PEOPLE

DARE TO BUILD AN INTENTIONAL CULTURE

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CHAOS OR INTENTIONAL CULTURE?

"YOUR LIFE DOESN'T GET BETTER BY CHANCE,
IT GETS BETTER BY CHANGE"
—JIM ROHN

We always survey the businesses that choose to work with EOS and ask them what motivated them to do it. Eighty-two percent of them say this:

"I was not getting enough out of my people. We weren't all on the same page, working together to win."

This is by far the most common answer as to why they decided to make changes to their business. In fact, it was more than *double* any other reason given.

EOS has worked with tens of thousands of companies, and hundreds of thousands of individuals, and we're not at all surprised by the number of business owners who are dissatisfied with how their team works.

To put it plainly, "people problems" are almost always the biggest challenge for entrepreneurial companies, and solving them is transformational.

When you're not getting the most out of your people and you're not all working together to win, that's a sure sign you have underlying problems that need to be addressed. You have team members who don't share your business's fundamental values, or you have many people sitting in the Wrong Seats of your business. Or more likely, both.

Foundational problems can be ignored for only so long. They penetrate deep into a company's culture, eventually creating chaos, a state of complete disorder and confusion. Even when you manage to escape total chaos, problems on your team still create tremendous amounts of wasted human energy and lost productivity.

But there are few companies that manage to escape this "people" trap. What they all have in common is this: an intentional culture. *Intentional* meaning something created with purpose and constructed deliberately. And *culture* being defined as the attitudes and behaviors characteristic to your company.

What can an intentional culture do for your business?

Take a minute to imagine your business where the whole team, every single member, shares your Core Values (your company's established cultural norms, behaviors, and beliefs). They fit the company like a glove and embody all the behaviors you value most.

Every customer feels those Core Values in every interaction they have with one of your people. That happens naturally because your people live and breathe those values.

Not only does each person on your team do their job well, but also they're self-motivated and self-managing. The team wakes up in the morning wanting to do their jobs, and they all have the experience, knowledge, time, and skill to get it done.

Word then gets out about how great it is to work at your company. You have a line of people waiting at the door eager to come work for you. You never have to worry if you'll find people. The Right People are drawn to your organization based on the culture you've carefully imagined and made reality. That's what an *intentional and healthy* culture looks like. Whether you employ a hundred people or five, this is what your business should strive for consistently.

Of course, what we just painted is a utopia, a perfect vision where every single team member is aligned with your purposeful culture. But we're also realists. Absolute perfection isn't possible when dealing with people.

However, it *is* realistic to get *most* of your people in the Right Seats in your business, a Seat that they get, want, and have the capacity for. In our experience, if you can get to 80 percent or more of your people thriving inside an intentional culture, you *will* get everything you want from your business.

You'll love your team. You'll love what you do. You'll make the money you want to make. And along the way, you'll make a dent in the universe and have time to pursue other passions. Those are the rewards of this journey.

But it's time to take a step back for a moment and see where you are currently. If you paused right now and took a minute to

think about your entire team of people—from leadership to the entry-level—what comes to mind? Be completely open and honest with yourself. As Dan Sullivan, cofounder of Strategic Coach® says, all progress starts by telling the truth. You'll gain no benefit from this book if you aren't first honest with yourself.

> **Note:** You'll want to have a journal by your side and something to write with to capture your Issues List and To-Dos throughout the chapters. This will ensure you realize the full value from this book.

Is your company a well-oiled machine? A business where everyone rows in the same direction? Do your people share a common set of Core Values? Are they all focused on a common vision that forms the foundation of what your company is truly about?

No?

Then it's time to admit you don't have an intentional culture. You can take heart in the fact that you're far from alone.

The following is a chart to get you thinking about the culture of your business. Most companies fall somewhere in the lower two quadrants (Chaotic Culture, Happy Accident) or in the upper left quadrant (Command and Control):
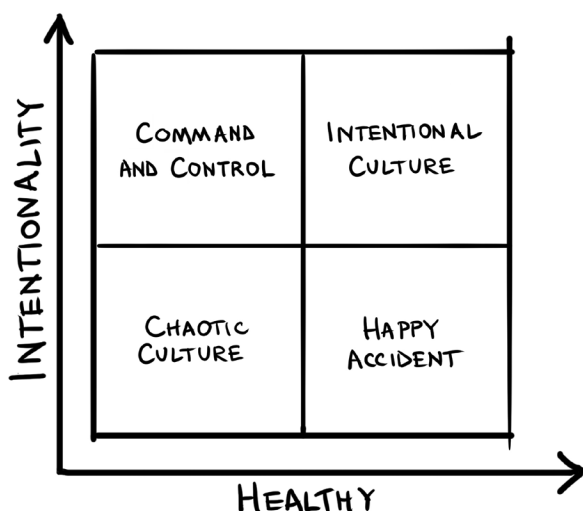
No matter where you currently fall on this chart, the goal is to build a team that puts you in the upper right quadrant (Intentional Culture) and keeps you there. That culture should perfectly reflect your vision of how you want to show up in the world. When you do it right, what you build will be scalable and enduring well beyond you. Let's go through each of the four culture types.
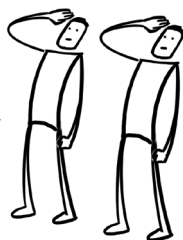
A Happy Accident culture is just that. Your culture is great, but you didn't build it on purpose. Maybe you hired your brother and your cousin and your best friend. You have a great relationship and are crushing it. However, you know that if

