

EPISODE 026: MY FAVORITE BUSINESS BOOK OF ALL TIME

BY NANCY RAY

Intro

My favorite business book of all time is comprehensive, yet extremely simple. It will show you how to grow and sustain a business of any size truly in a healthy and practical way. It addresses the six parts of any business in detail, vision, people, data, process, issues, and traction. The name of the book is Traction by Gino Wickman. And I want to break down the six parts briefly and share with you how this book has changed the way that I do work forever.

You're listening to Work and Play with Nancy Ray, Episode 26.

Much of our daily lives can be divided into two categories, work and play. Simply put, that is where our life and our legacy take place. This is a podcast all about learning to work and play well, which leads to a healthy soul and a fulfilling life.

Listen in.

Content

I was introduced to Traction by my husband. If you don't know about Will or what he does, he works for a company called C12 which is an organization that helps Christian business owners create great businesses for a greater purpose, incorporating ministry strategically into their businesses. It's a really cool organization. He loves what he does. And because he is interacting with CEOs of, gosh, companies that are much, much larger than any business that I've ever run, he has access to all kinds of amazing materials and books, and he's constantly showing me things or introducing me to new things, which is so much fun. We both love entrepreneurship. We love business, so we just eat it up and it's really cool. I'm actually in one of his C12 groups, not as one of the CEOs, but a key player. Anyway, that's a whole other story.

Bottom line is I get a lot of really great resources from him. And a few years back, he said, "Nance, you would really love this thing called the Entrepreneurial Operating System." I was like, "What are you talking about?" And he was like, "It was introduced to me. It's this book called Traction. It's really pretty incredible, and I think Nancy Ray Photography could really benefit from it." I was kind of like, "It sounds weird. Sure, I'll learn about it. But yeah—I'm

good. I'm pretty sure I got this."

Well, he introduces me to this book, Traction, and starts telling me all about what the Entrepreneurial Operating System is, also known as EOS. And as he starts to explain it, all the different components, how everything is organized and laid out, I'm like a sponge. I'm like, "Are you serious? This is answering so many questions that I've had about how to better run my meetings or organize people in my business." It put words to a lot of things that I didn't have words for.

It's very, very thorough, but it's not rocket science. It's not spreadsheets, and numbers, and things that I feel like are challenging in business. It's just basically this very simple structure of how to lay out and run your business. So if you can kind of get a visual in your head with me, picture a wheel, and it's divided like pizza slicer, right into six different pizza slices. This wheel, at the very center of it is the EOS model, which is your business. Your business is at the center of the wheel. EOS model is that the six parts are divided up and you have to really understand, know, work on all six components of your business well in order to have a healthy business. But once you get all six of those really addressed, running smoothly, your business will be in like the top 5% of businesses. It will run smoothly. It will flow. You'll know where you're going. You'll have clarity. You'll have decision making. You will have a track to run on. And I have found this to be so true. So let's jump into the six pizza slices, if you will, the six categories of your business according to Traction or the Entrepreneurial Operating System.

The first one is vision. Now, strengthening the vision component of your business means getting everybody in the organization on the same page with where you're going and how you're going to get there. The way they do this is they break this apart. They show you how to actually write out a 10-year target for your business. Where are you going to be in 10 years? Then, they teach you how to draw out a three-year picture. Okay, three years from now, what are the bullet point things, the big vision that we want to be operating in or what do we want to have accomplished in three years? And then, you lay out your one-year plan. What are the things that are most important for us to accomplish this year that will move us towards your 10-year target?

Casting a vision for where you're going is so incredibly important. Even the Bible says, "Without vision, my people perish." And if you think of any organization that you'd like to be a part of, you want to know where you're headed. You want to know if you can advance or progress, or you want to know what revenue targets there are, what projects we're going to be going toward. It keeps you inspired and looking forward to the future. Vision is so incredibly important, and that's the first component of EOS.

Now, the second is people. Bottom line is you can't do work without great people, and not just great people, the right people. Top to bottom, all around, you can't achieve this vision that you've set out without the right people, without a great team. Now, there are a couple of tools used in the book Traction that kind of explain what does this look like to have great people. What does that really look like? Well, the first thing they say is you have to have the right peo-

ple, but not only the right people, you have to have them in the right seats.

So first of all, talking about the right people, how do you measure that? How do you know if you have the right person? Well, they have this thing, this, I guess, test, if you will, that you can put your people through. It's called GWC. Do they get it? Do they want it? And do they have the capacity to do it? Is that the right person in the right seat?

