

Traction Management Summary

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- Traction
- Get a Grip
- Rocket Fuel
- Decide

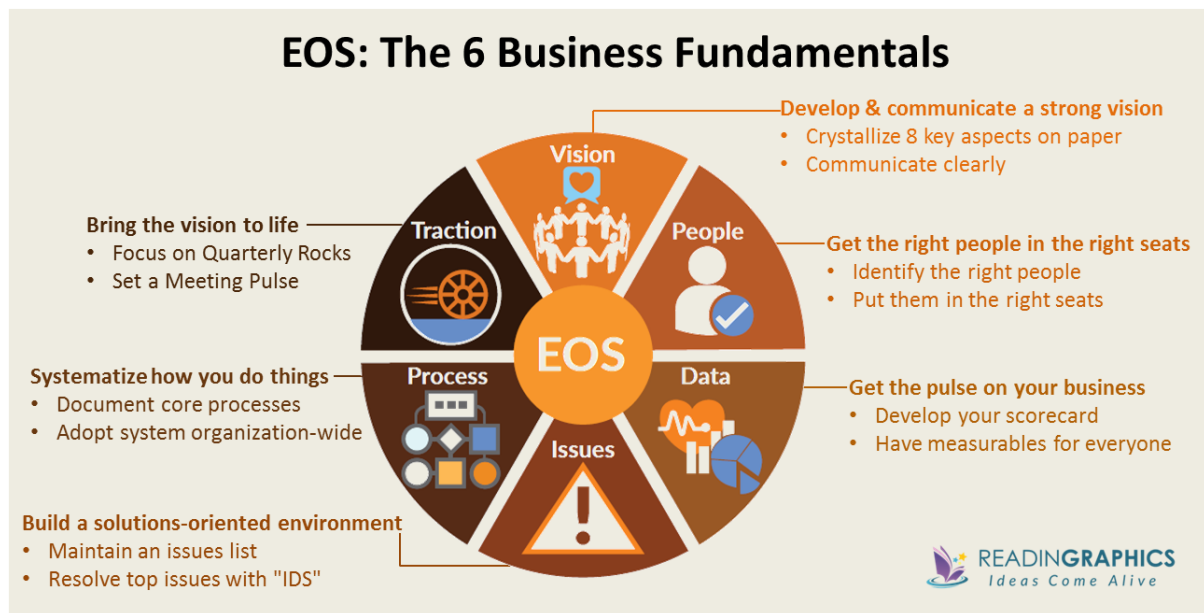
Entrepreneurial Operating System®

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Business Management Model for Entrepreneurs – [Link](#)

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EOS Toolbox



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

- **Vision**—getting everyone in your organization 100% on the same page with where you're going, and how you plan to get there
- **Traction**®—instilling focus, discipline, and accountability throughout the company so that everyone executes on that vision—every day
- **Healthy**—helping your leaders become a more cohesive, functional, healthy leadership team

Align your organization with your passion and with your purpose
Create an environment and culture that people like to be a part of
Market and execute ways that haven't been done before

Get to the root of the issue and apply practical tools

It's a system that you can use to turn your business around, break through to the next level, and finally get control of your business.

Being an entrepreneur isn't easy. But predicting the 5 most common frustrations you'll face as an entrepreneur is. Here they are:

1. A lack of control over your time, the market, or your company.
2. Frustration with your people, whether that's your employees, customers or partners. They don't seem to listen to you or understand your frustrations.
3. Not enough profit.
4. Hitting the ceiling on your growth. It seems that no matter what you do, you can't get to the next level
5. Nothing is working. You've tried so many new strategies that your staff is numb to new initiatives.

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

1. Vision
2. People
3. Data
4. Issues
5. Process
6. Traction

Component # 1: Vision

Successful entrepreneurs have compelling visions for their organizations and know how to communicate it to their team.

The part that most entrepreneurs run into trouble with is the communication. They assume that everybody else sees the vision as clearly as they do, and so they don't communicate it enough.

The solution is simple - get the vision out of your head and down on paper. Then, share it with everybody in the organization and make sure that every single stakeholder understands it. From there, your team can decide whether or not it's a vision they can get behind.

Just this step clears up a surprising amount of confusion in a company. It gets everybody on the same page and you'll find that problems get solved much quicker as a result.

There are 8 important questions you need to answer in order to craft your vision:

1. What are your core values?
Your core values are a set of timeless guiding principles for your business. If you use them in your hiring, firing and reward process, these core values will become your culture. Choose them carefully.
2. What is your core focus?

Other people have called this your mission or vision statements, but the idea here is that it should define exactly what your team will focus on while building your business.

3. What is your 10-year target?
Where do you want your business to be in 10 years from now? This will let your team know exactly where you see the company heading.

