

Lenox Powell: Hi everyone. Welcome to Outperform, the Acceleration Partners podcast, where we discuss topics ranging from affiliate marketing and customer acquisition to company culture, entrepreneurship, leadership, and the like. My name is Lenox Powell, and I'll be your host on today's episode. With me is Bob Glazer, Acceleration Partners' founder and managing director ... and on occasion, a host of this show. Hey Bob, welcome.

Bob Glazer: Thanks Lenox.

Lenox Powell: Before joining Acceleration Partners or AP as we fondly refer to it, I had heard of a few business operating systems that companies follow within their organization, such as the Toyota production system and Lean Six Sigma, but I had never heard of the entrepreneurial operating system.

Before we get into the details, what is the entrepreneurial operating system, or EOS, from a high level perspective?

Bob Glazer: So, from a high level perspective, it's an alignment system, which is sort of one of the core management tenets I've always believe in, and that is if you can create alignment from sort of the top to the bottom, you will get results.

So, at a high level, it's an alignment system. I think a lot of people refer to it as sort of the operating system for your business, kind of an OS. It's just how you do things on your business so that they're in a standardized way and they produce a consistent result. So it brings together I think a lot of common things that people deal with in terms of their meetings and their plannings and their hiring and their people, but it does it all within an aligned and consistent system so that everything you're doing is really kind of in harmony for lack of a better word.

Lenox Powell: How did you learn about it?

Bob Glazer: I learned about it from a lot of friends in Entrepreneurs Organization, EO. It seemed to be something that people were really discovering. It fits very well for a fast growing business where there's sort of a little chaos and the wheels are sort of coming off. I had just heard really ... My rule is in EO is by the time I hear something from three or four people, I tend to check it out, and I had heard a lot of good things about EOS.

Lenox Powell: Why is it a model that you chose for AP?

Bob Glazer: You know, there's some different versions of it. There's Rockefeller's Habits, there's some other system OKR based systems. They all are really ... they're not new, and I think that's ... when I picked up the book and I read it, I was like, this makes a ton of sense. I think this is hundreds of years of best practices. What has been done more recently is really just put this all into an interconnected system and make it really easy for a company to leverage.

I saw particularly some of the structural and starting to build out the organization, I saw a lot of the problems that we were having, and it just seemed like a really good way to operate and organize.

Lenox Powell: What book are you referring to? You said you picked up a book and learned more about it. What book?

Bob Glazer: Yeah, so the book Traction. So EOS, which stands for entrepreneur operating system, it's a lot of time confused with Traction. Traction was sort of the book about EOS that brought it to the market, and a lot of people still say we use the Traction system. They kind of get their nomenclature a little backwards. So Traction is the book, sort of the textbook that tells you how to do EOS. But EOS is the system itself.

Lenox Powell: Okay, so you heard about it through Entrepreneurs Organization, you read the book Traction about it, you learned more about it, and you thought, yeah, this is really a model that we could apply here at AP. How did you go about introducing EOS to key stakeholders within AP?

Bob Glazer: I think quickly, and then slowly. So I went over it with Matt, our general manager. He was really on board with the concepts. Again, it solved a lot of different systems that we were using. It's again, if you think about a lot of people building kind of their company playbook from different systems, this kind of just gives you all the pieces of the playbook, but they're all from the same program.

So we started self-implementing, started doing the meeting cadence, some of the off-sites. We actually did that for about six to 12 months, I think. There's a lot of pieces to it. Got a lot of those right, and then decided to hire a professional facilitator who did all of our quarterly and annual meetings for about a year to two years. Definitely it took us to another level in terms of using all the pieces better. And then I think is common what we started doing was really using that facilitator then every couple meetings or for our annual meeting, but we got pretty good at facilitating the meetings and actually having folks who

had worked with us before or served in advisory capability who had been part of the meetings, able to facilitate the meeting.

So, most companies, some will use a professional facilitator forever, 'cause they feel like quarterly meetings should be facilitated. I think others will usually in that one to two year realm where they feel like they really get it. Once you've trained the system down a couple levels in the organization, then they may go back to sort of running it themselves without any help.

Lenox Powell: So it was presented to Matt first, our general manager, presented to him, he gets it, you guys say yeah let's start implementing this throughout AP. Was this something that everyone got right away on the leadership team, or was there some resistance to this model?

Bob Glazer: The leadership team was smaller at the time. I've never seen any resistance actually at Acceleration Partners to it. There's a lot of discussion in the story about resistance, and there's a follow-up book that the company wrote called Get A Grip that actually takes you through kind of a company going through the process, and showing you resistance.