you add any more people, it will destroy your culture, and so you're afraid. If you're currently living in a Happy Accident culture, that's lucky, but luck is more likely to turn to quicksand than a solid foundation. When adversity hits (and it always does), you cannot count on resiliency, and things can fall apart extremely quickly. Ultimately, a Happy Accident culture doesn't stand the test of time and cannot scale as your company grows.

Even more problematic are cultures in the Command and Control quadrant. This is a kind of intentional culture, but it's built around fear and control exerted by one person, or a small group on the leadership team. The tone of the entire business is usually rife with gossip, high turnover, and scared people. People are treated like interchangeable parts. A Command and Control culture is transactional and not particularly relational. It doesn't last.

The final and most unhappy quadrant is Chaotic Culture in the lower left. If you and your business are there, we don't need to explain the pain. You already know how unproductive, miserable, unpredictable, and unhealthy it feels to live there.
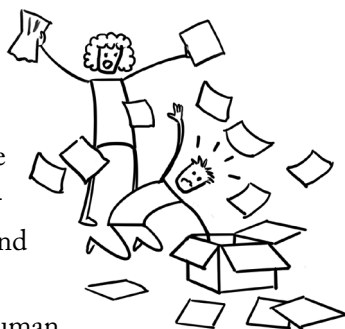
EOS is a system for managing human energy. Imagine your business with the people (arrows) in your business pulling in different directions. You may have pockets of people who are bought into your vision and are rowing in the same direction, but too many others are pointing in random directions. The goal of an intentional culture is to get all the arrows pointing in the same direction.

THE HUMAN ENERGY MODEL

to
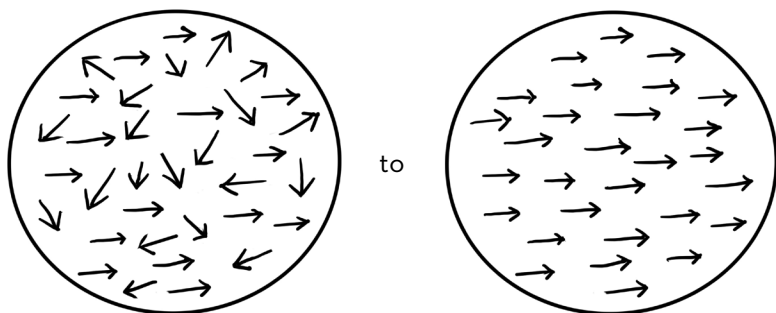
Having an unhealthy culture isn't just about the human misery it causes. It also has a massive impact on the bottom line.

According to a study by the Engagement Institute cited in *Forbes* magazine, disengaged employees collectively cost companies between $450 and $550 billion a year in lost productivity. That's the equivalent of lighting ten million high-end luxury cars on fire.

Gallup polls have shown consistently that only about one-third of US employees are engaged in their work, and an incredible 15 percent are *actively disengaged* and are a toxic cancer in their organizations. These numbers fluctuate slightly over time, but never move much. It should probably come as no surprise that many who report being disengaged also report being poorly managed.

Besides damage to the bottom line, there are also huge hidden costs of a culture filled with disengaged employees. Start with the fact that your people are the biggest catalysts for new employees wanting to come work for you.

Ask yourself how long it takes to find good people when you need to hire. Finding that Right Person is a huge challenge for most businesses. Wouldn't it be better, smoother, and easier if your current

employees and customers sent you constant referrals to people who *want* to work for your company?

Then there's turnover. When your people are spending their days in jobs with people they don't love, they'll leave at the first offer that pays them slightly more. People aren't motivated by money alone; it only becomes a factor when there's no other compelling reason to stay. All of this is incredibly costly in real dollars. According to a study done by the Center for American Progress, the cost of replacing a team member can be over 200 percent of their salary.

Imagine for a moment if you instead had a majority of team members who were actively engaged. If most of them felt clarity, purpose, and total connection with the vision and Core Values of the business they worked for. If they all felt valued and appreciated for their role fulfilling that vision. How much more productive and happier and fulfilled would everyone be?

How much happier could every individual be if they could bring their own unique talents to their jobs and felt great doing it? What could that do for your bottom line? And how much less stressful and joy filled could your own life be?

