

*“Traction”*  
*Get a Grip on Your Business*  
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You're probably experiencing one or more of five common frustrations:

- Lack of control:
- People: You're frustrated with your employees, customers, vendors, or partners.
- Profit: Simply put, there's not enough of it.
- The ceiling: Your growth has stopped.
- Nothing's working: You've tried various strategies and quick-fix remedies.

What I teach business leaders is simple, but not simplistic. You need skills, tools, and a system to optimize your people, processes, execution, management, and communication. We call it the **“Entrepreneurial Operating System” (EOS)**.

Leaders need to be willing to change, and willing to be vulnerable (as in being open-minded, willing to admit weaknesses, and willing to face reality).

**Below are the Six Key Components of any organization:**

1. **VISION:** Are your staff all rowing in the same direction? The more clearly everyone can see your vision, the likelier you are to achieve it.
2. **PEOPLE:** Successful leaders surround themselves with great people. the two essential ingredients of any great team: the right people in the right seats. The reality is that some are probably hurting your cause more than helping. teaching you how to determine who shares your core values. to simplify how you hire, fire, review, reward, and recognize people in your organization. They must get it, want it, and have the capacity to do it. (GWC)
3. **DATA:** Everyone will have a clear, meaningful, and manageable number that he or she is accountable for on a regular basis.
4. **ISSUES:** Issues are the obstacles that must be faced to execute your vision. In the bustle of day-to-day operations, most companies don't invest the time required to adequately solve their issues.
5. **PROCESS:** You will not get your company to the next level by keeping your processes in your head and winging it as you go. By deciding what the process is and training everyone to follow it, you will enhance your troubleshooting abilities, reduce your errors, improve efficiency, and increase your bottom line.
6. **TRACTION:** Successful business leaders execute well, and they know how to bring focus, accountability, and discipline to their organization. The inability to make a business vision a reality is epidemic. How would you rate the accountability throughout your organization on a scale of 1 to 10? Gaining traction requires two disciplines. First, everyone in the organization should have Rocks, which are clear 90-day priorities designed to keep them focused on what is most important. The second discipline requires implementing at all levels in the organization, which will keep everyone focused, aligned, and in communication.

These Six Key Components together make up **The EOS Model**.

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. **BUILDING A TRUE LEADERSHIP TEAM.** Would you prefer a dictatorship or a true leadership team approach to running your business? These leaders all have clear accountabilities and must be able to take initiative over their respective departments. You will need to give them clear expectations and instill a system for effective communication and accountability. Once you have the right people in the right seats, let them run with it.

2. **HITTING THE CEILING IS INEVITABLE.** 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. If your organization needs an internal transformation first, be honest with yourself and spend the next one or two years growing internally and honing your business model so it can support external revenue growth. On its official website, the U.S. Small Business Administration purports that "roughly 50 percent of small businesses fail within the first five years." in his book *The E-Myth and The E-Myth Revisited*, author Michael Gerber paints an even scarier picture, saying that 80 percent of businesses fail in their first five years and 80 percent of those remaining will fail somewhere between years six through ten. The good news is that you can survive hitting the ceiling by choosing a leadership team that possesses five core leadership abilities. simplify, delegate, predict, systemize, and structure.

3. **SIMPLIFY.** Most organizations are too complex when they begin. Dan Sullivan, the creator of The Strategic Coach® Program, makes the point as follows: "No further progress and growth is possible for an organization until a new state of simplicity is created."

4. **DELEGATE.** Be prepared to "delegate and elevate" to your true God-given skill set. By hanging on to all the tiny details, you're actually constricting the company's growth. When you let go, however, you need to make sure you're letting go of the right duties. Your leadership team has to know where the organization is going and how you expect to get there.

You do this by starting with the far future and working your way back. There are really only a handful of core processes that make any organization function. Systemizing involves clearly identifying what those core processes are and integrating them into a fully functioning machine.

This is your company's Way of doing business. Once you all agree on your Way, you will simplify, apply technology to, document, and fine-tune these core processes. There is a direct correlation between organizational adherence to core processes and your own ability to let go. Too many organizations become stuck because they are set in their old ways and unwilling to change to fit their expansion.

Many organizations have structures governed by ego, personality, and fear. In summary, once you understand that hitting the ceiling is inevitable, you and your leadership team must employ these four 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, and structure your company the right way. You must have one abiding vision, one voice, one culture, and one operating system. This includes a uniform approach to 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.

