

Ep #316: Get What You Want Out of Your Business
Using the EOS Model: An Interview with Jerry
Kauffman

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Maddy Roche

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Narrator: [00:00:01] Join your host, Maddy Roche, as she brings you into a community of fee-only financial advisers who are successfully building profitable businesses that serve the next generation of clients. Learn from innovative advisers whose unique stories will inspire you to dream big and take action on your goals. Are you ready to live your best life and help your clients live theirs? Then you're in the right place.

Maddy Roche: [00:00:25] Hello and welcome to episode 316 of #XYPNRadio. I'm glad to be here. I'm excited to have Jerry Kauffman, an EOS implementer on the show with me today. Many of you have heard me and Alan Moore talk about EOS on the show, but for those of you who are unfamiliar with EOS it's the entrepreneurial operating system. It's based on a book called Traction by a man named Gino Wickman. And it's a system design to help entrepreneurs get more out of what they want in their business. XYPN implemented EOS in our company just about three years ago with the help of Jerry. And I'm excited to have him on the show today to discuss the core components of the system with you, our listeners. Jerry is going to be hosting a pre-conference workshop at #XYPNLIVE 2021 in Denver so that folks actually have the ability to implement this system in their business. But today, Jerry talks through the major components of the EOS model from setting rocks to having an engaging meeting rhythm to deciding measurable of your scorecard. He discusses the differences between the visionary role and the integrator role and even gives us some behind the scenes takeaways from working with Alan Moore and Michael Kitces, who are both visionaries. EOS is a core component to how XYPN runs its business, and since we implemented it, I have always thought about the importance of sharing the lessons and the tools and the system

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with you, our listeners. And I hope today's episode gives you some ideas on how to get more out of your business.

Maddy Roche: [00:01:57] An event made just for fee-only advisors? Yep, you heard that right. It's #XYPNLIVE and with over 45 content sessions, three keynotes, a one-of-a-kind exhibit day, and networking opportunities galore, it's the game-changing event you've been looking for. Join us in November (in person or virtually) and leave with knowledge, new connections and a whole lot of inspiration to accelerate your progress and smash your goals -- no matter where you are in your advisor journey. Visit xypnlive.com for full details and grab your pass.

Maddy Roche: [00:02:35] Also, be sure to go to XYPlanningNetwork.com/VIP to join our private group just for #XYPNRadio listeners. It's a community of advisers we've all been looking for that's there to provide support when we need it the most. Best of all, it's free. I encourage you to check it out. Again, that's XYPlanningNetwork.com/VIP.

Maddy Roche: [00:02:54] Good morning, Jerry. Welcome to #XYPNRadio. It's an honor to have you on.

Jerry Kauffman: [00:02:59] Good morning, Maddy. I'm really delighted to be here with you today.

Maddy Roche: [00:03:02] I am too. Everyone I want you to just hear from me first that Jerry is XYPN's EOS coach and you're going to hear all about

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what EOS is. But I am extra tickled to have Jerry on this podcast today because Jerry has very much impacted XYPN as an organization over the years and I give him a lot of credit for helping XYPN mature the way it has. So today's interviews are going to be all about Jerry and his expertise and how EOS is applicable to you all. So, Jerry, why don't you do the honors and introduce yourself a little bit?

Jerry Kauffman: [00:03:36] Well, thank you, Maddy. I'm blushing over the- over the waves here because it's been a great pleasure for me to work with XYPN. And I think we'll get into that in a little bit. But I want to correct you slightly. I am an EOS Implementer, not a coach. There's a little difference. And we'll get into that later because it's a-it's an interesting nuance. But in terms of introduction, I'm a Montana guy. I was born and raised in Montana. My business now is based in Montana. The majority of my clients are there. But my-my professional life took me out of state for a long time. I- I graduated with an engineering degree from Bozeman right there where you are, and went to work with a big company, 3M company. I was there for 14 years and liked it and learned a lot and they got their money's worth out of me too. But I always felt like, you know, being employed two seven three five four out of seventy five thousand wasn't really my jam. And at the right spot in a smaller company would be better for me. And long story short, that right spot and I found each other when I was working and living in southern Minnesota and I left 3M and went to a small manufacturing company, about 100 people. We made specialty motors and generators and components. Very interesting business. And I was there for 16 years, the last half as CEO. And during that time I implemented the EOS in my company with the help of a professional implementer. And so I got to see how it worked and how it helped me and it helped my my team and so forth. Because where we were trying to go was the company was-was new placed. We had to learn by the seat of our pants. We were taking the

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company where it hadn't been before and we needed some tools and organization to do that. I came across EOS and being a bit of a skeptic, I investigated it pretty hard and talked to a bunch of people before I took the plunge. But was really glad that I did it. I left there in 2016 and got to kind of pick the next phase of my career and here I am. I'm a certified EOS implementer and feel very blessed because I am one of the people that gets to do work that they really love with, with people that they really enjoy working with. So I'm in a good spot.

Maddy Roche: [00:05:43] Mmm. I love that, Jerry. That's awesome. Let's tell the listeners really what EOS is. I know a lot of our listeners and our members who are listening and have heard Alan talk about EOS, but I'd really love it. Kind of an explanation from you about what it is and why it's important.