Most employee surveys rank feeling valued, appreciated, and connected to the purpose of the business as more important than anything else in the workplace.

Without a doubt, strengthening and getting the people part right is one of the hardest things to do. It's definitely the messiest. It's just so *human*, often filled with emotion, friction, and misunderstandings. Business owners spin their wheels looking for a way to get their team to play nice and for everyone to "just do their jobs."

But the wheel spinning can stop if you're willing to go on a journey to get this right. It will pay off in ways that will amaze, delight, and inspire you and your competitors.

The great news is that you *can* get it right. The People Component of your business does not have to always remain a mystery. It *is* solvable.

The mindsets, methods, and strategies of building and sustaining a fantastic team are here in this book. When you apply them, it will be transformative for your business and open up the possibility to live the life you dreamed of when you first started as a budding entrepreneur in the making.

We can say that confidently because the concepts and tools in this book are proven to work in real-world settings again and again. They're drawn from the Entrepreneurial Operating System (EOS) created by founder Gino Wickman. EOS to date has helped tens of thousands of businesses by teaching them to improve the Six Key Components of an organization: Vision, People, Data, Issues, Process, and Traction. This book is all about strengthening *your* People Component™.

AN EOS OVERVIEW

EOS is a simple way of operating a business. It's a complete system, full of timeless concepts and simple, practical tools that help owners and leaders get what they want from their businesses. Through painstaking study and years of trial and error, Gino Wickman discovered how to help leadership teams resolve the hundreds of common issues facing an entrepreneurial company.

What Gino found was that each and every common issue was caused by weakness in Vision, People, Data, Issues,

Process, and Traction—what we call the Six Key Components of any business, as illustrated in the EOS Model.

Whether implementing the EOS Tools and concepts on their own or with the aid of an EOS Implementer, leadership teams follow a Proven Process to strengthen each of these Six Key Components.

A strong **Vision** Component means everyone in the organization is 100 percent on the same page with where the company is going and exactly how it plans to get there. A strong **People** Component means you've clearly defined what a "great person" means in your unique business and you're great at attracting and retaining them (the topic of this book). A strong **Data** Component means you're running your business on a handful of numbers that give you an absolute pulse on your business, predict future results, and help you make better, faster decisions.

A company with a strong **Issues** Component can solve issues as they arise and make them go away forever, rather than letting them linger for weeks, months, and sometimes even years. A strong **Process** Component is about getting the most important things in your business done the right and best way every time. And finally, a strong **Traction** Component is about instilling discipline and accountability at

all levels of the organization so that, everywhere you look, everyone is executing on your vision day in and day out.

The journey to implement EOS is a journey to strengthen *all* Six Key Components. Many leaders mistakenly believe that they can solve all the issues in their business just by working on one or two of them (including People), but we know from experience that becoming 80 percent strong or better in each of the Six Key Components will help you run a truly great business. To get a clear picture of your organizational strength in each of the Six Key Components, visit organizationalcheckup.com.

You can also learn more about EOS by reading *Traction: Get a Grip on Your Business* by Gino Wickman.

There's no need to be an EOS expert to gain value from this book, but those who'd like to learn more can visit eosworldwide.com. To be sure, readers unfamiliar with EOS will still understand and benefit from the concepts and tools in the pages that follow.

All six components matter, of course. But a strong argument can be made that the People Component is foundational to all others. Every other Key Component is executed by your team, so the People Component becomes the driver of all the rest. You can't get what you want from your business without great people.

The Process Component? Implemented by your people. Data Component? Analyzed and made actionable by people. Issues Component? Solved by your team. We could go on, but you get the idea: whatever business you're in, you're also without a doubt in the people business. All five other key components are used to organize and

harness the amazing human energy that comes from a great People Component.

Mastering the People Component will have tons of measurable benefits for your business, but bottom-line gains aren't all of it. There are other huge rewards that are less tangible but no less real.

You can look forward to your work life every day with less stress and more joy. You'll reach the point where you have complete confidence that your team can deal with conflict and obstacles, and do it productively. When you develop your people, your freedom skyrockets because your entire team is pointed upward in the same direction, taking you to new heights.

As you implement the concepts outlined in this book, you'll foster a culture of curious and passionate people pursuing mastery, autonomy, and purpose who take personal initiative and accountability in advancing your company's vision. And this will go deeper than just a handful of people on your leadership team. Get the People Component right, and a new reality can take hold from top to bottom. Every member all throughout your organization can have the opportunity for more fulfillment and growth.

Okay, but . . .

If that's an achievable vision, why is the reality at so many workplaces so different? In other words, why did 82 percent of companies tell us that they were not getting the most out of their people and were not working together to win before working with EOS?

We've never heard a single entrepreneur say, "I'm starting this business to fulfill my dream of chronic stress for myself and to provide an unhappy workplace where my employees can trade a paycheck for putting up with a chaotic and miserable environment." If it's not the aim, where does dysfunction come from?