Even talented leaders can't be effective without first settling on a single operating system for their company. The late Dr. David Viscott, author of "Risking," wrote, "If you cannot risk, you cannot grow. If you cannot grow, you cannot become your best. If you cannot become your best, you cannot be happy. If you cannot be happy, what else matters?"

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. Eliminate the facade with your leadership team, and invite openness and honesty.

In summary, the four fundamental beliefs are as follows:

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. Let's start where all traction starts: your vision.

## **THE VISION COMPONENT**

**DO THEY SEE WHAT YOU ARE SAYING?** 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. 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. the vision you're about to clarify can't be about you. It has to define something bigger. **ANSWERING THE EIGHT QUESTIONS**

The first tool in EOS is the **Vision/Traction Organizer (V/TO)**.

What is vision? It's clearly defining who and what your organization is, where it's going and how it's going to get there. Unfortunately, if there are five people on your leadership team, there may be five different variations of the company vision. By answering the following eight questions we will clarify exactly what your vision is.

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?

## **WHAT ARE YOUR CORE VALUES?**

These core values define your culture and who you truly are as people. 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. Defining core values changed our company, the way we do business, and the way we select our people. One of their ("Built to Last," Jim Collins and Jerry I. Porras) key findings was that in every case, excellent companies defined their core values in the very early stages and built a culture of people around them. In this book, they are the first step to forming your vision. Core values already exist within your organization—they've just been lost in the day-to-day chaos. Your task is merely a matter of rediscovering what they are and instilling them as the rules you play by.

**STEP 1** Have each member list three people who, if you could clone them, would lead you to market domination.

STEP 2 Go over the names and list the characteristics that those people embody.

- Unequivocal excellence
- Continually strives for perfection
- Wins
- Does the right thing
- Compassion
- Honesty and integrity
- Hungry for achievement
- Is enthusiastic, energetic, tenacious, and competitive
- Encourages individual ability and creativity
- Maintains accountability
- Services the customer above all else
- Works hard Is never satisfied
- Is interested in continuous self-improvement
- Helps first
- Exhibits professionalism
- Encourages individual initiative
- Growth-oriented
- Treats everyone with respect
- Provides opportunity based on merit; no one is entitled to anything
- Has creativity, dreams, and imagination
- Has personal integrity
- Isn't cynical
- Exhibits modesty and humility alongside confidence
- Practices fanatical attention to consistency and detail
- Is committed
- Understands the value of reputation
- Is fun
- Is fair
- Encourages teamwork

STEP 3. Your organization's core values are somewhere in that long list you've just created.

STEP 4. Through group discussion and debate, decide which values really belong and are truly core. Your goal is to get your list down to between three and seven.

**Here are some examples** of EOS clients' real-world core values:

- Can do Clients' needs first—always
- A complete “WOW” experience
- Action-oriented “Can Do” attitude
- Open and honest
- Collaboration
- Enthusiastic, energetic, tenacious, and hardworking
- Honesty and integrity
- Humility
- Pride in work
- Ability to adapt/adjust
- We do whatever it takes in every situation
- We have fun
- We are passionate about our work

- We have integrity in all that we do

The next step in the process is to communicate these core values to the rest of the organization. Your core values should become a guiding force in your organization and should be incorporated into your hiring process. It's easy to find people with the right skill set, but you want the one who rows in your direction. The number one reason certain companies were successful and continue their success is due to core value alignment. In short, it doesn't matter what your core values are as much as it does that you've clearly defined, communicated, and are living them as an organization.

#### WHAT IS YOUR CORE FOCUS?

Businesses can easily become distracted by opportunities that are wolves in sheep's clothing. Your job as a leadership team is to establish your organization's core focus and not to let anything distract you from that. Call it core focus because it should come from your company's core and you must stay laser-focused on it. Find your core focus, stick to it, and devote your time and resources to excelling at it.

Defining your core focus will return you to your original levels of clarity and excitement. While a new idea may look like a no-brainer on paper, it's simply not worth doing if it's not a part of your core focus. Decide what business you are in, and be in that business. "He who chases two rabbits catches neither." As Jim Collins puts it in his bestseller *Good to Great*, "You have to figure out what you're genetically encoded to do."

#### HOW TO DETERMINE YOUR CORE FOCUS

**Start by asking them to write the answers to the two questions below.**

Why does your organization exist?