Jerry Kauffman: [00:06:01] Yeah, I'm going to answer that kind of in two-in-two pathways in a real sense, EOS is a community. In a couple of regards, it's a community of experienced business professionals like myself that are really devoted to helping entrepreneurial leaders thrive and get more of what they want from their business. That's kind of the thin line that we hang on to because sometimes people don't understand what that is. And that's part of the work. EOS is also a community in terms of we find that when companies are running on EOS and they find other people that are running on EOS, there's kind of a thing that happens where they love to compare notes and help each other out. More-technically, EOS is a business operating system, so it's a set of tools that helps you to run the whole business. And very briefly, EOS recognizes that there's six key components to every business, whether it's large or small, the vision component, the about getting everybody on the same page. Here's where

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we're going. Here's the plan. The people component getting the the all the right people to make it work in that organization because it's so unique of an answer. Everyone is different. Data component about having a pulse on the business. Issues component, being good at articulating what's getting in your way, naming it and taking it on instead of stuffing it under the rug like it can happen, sadly sometimes. Process component being consistent is systematic about how you do things and then the traction component. Great discipline and accountability for great execution, and if we had to boil down what EOS does into a really succinct summary, we say that EOS helps leaders to get better at three things vision, traction, healthy. Vision means getting everybody on the same page. Traction is about having great execution through discipline and accountability and healthy means helping those leaders to become part of a really healthy, cohesive, high functioning organization because sadly, they're not. You can have great people that aren't necessarily healthy team. So we have to get good at all three of those things. And then eventually it goes to the whole company. I always start with the leaders and it goes to the whole organization.

Maddy Roche: [00:08:19] Hmm. I'm interested, Jerry. A lot of our listeners and a lot of the XYPN member community have smaller teams. Some of them are solopreneurs and some have, you know, two to three, two to five different employees, is EOS applicable to a small firm like that?

Jerry Kauffman: [00:08:36] Yes. I love the question because I'll answer a little more the company line first and then perhaps a little more interesting. But the EOS is designed for organizations that are our sweet spot is organizations that are about 10 to eight or 10, up to as many as as a couple hundred. And that have leaders with what we call an entrepreneurial

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mindset and that that term gets used so much. In this context, it means leaders that are that want to grow in some way, whatever that means to them, they're open minded. They're willing to do things differently if they need to. They want help. And often they're actually feeling some pain. And I don't want to dwell on that in a negative way except to say that they're kind of stuck. There's something going on there. So that's the sweet spot. However, more to your point, EOS can work with organizations that are larger. There are billion dollar organizations and it can work with organizations that are smaller. I particularly like the smaller ones. If you-if you said six to 50, you would get almost all of my clients. And I actually have helped to implement EOS tools in a couple of organizations that were just getting out of the gate and just had one or two people. So how you do it is-is a little bit different. But the concepts and the principles are the-same. And we can we can dive into that more either now or later, whatever you would like.

Maddy Roche: [00:10:04] Yeah, beautiful. And I love the business operating system. So many people, as they start their businesses, need a system that so many folks don't have one. And this is really a template and a toolkit to be able to organize your day, organize your month, organize your week. Isn't that right?

Jerry Kauffman: [00:10:22] Yeah. EOS has the set of tools that provides a structure once the leaders of an organization have a clear sense of where where they want to go. And in fact, EOS helps them to to suss that out, if you will, and to articulate it and to actually write it down because that's so important, then it gives them the structure to provide that discipline and accountability that helps the organization to continue to move forward. They-they can once they know where they're going, all of the steps that

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they take, whether they're big giant steps or little baby steps, are in the direction of that of that vision where they want to go.

Maddy Roche: [00:11:01] Totally. As a teammate that was witness to XYPN implementing EOS, I really felt it was when we gained traction. It was when we started knowing where we were going. It was a unified vision for the first time that was written down on paper. And we looked at consistently. What is and what has been your relationship with XYPN over the years?

Jerry Kauffman: [00:11:23] Yeah, I have-I have kind of two relationships with XYPN, if you will. Officially, I'm their EOS implementer, so I help them to learn the tools and implement them, facilitate meetings on a quarterly basis. So in the-in the early stages, we've been working together nearly three years now. In the early stages, there was an aspect of teaching the tools and facilitating putting everything in place. Now my role is more that of facilitating because they understand EOS quite well and they're using it and they're using it well and unofficial I'm a big fan of XYPN. I know that sounds like like I'm just being a blatant brownnoser, but but I'm rather a student of company cultures and the way that people work together and XYPN is really notable and exceptional in my mind in that-in that regard, the culture that you've created there and the organization is growing really rapidly. And it's particularly rare to see an organization that is so dynamic and growing and staying so healthy on that path. It's hard to do all that at the same time. So. That's like I said, unofficially, I'm a fan. Officially, I'm a certified EOS implementer.

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Maddy Roche: [00:12:41] Awesome. And just for our listeners sake, what's it been like to work with Alan and Michael?

Jerry Kauffman: [00:12:47] Yeah, interesting question, because they're both exceptional people, the EOS part of it. EOS is working really well. They understand the system. They're invested, they're dedicated to it. And they they really make it work. They're disciplined about it, which is really important. And when people are very visionary, sometimes discipline is hard. And in Alan and Michael are both very visionary, which actually is a thing to note because it's very unusual to have an organization that has two visionaries and it works well a lot of times if there's more than one visionary, they just have a hard time meshing and-and it can go in many different directions. And when I talk to other implementers in the community, I say I have this organization has to implementers are like, oh, really? That's probably not working. I say, yes, it is working. And the reason that it works, which is due to your point, is that both Alan and Michael have a lot of humility. They are not ego driven. And, you know, they certainly are are really extraordinary people, not very many people that have that are as humble as they are. And this is a little more philosophical. But expand to any kind of organization or my my observation of great leadership. There's two things that I think are central to great leaders. One is that they have to have humility. And the second is that they surround themselves with people that-that are different than them, that have different perspectives, that disagree. They-they welcome this diversity and healthy and productive conflict, if you will. Bad leadership just won't listen to people that don't agree with them. And we could talk about that all day, probably. But to your point about what it's like working with with Alan and Michael, they're both really visionary in somewhat different ways. And it's-and it's working so well because they exhibit what I believe are those really key aspects of being-of being great leaders.