In the EOS experience working with thousands of entrepreneurs, the story varies in certain details, but it usually goes something like this:

You start a business, and in the early days, there are a million things that need to get done and very few people to do all of them (sometimes just one). It's a "hair-on-fire" environment. It's all action, action, action, and figure out how to get it done—now.

Growth happens. You need to bring on more people. *Fast.*

This creates a tendency to fall into the trap of WBS—Warm Body Syndrome. The first person you can find with a pulse and meets the bare minimum requirements is hired. Or maybe their only qualification is that they're a friend or family member. Or they're the Right Person, but you hire them and say, "Good luck, buddy," and spend no time onboarding them, training them, managing them, or making sure they share your vision and Core Values. The flip side is, if you're an employee, you take the highest paying job without regard to culture, and you end up working in a business you aren't a fit for.

The question of whether this person is a good fit with your overall company—and especially its values—rarely gets asked. When you have a lot of fires to put out, the first person who tells you they can hold a fire hose is welcomed aboard.

Plus, at that early stage of your venture, you watch every penny. If you can hire someone for a little less, you do. Completely understandable, but it also plants the wrong seed: people become a commodity, not an investment. As a company grows, that seed will turn out to bear the wrong kind of fruit.

Even when money isn't necessarily the issue, sometimes it just comes down to grabbing the first available person. As they often say in sports, the number one skill is availability. You might hire people

for the simple fact that you're desperate to hire someone, and cousin Charlie happens to be available.

The ramifications of all these decisions accumulate as time passes. Your business continues to grow. You feel some danger signs with your team. Even people who you thought were great aren't cutting it anymore. Maybe one of your top salespeople seems to be driving conflicts that cause people to leave. But you can't get rid of a top salesperson, right?

And this other person, she's the only one who can do the accounting. Sure, this person seems to be a ringleader in complaining about every new company initiative and seems to poison other attitudes, but who would keep the books if you let her go? You feel handcuffed because no one else has been trained. So much energy and productivity are sucked out of the organization by people like this. Everyone around them is distracted by the gossip and toxicity, and overall team health and morale suffers.

There's also that difficult conversation that you should have with your marketing manager about his lack of follow-through on a regular basis, but that will be a tough meeting. You plan on getting to it, but there are many other things going on right now, and so somehow it never gets prioritized. Ten years later, they continue to underperform, and your company stagnates.

Still, in spite of all these problems on the team, the overall trajectory of the business continues to go up, and growth covers all sins. The red flags are ignored and sometimes go unrecognized. Many entrepreneurs cling to some kind of vague hope that "all these people problems" will one day go away. But hope isn't a strategy, which becomes painfully obvious when things change.

As Warren Buffet has said, "Only when the tide goes out do you discover who's been swimming naked." And the tide always

eventually recedes. The nonstrategy of hope whispers in your ear that when that day comes, you and your team will rise to the occasion. But that isn't true. You'll fall to the lowest level of your preparation.

And eventually, it happens. The tide goes out. Maybe it was due to a downturn in your industry or the economy. Maybe you lost your biggest client, and you weren't paying attention to customer-concentration risk. Maybe it's a global pandemic. Maybe your competitors are performing better. Or your organization has simply hit the ceiling and what used to work isn't working any longer. Whatever the reason, the downturn continues, and the urgency of your people problems can no longer be ignored.

Now you're no longer hitting your numbers, your customers are complaining, or the business is stagnating, and you're beginning to panic. The growth and profit that covered all sins is gone. Now what? Everything that you ignored in the past now comes rising to the top and can't be pushed aside any longer.

It's at this point that many business leaders also realize that what started out as their entrepreneurial dream now feels a lot more like a burden than a passion. Many team members seem to do their own thing, even if it isn't best serving the company. They might change their behavior in the very short term after a talk with them, but pretty soon it goes right back to like it was before. They still don't share your Core Values, and they often fail to get the job done the way it should be done.

We've also seen many circumstances where a business owner is forced to jump back into the weeds of the day-to-day business to handle something that should never be the responsibility of a leader. They're not diving into the details for a heroic ego boost to "save the day"; they're doing it because they're the best person for the job. This is a sure sign that you don't have the Right People in the Right Seats.

WHAT DO WE MEAN BY SEATS?