If you do the GWC test and you answer yes, that they get it, they want it, they have the capacity to do it, then you know that you've got the right person in the right seat. So ask yourself that about yourself. Always start with yourself first. Do you get it? Do you get your job? Are you good at it? You understand it? Do you want it? Do you like your job? Do you want the seat that you're sitting in, and do you have the capacity to do it? Or are you just too overwhelmed and overloaded that you can't? Or maybe your mind or your gifts and talents is better suited elsewhere. I love how practical they get in this book, giving you things like this GWC test that you can actually apply to every single person on your team.

Another way they do it in the book, I think this is called the people analyzer. This is really interesting. You actually rate every person on your team according to the core values of your business. So anyway, I won't get into all that. But, bottom line is they have great tools within the book to really understand if your people are the right people and if they are in the right seats.

Now, the third component is data. I love Shark Tank, right? What do they always say on Shark Tank? Numbers don't lie. So you have to know your numbers, but I get really overwhelmed with the bookkeeping, all of the numbers, the profit and loss statements. All of that stuff can kind of be overwhelming sometimes, and they simplify this data cutting through all the feelings, the personalities, the opinions, the egos. They boil down your organization to a handful of objective numbers that give you an absolute pulse on where things are.

So couple of examples here. Your company, your business has a scorecard. It's almost like a weekly report card, and you have ... They use this example. If you're in a desert island, and you look down at a sheet of numbers and those numbers had to tell you exactly how your business is doing, what would those numbers be? What would that represent for you that absolutely indicate the health of your business? Maybe it's cash on hand. Maybe it's projected sales in the next quarter or the next month. For me, it was always booked weddings and booked sessions or number of courses that I've sold. Or maybe it's number of people subscribed to your newsletter. Whatever it is, what is something that you could look at in a glance, anywhere from 5 to 10 numbers, that can tell you the health of your business? Boiling it down, kind of cutting through all of the nonsense, all the tedious details and saying, "What is it that tells me whether or not my company is in a healthy state?"

Not only does the company have the scorecard, but the leadership team, and really every team member has a scorecard. We've done this in my business. I have a scorecard. Every member of my team has one, and every week we put in our numbers for the things that we are responsible for moving forward. We change our scorecards every quarter to help reflect the things that

we're aiming to accomplish our quarterly rocks in that quarter so they don't ... It's not like you set the scorecard and it stays that way forever. You actually change it according to what you are trying to accomplish, but it tells you in a glance every single week whether or not you are on track. It provides real data.

The last thing is that everyone has a number. I love this concept. Everyone has one number. And if you are reaching that number, then you're doing your job. I think the example was given somewhere that a receptionist at a company had the number two, and her number two was that her main job was to never let the phone ring more than two times before answering the call. At weekly team meetings, she'd report in how many times did she go over that number two or is she fulfilling her number two that the phone would never ring more than two times before she answered. I just thought it's cool, right? Just think of one number that indicates whether or not you're doing your job well. That is data.

Now, once you have vision, and people, and data and when you have those components strong, you can really start to create an open and honest organization where everything becomes more visible. This is when you start to really tackle the issues of your business. Bottom line is this, every business has issues. Everyone has issues. It's part of life. But what we do, a lot of times we just stuffed them away or we wait until they're such a big issue that they automatically hijack our week because we have to deal with this thing. But what Traction does, it teaches you to address issues on a regular basis. You address them every single week, and you address them in a systematized way. That kind of takes some of the emotion out of it, which is really helpful and healthy.

So you set up these issues, you prioritize them, and then you knock them down and make them go away forever. It's this system they call IDS. So at our team meetings, if you go back and listen to episode 16, we talk about how you run these level 10 team meetings. In these team meetings, you identify, discuss, and solve every issue one at a time. And you don't move on to the next issue until that previous issue is solved. So IDS, identify, discuss, and solve issues that come up in your business on a regular basis.

Now, the fifth component is process. This is really the hardest part. I don't like this part because it kind of slows you down at first. But to be honest, it's probably the most important part. This is where you have to systematize your business. You document the core processes that define the way that you run your business. So you need to get everyone on the same page and then get everyone to follow them. The process has to be known by all and it has to be followed by all. You can tweak your processes over time. You can change them. But the most important thing is that they are written out, understood by all, and followed by all.