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Maddy Roche: [00:14:57] You use that term implementer and visionary often. And I'm wondering in the world of kind of a solopreneur, if we were to put on our hats of some of the advisors who are at XYPN, how would you use that language to describe them as business owners or how did they use that language in their work?

Jerry Kauffman: [00:15:14] Yeah, there and there's a third term I'm going to throw in there of integrator. So implementer is what I do. I help organizations to implement EOS. And many organizations have a-have an integrator. Everyone has an integrator. That's the person that's making things work. Kind of the drumbeat, the glue that holds it together, if you will. They're willing to get into the details. And a lot of organizations probably in my work somewhere between a half and two thirds or maybe even three quarters have a visionary. Also, if there's a visionary and an integrator in the organization, you really have to understand how that works, because the visionary has a lot of ideas. Quite a few of them aren't that great, honestly, but they have a lot, you know. Oh, yeah, sad to say. Sometimes I say they have 20 ideas before breakfast on a good day, one of them's good -

Maddy Roche: [00:16:09] Alan Moore.

Jerry Kauffman: [00:16:10] - Oh, perhaps. So the visionary, a lot of good, a lot of a lot of ideas. They're often good with a couple of really key relationships, often are really good with the culture, but they often don't have the, the attention span and the level of detail and the interest to make it work. And so they can they can whipsaw an organization around and

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around. The integrator, on the other hand, likes the detail, makes things work, is really delighted to be in that second chair, if you will. And some they make the tougher calls than the visionary often and have to have hard conversations. And I think of them as as the conductor of an orchestra where they're making sure everybody has the same sheet of music and they're on the same page and they play in tune. And I have great trombone players and enough of them and they play when they're supposed to and they sit there quietly when they're supposed to. Beautiful music. We call it a symphony. And in a business context, when all of those functions are working well together under the direction of a gifted integrator, you get what you want out of the business. That's the beautiful music. So to bring that into the context of the the smaller organization, there's going to be elements of visionariness and integratoriness as well. What really is an important conversation and deep thinking is for the-the owner, founder, leader, guru, whatever it is of that organization, to think about integrating and to think about visionariness and understand both of those, so they-they're clear about what they are and what they're not and they're not trying to force fit something that's not there.

Maddy Roche: [00:17:52] Jerry, I'm interested in why. And from your experience, why is it so important and why is it so effective for leaders, visionaries or integrators either way to have an idea of where they're going.

Jerry Kauffman: [00:18:06] Yeah the, you know, I think it's a Yogi Bear quote. He said, if you don't know where you're going, you might end up somewhere else. And-and-and that's-that's true. But what I've discovered is that a lot of times leaders, the reason that they get into the business may not be completely clear to them and either because they haven't been thoughtful or they got pushed into it or circumstances or sometimes their-

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their making a change because they're escaping something or going away from something, and so the notion of saying what am I going to, instead of what am I going away from sometimes can be really, really enlightening, if you will, for people to to get that clear in their mind. And it-it connects to this concept of-of a why, a professional why or a personal why that I think we might talk to a little bit-a little bit later. But that's why I think it's so important. I used the phrase earlier, helping people to get more of what they want out of their business and saying that some people don't know what they want from their business. And it ranges. I've-I've seen-I've seen them all. Some people want to solve really hard problems that nobody figured out before. Some people want to build this cool organization where everybody wants to be. Some people want to build a big organization. Some people want to, you know, gained notoriety, hopefully of a good kind or something like that. Sometimes people want to have a business that creates opportunity for other people that I think that matches quite a bit with XYPN and that. But-but when it when a leader hasn't thought through what they really want, it tends to be distracting and it makes it really easy for them to chase. We call them shiny things or to squirrel around or they dash in this way and dash in this way and dash in that way rather than remained-remained focused. And sometimes the analogy say you make a millimeter of progress in a million directions. That's not going to help. You want to know where you're going so you can make significant, substantial progress and get that thing that you want.

Maddy Roche: [00:20:35] As an owner of a team that's small or maybe just yourself. How how do you kind of stay clear on where you want to go and how you're going to get there?

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Jerry Kauffman: [00:20:44] So as the-as the leader or owner of the organization there, there are lots of choices about how you're going to get to where you want to go. And some of those choices involve risk. Many of them do sometimes really significant risks, sometimes smaller. The joke is what do you call a squirrel that can't make up its mind and the answer is flat and we've- so that's a little bit of a grim image. But everybody's seen that the squirrel dashes back and forth and ends up coming to an unfortunate end. And as owner, leader, founder of an organization, if you don't make up your mind, you might take risks that-that are so big that they risk the future of the company. You-you use up resources or do something wrong that that then requires a lot of repair. And you have to instead of focusing on where you're going, you're now recovering, repairing, you're fixing the damage. You spent all your money on something that didn't work out. And you have to wait for a while to build up cash. Those those kinds of things.

Maddy Roche: [00:21:56] Absolutely. I'd love to dive into some of the core components of EOS. Many of them have had a direct impact on how I do my job and how I manage my team. And one of them has been the scorecard and this idea of measurables. And that's not a novel idea. But I'm really interested in why having measurables are so important to a growing company.

Jerry Kauffman: [00:22:19] Yeah, they are. Can-can I ask you how it has really helped you?