To strengthen the People Component in your business, we use two tools or disciplines, Right People and Right Seats. Right People are people who share your Core Values, of course, and Right Seats are people who **g**et it, **w**ant it, and have the **c**apacity to do their jobs really well. The Accountability Chart is the tool we use for that. It's a simple tool that shows each person's Seat name and the five major roles that they're expected to deliver to the business.
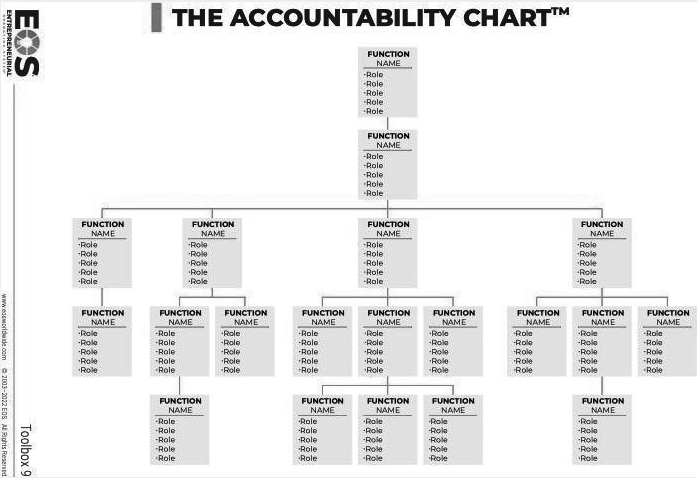
As Steve Jobs once said, "It doesn't make sense to hire smart people and tell them what to do; we hire smart people so they can tell us what to do." If you feel like you have to jump in, either you aren't leading and managing well, or you've made a hiring mistake.

All this makes an entrepreneur wonder if they're truly running a business or it's running them.

The scenario we just painted will likely have some differences from the exact surface facts of your own business. Maybe you're still growing like gangbusters but are stressed out by the dysfunction of your team. Maybe you love a lot of your team, but you see that they don't always work together well to solve problems productively.

Whatever the specifics of your own situation, the commonality for many businesses is this: you wake up one day and realize you've built a chaotic and haphazard culture. The reason is no mystery; it's because your culture was formed without intentionality. It's time to up your game in culture building.

THE ANTIDOTE TO A DYSFUNCTIONAL CULTURE

Business expert Jim Rohn once wrote, "Success lies in the opposite direction of the normal pull." Humans are like electricity and water, and we flow to the path of least resistance. The natural human tendency is to grow a team as fast as you can to meet customer demand, even if it's a little sloppy. You're determined to not let any opportunity pass you by.

Ultimately, though, success with the People Component won't come from following the path of least resistance. It will come from slowing down and having the courage to grow in a way that builds a scalable and enduring culture. Slow is smooth; smooth is fast.

The opposite of the path of least resistance is intentionality. The key principle underlying mastery of the People Component can therefore be summed up at its most basic as this:

If you want a more productive and happier workplace, have courage and dare to build an intentional culture.

As we work with entrepreneurs and they try to break through the ceiling and get to the next level of growth, we see them treating a lot of symptoms instead of addressing the *real* issue at the root. Getting all the Right People in the Right Seats will solve most of the problems, and that's what building a great culture is all about. But it's really hard work. It gets uncomfortable because you have to enter the danger of having a tough conversation. In fact, it's many tough conversations if you're truly serious about changing culture.

Instead of courage, we often hear a lot of excuses for not taking action to fix the culture.

One of those excuses comes in the form of dismissing culture as a secondary concern: "Yes, having a good culture would be a nice thing to have. It'd be great if everyone played nice and all that other good stuff, but that's secondary to my core business concerns."

Translation: Culture building is fine as far as it goes, but not if it threatens to divert the focus from the priority of marketing and delivering a great product or service and serving our customers well. They see building a great culture as a cost, not an investment with a return.

This is thinking of culture as a thin layer on top of a business, perhaps something to make the office more "fun." But culture isn't about adding foosball tables and a smoothie bar. What these leaders don't recognize is that if they were to solve their people issues, they'd build better products and services, they'd sell more, and their customers would be happier. They'd solve their issues at the root so the issues would go away forever, instead of constantly playing Whac-A-Mole, where you solve one issue and another immediately pops up.

Culture isn't an add-on. Intentional culture building goes to the very heart of your business. It's about articulating the values at the core of your business and reshaping the team—through both addition and subtraction—to align with those values and the vision for the organization.

It's about getting the Right People in the Right Seats (a concept first defined by Jim Collins) for both the common good of the company and the fulfillment and development of the unique individuals who make up that company.

Another essential part of a great culture is having clearly defined Core Values that determine the desired behaviors for your people. You'll use these values to make judgments on hiring, firing, reviewing, rewarding, and recognizing your people. (Much more on this in chapter 4.)

It's simply false to believe that the priorities of solving immediate issues are somehow pitted against the priorities of building a culture. In fact, a great culture is the key to growing profits in a more sustainable way. A great culture is an enduring competitive advantage when all your people stay and others can't wait to join your team. Competitors can copy your website or your product, but very few want to do the hard work required to build a culture that wins.

INTENTIONAL CULTURE: WHAT DOES IT TAKE?

If you see the value of growing an intentional culture and its power to fuel sustainable growth, the next obvious question is how to do it.