At the core of this program, it's about clarity of objectives and accountability and sort of actually making the entrepreneur a little less ... have to make consistent commitments 90 days at a time, which is what drives a lot of people crazy is when entrepreneurs are always switching priorities.

So generally, I've seen that everyone who is an accountable type person who wants goals and clarity really loves this system. When people have told me that there are people in the company fighting the system, I have almost always checked back with them six to 12 months later and that person is no longer there anymore. And I think that is a function of folks who really want to operate independently and not as a team. And as you start to do this work and you get everyone aligned and on the same page, the person who just kind of wants to be off in their corner and doing their own thing, I think you suddenly realize is not ... by definition is not really a high performing team player.

So, I've never had anyone come to us with any objections, because the more they learn, they say, "This is great. I mean, we know where we're going, we know what's expected of us, it's all very predictable, everyone's accountable, it's all clear." In theory, those should be all things that people would want.

Lenox Powell: So there are six components to the EOS model. Can you go over those?

Bob Glazer:

Sure, and I never am sure what the right order is. But there is vision, people, issues, processes, or process, data, and then traction. So those are the six pieces, and they touch all different parts of sort of what you do in the planning cycle. So I think maybe starting in order, I'll go in the order of sort of how I see it, which is the vision. So it's making really clear that everyone is on the same page of the vision for the company across 10 years, five years, and one year, and that it's consistent so everyone knows where they're going. That's sort of documented, written down, shared with everyone.

Then it's really about people, so borrowing a lot from Jim Collins, getting the right people, getting them in the right seats, and tools to make sure that you do both, so that you're hiring against core values, you're evaluating fit, there's a tool called Get It Want It, Has the Capacity, GWC, that you're making sure that you have your people in the right seats.

Data component is about really having the right scorecards and measureables. Measureables are sort of how we measure that we're performing against our plan. Scorecard is a little different than reports, which a lot of people are used to. Scorecards are things you go over that are leading indicators and predict ... you work to predict what is gonna happen with the business. So, we go over our leadership scorecard each week, and those numbers are supposed to be the numbers that if I was stuck on a desert island and I could get 10 variables on the business and it could tell me what was gonna happen in 30 days, it would be those leading indicators.

So for instance, if we're talking about sales, it might not be sales itself, it might be the number of qualified discussions that we had had is always a predictor of our future sales. Or if it's on hiring, whether we're going to have enough capacity. That's probably a function of how many interviews we had where someone got past the first round. So you learn over time to really kind of find those metrics that tell you how the business is going to perform. So that's data.

Process is really about documenting all your core processes, having them followed by everyone, and developing more repeatable systems that make it easier for those people to succeed at scale 'cause they're following a process that you know that's work and it's documented and it leads to less variation across the business.

The issues component is a really great part of it. It's sort of how to run your meetings and how to discuss things that are going on. It has just such a kind of simple thing that when you first start doing it, you kind of have the no duh reaction, which is you

go through a meeting and you collect a lot of the different issues and things that people want to talk about, and you get all the updates by looking at the data and talking about the people, but then you rank order the issues at the end that are most important to the business or most in the way of a quarterly objective, and you make sure that you spend your time talking about that first.

I think in a lot of meetings you just get on a ... You have your executive team in a meeting and you get on a tangent on something that would have been 10th on a list out of 10, and what's interesting is when we focus on the top ones, some of the small ones tend to just fall off week after week.

And the last piece is traction. So traction's sort of just the cadence, which is your meeting pulse and schedule, in terms of annual meetings and quarterly meetings and daily meetings. And it's the process of setting rocks each quarter which is the Traction word for goals. And there's been a lot of data and proof over time that people can really plan about 90 days at a time. So the key output of many of the quarterly off sites is to come back with the rocks for the company, sort of the immovable goals for the quarter, and then have everyone organize around us.

Lenox Powell: So the EOS model has six components, which are supported by a process and specific tools. Talk a little bit about what the EOS process is. So there's this EOS system, and then there's a model and a process and these tools. Talk about what the EOS process is and how we've implemented it at Acceleration Partners.

Bob Glazer: Yeah, so the EOS process is probably the first of a few different things, but to me I think it is being super clear about the vision and core values, beginning to hire, promote, and fire or decide to move away from people against those core values. Clear identification of the accountability chart, which is a term that EOS uses instead of org chart about who is accountable to what functions. And EOS has some specific structure around this in terms of the accountability chart. It's done around sort of delivery, operation, and sales.

