



EOS TRAINING GUIDE

What is EOS and why does *firm name* use EOS?

EOS (Entrepreneurial Operating System) is the business operating system we use. This system is how *firm name* organizes all of its human energy. It is the way that the people in the organization meet, solve problems, plan, prioritize, follow processes, communicate, measure, structure, clarify roles, lead, and manage.

Why does *firm name* use one operating system? The short answer is that everyone doing it their own way in an organization cannot work. You cannot have a company where everyone can set the priorities, meet the way they want to meet, and use different technology. The increased complexity of multiple operating systems leads to mass chaos. Even worse, people experience incredible confusion and frustration.

EOS eliminates ineffective and time-wasting activities due to miscommunication. Time in meetings is efficient, communication is effective, fewer mistakes are made, problems are solved, and solutions are implemented. EOS supports a “One Ship Mentality” where everyone on the team rows in the same direction and aligns with the same short-term and long-term goals.

Why should I care about EOS?

EOS gives our team members a well-defined structure in which they can grow, feel more fulfilled in their work, and achieve their personal goals. It helps them feel more “in-the-know” about what is going on. When you understand what the priorities of the company are, it helps you play your part in achieving them. EOS gives you a clearer understanding of the connection between your efforts and the success of the company.

When reading through the components of EOS, you may think that it sounds rigid and stifling. We use it to benefit you! It serves the purpose of automating processes and communication so that you can spend your energy on making your unique contributions to the firm and reach your full potential.

What are the components of EOS?

EOS is comprised of 6 Components: vision, people, data, issues, process, traction

Vision

The Firm Vision was written CEO and (Visionary) to define who *firm name* is, where we are going, and how we will get there. It gives the team clear picture of *firm name*'s short-term and long-term goals, the Core Values we uphold, what services we provide to clients and how we deliver them, and what drives decisions and goals. It is also used as a point of reference for leadership to stay grounded and aligned when making big decisions for the company.

We review the Firm Vision every week in our Traction Meeting and in depth every year in our Annual Planning Meeting. We do this for two reasons: first, to keep every team member, department,

and the firm focused on the same goals, and second, to help us solve issues using consistent decision-making principles.

The Firm Vision gives each team member a framework to understand the firm and know how to grow within the firm. By understanding the firm's goals, team members can craft individual goals that are aligned with the trajectory and needs of the firm (opportunities are made clear).

Included in the Firm Vision are the firm's Core values, a timeless set of guiding principles defining who *firm name* is and the behaviors expected of everyone in *firm name*. They define the culture and what makes *firm name* unique. History has shown that culture wins in the long run, not strategy. For a company to be great, it must first know who it is. The Core Values are used during the hiring, firing, and review process to ensure alignment and culture fit.

The Core Focus defines what *firm name* wants to be and keeps the company and team members focused on the areas where the business excels. It is very easy to get distracted by "shiny stuff" – things that look like the right thing to do but are really not in the sweet spot of what *firm name* does. The Core Focus keeps the company from getting distracted. Included in the Core Focus is our "niche," defining who we work with.

The 10-year Target is a long-term, larger-than-life goal for the company. It unites everyone around one common objective and helps *firm name* achieve goals never thought possible. The 10-Year Target is like a rudder on a sailboat, it steers the whole ship in an intentional direction. Working toward a long-range goal creates more opportunities for the team and helps everyone ask the right questions, like: What does *firm name* need to start doing differently to reach our 10-Year Target?

The Firm Vision also defines our Marketing Strategy, which crystallizes who our ideal clients are and clarifying the most appealing message to them. Many companies waste thousands of dollars trying to be everything to everyone, waste money with inconsistent marketing messages, and pursue potential clients who aren't a good fit for the firm. The Marketing Strategy helps *firm name* stay focused on who we work with and what we do for them. The 4 elements of the Marketing Strategy are:

- . Target market – identifies the characteristics of our best customers so that we can focus our energy on replicating these relationships
- . 3 Uniques – describes the three unique things that make *firm name* better than the competition and why clients work with *firm name*
- . Proven Process – a visual of what we do to deliver value to our clients over the life of our relationship, it creates a picture of what clients will experience while working with us
- . Guarantee – is designed to take away our clients' biggest fear, it says that we stand behind our services

The 3-Year Picture is a snapshot of what *firm name* will look like in 3 years (short-term goals). It helps everyone see the direction of the firm and purpose behind decisions made today.

The 1-Year Plan is the firm's immediate goals. A solid 1-Year Plan makes goals more tangible, defines objectives for the year, defines the revenue target, profit target, and other measurables for success. Every department and individual in the firm aligns their goals for the quarter and the year with the 1-Year Plan, increasing the likelihood of success for the firm as a whole.