The long answer to that question is in this book. The keys to mastering the People Component of your business are all right here

for the taking (although, of course, you have to act on it). As you begin this journey (or perhaps continue it), we want to share three foundational concepts to set you up for success on the way toward an intentional culture.

FOUNDATIONAL CONCEPT 1: BE INTENTIONAL

The subtitle of this book is "Dare to Build an Intentional Culture" for a reason. If you have a business, you already have built a culture. It's just that chances are your culture may be somewhat disorganized and may not be particularly purposeful. If it lacks purpose, it could be toxic, or could be moving in that direction.

Your culture might even be great, but not intentional (that's the Happy Accident quadrant). You're good for now, but will it be sustainable? Is it scalable? Highly unlikely if you aren't being intentional.

We'll share the tools that are required to build one purposely, but this only works if you and your leadership team throw out the old playbook and fully commit to a culture defined by intentionality.

Many times, business leaders make the mistake of ignoring the role of intentionality and instead believe that trying to "do more" will fix everything. In her book *Contagious Culture*, Anese Cavanaugh discusses this very problem:

"Organizations often think the way to optimize their culture or fix their problems is to do more. Simply more. They'll have meetings and initiatives, seek out feedback training and leadership skills building, hold strategy sessions to 'address this thing' and off-site events to build trust and create the culture they want. And then they'll put people together in a room to do more of the same—more doing."

A new employee handbook or sending out another engagement survey will not produce results. These types of things may have value, but they will most definitely not help you build an enduring culture.

Cavanaugh acknowledges that while some of this can be good, it misses the larger point. She says when you fail to address how people's "being" aligns with the company culture, lots and lots of potential is wasted. Any gains of the "just-do-more" approach will not be sustainable. She concludes:

"This is ironic because when we focus more on intention and 'being' and how people show up together, the doing becomes much easier, and we don't have to work that hard in the first place. So what is it that creates the most impact in how people show up? It's the **intentions** they hold, **the energy they bring** into the room, and **how alive they feel**. It's their presence." [Emphasis added].

Ultimately, you have to build your company on purpose. You need to discover and define the following for your business:

- Core Values (cultural norms, behaviors, beliefs)
- Core Focus (purpose, cause, passion, and niche)
- 10-Year Target (where you're going five to thirty years out)
- Marketing Strategy (who are your ideal customers and how you uniquely serve them)
- 3-Year Picture (what does your world look like three short years from now)
- 1-Year Plan (three to seven goals for the year)
- Rocks (ninety-day priorities)
- Issues List (issues, opportunities, roadblocks, ideas that need to be solved in ninety-plus days)
- Accountability Chart (roles, teams structure, the Seats)
- Scorecards (KPIs, metrics, dashboards)

- Meetings (how you meet, when you meet, why you meet, with specific outcomes)

The answers to the above list will form the heart of your Five Foundational Tools, including the Vision/Traction Organizer or V/TO, a crucial EOS tool for creating an intentional culture. You'll learn more about it in the next chapter.

FOUNDATIONAL CONCEPT 2: COURAGE MATTERS

In our experience working with thousands of entrepreneurs, the biggest barrier to building an intentional culture is a lack of courage. It's a failure to systematically deal with people problems head-on throughout the organization. Once a business starts getting clear on accountability and values, it becomes harder to ignore who isn't aligned with the organization.

And, honestly, that can feel a little scary, as in "Wait, does this mean I am going to have to fire my cousin?" or "Does this mean one of my top salespeople is a wrong fit and also has to go—how will I make up that revenue?" or "I love that employee. I have to have the hard conversation that his current Seat is too big for him?" or "My best product designer is retiring, how am I going to replace her?"

We get it. It can feel frightening to start rocking the boat, because maybe it will capsize. But that boat is probably already taking on water because of inaction. It may be time to find some new captains and crew members and a bigger, better boat. As speaker, author, and philosopher George Addair says, "Everything you've ever wanted is sitting on the other side of fear."

And take heart in this. As you begin the journey of *daring* to build an intentional culture, know that EOS has proven methods, strategies, and completely road-tested tools to get you where you

want to go. What you learn in this book *does* work. When the implementation feels scary or hard, it can be helpful to remember a happier, more productive workplace awaits you on the other side.

FOUNDATIONAL CONCEPT 3: INVEST THE TIME (AND MONEY)

Building an intentional culture is serious work, and it isn't something that can be accomplished in a thirty- or even ninety-day window. You can't replace everyone in one day. That would be a painful and unproductive day. Plan on a minimum of about twelve to eighteen months to begin to see the changes pay off, and sometimes even longer. If you can make one great people move per quarter, in the long run, you'll get the results you want.

In other words: If you're going to treat this like the next flavor-of-the-month initiative, you might as well close the book now.

Expect to weather some early turnover as the Wrong People leave. That's okay. The "wrong" people don't share your culture or aren't capable of meeting your expectations anyway. Expect change—sometimes upheaval—as you work through getting the Right People in the Right Seats. Prepare for serious debates on Core Values and resistance from pockets within your company.