4. What is your marketing strategy?
Your marketing strategy in EOS is built around 4 elements.

First, you need to understand your "3 uniques." These are what make you different in the marketplace – *Your **differentiators** and **value proposition***. You might share one or two of them with your competitors, but you should be the only one to do all 3. What are the three qualities that will make you truly unique to your ideal customer.

Second, you need a guarantee that pinpoints an industry problem and solves it. For instance, Domino's had its famous "30 minutes or it's free" guarantee for pizza delivery. This has the secondary effect of rallying your team around a specific pain point your customer wants addressed.

Third, there should be a proven process you use to deliver your product or service. You should be able to capture that process visually and explain it on a single piece of paper. It should have a name that you can own in the marketplace.

Fourth, your marketing strategy needs to include your target market. It should define their demographic, geography and psychographic characteristics. Who is our ideal customer?

5. What is your 3-year focus?
Anything beyond a 3-year detailed strategic planning document for your business is wasted effort.
6. What is your 1-year plan?
Your one 1-year plan is about bringing your long-term vision for the business to life. Less is more here. Don't make the mistake that most companies make in trying to accomplish too many objectives.
7. What are your quarterly rocks?
After you have your 1-year plan, it's time to create your priorities for the next 90 days. In EOS these priorities are called "Rocks."
8. What are your issues?
Finally, you need to identify the obstacles that are in your way that might prevent you from achieving your goals. Being open and honest here is key.

Now that you have your vision down on one piece of paper, it's time to communicate it to the company in three events:

1. Have a company meeting to unveil the vision.
2. Every quarter set the Rocks for each department/team in your company.

3. Every quarter have a state-of-the-union with your company and review the vision and communicate newly set company rocks for the quarter.

Component #2: People

This section is simple, but incredibly hard. Great leaders surround themselves with great people and make sure that they have the right people for the right jobs. – *The right people on the bus.*

The right people share your company's core values and would thrive in your culture.

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

The EOS has some strong opinions about how the main roles in your organization should be structured.

Use the People Analyzer to clarify whether or not you gave the right people.

First, there are 3 main functions in your business –

- (a) sales and marketing (which generates business),
- (b) operations (which provides the service and takes care of the customer), and
- (c) finance and administration (which manages money flow as well as infrastructure).

Each of these functions must be strong.

Second, in any business there needs to be somebody who integrates the major functions of the business. This, not surprisingly, is called an Integrator. They have the unique ability to run the business and manage the day-to-day issues.

Third, in most entrepreneur-run organizations there is a final role of Visionary. This is usually the founder of the company. They are very creative, have a lot of ideas and solve big problems.

When a company is small, it's ok to have the same people in more than one of the above roles, but typically a company doesn't break through to the next level until they find people who are uniquely suited for each of the 5 roles we've discussed.

They are uniquely suited for the role if they pass the **GWC filter**. It stands for **get it, want it, and capacity** to do it. It's critical that all three of those filters are met.

Component #3: Data, metrics

The best leaders rely on a handful of metrics to manage their business. Wickman suggests that we should be able to look at those numbers and have an absolute pulse on our business and how it is operating.

As a rule of thumb, there should be between 5 and 15 numbers - bonus points for being closer to 5. It should include things like weekly revenue, cash balances, accounts receivable and payable and so on. Each company is going to have a different scorecard, but there are 3 rules of thumb to follow:

1. The numbers on the scorecard should be weekly activity based-numbers, not high-level numbers you would see on a P&L.

2. It is designed to be used as a proactive tool that helps you anticipate problems before they happen. You should 'red-flag' categories that are off track in order to keep the team focused.
3. Everybody should have a number.

Component #4: Issues

Successful entrepreneurs build companies that have the discipline to face and solve issues as they arise - they don't let them linger for weeks or months.

In order to do this well, you need to make sure that you are building a culture where people feel comfortable in calling out the issues that stand in the way of your vision.

Not surprisingly, the Issues List is where the issues go to be solved. There should be 3 types of lists in your company.

1. The Issues List in your Vision/Traction Organizer (your one-page vision document.) These are issues that you can delay resolving for more than 90 days and will be tackled at future quarterly meetings. It will include things like new product ideas, technology needs and the need for HR policies.
2. The weekly leadership team Issues List. These are issues that need to be solved quickly. They can include issues such as a Rock being off track, a bad number on the scorecard, major client difficulties or employee issues.
3. The Departmental Issues List. These are issues that should be brought up and solved by department teams on a weekly basis. Perhaps your sales team is having issues hitting call numbers and your operations team is having problems with customer complaints.