When your purpose, cause, or passion is clear, it should meet all eight points of the following

1. It's stated in three to seven words
2. It's written in simple language
3. It's big and bold
4. It has an "aha" effect
5. It comes from the heart
6. It involves everyone
7. It's not about money
8. It's bigger than a goal

#### WHAT IS YOUR 10-YEAR TARGET?

One common thread unites successful people and successful companies. All of them have a habit of setting and achieving goals. I'm consistently amazed by the number of entrepreneurs who can't tell me what their number one goal is. How do you know if you're heading in the right direction if you don't know which direction you're meant to be going? Big, Hairy, Audacious Goals—and define them as having "a long-term vision so daring in its scope as to seem impossible." "You must focus on ends, rather than means."

#### HOW TO SET A 10-YEAR TARGET

I recommend starting off by asking everyone how far out they would like to look. As with all goal-setting activities, your 10-year target must be specific and measurable so that there can't be any gray areas. You will know the right goal when you have it. It will be the one that creates passion, excitement, and energy for every single person in the organization whenever it's repeated. can't tell you how many of my clients start out trying to be all things to all people.

## WHAT IS YOUR THREE-YEAR PICTURE?

With life and business moving as fast as it does in the 21st century, there is little value in detailed strategic planning beyond a three-year window. After some discussion and debate, your three-year picture will typically contain 10 to 20 bullet points that describe what your organization will look like. In addition, each person on the leadership team should verbalize his or her vision for his or her individual role in the organization in that time frame.

## WHAT IS YOUR ONE-YEAR PLAN?

Most companies make the mistake of trying to accomplish too many objectives per year. When everything is important, nothing is important.

## HOW TO CREATE YOUR ONE-YEAR PLAN

With the three-year picture in mind, discuss, debate, and decide on the three to seven most important priorities that must be completed this year in order for you to be on track for your three-year picture. Setting unrealistic goals is the biggest trap entrepreneurs fall into.

## WHAT ARE YOUR QUARTERLY ROCKS?

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?** 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.

**HOW TO IDENTIFY YOUR ISSUES.** Ask the team to think of the obstacles, concerns, and opportunities you face in achieving your vision. An example of what yours might look like follows. The poll revealed that 37 percent of employees didn't understand their companies' priorities. Only one in five was enthusiastic about their organization's goals, and only one in five saw a clear connection between their tasks and their organization's goals. When everyone's energy is going in the same direction, their accumulated drive will kick in and create an exponential force.

The quarterly state-of-the-company has proven to be the most effective discipline for helping people share, understand, and buy into the company's vision. In its purest form, the meeting has a three-part agenda.

1. Where you've been
2. Where you are
3. Where you are going

People need to hear the vision seven times before they really hear it for the first time. As a good leader, you must remain consistent in your message. You 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.

## SURROUND YOURSELF WITH GOOD PEOPLE

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. Core Values + People Analyzer = Right People It's like your personal core focus. When a person is operating in his or her Unique Ability®, he or she is in the right seat. Roles, responsibilities, expectations, and job descriptions are unclear due to structural issues. A common mistake entails creating a structure to accommodate people you like or don't want to lose.

**RIGHT PERSON, WRONG SEAT** Your job in this situation is to move this person out of that seat and into a seat that is right for this person, one where he or she will be successful. You have to make decisions for the greater good of the business, and you don't have the luxury of keeping people around simply because you like them.

**WRONG PERSON, RIGHT SEAT.** What makes this person the wrong person is that he or she doesn't share your core values. He or she is chipping away at what you're trying to build, in little ways that, most of the time, you don't even see. "Never again will we allow an employee to work for us without living this core value," the owner stated. If you have a wrong person in the right seat, ultimately that person must go for the sake of the greater good. Your job is to hire, fire, review, reward, and recognize all of your people around core values and Unique Abilities®. That's the way to build an organization with all of the right people in the right seats.

**RIGHT PEOPLE** The ideal you're shooting for in your organization is to surround yourself with 100 percent of the right people. What your leadership team has to do is determine where the bar is.

**STEP 1:** After discovering your core values as a leadership team, "people-analyze" each other, as all EOS clients do.

**STEP 2:** Have your leadership team people-analyze everyone in the organization and then have each manager share those results in one-on-one sessions.

**STEP 3:** Use the People Analyzer in your quarterly performance reviews with all team members. Let them analyze you as well.

**STEP 4:** If your leadership team is struggling with a personnel problem, run the person through the People Analyzer.

**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 What is the right structure to move your organization forward in the next six to 12 months?

There are only three major functions in any business and those three functions make every organization run, regardless of whether it's a start-up business or the largest company in the world. Those are the three major functions.