Entrepreneurs have that quality of always reaching for more, of wanting to find fresh, innovative ideas that help them grow as individuals, and helping their companies grow. This is a great quality—in some ways, it's at the heart of the entrepreneur's ability to take risks and continue to push themselves to be better. But it's a double-edged sword. It cuts back the wrong way when it turns into chasing the next shiny object. The search for "more and better" or "the silver bullet" splinters and becomes a lack of consistency and focus.

If you introduce a different flavor every month too many times to your team, they will start to view you as the Leader Who Cried Wolf trying some new management fad you'll never stick with. Then they tune you out.

Choosing a new "People" initiative every month is like falling for a fad diet. Having the courage to build an intentional culture is like deciding to make a change to a healthier *lifestyle*. The only way this works is to commit to an intentional culture and make lasting changes. The key is to align your entire company around the care and feeding of each employee for their (and your) growth. It isn't for the faint of heart.

THE PAYOFF

Think about your business. What couldn't you accomplish if all twenty out of twenty or seventy-five out of seventy-five of your people were rowing in the same direction fully engaged? You'd be unstoppable! As messy and human as the process can be, when *you* commit to the methods, tools, and strategies we outline in the following chapters, it works.

Lives will be changed, and businesses can become much more resilient during downturns and other shocks to the system. It won't be all roses, rainbows, and lollipops along the way, but the payoffs are enormous, both in profits and happiness.

What lies ahead is a work environment where people feel valued and appreciated, and a culture where the goal is to get all the human energy on your team pointed in the same direction. Jim Goodnight, cofounder of SAS Institute, put it succinctly: "Treat employees like they make a difference, and they will."

Your organization will begin to attract and keep all the right employees who greatly contribute to your mutual success. You'll have a line of employees waiting to work for you. How beautiful would that be?

WHAT IS THE EOS LIFE?

It can be defined by five key points: doing what you love, with people you love, making a huge difference, while being compensated appropriately, and with time for other passions. In its most ideal form, this is what these five points look like:

1. **Doing What You Love** means that you spend your working time doing only the activities you love to do and are great at doing. The actions that give you unlimited energy and excitement.
2. **With People You Love** means that everyone in your life—your coworkers, customers, vendors, friends, and family—are people you enjoy being around and who uplift you.
3. **Making a Huge Difference** means that you're having the exact impact that you want to have on the world.
4. **Being Compensated Appropriately** means making as much money as you want by providing value to others, helping them get what they want.
5. **With Time for Other Passions** means that you spend the amount of time you want on your passions, those

things outside of work that you enjoy and give you energy.

What does building an intentional culture have to do with living the EOS Life?

We will explore this more fully in chapter 10, but the short answer is: When you build an intentional culture, you hold the keys to living the EOS Life and your own customized version of it.

Building an intentional culture can have a massive impact on the quality of the owner's life. Donna Hanson, owner of Burgoon Company, an industrial supply company in Texas, told her EOS Implementer Randy McDougal this: "My personal and professional best is the company is running so much more smoothly, and I am not so distracted and anxious checking on things. The most important part of this is that when I am with my grandchildren, I am actually with them. I disengage from the business and truly enjoy the time focused on them."

Donna was not the only one who recognized the difference. Her daughter Emily Marks, a brand-new member of the leadership team, heard her mom say this, and added her own comment: "Well, Mom, I haven't told you yet, but last week my two sons said how much more fun it is to be with you. They said you're listening to them and so fun to be with."

That's what building a great enduring culture is all about. There are the real-life payoffs ahead. We can promise you big challenges.

But if you have the courage to build an intentional culture, you'll get even bigger rewards. Do you dare begin?

REFLECTION QUESTIONS

In our work with business owners, we find resistance to dealing with the People Component until economic pressures, frustration, misery, or some other strong motivator forces change. Building an intentional culture won't happen until you're all in. Read these questions and answer honestly. If you cannot give an emphatic *yes* to most or all of these, you're not ready.

1. Do you recognize that your current culture is holding you back from getting what you want from your business?
2. Are you willing to take responsibility for creating and leading every aspect of your culture (and that doesn't mean delegating to human resources)?
3. Are you willing to do what it takes to become your best and demand the best from yourself and your company and make all the necessary tough decisions?

4. Do you believe you and your team deserve a culture that wins in any environment and economy?
5. Are you willing and have the courage to be open, honest, and vulnerable to build an intentional and enduring culture?

To go deeper on assessing your current culture, go to **eosworldwide.com/people-book** and take the Culture Checkup.

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"Living a life I didn't dare dream…"

For fifteen years, I tried to run the company. I didn't have the language then to know I was trying to be both the Integrator (president) and the Visionary (CEO).

