your business. That requires the use of data.

## **Chapter 5: The Data Component:**

Picture a small plane flying over the Atlantic Ocean. Halfway across, the captain announces, “I’ve got bad news and I’ve got good news. The bad news is that the gauges aren’t working. We are hopelessly lost, I have no idea how fast we’re flying or in what direction and I don’t know how much fuel we have left. The good news is that we’re making great time!”

Does that sound at all familiar? That’s how most entrepreneurs run their organizations. They’re flying blind with no data to let them gauge where they are, where they are going or if they are heading in the right direction. But they always remain optimistic. Only factual information can provide the basis for productive discussion and decision-making.

This chapter is designed to help you formulate and manage your data to let you take the pulse of your business consistently and accurately so that you can then take effective action. You will no longer be managing assumptions, subjective opinions, emotions and egos.

You will gain the power of being able to manage your business through a chosen handful of numbers. These numbers will allow you to monitor your business on a weekly basis, quickly showing which activities are on track or off track. Once you have tracked those numbers for a while, you will achieve the valuable ability to see patterns and trends to predict the future.

**Scorecard:** Anything that is measured and watched is improved. The concept of managing through a Scorecard has been around for a long time. The idea has been expressed through many different terms. It’s been called a dashboard, flash report, scoreboard metrics, measurables, key performance indicators, smart numbers and so on. Whatever you call it, it’s a handful of numbers that can tell you at a glance how your business is doing.

The unfortunate reality is that most organizations don’t have a Scorecard. They lack activity-based numbers to review on a regular basis. The Scorecard should cause an organizational shift. Your leadership team will become more proactive at solving problems because you’ll have hard data that not only points out current problems but also predicts future ones. By solving them, you’re assuring them that you’re on track with your vision. In order to solve a problem, you

must know the source of the number in the Scorecard; therefore you can go directly to the root cause and create better accountability and clarity with your people. (How to create your company Scorecard can be found on pages 116-122.)

**Measurables:** What gets measured gets done. Complete mastery of your Data Component is achieved when you boil the organization's numbers down to the point where everyone has a single meaningful, manageable number to guide them in their work. This number will enable leaders to create clarity and accountability throughout their team. With a completed Scorecard, you can track high-level numbers down to a single person as the source.

**EVERYONE HAS A NUMBER:** There are eight distinct advantages to everyone having a number:

1. Numbers cut through murky subjective communication between manager and direct reports. They become a communication tool between manager and direct reports, creating the basis of comparison, unemotional dialogue and results.
2. Numbers create accountability. When you set a number, everyone knows what the expectation is. Accountability begins with clear expectations and nothing is clearer than a number.
3. Accountability people appreciate numbers. Wrong people in the wrong seats usually resist measurables. Right people in the right seats love clarity. Knowing the numbers they need to hit, they enjoy being part of a culture where all are held accountable.
4. 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. There is no gray area.
5. Numbers create competition. There's nothing wrong with a little pressure.
6. Numbers produce results. What gets watched improves.
7. Numbers create teamwork. When a team composed of the right people in the right seats agree to a number to hit, they ask themselves "how can we hit it," creating camaraderie and peer pressure.
8. You solve problems faster. When an activity-based number is off track, you can attack it and solve the problem proactively; unlike with an end-result based number that shows up after it's too late to change it. In addition, the use of hard data cuts through all of the subjective and emotional opinions that create murkiness and lengthen the amount of time it takes to make the right decision.

With the tabulation of data, your organization accomplishes the third essential component of gaining traction. With the vision clear, people in place and data being managed through a Scorecard, you're creating a transparent organization where there is nowhere to hide. Your

company is open and honest. Any obstacles that stand in the way of achieving your vision will be apparent. Your job is to now remove those barriers and solve the issues holding you back.