Maddy Roche: [00:22:26] I, thanks, I like that question. You know, we use the analogy and it probably came from you that, you know, if I was on a

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desert island or if I was on vacation or something like that and I needed to know the health of the organization, the side that I manage, what would I need to look to? That question is one that I've really had to drill into and find the metrics that are most telling of our health and what we found three years ago when we implemented EOS, that we didn't necessarily have those metrics tracked and we didn't track them on a weekly basis. Every week now our team goes through our scorecard together and any deviation we kind of catch on to. And sometimes we can just say, oh, it's just a one off thing, but then we can start seeing trends, too. And, you know, number of members, churn, you know, MPS scores, things like that, all of a sudden become really our North Star. And then when because of that, I don't have to worry about all the other metrics necessarily because I've chosen the top ones.

Jerry Kauffman: [00:23:29] Yes I love that explanation. The oh, one of the key tenets, a couple of key tenets of EOS that are kind of the layer down. One is that it's about clarity, focus, and alignment. That's what I wanted when I was implementing it in my company and and I got that and focus, actually all three of those apply to scorecard, clarity, focus and alignment. The other concept that's underneath the EOS is helping leaders to become great at predicting what's going to happen in the future. Now, most of us would say, oh, if I could tell you what's going to happen in the future, I would just get paid for doing that because nobody knows with certainty what the future would be. But the scorecard is one of the ways that leaders and teams improve their ability to predict the future. And I love the analogy of the Desert Island is a good analogy. The other analogy that I use with teams is that of driving down a road, you're driving a car down the road, you have a rearview mirror and you look at it occasionally, but it's pretty small and you don't look there very often. You have a dashboard, it's a little bigger and and you check there more often because you want to make

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sure that you're not speeding or you're not running out of gas or overheating those things. But you spend most of your time looking out the windshield. And the windshield in modern cars is designed to be so big you can't not look out of it. You know, they try to make it so all you can see is out the windshield. And as you're looking forward in this case, predicting means staying on the road. You're constantly making observations and adjustments. Hey, there's-there's a deer in the ditch. I better slow down. There's a slow moving tractor. There's a traffic signal. There's someone approaching from a side road. There's a truck in front of me. I better slow down a little bit. And in a business context, when you can look out there and have a really clear picture as real time as you can about what's coming, it's a really-it's a really powerful concept. In a scorecard, the items on a scorecard are called measurables, as you know. And and we look for three attributes for measurables. The first is that it's activity based. What are we doing? Second is that it's forward looking. I want to look out the windshield. And the third is that it's measured weekly, can't always get all three, but we try really hard because it's so powerful when you can you're if if you, I think of scorecards also as rumble strips. To take my driving analogy a little further, when you're driving along and you get rumble strips, you don't ignore that and wait till you're in the ditch and you don't immediately swerve steeply to the left and go there, you make an adjustment. Rumble strips. Hey, what's going on? Let's oh, I'm going to make a little adjustment here. And it's-it's exactly what you're describing that you're doing with your team so well. When we're off track with something, we check into that. Is there something going on that we need to address immediately, later, continue to watch. But we're aware of it. We're not just driving down the road with your eyes closed, for example. The other part about scorecards is that I really like is that scorecards often can be used to give teams and individuals feedback on whether they're being successful. And if I take that to an individual, whether it's a large team or a small team, people that are high performing people want to be part of a

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high performing team and they want to know how they're doing. These are the people that can't even play pickup basketball without keeping score. They might even trash talk when they win. I don't know. But they are high performing people want to know how they're doing and the scorecard gives them that measure if they're succeeding. So whatever your job is, if you're an executive vice president or the owner or a person that's a doer in the organization, and I say, how do you know if you're succeeding, Ms Doer? And she can say, well, I'm getting this and this and this. Oh, can we measure those? What are those? Well, yeah, I guess we could. How many makes it a good day for you. And you can see that I'm starting to lay out a scorecard and scorecards, the alignment piece. I can have individual scorecard so I know how I'm doing as an individual. It tracks right to my department scorecard. I know that my manager Maddy is going to be happy because it's our teams now doing well and there are a lot of people that don't understand how they can make a difference. They come to work saying, I want this thing to work. I'm all about, by the way, I have no idea how to really do that. So I'm-I'm kind of guessing. The scorecard really helps me to quit guessing and say, oh, if I produce these numbers, I'm succeeding and it's helping my department and my company we're lined up. That's the alignment piece.

Maddy Roche: [00:28:28] Beautiful. Any coaching around how to decide on the measurables that fit into the scorecard?

Jerry Kauffman: [00:28:35] Yeah, first of all. Relax about a little and don't expect it to get get a perfectly right the first time. It just doesn't happen. It's an iterative process. The second thing is that if people are struggling for a measure, measurables, I say, well, start simple, pick a couple things, but think about you had a good day. Why? What happened? What did you

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produce or what didn't happen as the case may be. But oftentimes people have somewhat of an innate sense. I had a great day and if you ask them why, you can tease out some measurable is there to write down and keep track of. One of the finest examples, I heard a team had a bunch of computer programmers. And these are the we stereotype these as people that go in the basement at the beginning of the day and we don't see them until the end of the day. In this case, it was-it was really pretty true. And they were asking these folks what makes it a great day? And they said when nobody talks to us or bugs us or interrupts, and they literally measured interruptions. And-and so for them, it was a great day when they were really focused, they got a lot done. They loved it. That would drive me crazy. But for them, it was a perfect score card.

Maddy Roche: [00:29:50] That is very helpful, Jerry. And selfishly, I've been welcoming some new teammates onto the team. And I you know, I know it's an important component for traction and EOS that every every teammate does have a metric. But that simple question of how do you know you had a great day does get to the heart of people's work. And I'm going to use that.