Now that you've got your issues identified, you need to get them solved. Most companies suffer from talking issues to death. To solve this problem, Wickman suggests you use the Issues Solving Track which has three steps.

Step 1: Identify

Here you need to clearly identify the real issue holding you back. Most of the time, the stated problem is just a surface issue, and something deeper is happening that needs to be resolved. This is the most important step and most of your time should be spent here.

Step 2: Discuss

This is everybody's opportunity to say everything they have to say about the root issue. Nothing should be off limits, which will ensure that all the cards get on the table.

Step 3: Solve

This is the action item that solves the issue. It's critical that whatever resolution is discussed gets into a to do list somewhere, with a date assigned to it. Otherwise, the issue never gets dealt with.

Component #5: Process

Your processes are how you run your business.

This is the most neglected of the 6 components of the EOS. The issue is that in most businesses, most people do their jobs however they want, which creates huge inconsistencies and inefficiencies.

Each company typically will have between 6 and 10 core processes, and how they work together creates your unique way of doing business.

By clarifying and honing these core processes, you can run your business instead of having it run you. There are three stages here.

1. Identify Your Core Processes

First, you need to identify your core processes. You should do this as a leadership team so that you agree on what they are and what you call them. Most companies will include processes for:

- The HR process, which is how you find, hire, manage and fire your people.
- The marketing process, which is how you get your message to your target market and generate leads.
- The sales process, which is how you convert a lead into a customer.
- The operations processes, which are the way you make your product or service for your customers.
- The accounting process, which is who money flows into and out of your company.
- The customer-retention process, which is the way you take care of your customers, so they keep on buying from you and send you referrals.

2. Document each of the Core Processes:

Next, you need to document the process. Typically, this will be done by the person who is accountable for it.

Each process should be documented at a high level, with several bullet points under each step which are the procedures. The more specific you are the better, because without the details you won't be able to hold people accountable for following it.

3. Package It

This is the easiest step. Your titles of the core processes now become the table of contents and you put them into a binder or on the company intranet.

When everybody follows the process, it's much easier for everybody at the company to identify and solve issues, and therefore grow the business.

Component #6: Traction:

This is where the rubber meets the road. Turning a vision into results is the weakest link in most companies.

The breakdowns usually occur around accountability and discipline, because this makes people feel uncomfortable.

The solution is straightforward and includes two simple practices.

First, everyone must set specific, measurable priorities.

Second, you must set and follow a meeting pulse that ensures your vision is constantly being monitored and actions are taken to get you back on track when needed.

Wickman calls the meeting pulse the heartbeat of your company. Meetings are a waste of time when run poorly. But when they are run well magical things can happen. For instance, if work is assigned to be reviewed at a meeting, it magically gets done right before that meeting. So, the more meetings you have, the more work gets done.

There are two types of meetings.

Quarterly Meetings

The first type of meetings you'll run are quarterly meetings. Here you'll review your progress on your vision and set your priorities (Rocks) for the next quarter. Most companies find between 10 and 20 things you'd like to close out.

You should whittle that list down to between 3 and 7 and ensure that the ones you end up with are the ones that you absolutely must meet in order to achieve your vision.

Then, set dates for when each of the Rocks are due. This will typically be at the end of the quarter.

Then, make sure that each Rock is clearly owned by a person.

Next, each person on the leadership team creates their own list of between 3-7 rocks for the quarter.

Lastly, share the company Rocks with the entire organization and have each department follow the same process as the leadership team.

Weekly Meetings

The second type of meeting you'll run is the weekly meeting. This will keep people focused and ensuring that the quarterly priorities are met.

These meetings are called Level 10 meetings and follow a specific agenda.

- A segue to start each meeting with good news (5 minutes)
- A scorecard review. Numbers that are off track get pushed to the issues part of the meeting. (5 minutes)
- A rock review, where everybody reports on/off track for each rock. Off track rocks are dropped to the issues part of the meeting. (5 minutes)
- "Headlines" is news from customers and employees, good or bad. (5 minutes)
- To-Do list review - these are the items that team members committed to having done for this week. (5 minutes)
- Issues List - this is where you solve pressing issues. In an average week you'll have between 5-15 issues on the list. Determine what the top 3 are and start processing them there. Work through the first issue until you are done. Then move onto the next one and keep going until the 60 minutes for this step is over. (60 minutes)
- Conclude - this is where you frame the meeting and make sure there are no loose ends.

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Next Level Traction

Toolbox

<https://readinggraphics.com/book-summary-traction-get-a-grip-on-your-business/>

<https://www.youtube.com/watch?v=ikCO1nuqwLc&feature=youtu.be>

<https://www.cmiteamwork.com/documents/BookReport-Traction.pdf>

<https://officeplanners.com/2024/03/07/239123/>