And another core tenet is there is a visionary role and an integrator role, and it suggested that most of the functional responsibilities go up to the integrator which is what we do. So in my case, Matt is the integrator who plays our GM role, and Heather, my assistant, are really my only direct reports. Everyone else reports in to Matt, and his job is to integrate those functions.

One of the nice things about this setup is it frees the visionary to work on new ideas, not be the one in all the meetings, not doing all the reviews, do what they do well, and the integrator to sort of make that happen. I think I've probably said this before on the podcast, but Matt and I describe our relationship as he's working on making the current year business work and I'm out there kind of trying to figure out what we're doing next year in the strategy.

So, having the strategy, having the meeting cadence, and there are just a lot of tools along the way towards ... For instance, there's a tool called the five five five check-in. So, when we have our quarterly check-ins, the way that the check-in goes is we say, how is this person doing on the core values, how are they doing on the five responsibilities of their role, which is listed on the accountability chart, and then how did they do on the three to give rocks that they took this quarter.

So, the check-in in itself is completely aligned to how that person is doing from the values of the business, what they said they'd get done this quarter, and their roles. It takes a lot of the subjectiveness out of it, and there's various tools in each of these buckets that help you dive deeper into any of these areas.

Lenox Powell: There's a lot going on with the whole EOS model. It's complex, yet it's simple. It's detailed-

Bob Glazer: That is true.

Lenox Powell: ... There's just so many different elements. From my perspective as an employee, one of the most valuable things that AP did was provide me with Gino Wickman's book Traction, because it provides context for what EOS is and why it includes these processes and tools and how they all interrelate. And I'd say too that that really helped me understand the role I play in helping AP grow and reach our goals, which I think is just as important.

So I understand why people would call it the Traction system as opposed to the EOS system. With that, so there's so many different facets. There's this model, there's these processes, there's these tools. The book itself can help clarify how all of that stuff works together, but throughout the entire company, do you feel that we use all of the tools and all of the processes? Do you think that's necessary to do?

Bob Glazer: No, I think anything has an 80/20, but what we realized, and we're trying to even push this across the company in other ways, is that when people have a problem or something they want to do, in the same way we want them to fall back on our values and our AP way, again there's an entire tool kit. So if

you're struggling with some people issues in your team, you know, there's the basic things you might have on the accountability chart and the Get It, Want it, Capability, but there's a whole set of tools in there.

There's an exercise about delegate and elevate. So, there are solutions to about 90% of the problems or opportunities. So, I think like anything, there's the 80/20 use on a day to day basis, but I think that we often forget sometimes that when we're stuck in an issue and we say, "Oh, we really need a process around dealing with client service issues. How should we do that?" And we say, "Oh, you know what? There's a whole kind of process creator process in the EOS toolbox. We should go back and look at that, and it tells us exactly how to go ask five people and collect the best practice and turn it into a process."

So, I think for most people, we're using the 20% of the system that's 80% of the role, the outcome on a day to day basis, however I think sometimes we forget that they have really thought through some of the things in each area that can help us when we're stuck or trying to remember how to do something.

Lenox Powell: You've mentioned a few of the tools in the EOS toolbox. What are a few of your favorites?

Bob Glazer: I really ... I like IDS-

Lenox Powell: Which means?

Bob Glazer: The issue-

Lenox Powell: Lots of acronyms. For our listeners, there's a lot of acronyms with this EOS model.

Bob Glazer: IDS is the Issue process, and I think issue is a little bit of misnomer. We try to call it sort of issues and opportunities, basically things that need to be discussed. And the premise of it is the same framework. So if you list something on there and you say, "Recruiting's a problem." I say, "Lenox, that's your issue. What's the outcome you're looking for?"

And it stands for identify, discuss, solve, and the premise is that you actually want to have a big I, a little d, and a big S. You want to really spend time getting to the core of the issue. One of the examples I always give was three or four years ago we said, "Well recruiting's a problem." And we dug into it, and it was really three different issues. It was we were having problems getting candidates, it was very time consuming to manage

candidates, and we didn't have enough people trained on interviewing.

So, in that process, I would have said recruiting is a problem, and by the time we got through with it, we had identified three separate issues, discuss is talking about it ... and it's little d because you want to spend the most time identifying the root of the issue, discussing it, but discussing it with the goal of moving forward ... and S is solve. And so you either answer it as a group there, or someone agrees to take a to-do that's due by the next week, by the next meeting, so that you're always moving things forward and never just sort of having 30 minute bleep fest and then not doing anything with it moving forward. The goal is that you're always moving forward and you're accountable to that.