Jerry Kauffman: [00:30:13] And I love the opportunity for you to have the conversation with your direct report, because they might say, well, how how do you know if I had a good day? And now you're talking about getting clarity around expectations of what-of what your report thinks you expect of him or her. And also, just as important, how do they know what you expect of them and that that dialog is really powerful to creating clarity, focus and alignment? Yeah.

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Maddy Roche: [00:30:45] Totally. Wonderful. I love the system so much because it is designed for entrepreneurs to implement in their businesses. And being an entrepreneur really does require a certain attitudes and certain-certain personalities. And at XYPN, I'm very proud that we give folks an opportunity to test being an entrepreneur for the first time, likely without often them planning on doing it. Sometimes XYPN members will tell us that, oh, I would have never been an entrepreneur had you not given me kind of a system that we do give them here at XYPN. But I'm interested, just with your years of working with entrepreneurs, what have you found and figured out about them in terms of what their biggest challenges are?

Jerry Kauffman: [00:31:29] Yeah, well, I find that a) the word entrepreneur is-is become so ubiquitous that it has a lot of meanings to different people. And once in a while, well, maybe more than once in a while, I see people saying, well, I'm an entrepreneur when really it just means they have a short attention span and they don't like being told what to do. Right. And there's-there's some work. Gino Wickman is the guy that developed us many years ago. And and he now actually is kind of hatched EOS. There's a different leadership team and he has taken on a new thing where he is working with entrepreneurs in the making. His-his goal is to reach a million entrepreneurs in the making it's called E Leap. I think it's E-leap.com. And I just put a quick plug in there because he has done such a marvelous job of articulating do you have what it takes to be an entrepreneur. And he's laid out six things there. You visionary, passionate, a problem solver, driven, a risk taker, and responsible and-and has a nice little set of tools where people can do that assessment and it will help them to understand if they truly are an entrepreneur or if they're not, it will-it may touch on what we talked about earlier, about people that they're anxious to get away from a big corporate world, for example, doesn't necessarily make them entrepreneur. But understanding themselves well is-is-is what is really

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important here. And EOS is about execution. That's sometimes people call it traction because that's the name of the book. But it really is about great execution towards the vision. And so EOS can work marvelously for people. You don't have to be a visionary on the, you know, on the-on the scale of Alan Moore to use EOS and to make a big difference at-at least for yourself. We talk sometimes about EOS helping to create what we call the EOS life, both for ourselves as implementers, as well as for our clients. And the EOS life means five-means five things: doing work that you love with, people that you love, being compensated fairly, making a huge difference and having time to pursue other passions. And, you know, just going through that, get a little bit of goosebumps there. I'm working on the time to pursue other passions. I'm not quite there yet, but-but I love having that out in front. And so that gives a little bit of context also for people that-that are entrepreneurial or that are starting something that hasn't been done before, really gaining clarity about about why they're doing it, which is touching more on the-the start with why or the personal why work.

Maddy Roche: [00:34:16] Yeah. When you say execution, it took me a moment to think about what component of the EOS is actually the execution. And it's-it's the rhythm. It's the setting of the racks. It's working towards the racks, which is a word we haven't discussed yet. But is that on point?

Jerry Kauffman: [00:34:32] Absolutely on point. The-the-the six key components that I mentioned earlier, the sixth one is called a traction component. And EOS sets up the tools to have a quarterly pulse. You know, when I'm implementing with a-with a full team, there's an annual pulse. We spent two days once a year. We spend a full day once a quarter. But inside of that, when the the organization has this quarterly pulse and

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then there's a weekly pulse. And I think and it's something that may be an issue for really small organizations, if it's one or two people, is-is creating that pulse and creating that accountability that EOS builds right in as the accountability because the leaders are meeting once a week and I'm meeting with them once a quarter. And sometimes if you're kind of doing your own thing, it may be hard to maintain that accountability and that pulse unless you're intentional about setting up some kind of a mechanism to make sure that you're accountable. And rocks, by the way, are priorities usually about a 90 day duration, that EOS tool set up. The long term goal if it's way out there. And then we say, what are you going to look like in three years? Three years has some way of free in our minds to think, oh, it could really be pretty cool and different in three years. Could. Yeah, it could. And what do we have to do this year? And then what are we going to do this quarter in the next 90 days. So we get those one year goals done. We'd look like that in three years and we reach this distant goal on the horizon that's way out there five or ten years out there. And I think that sometimes really small organizations, again, just a-just a couple of people or that are kind of feeling their way along don't have that sense of that-of that pulse. And so they can they can kind of drift. And we get back to the part about making risky decisions that might be crippling or in worst case, fatal.

Maddy Roche: [00:36:36] I think as you talked about that, Jerry, it hit me that it's that traction component that has added so much to XY. It's-it's given us the the daily, weekly, monthly, quarterly, annual cadence to running our business. And as a manager at XY, that means that every week I'm meeting with my peer team and that I'm meeting with the people I manage. And then we have one on ones during that week. But it's not just because we want to have meetings, it's because those meetings actually have intention. And I've always appreciated that. You know, we've been coached that during what we call our level ten meetings. If they're not if

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that's not the most important meeting you go to all week, you're doing it wrong. And I really look at those meetings as-as core to how I run my department. But I found that the quarterly basis also gives us the ability to 90 days. You can kind of digest that. You can-you can-you can see where we'll be in August. And that's really helpful. Do you see that happening with other organizations?

