

Traction Summary

By Gino Wickman

How is your business performing? Are you satisfied with the results? Do you feel like success is just around the corner, but you can't quite grasp it?

Traction is a helpful guide to running a robust, thriving business. By looking at a valuable tool called the Entrepreneurial Operating System (EOS), we'll learn how to use it to build a business or startup.

Gino Wickman has been an entrepreneur since age 21, and he's taken his exhaustive knowledge to form and establish EOS, as well as a leadership development company.

This book is the perfect resource for first-time entrepreneurs who are daunted by where their business might go. Furthermore, it debunks the myth that good old-fashioned hard work and passion are enough.

We're shown how to structure a business using EOS and how we can build momentum while also ridding our companies of all those niggles and frustrations. And, because the system is based on experience, we're given loads of tools and templates to guide us through the step-by-step process. So if you're a student of business management, entrepreneur, executive looking to boost growth, or someone wanting to start a small business, then this is a great starting point.

This Briefer summary explores The Entrepreneurial Operating System (EOS), and how it helps streamline processes, enabling us to gain

confidence. We'll also look at how to approach markets and analyze missing elements that can get our businesses back on track. Finally, we'll go through the core ideas of Vision, People, Data, Issues, Processes, and Traction.

The Entrepreneurial Operating System

This book is for people who have already achieved a certain degree of success. In other words, they have an organization, but it's not yet on the right trajectory. So the question is, 'How do we elevate ourselves to a position of true leadership?'

What if, by reading this book and applying core principles, we could eliminate all of our business-related frustrations? What if we could have great employees at all levels who share our vision, communicate with one another, solve their problems, and demonstrate accountability? What if our organization could run seamlessly and have the potential to upscale as large as we see fit?

According to Gino Wickman, all of this is possible.

Believe it or not, we already have everything we need to make these changes, and if we put his system into place, we can accomplish all of the above. *Traction* is based on real-world experience, practical wisdom, and timeless truths. Through hands-on experience, our author has developed a pragmatic but thorough method to help us strengthen and re-energize our business.

One of the essential starting points is to remember that a business is a separate entity. We are not our business, and vice versa. Although we

might have created and nurtured the company, it's our job to turn it into something that sustains itself. It's up to us to develop all of the skills, resources, structures, people, and so forth to execute a business vision. Furthermore, we also need a solid mission statement.

This leads us to the EOS, which is a holistic, self-sustaining system that addresses the six aspects of our business. The EOS is a synopsis of our business, a business plan summary as it were. The EOS serves to answer questions that align a company and get it on track.

We can integrate six steps into a robust framework that can help us gain traction and realize the vision we've always wanted for our company. Our author has been refining EOS for over 20 years. His journey has been a quest to understand what makes great entrepreneurs and businesses so successful.

We'll learn what successful organizations do to run a frustration-free business and gain renewed energy, focus, and excitement by understanding this system. The EOS is a method, a way of life, that crystallizes our vision and builds a strong organization. By understanding and implementing what we learn, we'll be able to accurately monitor the pulse of our company and how it's really doing.

One: Vision

Vision is the key to success, and we need a clear picture of where the business is headed. Getting everyone in our organization 100% on the same page with where we're going, and how we plan to get there is absolutely pivotal.

A vision needs to be clearly defined, shared, and understood by every company member. Company visions can sometimes be loosely worded goals. The EOS Vision can be printed and handed to every employee, who then knows exactly where the company is going and how it plans to get there.

Most entrepreneurs have a vision for the company and simply assume that everyone else can see the big picture in the same way they do. But this is often not the case. So to get traction, we need to have the ability to execute and make the company's vision a reality.

A vision spells out where it's going and how it's going to get there. To create a big picture, we need to determine values, the core focus, target, marketing strategies, goals, plans, priorities, and problems or issues. This process should be self-reflexive because we need to maintain and continually update the list as a part of an operating system for business. However, to start off, try to have your leadership team identify two things: your core values and your core focus.

Core values are the guiding principles for your company. What defines your culture? What core values guide you when hiring, firing, reviewing, and rewarding people? Think of three people in your company who stand out, list their characteristics and values, and from there, decide which values resonate for your company.

After this, we can move to the core focus, where we define what our company provides or what needs our company wants to satisfy. We should ask, 'Why does our company exist?' and 'What is our niche?' So, what is its purpose or mission?

An example of a mission would be, 'To improve the quality of life in our town.' Keep mission to more than seven words, and it should resonate emotionally. When it comes to your niche, what specifically do you do that fulfills that mission. This answer helps us to decide on what we spend our time and resources on.

Next, break down your vision into a ten-year, three-year, one-year goal, and set 90-day priorities. And from there, determine your marketing steps. 'The first element of marketing strategy is your target market, or "The List." Identifying your target market involves defining your ideal customers. Who are they? Where are they? What are they?'

There are four parts to creating an effective marketing strategy. Identify your target market – who your ideal customers are based on geography, demographics, income, company size, and so on. Then there are the differentiators – three strengths that make your company unique, unique process of doing business, and the guarantees. We often have different customer bases, and we can't satisfy them simultaneously. Once we define the target market, we need to identify any issues that might affect our business. Being aware of issues and problems upfront helps to address them ahead of time.

Two: People

When we look at people, it's about having the right people in the correct positions. Our author says, '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.'

When it comes to managing the people side of the business, Wickman

suggests the following: first, hire the right people, and second put people into the right positions. Wickman offers three ways of doing this. He gives us the "people analyzer tool," the "accountability chart," and the "GWC tool." For this summary, we'll look at the people analyzer tool.