So if you say, "You know what? I'm gonna look into two applicant tracking systems and get back to this group by the end of next week," that goes on the to-do list, and then by the next week meeting, we say, "Lenox, did we do that?"

Lenox Powell: Mm-hmm (affirmative). Any other tools?

Bob Glazer: Let's see, there's so many. I mentioned GWC, so I think it's a really good tool for determining right person, right seat. So it's actually an exercise you do with a team. You do it with other people in a room. It can get very uncomfortable depending on how a company does it, but you put each person's name in the company up there, you put the core values up, and you rate them as either having the core values or not having the core values. They should really have all of them.

And then based on the role that they are in or that they want, you say does this person get this role, they get what's needed, do they want it, and do they have the capacity? And a lot of times it's two out of three. But the premise is it really needs to be three out of three for them to be successful. So, do they get it is do they understand what the role is needed. Do they want it ... sometimes they get it and they have the capacity, but they don't really want it. The sort of passion for it's not there. And then capacity is a lot of people get what's needed to be done, they want it, but they just don't have the capacity or you don't feel that they have the ability to do the job well.

So, when you go through this, it brings some sort of tough decisions to light in terms of being really objective around someone who's gonna be successful in that role. Now, if they have all the core values, that means they're the right person for your organization, but they might actually be in the wrong seat or you need to find a new role. If they're not scoring high on the core values, then I think the experience with Traction and just in

general is that they're probably not right for the company in the longterm. So, moving them around to a different seat is probably not the right answer.

Lenox Powell: Remind me, so, it's been a while since I've read Traction. So does Traction go over the importance of having core values?

Bob Glazer: Yes, it's a big part of the ... part of the VTO is-

Lenox Powell: Which stands for-

Bob Glazer: ... vision, traction, organizer ... Sorry, the document that houses all of this. So there's a two page document that anyone in our company can look at at any time and see our core values, our uniques, our positioning, our one year goals, our three year goals, our 10 year goals, and it's all on a two page document so that everyone is super clear about where we're going.

Lenox Powell: With the VTO, talk about some of the things that are in the VTO, and talk about how you bring that back to the rest of the company on a company call so that everything is transparent, everybody's on the page about what goals are trying to be achieved ... 'cause we all just recently did this.

Bob Glazer: Yeah, so the goal of the off site is two things. It's to get everyone on the same page for the next quarter, and to revisit whether anything has changed longterm. And the premise is, that 90 days is the right time to be doing that.

So, we read through everything. We read through the one year, our brand promise, all that stuff, and then if anything needs changing, we sort of update it and change it. And then we look at our one year goals and our three year goals, and that determines what we pick to do the next quarter.

So for instance, we just had our fourth quarter meeting, and by that meeting, when you're setting your Q4 goals, you're looking at your annual goals, you're looking at what you said you'd do next year. You're sort of trying to like chunk off stuff and move towards that, but it was pretty clear what our fourth quarter to-do should be, just looking at where we were on the scorecard of how far we were on our annual goals.

So almost every fourth quarter rock that we picked was in service of sort of completing our annual goals, or even moving towards maybe one of the three year goals to get us on the right track next year.

So we figure out those rocks, we come back, we roll it all out to our ELT, which is our extended leadership team sort of one level down, then we roll it out to the whole company to get questions, and then everyone in the company sets their rocks based around the leadership team, the rocks that they have determined are most important for the quarter. And this comes back to this alignment of a lot of people set goals, but what happens is you're setting a goal to learn Spanish this quarter, or I'm setting a goal to do this, and none of them have to do with aligning to the company's goals.

So, this just ensures that everyone is aligning around ... you should know that you might be ... if your goal in Q4 is to gain a certain level of awareness for our UK practice, you might be ... you might have a rock that says you're gonna write one of those white papers that we release in the UK. You understand how your rock is very important towards hitting this bigger rock, and it's all aligned.

Lenox Powell:

Exactly. I think that's ... 'cause so many of these things happen in silos or they happen just within the walls of the leadership team, and it doesn't get passed down. Somebody who is say an associate or a senior associate, they don't necessarily go into their role of knowing I'm doing this because it's fitting into a bigger picture, a bigger goal, and that is I think what's so brilliant about the entrepreneurial operating system. When it's operated correctly, it's an organizational wide structure. It's not just for the leadership team or the executive leadership team to hash things out. It's everybody's involved. We even do the scorecard on our marketing team meetings every single week. We're looking at our own scorecard, which ties back into a bigger scorecard.