Jerry Kauffman: [00:37:38] Oh, very much so. The we say that human beings have a 90 day attention span so you can have everybody in lockstep on day one. And and about eighty nine days later, you look around and people are working on some weird stuff and you say, what? How do you get there? And so it just raise at the edges. So you bring people back, say remember? Here's what we have to get done this year. How do we do, by the way, on what we said we would get done this quarter? How do we do? We predicted we'd get this done. How did we do and what can we learn from that? That's part of predicting muscle. And then you say, OK, what are we going to do the next quarter? And, you know, Gino says something very much like you said, oh, I built this big business a quarter at a time.

Maddy Roche: [00:38:23] Wow.

Jerry Kauffman: [00:38:24] And some people just they just kind of break out in a rash when they hear that. But it really works for most people this pulse, quarterly pulse. And what will happen when people get used to that, you'll find them saying things like Maddy, that's a great idea. But I'm-I have my rocks for this quarter, I'm going to write that down, I think we could do that next quarter. And-and so it creates this-this pulse and really keeps the

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team, again, focused and aligned and not distracted. You will have no shortage of good ideas and sometimes small organizations they say they die by not by starvation, but by indigestion. All right. There's so, so much going. And EOS gives you the chance to say Alan. That's a great idea. You have lots of great ideas. I bet next quarter that's going to be one of our-one of our rocks. But right now, I'm working on these rocks. Remember, we agreed to them and he'll say, yes, that's right.

Maddy Roche: [00:39:29] Jerry, you are so right that that is that's that's such normal language that XYPN. No, no, I already have my rocks. Maybe this will be a rock next quarter. No, I can't do it. We've got our rocks. It does keep people looking and it keeps people really on course. And that's all I can think about. And I've actually absorbed kind of the quarterly rhythm into my own life. And I, as we're rounding out quarters and we begin quarters. You feel all you have so much time to do things now. And I-I've been able to to kind of vision board my own little rhythm in my life of setting my own quarterly goals personally. And it's been a really helpful system, which I think is the whole point here.

Jerry Kauffman: [00:40:12] Yeah. Good for you there. It's a bit of an aside, but there actually is an EOS family plan that is specifically it's-it's tailored. But you talk about what are you what are the goals for your family? What are your financial goals? And it really, the same thing. It allows people to have as much structure as they need. They don't have to be rigid about it, but they find the right structure, be disciplined about that and create this pulse for keeping things moving forwards towards where you all have agreed that you want to go, whether it's as a business or your department or your family or you as an individual.

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Maddy Roche: [00:40:49] Hmm. We may have to have a totally different podcast about that family plan, because it does sound like it would be really applicable to the advisors who work with clients that even just talking about some of these things. What are the main metrics you want to achieve? And getting them into a rhythm like this could be helpful in so many different ways. You and I have talked before kind of about the frustrations of entrepreneurs. And I'm interested in what you know about what-what catches entrepreneurs off guard? What-what are the big things folks can expect if they dive into the world of entrepreneurship?

Jerry Kauffman: [00:41:26] Yes, and diving in. It reminds me of the metaphor about the frog, where the water is slowly heated up and it doesn't realize that it's getting hot. I think that can happen for people to get into something. And and it just kind of goes along. And at some point they recognize, oh, my gosh, this is no fun anymore. Why is that? And-and Gino gets the credit for this list of five common frustrations also. But he stated it so well and I see it happen. So what if I'm talking to a business owner says I'm just frustrated, I need some help. I'm not sure exactly why. I'll share with them that often. There are five things that often boil up. A new entrepreneur are probably feeling a couple of these, and the first one is control, where they used to have control of the business, now it has control of them. And that's just no fun. That's not why they got into this. The second one is around people. They often say things like, oh, these people just don't get it. But the reality is they haven't communicated with them well. Perhaps they haven't articulated what their vision is well enough to to share with people, but they feel like people just don't get it in their head it makes perfect sense. It's obvious. And the people around them are like, I'm really not sure what we're up to here. The third one is profit or not enough of it. It's the person. They're just working their fingers to the bone and barely scraping by or not even scraping by. And they know the idea is really valuable and

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they just can't get paid for it. The fourth one is where they're hitting the ceiling, which is normal. All organizations go through that, whether you're starting with one or with more people. But it's kind of easy. You you grow kind of easily for a little bit and then it gets hard and you're stuck and you're not exactly sure why it can be kind of a creeping realization or a spark thing. I've seen it both ways in the last frustration is where nothing's working. So these are the folks that have tried lots of things. They're-they're usually great leaders and great attenders of webinars and seminars. And they come back to the organization or to themselves and say, this is it, this will be it, and a month later, oh, this is it, this will be it. And-and they might all help a little, but they-they're not cohesive. It's not enough of a system. And and to-to really create lasting change that's going to-to relieve that stress. And so pretty often when I'm talking to people, usually what will happen, they'll admit one or two. I'm pretty sure inside they're feeling almost all of those, cause it's really a normal thing.

Maddy Roche: [00:44:18] I have heard XYPN members quote each and every single one of those at some point over the years. And I think they're all so true. How does traction in the EOS model address those?

Jerry Kauffman: [00:44:32] Yeah, I come back to that clarity, focus, and alignment and also the six key components of the model as EOS is implemented and use the tools. There are five primary tools, the-the vision traction organizer that helps people answer questions like that. It just lays out here's our clear and compelling vision. Now you can share it with other people, the accountability chart that says who's accountable for each thing and who they report to. And accountability, by the way, is really different than tasks. I'm telling you, Maddy, here's what-here's what you need to make sure happened. You figure out how to do it. You're smart, you can

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figure it out and I can tell you how to do it. But here's what has to happen. Very freeing thing. And then their scorecard. We talked about scorecard, we talked about rocks and we talked about the meeting pulse. So those are the five kind of foundational tools that we talked about, it being put into EOS. Strengthening those six key components then is going to address all of those five frustrations, if indeed they're all five present. And, you know, I could talk all afternoon about how each tool addresses those. But the beauty of EOS is that the tools allow all of those six key components to get stronger at the same time. It's not like we do this and then this and then this and then this. You're actually growing all of those at the same time when you're implementing the EOS tools.