1) **Sales and marketing** generate business

2) **Operations** provides the service or manufactures the product, and takes care of the customer

3) **Finance and administration** manage the monies flowing in and out as well as the infrastructure. If any of the three major functions are weak, your organization is not as effective as it could or should be. In order to maintain accountability, only one person can ultimately be in charge of any major function within an organization. When more than one person is accountable, nobody is. To take structure a step further, these three functions cannot operate independently of each other. That's why all great organizations have another major function, a role that I like to call the integrator

## **INTEGRATORS**

The integrator is the person who harmoniously integrates the major functions of the business. When those major functions are strong and you have strong people accountable for each, great healthy friction and tension will occur between them. The integrator blends that friction into greater energy for the company as a whole. that the integrator is the person who has the Unique Ability® to run the organization, manage day-to-day issues that arise, and integrate the three major functions. The integrator is the glue that holds the company together.

## VISIONARIES

In a partnership, most of the time, one partner is the visionary and the other is the integrator. Integrators are typically very good at leading, managing, and holding people accountable. An entrepreneur's lust needs to be counterbalanced with a manager's prudence and discipline. When it's structured correctly, the dynamic that exists between the two Unique Abilities® can be magical.

LMA stands for **leading, managing,** and holding people **accountable**. When you choose someone for a seat, you want to be certain that person is operating in his or her Unique Ability®. The visionary, the integrator, and the people heading up the major functions become your leadership team.

**GWC** stands for **get it, want it, and capacity** to do it. Sometimes the person who got the job had wanted it, but didn't have the capacity to do it. These people were not fully performing because one of the three factors was absent. They didn't get it, didn't want it, or didn't have the capacity to do the job. To reach the next level, you need the people that report to you to be able to take the ball and run with it. When you as their leader or manager clearly articulate the seat (including roles, responsibilities, expectations, and measurables) and present that opportunity, you have created an opening. One of two things will happen as a result: Either they will step up and take charge, or they never will.

**“Get it”** simply means that they truly understand their role, the culture, the systems, the pace, and how the job comes together. **Want it** means they genuinely like the job. Sometimes their ego, your hopes, or their ignorance about what the job entails will lead them to think that they want it. But if they don't, they're never going to provide that spark, no matter how effective a manager you are.

**Capacity** means having the time as well as the mental, physical, and emotional capacity to do a job well. Using the filter of GWC will keep you honest with yourself. Life is much easier for everyone when you have people around you who genuinely get it, want it, and have the capacity to do it.

ONE NAME, TWO SEATS, you can have one name in two seats, just not two names in one seat.

DELEGATE AND ELEVATE At all times, you want to make sure that every person is drawing closer and closer to his or her Unique Ability®. When you delegate and elevate, it's vital that you have the right person in the right seat. If you don't, you'll never feel completely comfortable letting go. If someone walks in with a monkey, he or she needs to walk out with it. If he or she can't or won't, you've hired the wrong person. From there, assuming they have your core values and GWC, let go and let them execute.

You must do a little pruning from time to time for the organization to flourish. Merely hoping that poorly fitting people will make it, sending them to a seminar, or giving them a pep talk is like overwatering the plant. It isn't going to solve the problem. Once you do the necessary pruning, your organization will be revitalized. If you want to grow, you have to understand that not everyone is going to be able to keep up and remain in the same seat forever. Keeping people around just because you like them is destructive. You're doing a disservice to the company, to everyone in it, and to the person. People must add value.

Please ask these three questions with your leadership team:

1. Is this the right structure to get us to the next level?
2. Are all of the right people in the right seats?
3. Does everyone have enough time to do the job well?

We now know what great leaders mean when they attribute their success to surrounding themselves with good people. It's putting the right people (core values) in the right seats (GWC and Unique Ability®).

THE DATA COMPONENT. Only factual information can provide the basis for productive discussion and decision-making.

SCORECARD. 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. A profit and loss statement is a trailing indicator. The following exercise will show you a step-by-step process for creating a Scorecard that fits your unique business.

### THREE SCORECARD RULES OF THUMB

1. The numbers in the Scorecard should be weekly activity-based numbers. It's based on numbers showing activity and telling you whether you're on track
2. The Scorecard is much more of a proactive tool, helping you to anticipate problems
3. When managing a Scorecard, many clients find value in red-flagging categories that are off track. 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.

MEASURABLES. What gets measured gets done.