## **Chapter 6: The Issues Component:**

The fourth essential component of gaining traction is having the discipline to face and solve your organization's issues as they arise. It's human nature to put off making a hard decision. If given the option, most people would prefer not to address an issue and hope that it goes away on its own. The reluctance to act can be a drag on growth and is extremely frustrating to watch. Your ability to exceed is in direct proportion to your ability to solve problems. The better you are at solving problems, the more successful you become.

Most leadership teams spend their time discussing the heck out of everything but rarely solving anything. What is draining your energy is not having a lot of work to do; rather it's having unresolved issues.

In this Issues Component chapter, you'll learn the next two EOS tools to wield against obstacles holding your company back. The first is a discipline of creating an Issues List. The second is the Issues Solving Track. Once you set them up, you'll knock those obstacles down.

**The Issues List:** It's normal to have issues. The sooner you can admit that you have them and not view that as negative thinking or some kind of weakness, the faster you will move forward. The good news is that there are only a handful of issues in the history of business. The same ones crop up over and over again. What changes is your ability to solve them. The key is to create an environment that smokes them out.

A vital first step is creating a workplace where people feel comfortable calling out the issues that stand in the way of your vision. With an open and honest organization, the Issues List becomes a tool that creates a discipline to keep all of your issues out in the open and organized in one place. There should be three types of Issues Lists in your organization:

- 1. The Issues List in your Vision/Traction Organizer (V/TO):** These are the company issues that can be shelved beyond 90 days. These issues are tackled in future quarterly meetings. The issues that are not big enough priority for this week or this quarter must be stored somewhere so that you don't lose sight of them. The V/TO Issues List is the place for that. This list will include issues as diverse as new product ideas, key employee issues, technology needs, office relocation, capital needs and the need for HR policies. They'll go there if this is not the quarter to solve them because you have bigger fish to fry.
- 2. The weekly leadership team Issues List:** The time frame on these items is much shorter. These are all of the relevant issues for this week and quarter that must be tackled at the highest level. These issues will be resolved in your weekly leadership team meetings. You should not be solving departmental issues. These will typically be more strategic in nature. If it can be solved at a departmental level, push it down. Leadership

issues include things as diverse as company Rocks being off track, a bad number in the Scorecard, key employee issues, major client difficulties and process and system related problems.

- 3. The departmental Issues List:** These issues are on a more local level. These include all the relevant departmental issues for the week that must be tackled during the weekly departmental meetings. The sales team might have hitting call numbers, presentations, closing business and marketing and presentation materials on their list, while the operations team might have fulfilling orders, purchasing, customer complaints and low production numbers on theirs.

With an open and honest culture and the three Issues Lists clear, issues will start flowing freely. You can now compartmentalize each issue onto the appropriate list. Each issue that arises in your organization has a place, which means you have to start working on solving them. The most effective way to do that is by following the Issues List Solving Track.

**The Issues Solving Track:** Most teams suffer from different challenges when solving issues. The common ones include fear of conflict, lack of focus, lack of discipline, lack of commitment and personal ego. Here's a simple tool that will allow you to resolve your issues. The Issues Solving Track consists of three steps:

1. Identify
2. Discuss
3. Solve

**Step 1: Identify:** Clearly identify the real issue, because the stated problem is rarely the real one. The underlying issue is always a few layers down. Most of the time, the stated problem is a symptom of the real issue, so you must find the root of the matter. By batting the issue back and forth, you will reach the true cause.

The time spent identifying the real issue can take far longer than the time used for the second and third steps, and that's okay. That's because the root problem may have multiple symptoms. Put another way, sometimes you will spend most of your time identifying the issue. As a result, the Discuss and Solve steps will take just a few minutes because the real issue is now clear.

**Step 2: Discuss:** Most people spend the majority of their time at this step. They rarely identify the real problem before they start discussing and thus they rarely solve anything. They just discuss everything ad nauseam and they actually think they are being productive.

The task of clearly identifying an issue enables you to stay focused on the issue at hand and avoid tangents. Often you don't have to spend much time in the discussion step because the issue is so clear and the solution is so obvious.

