

Traction – Gino Wickman

Notes and Takeaways

You are not your business, your business is an entity in and of itself

It pays to keep score

- o Recommend a weekly report card containing five to 15 high-level numbers that drive your organization

The inability to make a business vision a reality is an epidemic

- o Vision without traction is merely hallucination

Gaining traction requires two disciplines

- o Have a “rock” – a 90 day priority designed to keep focused on what is most important
- o Have a “meeting pulse” at all levels of the organization which helps keep everyone focused and aligned in communication

Before you can grow you need to take a leap of faith

- o Change is scary
- o You are not alone feeling anxious about jeopardizing what you already have

Above all else, good leaders must be able to:

- o **Simplify**
- o **Delegate**
- o **Predict**
- o **Systematize**
- o **Structure**

Simplify

- o Always remember KISS – Keep it simple stupid (Occam’s Razor)
- o No further progress and growth is possible for an organization until a new state of simplicity is created

Delegate

- o Delegate and elevate
- o You do not need to be head chef, head waiter, and dishwasher – to grow your company you must delegate these tasks to others

Predict

- o Prediction is done both long-term and short-term
- o Get good at taking the long view
- o Short-term is focused on 90 days and less
 - Daily and weekly issues
- o Long-term is everything 90 days and beyond

- In order to successfully predict, you must know where your organization is headed

Systematize

- o Systemizing involves clearly identifying what those core processes are and integrating them into a fully functioning machine
- o Systems must work together in harmony

Structure

- o Organize your company in a way that reduces complexity and creates accountability

You can only run your business on one operating system

- o You must have one abiding vision, one voice, one culture, and one operating system
- o You can't run a successful company without first settling on a single operating system

Clarify your vision and you will make better decisions about people, processes, finances, strategies, and customers

- o Entrepreneurs must get their vision out of their heads and down on paper

Answer the following eight questions to help clarify your vision

- o **What are your core values**
- o **What is your core focus**
- o **What is your ten year target**
- o **What is your marketing strategy**
- o **What is your three year picture**
- o **What is your one year plan**
- o **What are your quarterly 90 day rocks**
- o **What are your issues**

Core Values

- o They already exist within your business, just need to slow down from the chaos to define them
- o Have each team member list three people who if you could clone them would lead to market domination
- o Go over the names and the list of characteristics those people embody – these are likely a good lead on your core values
 - Does the right thing
 - Honesty
 - Integrity
 - Accountable
 - Etc.
- o Core values should become a guiding force in your organization and should be incorporated into your hiring process

Core Focus

- o Answer these questions
 - Why does your organization exist?
 - What is your organization's niche
- o "Solving complex real estate problems"
- o "Creating efficient solutions"
- o "Worry-free technology that protects and grows clients' business"

Ten year target

- o Where do you want your organization to be in a decade?
- o It is crucial to have a crystal clear picture of what you want to accomplish
- o Rivet your attention on the spot where you are to land at the end of your quantum leap
 - Once you do this, you magnetize yourself to the ways and means involved in the methodology for getting there

Marketing Strategy

- o Create a laser sharp focus for your sales and marketing efforts
- o Marketing is made up of four elements
 - Your target market (Your list)
 - Your three unique traits
 - Your proven process
 - Your guarantee
- o You need to settle on three qualities that will truly make your company unique to the ideal customer

Process

- o Never tell someone something you can show them
 - Visuals are wonderful ways to display structure and process to your team
- o Capture process in a visual representation within one piece of paper
- o Most companies do not illustrate how they work, doing this will differentiate yourself from the competition
- o "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"
- o Your guarantee; make a guarantee to pin-point an industry-wide problem
 - Make sure you can deliver, but make it something that is important to others

Three year picture

- o Paint the three year picture of where your team needs to be
- o Pick a revenue number that you can drive towards

One year plan

- o Be reasonable with how much you want to accomplish in one year

- Make it digestible
- Make it attainable
- Numbers are important, pick numbers that can be measured

Quarterly rocks

- Plan in 90 day chunks
- Measure your progress through the 90 days

What are your issues

- Ask your team to think of the obstacles, concerns, and opportunities you face in achieving your vision
- Capture the opinions as they come forward

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

There are three possibilities for people in your organization

- Right person right seat – this should be all people of an effective company
- Right person wrong seat – this is a good person in the wrong job, make a switch
- Wrong person right seat – Keep the position, but get rid of the person