EVERYONE HAS A NUMBER every employee in his organization has a number, even his receptionist. Hers was two, as in, "two rings good, three rings bad." Numbers cut through murky subjective communication between manager and direct reports.

2. Numbers create accountability.
3. Accountable people appreciate numbers. Right people in the right seats love clarity. They enjoy being part of a culture where all are held accountable.
4. Numbers create clarity and commitment.
5. Numbers create competition.
6. Numbers produce results.
7. Numbers create teamwork.
8. Numbers help you solve problems faster.

### THE ISSUES COMPONENT.

The next essential component of gaining traction is having the discipline to face and solve your organization's issues as they arise. When the vision is clear, the people are in place, and you're managing data, you will inevitably find out what's holding you back. As Napoleon Bonaparte said, "Nothing is more difficult and therefore more precious than to be able to decide." Your ability to succeed is in direct proportion to your ability to solve your problems.

In the book *Think & Grow Rich*, Napoleon Hill cited a study that analyzed 25,000 people who had experienced failure. Lack of decision, or procrastination, was one of their major causes of failure. Analysis of several hundred millionaires revealed that every one of them had the habit of reaching decisions promptly and changing them slowly. 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. "It is less important what you decide than it is that you decide." More is lost by indecision than by wrong decisions. Each unresolved issue is an incomplete project weighing down your organization and holding you back. You only have so much capacity, and these unresolved issues take up time and energy.

## THE ISSUES LIST

A vital first step is creating a workplace where people feel comfortable calling out the issues that stand in the way of your vision. These issues will be resolved in your regular leadership team meetings. You should not be solving departmental issues. The issues you deal with should be more strategic in nature. If it can be solved at a departmental level, push it down.

Issue solving consists of three steps:

1. Identify
2. Discuss
3. Solve

When addressing issues, leadership teams spend most of their time discussing the heck out of everything, rarely identifying anything, and hardly ever solving something. 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.

Examine your Issues List and quickly decide on the top three issues to be solved.

### STEP 1: IDENTIFY

Most causes of real issues are people.

### 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. In the discussion step, you'll need to fight for the greater good, not what is best for you or your department. You should have healthy conflict and let the best solution come to light, even if it causes you some pain. The number one reason most leadership teams spend the majority of their time talking is tangents.

“Tangent Alert!”

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.

### STEP 3: SOLVE

If your Vision/Traction Organizer (V/TO) is not complete and your leadership isn't on the same page, you'll never solve issues well. If you don't know where you're going, you can't make decisions on which way to turn. To build a well-oiled machine, you have to solve issues for the long term in accordance with your vision.

## THE 10 COMMANDMENTS OF SOLVING ISSUES:

1. Thou Shalt Not Rule by Consensus; someone needs to make the final decision. Consensus management does not work, period. Not everyone will be pleased in these situations, but as long as they have been heard and if the team is healthy, they can usually live with it and will support the decision. In a Fortune magazine issue on decision-making, Jim Collins is quoted as saying that in his years and years of research, “no major decision we've studied was ever taken at a point of unanimous agreement.”
2. Thou Shalt Not Be a Weenie You must have strong will, have firm resolve, and be willing to make the tough decision.

3. Thou Shalt Be Decisive Remember, it's less important what you decide than it is that you decide ... so, decide!
4. Thou Shalt Not Rely on Secondhand Information
5. Thou Shalt Fight for the Greater Good If you stay focused on the greater good, it will lead you to better and faster decisions.
6. Thou Shalt Not Try to Solve Them All Solve the most important one first, and then move on to the next.
7. Thou Shalt Live with It, End It, or Change It If you can no longer live with the issue, you have two options: Change it or end it. Living with it should, however, be the last resort.
8. Thou Shalt Choose Short-Term Pain and Suffering
9. Thou Shalt Enter the Danger The issue that you fear the most is the one you most need to discuss and resolve.
10. Thou Shalt Take a Shot Sometimes the discussion can drag on because everyone is afraid to voice a solution even though someone may have it right at the tip of his or her tongue. Don't be afraid to take a shot. Yours might be the good idea. The Issues Solving Track always follows the three steps: identify, discuss, and solve.

From now on, when faced with an issue, you simply "IDS it."

#### THE PERSONAL ISSUES SOLVING SESSION

If a team is not opening up, it might be because two individuals don't get along. Nine out of 10 times, their differences will be resolved. In rare cases, they can't be, and you have a tough decision to make because one must go for the greater good of the team. You are now ready to work on the most neglected component of all, the secret ingredient of building a successful, well-run business: process.