In its simplest form, the discussion step is everyone's opportunity to say everything they have to say about the issue. You get everything on the table in an open environment where nothing is sacred. When the discussions start getting off track you don't have to sit there helplessly. When

someone starts to go on a tangent, get in the habit of saying “Tangent Alert!” It’s 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 and get to it in order of priority.

Upon the completion of the discussion step, all of your options, data, ideas, solutions and concerns regarding the issue at hand will be out in the open. This enable you to move to step three – making the issue go away forever.

**Step 3: Solve:** The solve step is a conclusion or solution that usually becomes an action item for someone to do. The item ends up on the To-Do List and when the action is completed, the issue goes away forever. Solving issues takes time. By solving issues now, you’ll save time exponentially across departments by eliminating all future symptomatic issues.

Three types of resolutions will emerge from an issues-solving session. The first is when the issue is solved and requires action. The second is when the issue is merely awareness and the conclusion is that everyone concurs with that awareness. The third is when the issue needs more research or facts. In this case someone is assigned an action item to do the research and bring it to a subsequent meeting.

As you master this third step of the Issues Solving Track and become stronger at solving your own issues, your team must internalize the following 10 important aspects of solving issues.

### **The 10 Commandments of Solving Issues:**

1. Thou Shalt Not Rule by Consensus.
2. Thou Shalt Not be a Weenie.
3. Thou Shalt be Decisive.
4. Thou Shalt Not Rely on Secondhand 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.
8. Thou Shalt Choose Short-Term Pain and Suffering.
9. Thou Shalt Enter the Danger.
10. Thou Shalt Take a Shot.

The Issues Solving Track always follows the three steps: identify, discuss and solve. The acronym for the track is **IDS**. As you move forward in mastering the Six Key Components, IDS will become an important aspect of your day-to-day running of the business. From now on, when faced with an issue, you simply “IDS it.” (More detailed explanations of the 10 Commandments of Solving Issues can be found on pages 141-144.)

## **Chapter 7: The Process Component:**

Nothing can be fine-tuned until it is first consistent. The Process Component is strengthened through your understanding of the 6 to 10 core processes that make up your unique business

model. You then have to make sure that everyone in your organization understands them, values them and follows them. This component is the most neglected one, often taken for granted and undervalued by entrepreneurs and leaders. Yet the successful ones see what process can do for them. By not giving this component your full attention, it's costing you money, time, efficiency and control

A typical organization operates through 6 to 10 core processes. How these processes work together is its unique system. To break through the ceiling and build a well-oiled machine, you need to possess the ability to systemize. In many organizations, people do their jobs however they want, resulting in tremendous inefficiencies and inconsistencies being embedded in the system. If leaders really saw all the variations, they'd be shocked.

To the degree you can clarify your systems and hone them, you will run your business as opposed to having your business run you. 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.

To systemize your organization through your core processes, you must take two major steps. First, you have to document the core processes. Second, you have to ensure that they are followed by all.

**Documenting Your Core Processes:** There are three stages in documenting your *Way*. First, identify your core processes. Then break down what happens in each one and document it. Finally, compile the information into a single package for everyone in your company.

Your leadership team needs to identify and agree on what to call your 6 to 10 core processes. Take this initial step together so that you're calling your core processes the same thing. This is not an assignment to delegate to one person. Here's why. Once you start the discussion, you're going to find you have different names for them and lack consensus on how many there are. The 6 to 10 core processes typically include the following:

- **The HR process** is the way you search, find, hire, orient, manage, review, promote, retain and fire people.
- **The marketing process** is the way you get your message to your target audience and generate interest in what you do and prospects for your salespeople.
- **The sales process** is the way you convert a prospect into a customer.
- **The operations processes** are the way you make your product or provide your service to your customer. There are typically one to three core processes within operations (e.g., project management, logistics, warehouse, distribution, service technicians, account management, service delivery, production, quality control, customer service).