Finally, the Firm Vision outlines what the Firm's Rocks are for the quarter. Rocks are the 3 to 7 most important objectives the company must get done in the next 90 days in order to achieve the 1-Year Plan. Rocks break down annual goals into bite-size chunks and provide an objective, measured path to achieving the goals. New Firm's Rocks are set each quarter by the Visionary and Integrator.

Each team member sets and hits Individual Rocks each quarter that directly contribute to hitting the Firm’s Rocks. Setting and buying-in to thoughtful quarterly Firm Rocks and Individual Rocks is crucial to the success of the 1-Year Plan.

Vision Element	What it Answers
Core Values	Who *firm name* is
Core Focus	What *firm name* is
10-Year Target	Where *firm name* is going
Marketing Strategy	Which potential clients *firm name* is targeting and with what message
3-Year Picture	What *firm name* will look like in 3 years
1-Year Plan	What *firm name*’s goals are for the next 12 months
Rocks	What *firm name*’s priorities are for the next 90 days

People

The People component of EOS helps build a great team. It puts the Right People in the Right Seats. The Right People are people who are aligned with the Firm’s Values and Vision and who are excited to reach their goals and contribute to the success of *firm name*. Someone who does not fit this description would not follow firm procedures, not respect the structures in place, or live out the firm values in their work and interactions with clients. The Right Seat means getting everyone in a role where they can best contribute to *firm name*, be successful, and find fulfillment in what they do. If a “Right Person” for the firm is placed in the “Wrong Seat,” they will feel frustration and low-energy when performing their responsibilities. The goal is to only have people on the team who are bought into the Vision (Right People) and placed in roles where they succeed (Right Seat).

The Accountability Chart provides a framework to define clear job roles, responsibility, and leadership for each team member. Roles and responsibilities are clarified so that accountability is clear and reporting lines are clear. It facilitates efficient decision making and problem solving, and helps people know who to work with to get things done. It also provides a picture of how communication should flow. And finally, it shows team members where opportunities exist beyond their own role and future role trajectory possibilities.

The Accountability Chart illustrates *firm name*’s structure. The Visionary role is responsible for designing a clear direction for *firm name*, managing key relationships, and expanding the firm. The Visionary communicates directly with the Integrator on a regular basis about the Firm’s goals and trajectory. The Integrator is then responsible to implement and scale all of the Visionary’s ideas. This means communicating with each department and ensuring a cohesive implementation and adoption of changes and processes. The Integrator works directly with each of the Department Heads to implement changes. Department Heads are responsible for keeping their whole department on track for the firm’s goals, working and communicating with the Integrator, and assuming full responsibility for all work output and services their department provides to clients.

The Accountability Chart is a dynamic tool that is always evolving. It is intended to help *firm name* anticipate structural changes needed to get to the next level. As we grow, the ability to adjust is critical – structures, roles, and responsibilities will need to change. It is impossible for *firm name* to grow without

major structural and people changes. This is why we discuss the Accountability Chart regularly and why it is used in all vision planning for expansion.

Data

We use Data to build an informed, objective picture showing where the firm is going and what it needs to do to accomplish big goals. Using the right data keeps us from flying blind, eliminates assumptions, subjective opinions, emotions, and ego.

One source of Data is the Scorecard. At a glance, the Scorecard tells you how you are doing and where you are going. The Scorecard is created at the beginning of the year by the Visionary and Integrator. It uses data to create realistic yet ambitious goals for the firm by year-end (revenue, new clients, AUM, etc.). We review the Scorecard in the weekly Traction Meeting to have a pulse on the business, to make sure everything is on track, and identify issues so effective action can be taken.

Setting individual Rocks for the quarter requires using the Scorecard data and aligning goals with what *firm name* wants to accomplish by year end. Your Rocks are the most important priorities that you must get done in the next 90 days to help *firm name* and your department achieve the Vision. They are not *extra* work; they *are* your work. Sometimes your Rocks will be tied directly to your day-to-day responsibilities, other times they may have more to do with professional development (like taking a class or helping with a company project).

Individuals bring their suggestions to the Firm's Monthly Meeting (last month of each quarter) for what they think their Rocks should be for the coming quarter. Typically, between 2 – 4 Rocks are set per person. The Integrator signs off on each Rock set to ensure they are tied to the Firm's goals for that quarter and appropriate for each role. Rocks must be SMART:

Specific: is it clear enough so everyone will know when it is completed?

Measurable: can you measure (typically with a number) the completion of the Rock?

Attainable: can you achieve the measurable objective

Realistic: can you complete the Rock in 90 days?

Timely: is it critical that you complete *this* Rock in the next 90 days? Is this the right time?