I've always been good at attracting smart people and giving them room to do their jobs, but it wasn't until we embraced the clarity of the Accountability Chart that the team started reaching their potential.

Four years ago, I handed the reins to our first Integrator. We spent time together weekly for two hours—to build the trust we both needed for this to work well. I needed to know he cared about the people and the organization as deeply as I did as the founder. He needed to be able to trust that he was not going to be fired for making a mistake. He needed to know I was going to give him the freedom to try things, to experiment. To make changes. We knew directional progress was imperative, but perfection wasn't.
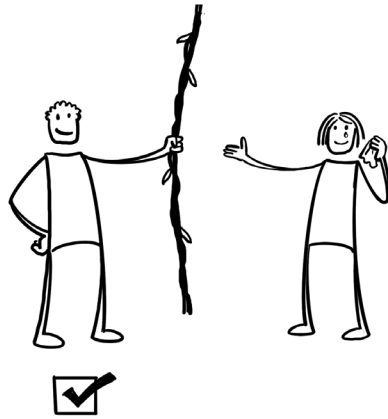
Two years into my first Integrator, we supported his dream by making a $250,000 investment in a technology company he was starting and transitioned to a new Integrator that has allowed us to continue our winning trajectory.
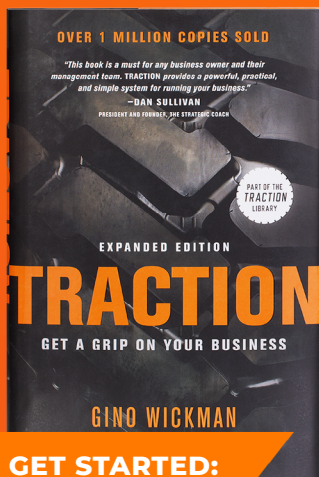
We've moved the company from 6 percent to over 24 percent profitability and our eNPS (employee Net Promoter Score) has gone from low forties to our most recent score thirty days ago of a ninety-two.

Letting go of the vine and fully delegating is often complicated by Visionaries since we overestimate our capabilities. We believe we can "train" our Integrators to do a job well that we've never done well ourselves.

The best thing we can do is create a clear vision of the future and get out of the way. In both of my experiences, the most important thing for me to transfer was a clear understanding of how our company values translated into decision-making, pace of change, expectations, and a winning mindset. The mechanics of the job—I knew very little about how to make them successful at that pace. That was what they had to bring to the table.

Today, I'm living a life I didn't dare dream could be possible four years ago. I have flexibility of time to be available for my four girls. I'm home nearly every day when my kids get off the school bus. I have an abundance of financial resources to share with organizations and causes near to our heart. I can go away for a couple of weeks and explore and ski with my family. I can lead vacation Bible school at my church. I have time to support a podcast and newsletter that helps others with similar-size dreams in their hearts. I've purchased and invested in companies that I believe can change the world.

—Tiffany Sauder, CEO and Visionary of Element Three

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Follow this fable's characters as they learn how to Run on EOS and address real-world business situations.

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WHAT THE HECK IS EOS?
Create ownership and buy-in from every employee in your organization, taking an active role in achieving your company's vision.

FOR ALL EMPLOYEES, MANAGERS & SUPERVISORS

HOW TO BE A GREAT BOSS!
Help bosses at all levels of your organization get the most from their people.

FOR ALL EMPLOYEES, MANAGERS & SUPERVISORS

THE EOS LIFE
Learn how to create your ideal life by doing what you love, with people you love, making a huge difference, being compensated appropriately, and with time for other passions.
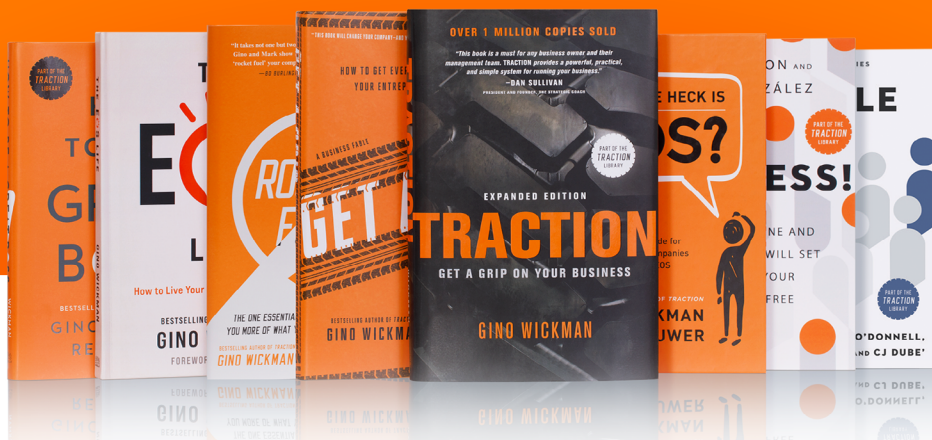
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