- **The accounting process** is the flow and management of all monies coming in and going out.
- **The customer-retention process** is the proactive way that you take care of your customers after your product or service has been delivered and the way you retain customers so that they continue to come back and send you referrals.

No matter how many core processes you have, you need to identify the ones that address every activity going on in the business. This exercise creates clarity of thought that is then put down in black and white.

**Document each of the Core Processes:** In this step, the Accountability Chart comes into play. The person that is accountable for a certain process takes charge of documenting it. You need to document the steps in the process at a very high level, with several bullets under each step, which are procedures. This way, you can make sure everyone is following the process. What you're illustrating are the basic guideposts to helping your people become consistent and efficient in your organization. (Examples on how to document a process can be found on pages 154-158.)

**Package It:** Now that your core processes are documented, Step 3 is the easiest of all. Here's where you take all of the great work you've done in Steps 1 and 2 and package it. The titles of your core processes now become your table of contents. Each documented process in Step 2 becomes one of your sections. You can then put them in a binder or on your company intranet. On the cover, put your company name followed by the word "Way." If your company name is the ABC Company, then it should read "The ABC Company Way."

**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. The clear lines of process enable you to let go and gain more control. Your business now becomes more scalable, which means that you can add more customers, transactions, revenue and employees while reducing complexity.

In order to implement this crucial step, your leadership team must be convinced that everyone should follow one system. To convince your people to follow the process, your leadership team needs to be committed to managing all of the people to make the adjustment. If you are all committed, it will work. If you're not, it won't! (You can find the "followed by all" action steps on pages 159-161.)

With the mastery of the Process Component, you're closing in on achieving your destination. You're now ready to bring it all down to the ground with the final piece of the puzzle – the Traction Component.

## Chapter 8: The Traction Component:

Action is the process of doing. That's what this chapter is all about. Gaining traction means making your vision a reality. At this moment, your vision is crystal clear, you have the right people in the right seats, you're managing data, you're solving your issues and you've defined your *Way* of doing business and everyone is following it.

Now you're ready to master organizational traction, the final piece of the puzzle. Mastering the first five components was essential before tackling this component, because without them, you might gain traction, but in the wrong direction. When the first five components are strong, you will take off in the right direction – toward your vision.

The ability to create accountability and discipline and then execute is the area of greatest weakness in most organizations.

Most leaders know that bringing discipline and accountability to the organization will make people a little uncomfortable. That's an inevitable part of creating traction. What usually holds an organization back is the fear of creating this discomfort. But you don't have any other option if you want to build a great company. If you can accept the fact that you're going to make people a little uncomfortable for a short time, the solution is actually straightforward. You need to implement two simple practices.

First, everyone must set specific, measurable priorities. Second, you must meet better as an organization. These two essentials are called: Rocks and a Meeting Pulse.

**Rocks:** With a clear long-term vision in place, you're ready to establish short-term priorities that contribute to achieving your vision. You will establish the three to seven most important priorities for the company, the ones that must be done in the next 90 days. Those priorities are called Rocks.

Your company will have Rocks, each member of your leadership team will have Rocks and your employees will also have Rocks. The reason to limit Rocks to three to seven (preferably closer to three) is that you're going to break the organization of the habit of trying to focus on everything at once. It simply can't be done. By limiting priorities, you can focus on what is most important. With the increased intensity of focusing on a limited number of Rocks, people will accomplish more. The way you move the company forward is one 90-day period at a time. (Establishing Your Rocks can be found on pages 171-176.)

**Meeting Pulse:** For now and forever, let's dispel the myth that all meetings are bad, that meetings are a waste of time and that there are already too many of them. The fact is that 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.