The sixth and final component is traction. This means actually bringing discipline and accountability into the organization in this regular cadence. This is where you actually execute the vision. You take it down to the ground, you make it real, and you implement everything that

you've laid out. So what does this look like? This looks like a yearly strategic planning meeting, quarterly rocks or setting quarterly goals, and a weekly level 10 team meeting. And again, you can listen to that a little bit more in Episode 16.

This is what it looks like for me. At the end of every year in December, we get the whole team together, leadership team, and we have an entire day where we strategically plan for the next year. What are the biggest, most important things that we want to do next year to push us toward that three-year mark and that 10-year goal?

Then, every quarter throughout the year before the quarter begins, we have another all-day quarterly-planning meeting. So January, February, March, the end of March, we will meet together and plan for quarter two. April, May, June, at the end of June, we'll meet together and kind of look back at the quarter. Then, we'll plan for quarter three. Then in September we'll meet together and plan for quarter four. And then in December, we'll do the final kind of recap of the year, but then also our annual strategic planning meeting.

And then finally, our weekly level 10 team meetings. Now I could talk all day about this. They're so important. They're so helpful. But the things that you have to know about the weekly level 10 team meeting that's so important is this is where you check in regularly with your data and you stay accountable. You write down your to-dos, and the next team meeting you check in and you see if what you say you're going to do that's the most important things are actually getting done. They're fun. They get you on the same page. They feel very productive, and they teach you all about how to host a really solid weekly team meeting. It's 90 minutes. It's a regular cadence in your business, and it really is kind of what provides the traction that you're looking for.

Now, I'm going to kind of close with these thoughts from the book. As you can tell, there's just a lot. There's a lot more to be had in this book. I'm re-reading it now with my team. I've already read it. It's so good. A couple of thoughts. One of my favorite things about this book and about this whole process is this thing called the Vision Traction Organizer, or the VTO for short. Now, the cool part about this is that you can literally get all six of these items and all of the vision and traction that you're hoping to accomplish in your business on two pages, two pages. Literally, two printed pages can tell you where you are headed in the next 10 years. That is awesome, but it's also very simple.

I also want to say, as I've worked through this book for Nancy Ray Photography, and I'm kind of working through it again as I look forward to the new kind of work that the Lord's given me, the bottom line is: it's simple, but it takes time. So it's simple, but it's not easy. My biggest encouragement to you if you want to get this book and dive in and really implement it, take time necessary to do it well. It's going to walk you through how to create the core values, how to create your core mission or your core purpose, how to write that vision, how to walk through making that three-year picture, how to do your scorecards, how to really analyze your people and make sure they're in the right seats. All of this takes time if you want to do it the right way. So read the book, but then plan to re-read it, or refer back to it, or take some time to implement it.

I hope that you've enjoyed my brief, yet hopefully thorough, recap of my favorite business book ever, Traction. And I hope that it's a blessing to you as you really dive in to make your business the healthiest it can possibly be.

All right, it's time for the Work and Play Cornerstore. This is where I have a little bit of fun every week at the end of the episode and I share one book and one thing that I'm loving. The only rule is that it has to be something that I love and recommend. I'll get a tiny commission from anything bought through these links, which help me to continue to bring the pod to you every week. So let's have some fun.

Today I am going to be adding the book Traction, obviously. And I don't really need to tell you any more about that book other than just go buy it because it really is the best business book of all time, in my opinion.

The second thing I'm going to add is very tiny. I just don't know what I would do without. It and it is my pen. It is the .038 Pilot G2 gel pen in black. I know, very meticulous. But here's the deal, I love this pen. My friend Callie told me about this pen several years ago and got me hooked, completely hooked. It writes really, really thin. So if you like kind of inky, thicker ink pens, don't get this pen. But if you like a really crisp, thin, black ink pen that's perfect for journaling, perfect for everything, honestly, please do yourself a favor and go get them. They're cheap. You can get them at Target or you can use the Amazon link I'll leave in the show notes and grab them for yourself there. You won't be disappointed. I live and die by this pen. I love it so much.

Okay, that's it. Thanks for listening to Episode 26 of Work and Play with Nancy Ray.

Everything I have mentioned today can be found in the show notes at nancyray.com/podcast/26 And you can find me at nancyray.com or follow me @nancyray on Instagram or Facebook almost daily. I'm going to close with a few simple words from the author of Traction, Gino Wickman.

"What gets measured gets done."

Thanks for listening, and I'll see you next time.