Rocks are reviewed on a weekly basis in our Traction Meeting. You will report the status of your rocks by publicly stating to the team if they are "on track" or "off track." This is for accountability and ensuring you have the support necessary to hit your Rocks.

Issues

Issues are the things you and the team notice that need to be improved, fixed, or changed to make *firm name* better. They include anything unresolved that needs to be discussed, such as problems, opportunities, or new and better ways to do things.

The Issues list exists to bring issues to the surface and solve them, once and for all. Talking about a problem is a waste of time if no solution with a clear owner is implemented. How *firm name* solves these issues is very intentional. We use IDS (identify, discuss, solve) to structure our Issues List discussions.

In each weekly Traction Meeting the team will spend 20 – 30 minutes focusing on the Issues List. First, we identify the three issues that take top priority. Starting with Issue one, we work to clearly **identify** the real issue, bringing all relevant facts to the table. We **discuss** the potential solutions to the issue as a group. And finally, we **solve** it by designing an action-based, realistic solution, with a clear

owner, and a due date for expected implementation. The process is repeated until time is up on IDS timer, and the remaining issues carry over to the following Traction Meeting.

Process

Imagine a company where leaders manage projects in different ways, where advisors make requests differently, team members take materials and fail to replace them...this indicates a lack of standard processes. Following the same processes saves an incredible amount of time, eliminates a lot of frustration, and helps you perform your job with fewer mistakes, delays, and miscommunications.

Firm name documents all of its core processes. This covers everything from the way that the team explains our fee structure, make requests to departments, services clients, explains concepts to clients, runs reports, saves documents, runs meetings, and more. Documenting our processes streamlines the way that we serve our clients, so they have a consistent experience. It also provides consistency for the team, scaling the every-day tasks so that the company can grow.

By systemizing all predictable and redundant tasks, you can use your creativity to solve problems. In other words, when processes for repetitious tasks are uniform, decision fatigue is reduced, giving you more energy to direct toward the unexpected.

Your role is to learn and follow *firm name*'s core processes. You should also ask yourself: what am I doing that is unnecessary? We always strive to adjust processes in any way that will make them more efficient and effective.

Traction

The Traction component of EOS is about discipline, execution, and accountability. We strive to have a company where projects get completed on time and people who commit to a deadline hit it. We don't want to let each other down, so we put in the extra effort needed. Meetings start and end on time. We are a place where people don't make excuses and unproductive people can't hide. We focus on a few priorities for 90 days that are tied into *firm name*'s overall goals. Things just get done.

Our Level 10 Meetings (L10), aka Traction Meetings, are how we ensure Traction exists in *firm company* at all times. We have a firm-wide Traction Meeting every single week. There is a start and end time, a set agenda, full participation and accountability, clear resolutions, and written down follow up action items. The accountability of the entire team is meant to build traction and ensure goals are hit. This is where the firm gets on the same page and a clear direction is given for the week, month, and quarter.

Level 10 means that the Meeting is rated a 10 out of 10 in importance and effectiveness for the team. At the end of each Traction Meeting, we rate the meeting. If any rating is given below a 10, an explanation is expected, and solution is implemented to avoid recurrence.

The following items are on the agenda for the weekly Traction Meeting:

Segue – each person on the team shares one piece of personal or professional good news from the past week. This is an opportunity for the team to transition from the day-to-day battles and get to know each other better.

Scorecard – we review the Scorecard in an efficient manner. No commentary, excuses, or questions should be necessary during the review of the Scorecard. Fight the urge to discuss anything during the review of the Scorecard, just report the numbers! If a number is off track, it should be added to the Issues List and discussed during the IDS portion of the agenda.

Rock Review – each person gives a simple statement if their rocks are “on track” or “off track”. Once again, no questions, commentary, or excuses allowed. Any item that is off track or that anyone has a question gets dropped down to the Issues List.

Headlines – this part of the agenda is an opportunity to make any announcements to the entire firm (to avoid many firm-wide emails going out regularly).

To-Do’s – throughout the meeting, any follow up action items are input in the system with an owner and a due date. These action items are reviewed on a weekly basis to ensure they are cleared out and completed.

IDS – this is the meat of the L10 Meeting. This is where the team spends time identifying, discussing, and solving issues on the Issues List.

Vision Review - we review the Firm Vision on a regular basis to ensure it is front of mind and the whole firm is aligned.

Summary

The expectation held at *firm name* is that every team member buys in to EOS fully. No one is exempt. As you are in your first few weeks of training, come back to this training guide for reference. It is a lot of information! Understanding the terminology and implementation of EOS will allow you to function optimally in your role and ultimately understand *firm name* better. By have a “One Ship Mentality,” we strive to have team members who reach their potential, an engaged team, a strong culture, happy clients, and a successful firm.