The Meeting Pulse is your organization's heartbeat. Rather than long, meandering meetings, a Meeting Pulse with a specific agenda throughout your departments will keep your organization healthy. A Meeting Pulse operates just like an EKG illustrating a spike. When people have to

get something done for a meeting, they usually wait until the last minute and usually finish it – that’s the spike. The more you can increase the meeting interval, the more spikes you get and then the more business you’ll finish. At first you’ll resist these regular meetings, but as soon as they become a habit, you’ll embrace the. You won’t know how you could have lived without them in the past.

The Meeting Pulse consists of two types of meetings. The first is quarterly and the second is weekly:

1. **The 90-Day World:** As part of your vision, you created a three-year picture. After that came a one-year plan and now a 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. To address this aspect of human nature, you must implement a routine throughout the entire organization that creates a 90-Day World.

To repeat, 90 days is about as long as a human being can stay focused. It’s human nature, so stop fighting it and solve the problem by following the Quarterly Meeting Pulse, thereby creating a 90-Day World for your company. (How to create and run the EOS Quarterly Meeting Pulse can be found on pages 179-184. How to create and run the EOS Annual Meeting Pulse can be found on pages 184-189.)

2. **The Weekly Meeting Pulse:** The traction process continues taking the vision down to the ground. We are now narrowing in from quarterly to weekly. Implementing this step will really create traction and help you execute the vision. Once the quarterly priorities are set, you must meet on a weekly basis to stay focused, solve issues and communicate. The Weekly Meeting Pulse is your opportunity to make sure that everything is on track. If you’re on track for the week, then you’re on track for the quarter and if you’re on track for the quarter, then you’re on track for the year and so on.

The Meeting Pulse creates a consistent cadence that keeps the organization in step. (How to create and run the Weekly Meeting Pulse can be found on pages 189-198.)

## **Chapter 9: Putting It All Together:**

Now that the context is clear, mastery of all Six Key Components is within your reach. You’re well on your way to achieving 100 percent. Mastery means that you and your leadership team understand each tool and have implemented them properly.

The combination of strengthening the Vision, People, Data, Issues, Process and Traction Components is what makes the real magic occur. This book started from the premise that, 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. As a result, your 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. You will finally break through the ceiling

you've been hitting, you will transform your everyday business, and, ultimately, you will realize your organization's vision. At this point, I hope you know see that premise is true.

My closing on all my correspondence is "Stay focused." If every person could just do that, they would be happier and more successful. We live in a world that inundates us with information. There is so much shiny stuff that it's hard to concentrate. If I could leave you with one message, it's that: Stay focused. As for what to focus on, that's your decision. It all starts with answering the eight questions.

## Message from Gary Tomlinson:

I hope you enjoyed reading this book report. It's important to understand that this book report should not take the place of you reading; "*Traction – Get a Grip on Your Business*. Gino Wickman's book contains a lot of stories, models and examples that are not contained in my book report. This is an incredible book on one of the very best ways to run your organization. You'd be doing yourself a disservice if you didn't buy it and read it cover-to-cover. You can learn more at [www.eosprocess.com](http://www.eosprocess.com) or call (877) 367-1877.

Enjoy the education and wisdom contained within this book report and feel free to share it with other because the "illiterate of the 21<sup>st</sup> Century will not be those who cannot read or write, but those who cannot learn, unlearn and relearn."

**About Gary Tomlinson:** Gary is a business consultant and motivational speaker. As a business consultant, Gary specializes in strategy-execution. He works with CEOs to help establish a culture of knowing how to plan and execute while overcoming the daily surprises that always seem to get in the way. As a motivational speaker, Gary's key presentations are the *Art of Telling* (professional speaking education for professionals) and *Top Ten Messages from Ten Top Books* (great business education). Regardless of his topic, Gary's guiding coalition is that the golden rule not only makes good moral sense, but it makes good business sense too! You can engage Gary at [gary@gary-tomlinson.com](mailto:gary@gary-tomlinson.com). If you like this book report and want to read his others go to [www.gary-tomlinson.com](http://www.gary-tomlinson.com).