The rocks, everybody across the company sets rocks every quarter. So, it is really ... there's a model, there's processes, there's tools, but it's really how it all comes together so that everybody plays a key part and then they can see how it's all tying in together.

Bob Glazer:

Yeah, there's no surprises. Everyone knows what's being valued, what's being measured, and I just think from a ... and look, you can tell me, but from a trust and transparency standpoint, I feel like everyone feels like it's very clear what we're ... Again, there's no sort of moving the cheese. It's very clear what we said we're trying to do. It's very clear what success and failure looks like. It's very clear what everyone's responsibilities look like.

And again, that is why I found that people who really fight against the system don't last because they're usually people

who don't want to be accountable. The system makes it really clear again what the quarterly goals are, what the most important things on someone's job responsibilities are, and if they start trying to want permissible excuses around all of those things, it just has the hallmarks of much more of an individualist than a team player.

Lenox Powell: So you are somebody who likes to improve both yourself personally, professionally, and help others do the same. How do you think you and the leadership team have improved the entrepreneurial operating system?

Bob Glazer: That's a good question. How have we messed with it? You know, we've tried to follow it. One of the improvements that I just suggested to our IDF process ... So, one of the things we talk about is we don't ... Issues, we don't like the term issues because issues are things to be discussed and debated, and I think sometimes it encourages people to bring more problems than opportunities.

So actually, I rolled out something this week to the leadership team where when we put an issue up for the issue list, you designate it as a problem to be solved or an opportunity, and we're listing those separately on the list and we actually want to spend more time on opportunities than problems to be solved. So we're trying to intentionally force the time that we all get together as a leadership team to think about the business that we really put all of our heads together on thinking about opportunities.

Usually the problem solving, it's rare that it requires all five of us, and that people are bringing problems to the table that they kind of know what they want to do with anyway, and we're just encouraging people that if they don't need ... the time to bring an issue is if you are in debate with someone about what to do or you really need everyone's input. If you just want to let us know what you're doing, we're actually at a size now where we need to trust you to do that. We don't need to ... you don't need to bring it to us just to sort of give us an update. If that's part of your job responsibilities, then we're all trying to solve problems on a day to day basis.

So, I think that's one of the tweaks I've been working on just to make sure we use that time to focus on more opportunities than problem solving.

Lenox Powell: Now that you've gone through this process of implementing the EOS, the entrepreneurial operating system within AP, and you have seen it become the backbone of how the company is run

day to day, what advice might you give to a small business just discovering this system?

Bob Glazer: Yeah, I like the way that we did it. I like trying to figure it out a little bit. That is sort of I think my personality type, which is I liked playing around with it a little bit and get the help. I can definitely see starting off with a facilitator from day one though, if you really want to speed it up and make sure you're ... We had some bad habits when we got into it, but there's a lot of different pieces, so I think we got some of it right and some of it not right.

But I don't think you can go wrong if you want to start with a facilitator earlier on and just make sure you get started on the right track.

Lenox Powell: And of course reading Traction I think is another really good place to start because there are-

Bob Glazer: Yeah, I was gonna ask you, did you read Get A Grip or did you read Traction?

Lenox Powell: I read Traction. I candidly did not read Get A Grip. I read some of it, but I did read Traction, and it was very helpful.

Bob Glazer: The advice I would give ... you probably are better off reading Traction because you like the details, but I think that at a maybe, at a higher level, or people who are going to be actively involved in the system, Traction is sort of the manual for EOS. I really like in Get A Grip though, what it does is it shows it to you with storytelling. It takes a fictional company ... So I think for most employees, or a company that's maybe a few levels down or not gonna be embedded in it, it's an easier read because it's really a storytelling story of a company going through the system and the parts that worked and didn't work. And you sort of more learn how it works than what the pieces are.

So, I've read both, but that's the one advice I would give. I think some people are actually better off with starting with Get A Grip. It's almost an easier read because they put all the difficult characters in it and they make a real story out of it.

Lenox Powell: Mm-hmm (affirmative). Yeah, absolutely. Well Bob, thank you for sharing your experience and insights about the entrepreneurial operating system. That's a mouthful. I think it's been a great model for Acceleration Partners, and has contributed significantly to our company's stratospheric growth over the past few years.

To our listeners out there, we will be sure to include notes from the show on our podcast page, and links to many of the resources mentioned in this episode. Thank you for listening, and until next time, keep outperforming.