Maddy Roche: [00:46:11] I've really appreciated the EOS tools and model because nothing was so hard to implement that we didn't want to do it. You know, so much of it was welcomed in our organization at the growth point that we were in. But I'm wondering, you know, it's not to us just a system like just another system. It really is our only system. It's-it's how we do things. But I imagine that some people can't actually do that and it just falls to the wayside. Do you have any tips for folks or maybe reasons why people can't actually implement this system in their business?

Jerry Kauffman: [00:46:47] Yeah, it will, early on if I'm doing a typical implementation with-with a leader, a leadership team. So I'm looking at this team leaders and saying, hey, there's going to be one system. I assume we're talking about EOS because I'm here with you. But I have to tell you, it's it's going to be one system. You can't mesh multiple systems together. It just won't work. And EOS is not necessarily for everyone. I'm not-I'm-I'm not saying it's perfect and everybody has to do this. It works great for me. It did in my company. And it works great for the people that I work with. But if

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what I've seen is once and I have run into a couple of companies that had a different operating system that they've used, large organizations, by the way, tend to have their own systems. They've 3M is a great example. They've 3Mized everything. And it's kind of bureaucratic, but it works and they do a lot of good, you know, but where I've seen probably the two main reasons that people aren't successful implementing EOS that the-that they usually they'll they'll walk away from it, say, hey, this isn't working. It it may be that they have a different system that's better, but usually they're being. I want to-I want to say this kindly, but I'm not sure how it's there tied up in ego and arrogance that's doing that. And they have not. When, they don't have that willingness to change and open mindedness and humility that we've talked about here in the last half hour, they just don't have that. And they're kind of like, well, I'm the-I'm the CEO and you're not going to tell me what to do. I say, well, you're probably right. Right. Please call me when when you're ready for this. The other thing that can happen is if there's a lack of discipline and it starts to fray at the edges and people say. Well, you know, I was working on other stuff because they were more important than my rocks and I'm like, no, rocks are most important. And if-if they weren't the most important, you didn't get very good rocks. Let's talk about rock setting. And they just don't have the ability to have that pulse and and accountability being and-and I think that may be a particular challenge for really small organizations, one or two people, because if they don't have some kind of a structure to hold them accountable, they're kind of all-they're kind of on their own. And it can be and it can be kind of lonely. It still can work. But you have to have intentional intentionality to have some kind of a mechanism or structure to provide that pulse and accountability.

Maddy Roche: [00:49:34] Mm. I love that. You did mention you you could set rocks wrong and maybe just give the listeners a high level overview of how rocks are attached to that vision and to the 10 year vision through your

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target. Oh, I'm going to screw it up. But how are they tied to those different visions that we have at the different stages?

Jerry Kauffman: [00:49:55] Yeah, we in-in implementing well we start what's the vision? What's way out there in the horizon? It's usually like 10 years out, in some cases more like five, you know, faster moving organizations to be a little shorter. But what's the thing that's out on the horizon that everybody can see? Here's where we're going. Think of the image of a distant mountain peak. You can always see it. You're going to get there's going to be a lot of work and a lot of detail. We don't know, but we're going to get there. And then the three year picture is getting a picture in your mind about what we're going to look like three years from now. One year, what do we have to get done this year? So rocks then are saying, what do I have to get done this quarter so that I will get those things done this year? One year goals are pretty big things, but we have a whole year. But you know what? If we wait till the end of November to start, we're probably not going to get it done right. And so rocks are OK. What do I have to do here in the first quarter of the year? And then I'll probably have to do it by the next quarter and I will arrive at that goal completion at the end of the year. And if I do that, I'm absolutely going to look like that three year picture. I will have put things in place and I'll look like that. And so rocks are they're just business priorities. They're usually building some capability, putting a tool in place, maybe removing an obstacle. This has always been the biggest pain in our rear. Let's get rid of it and then we don't have to do that anymore-anymore. Remember, in a, it was a Chevy Chase movie where the the handle on his stairs, that knob, every time he touched it, would fall and it and he ends up taking a chainsaw to it. At the end, I think it was "Christmas Vacation." But yeah, that was bugged him all the time. He got rid of it didn't bug me anymore. I don't know if that's a helpful analogy for a rock, but we also make sure that rocks are very

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SMART. A lot of people are familiar with that acronym, but very specific, measurable. I know when they're done, they're attainable. I'm-I'm not setting off some unrealistic, crazy thing. They're relevant. When I get these done, they really matter to my business and their time specific. So I can tell you as I go through the quarter, my rocks on track or it's off track and I'll-I'll know darn sure at the end of quarter that it's either done or not done. Those are the only two choices, by the way. That's part about being disciplined. It's done or it's not done. Wow. I'm glad that you made a good effort, but is it done or is it not done? It creates accountability. That's really important for individuals and for a team in the larger organization.