Evaluating people is a subjective and challenging task. The "people analyzer" is a report chart that is a tool for assessing how well current and potential employees match your company's values. So one column looks at core values, and each row has an employee's name. The idea is to score and comment on how each employee matches with core values.

However, it's not just about having the right people in your business; it's about making sure they're in the right job role. Wickman provides a number of handy tools to assess and appraise staff to make sure they're in the correct position to add value to your business.

Three: Data

Everyone needs to be accountable for achieving clear, measurable, and manageable targets. Because, according to our author, 'What get's measured, get's done.'

The EOS scorecard gives us a snapshot of where we are and where we are going. It helps us know what we need to do weekly to get the long-term results we want. Without data, we are blind to what's going on. This is because data tells us precisely where we are and where we are headed.

A handful of key numbers comprising of a weekly scoreboard let us check the vital signs of our business, spot problems, and trends, and

make course corrections before problems turn into crises.

The steps include creating a spreadsheet where we look at 5-15 numbers that we feel are the best indicators of how the business is doing on a weekly basis. We should analyze things such as revenue, sales, activity, customer complaints, and accounts receivable. We also need to look at goals and performance factors so that staff have targets to reach.

Staff members need to be accountable so define responsibility for individual and group targets. This way, when goals or targets aren't reached, we can follow up to find out what happened. Every week, all plans should be reviewed with the leadership team to monitor how the business is doing and what we need to do to get back on track to reach the goals.

The EOS scoreboard business tells us precisely what's happening in the organization at the moment and gives us the power to be proactive. The 5-15 activity-based numbers are tracked and reviewed weekly. One person reports on each number. This creates focus and accountability. The scorecard design lets us view 13 weeks of data at once, and what this does is give us a picture of how our business is doing weekly.

Four: Issues

Here we utilize a three-step approach, namely Identify, Discuss, and Solve (IDS), to manage the issues that prohibit businesses from fulfilling their vision.

Issues are the fourth component of the EOS. Unresolved issues can drain the company's energy. The EOS provides two tools to help the leadership

team uncover problems, drill down the cause, discuss solutions, and act on them.

Once we drill down the vision, people, and data comments, issues become transparent across the organization.

The real goal with the "issues component" of EOS is that everyone is comfortable raising their hand and saying, 'They've got an issue,' and can report it somewhere, for it to be solved at some time. Good companies learn to solve problems as quickly as they arise. That's how we stay with the vision, and gain traction. There are two tools for this. First is the issues solving track (for those who like lists, you'll like this one). And then the process of solving them, using the IDS method.

Issues lists can help teams better identify and discuss issues within the company. "The issue solving track" is a three-step process to highlighting and solving issues by making three different types of lists. Organizations need to keep three types of lists: quarterly meetings, a weekly meeting list, and a department issue list.

A quarterly meeting list can address non-urgent company issues in future quarterly leadership meetings, such as technology, HR, and capital needs. A weekly meeting list is strategic, non-department issues that should be addressed at the weekly leadership meetings. Examples include major client issues, and priorities being off track. A department list contains problems that need to be handled at a weekly department meeting. For example not hitting call numbers, upcoming sales presentations, and closes.

With many issues identified, we need a tool for solving them. We should use the IDS approach. First we need to list everything that is problematic

and doesn't work. It's crucial that staff members are comfortable reporting or highlighting any concerns. Once the issues have been reported, we can identify what's going on. It's worth noting that there will be issues that are symptomatic of more significant issues within the business. Next comes the discussion element, where everyone has the chance to voice opinions and provide proposed solutions. Finally, we can move to solve problems.

Five: Process

Processes need to be documented so that they're adhered to by everyone on the team. Process is a core ingredient of every organization, and it means "systemizing" the core processes that define how a business is run.

Every company needs a few processes that keep it running. A company's process is its unique way of doing business. When you have a clear and defined way of doing business, your company becomes scalable and more valuable if you decide to sell it.

For the company to thrive, we need to identify, document, and streamline key core processes to keep the business running. So to systematize your business, you need to identify what those key processes are, document each process with a few bullet points and procedures, and ensure everyone is clear on what's expected of them.

Companies generally tend to have three key areas: marketing, human relations, and operation.

Get the leadership team together and make a list of key company

processes under each area. Once everyone has agreed on a list, have the people in charge of each key process document what steps fall under each process. For example, the HR head might write down their steps when recruiting, orientating, or terminating employees. Next, review and streamline a company's process and make sure it aligns with its vision. Look at the processes and see what needs further clarification, where redundancies and unnecessary tasks can be eliminated, and where processes can be simplified wherever possible. Place all this information in a document that is saved and freely available for all to see.

Six: Traction

Team members need to be held accountable to 90-day "rocks," or goals.

Traction is all about merging discipline and accountability. Through this process, execution will skyrocket, and the vision of a company will come to fruition.

Getting traction means making your vision a reality. Managing massive workloads is no easy thing, but if we classify, we execute better. This means taking whatever we need to accomplish and breaking it up into long-term and short-term, labeling it, and placing it in the appropriate compartment. This gives the team a better picture of what needs to get done within a timeframe and assessing priorities.

Meetings are often seen as time-wasters, but according to our author, they're how we gain traction if we correctly hold the right ones. We need two types of meetings: quarterly and weekly. We can use them to review, confirm, prioritize, stay focussed, address issues, and communicate.

In Conclusion

Traction is a business strategy book that guides leaders of entrepreneurial organizations on how to gain control of their business through EOS. Everyday problems shouldn't threaten us; we need to learn how to overcome obstacles and thrive.

To gain traction in the market, you need to develop a clear and coherent plan for your business. But that's not all. It's also essential to have the right people in the right places, track data, streamline processes, and account for any potential issues in your business.

And remember, 'consistent action is the best traction to achieve goals.'