Your job is to hire, fire, review, reward, and recognize all of your people around core values and unique ability

There are only three main functions in any business

- Sales/Marketing
- Operations
- Finance

An integrator is the person in charge of the three major functions of the business

- Integrator = CEO/President/GM

A visionary is the person with the goal of where the business should be headed

Every great business should have a visionary and an integrator

Surround yourself with people who “get it”

- This is somewhat arbitrary, but people who “get it” recognize the trait in others

Find people who “want it” and generally like their job

Make sure these people have the capacity to do the job well and grow with the responsibilities if that is the objective

The ideal person is someone who gets it, wants it, and has the capacity to do it

To truly grow your business you must delegate and elevate and or terminate

- Build out roles and expand as needed to handle growth capacity
- When you delegate and elevate it is vital that you have the right person in the right seat
- When someone is wrong for the organization you have to make the decision and stick with it
 - There will be pain, but the pain will subside in about 36 hours
 - Keeping people around just because you like them is destructive

- You're doing a disservice to the person and everyone in the company when you do this

A profit and loss (P&L) statement is a trailing indicator

- It is data that comes after the fact, and you can't change the past

Keep a scorecard with data that can be tracked and managed

- Weekly revenue
- Cash balance
- Sales Call
- Sales meeting
- Proposals
- Closed business
- Payroll
- Customer problems
- Accounts receivable
- Accounts payable

Everyone has a number that they can be benchmarked against

- This teaches discipline and level of effort
- Numbers cut through murky subjective communications between layers and levels
- Numbers create accountability
 - Accountable people appreciate numbers
- EX: Receptionist number is two, two rings good, three rings bad

The better you are at solving problems the more successful you become

- Lack of decision or procrastination was the greatest cause of failure
- **It is less important what you decide than it is that you decide**
 - More is lost by indecision than by the wrong decision

It is normal to have issues

- The sooner you can admit that you have them and not view that as negative thinking or some kind of a weakness, the faster you will move forward
- Make it mandatory that everyone bring two issues to the meeting to help create solutions

Things are not easy

- You must have strong will, a firm resolve, and willing to make tough decisions

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

- List them in a document and make sure that the leadership team is 100% on the same page with everything addressed in the processes
- Call your core processes by consistent names
 - This reduces complexity and increases efficiency
- Apply 80/20 rule to processes

- Focus on the processes that produce 80% of the revenue for the business
- o When everyone follows their process, it's much easier for managers to manage, troubleshoot, identify, and solve issues, and therefore grow the business
- o Always visualize the processes
 - It makes it easier for others to understand

Eliminate the mentality that people do things because they have always done them that way

Two successful changes should become a priority for those seeking traction

- o Everyone must set specific, measurable priorities
- o You must get better as an organization

Focusing on your rocks – 90 day tasks

- o Breaking up planning into a focus on rocks (next 90 days) allows the long term vision to be digested into manageable bite-size chunks
- o Limit number of rocks to only 3-7 at a time
 - Break the habit of having everyone try to focus on everything all at once
 - When everything is important, nothing is important
- o Once you set a rock for the quarter, no new priorities may be added

A rock is specific, measurable, and attainable

- o A rock is not a to-do that is open ended or vague
- o Specificity is key to a rock

It takes two successive quarters to master rocks

- o By the third quarter of implementing rocks, your team will be able to understand and implement
- o Stay committed to your rocks, it can be easy to fizzle
- o Be patient with the process – you can only move at your own speed

A rock is designed to be 90 days because it is a natural phenomenon that humans stumble, get off track, and lose focus roughly every 90 days

Recommended quarterly meeting agenda

- o Segue
- o Review previous quarter
- o Review Vision Tracker
- o Establish next quarter's rocks
- o Tackle key issues
- o Next steps
- o Conclude

Run a 20 question diagnostic checkup ranking your business honestly from 1-5

- o See book or website

It takes longer to turn a large ship than a small one

- o Understand that a 200 person company operates very differently than a 10 person company

Growth for growth's sake is normally a mistake

- o Remember that a \$10M company with a 20% profit is the same as a \$100M company with a 2% profit
- o Profit is what matters, not revenue

Recommends the book *Small Giants: Companies that choose to be great rather than big*

Great leaders will escape the office and take time to think

- o Try to do this as regularly as possible