Maddy Roche: [00:52:29] Totally. I love that rocks are so important to the-to the rhythm of XY and just hearing you talk through really the definition of SMART, again, I'm thinking of one rock I have that is not measurable. And here I am at the end of the quarter thinking I don't know if I can actually say it's done. And I believe I hear Jerry's voice explaining what that means. And Jerry, I just I give you so much credit. I give the EOS model so much credit for the impact it's had on XY. And I, you know, I live my life thinking about how are we at XY doing things that might be applicable for our members and their businesses. And since day one of hearing about EOS, I couldn't help but think about how applicable this is and just theory and execution. And part of the reason we have you on the podcast today is because we worked with you to set up a pre-con for #XYPNLIVE so that you for the first time can have access into our membership community and that our members and our advisors in our community are able to have access to you, Jerry. And so, folks, you will likely have heard of XYPN's annual conference here in November in Denver. We do have pre-conference events and Jerry is going to be hosting an EOS program. But Jerry, why don't we, as we wrap up this podcast, let you explain what folks can expect from this pre-con.

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Jerry Kauffman: [00:53:49] Yeah, I'm-I'm very excited about this will be a bit of a new thing for me, to be honest, and but part of my-my personal way is to make a big impact and talk about that EOS. And so when I have a chance to leverage and talk to a lot of people, I'm really happy to do that. Usually in my work as an EOS implementer, I'm in the session room with the leadership team of a single organization. OK, and so this is going to be somewhat different. It will be workshopy. I don't know if that's a word or not, but it'll be workshopy and is an implementer. I wear three hats of a teacher, a facilitator, and a coach, and I'm going to wear all three of those hats in this session. Folks will have a chance to do some pre-work. I hope that they will, because like most things in life, the more you put into it, the more you take out of it. Right. And so they'll do some pre-work and have some familiarity. And then in the session, you get an overview of EOS and I'll teach the tools. It's-it's you know, it's going to be a bit of a fire hose and a little high level, but you'll get a sense of what all those tools are. And then what I'm envisioning is that the attendees will actually start to apply these tools to their organization. So if it's-if it's a one or two person organization, I guess the whole organization is there. If it's a larger organization, what would be perfect is to have the leadership team there, maybe two or three people, because that that process will be much more powerful than one person, say, I'm going to learn all this and take it back to my team and you really will. It will be more powerful. But we'll teach the tools, dig into them. I think we're going to have the chance to have some exposure to some other folks, perhaps in your community that have used EOS would have direct experience shares. When-when we're working in the-in the EOS implementer community and talking with each other. It's a very strict rule for experienced share. We say don't just give us your opinions. Tell us what you did when this situation happened, because there's such power in that. And so if that opportunity comes that there might be some some folks there that will have experience share among your members, I'm not sure where.

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I'm hoping that that will happen. And attendees that engages in this experience, this workshop, if you will, they'll walk away with the tools, kind of the rough framework for the tools in place. And I think it'll be really provocative for them where they'll have a good idea. Like and this was interesting, but not for me or hey, we're going to we're going to jump in with both feet here. I want to learn more about the about what that means. And hopefully in that session, it's going to be most of a day, I think about seven hours is-is the current trend. There will be quite a bit of working time and experience, total share time. It's-it's not going to be a lecture where I'm standing at the front talking for people to take notes.

Maddy Roche: [00:56:52] Yeah, great. I can't wait for that workshop. I hope to attend it. And folks, you'll hear a lot more information about it over the next coming months. But, Jerry, this has been a wonderful podcast and I'm interested. Do you have any final words to our listeners that you didn't get to during the podcast?

Jerry Kauffman: [00:57:08] Oh, well, eat steak while you have good teeth.

Maddy Roche: [00:57:13] Those are coming from a man from Montana.

Jerry Kauffman: [00:57:19] No, more serious note. I'm grateful to you've been very kind, Maddy, and it has been a delight to work with XYPN. I'm not being facetious at all in saying that. And not everyone gets to do work that they love that they find so rewarding. Fulfilling. I think you're probably one of those people also, but I definitely am. And so when I get to work with leaders and talk about EOS and see the difference that it's making, light

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bulbs coming on, it's really rewarding for me. I think I'm in the right spot. So glad to be being in the right spot with you for a while this morning.

Maddy Roche: [00:57:59] Totally. Thank you, Jerry. And I do. I drive a lot of satisfaction from my work also because the membership community we support here at XYPN are of advisors who are doing that work that really fills them up and has a big impact. So credit and kudos to all of our listeners for the journey you're about to embark on. And those of you who already have, you're doing great work and it means a lot to this world and to our society. Thank you, Jerry, for joining us. And I'll see you in November.

Jerry Kauffman: [00:58:28] You're most welcome. Thank you, Maddy.

Maddy Roche: [00:58:31] An event made just for fee-only advisors? Yep, you heard that right. It's #XYPNLIVE and with over 45 content sessions, three keynotes, a one-of-a-kind exhibit hall day and networking opportunities galore, it's the game-changing event you've been looking for. Join us in November (in person or virtually) and leave with knowledge, new connections and a whole lot of inspiration to accelerate your progress and smash your goals -- no matter where you are in your advisor journey. Visit xypnlive.com for full details and grab your pass.

Maddy Roche: [00:59:09] Be sure to join our VIP community at XYPlanningNetwork.com/VIP to hang out with other #XYPNRadio listeners, ask questions for future mailbag episodes, and finally to find a community

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of like-minded financial advisors. Thank you so much for joining me today. We'll see you next time.

Narrator: [00:59:25] You are not alone and you are not crazy is scary starting, building, and growing your own financial planning firm. And that's why we put together a free private community just for you, the cutting edge financial planner. Go to XYPlanningNetwork.com/VIP or text #XYPNRadio to 33344 and join a network of thousands ready to change the lives of Gen X and Gen Y clients.