#### THE PROCESS COMPONENT

When Jim Weichert, the founder of Weichert, Realtors, one of the largest real estate companies in the world with over 19,000 salespeople and over 500 offices, was asked the secret of his success, he gave a one-word answer: consistency.

Nothing can be fine-tuned until it's first consistent. A typical organization operates through a handful of core processes. How these processes work together is its unique system. The culmination of identifying, documenting, and having everyone follow the core processes of your business is your Way.

#### DOCUMENTING YOUR CORE PROCESSES

##### 1. IDENTIFY YOUR CORE PROCESSES

Your leadership team needs to identify and agree on what to call your core processes.

- The HR process
- The marketing process
- The sales process
- The operations processes
- The accounting process
- The customer-retention process

No matter how many core processes you have, you need to identify the ones that address every activity going on in the business.

## 2. DOCUMENT EACH OF THE CORE PROCESSES

You just need to capture the basic steps in the process. 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.

## 3. 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.

## 4. FOLLOWED BY ALL

The clear lines of process enable you to let go and gain more control. With your business systemized, you can better troubleshoot when problems arise, since many of them result from process-related issues. When a problem occurs, you can go right to the step that is not working and alter or eliminate it. With the mastery of the Process Component, you're closing in on achieving your destination.

## THE TRACTION COMPONENT

Action is the process of doing. 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.

The ability to create accountability and discipline, and then execute, is the area of greatest weakness in most organizations. Visionaries like to stay on a high plane, not at ground level. After more than 20 years of observing failures, I realized how to bridge the gap between vision and execution. Luftmensch is a Yiddish word made from two others; luft means "air" and mensch means "person." A luftmensch is an "air-person," someone who has his or her head in the clouds. I don't mean this as an insult. Ideas come from having your head in the clouds.

Most visionaries would agree with me. That is their gift, their strength, and their value. Nothing exists without visionaries. Yet once the vision is clear, you need to go from luftmensch to action. Most leaders know that bringing discipline and accountability to the organization will make people a little uncomfortable. The people who continue to resist are either the wrong people or in the wrong seat. What are the two disciplines needed to gain traction?

First, everyone must set specific, measurable priorities.

Second, you must communicate better as an organization.

These two essentials are called: Rocks and a Meeting Pulse. It's tough to get out of the day-to-day emergencies and focus on the most important priorities." There has to be good structure and communication around goals and issues. If problems are not resolved, and they just stacked up. We have to develop a method to measure results."

## 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. You're going to break the organization of the habit of trying to focus on everything at once.

By limiting priorities, you can focus on what is most important. The way you move the company forward is one 90-day period at a time. By coming up with Rocks every quarter, you create a 90-Day World. The process works like this: Your team meets for a full day every 90 days. You review your vision, and then determine what the Rocks are for the organization for the next 90-day period to keep you on track for your vision.

Your leadership team lists everything on the whiteboard that you'd like to accomplish in the next 90 days. With that list of items in front of you, discuss, debate, and determine the most important priorities for the company in the next 90 days. Now define each one by making sure the objectives are clear. This is vital. A Rock is not a to-do that is open-ended or vague. Assign who owns each Rock. When more than one person is accountable for a Rock, no one is accountable. Share the company Rocks with the entire organization.

**THE 90-DAY WORLD.** As a 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.

If you don't continue to align quarterly, your organization will fragment

Each person should share three things: (1) Best business and personal news in the last 90 days, (2) What is working and not working in the organization, and (3) Expectations for the next 90 days. You will rarely solve them all. The important thing is to make sure you're solving them in order of priority. Once the quarterly priorities are set, you must meet on a weekly basis to stay focused, solve issues, and communicate.

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. Great meetings are created by solving problems.

#### PULLING IT ALL TOGETHER

The combination of strengthening the Vision, People, Data, Issues, Process, and Traction Components is what makes the real magic occur.

When Dan Israel of ASI realized after a year into the process that he and his team were suffering from neglecting the process, he shared this analogy: "It's like going to the doctor and not taking the medicine, thinking that going to the doctor is the cure."

The message is that building a great organization isn't for everyone. Being an integrator isn't for everyone. You have to know what you want. Most leaders spend most of their time overwhelmed, tired, and buried in the day-to-day routine, unable to see beyond tomorrow. As a result, they don't solve problems as well as they could, they don't lead their people as well as they could, and they're not a good example for them.

Great leaders have a habit of taking quiet thinking time. As Henry Ford said, "Thinking is the hardest work