CLARITY PRINCIPLES

#1 Best Seller

#1 New Release

A Story On Making The Complexities Of Business Simple While Cultivating A Passionate Team

MIKE DENNISON

#1 Best Seller - #1 New Release

Ranked #1 in the following
leadership categories:

Business Systems and Planning
Business Communication Skills
Strategy and Competition
Strategic Management
Workplace Behavior
Workplace Culture
Business Teams

What's Your Clarity Score?
Take the free 2-minute
Clarity Assessment

https://scorecard.clarityprinciples.com

Clarity Principles

A Story On Making the Complexities Of
Business Simple While Cultivating
A Passionate Team

Mike Dennison

CLARITY PRINCIPLES

A Story On Making the Complexities Of Business Simple While Cultivating A Passionate Team

Mike Dennison

For more information:
mike@clarityprinciples.com

Paperback ISBN: 978-1-962280-07-5
Ebook ISBN: 978-1-962280-06-8

Free Resources and Tools
Before You Even Begin!

Thanks again for picking up a copy of my book. Here's a free bonus gift to help you get even more out of the Clarity Principles.

Get your free gifts here:

www.clarityprinciples.com/resources

Additional Videos for Every Principle

Downloadable Questionnaire

The *Clarity Principles* Roadmap

Principle Worksheets

Additional Author Insights on the Principles

This book is dedicated to CEOs and business leaders looking for a simplistic approach to level up in a big way.

Table Of Contents

Introduction **7**

Phase 1: Identify **15**

Principle #1: Stop Playing Below Your Pay Grade 17

Principle #2: No More T-Ball 25

Principle #3: Process First, People Second 37

Principle #4: Eliminating Speed Bumps 43

Phase 2: Implement **51**

Principle #5: The Goldilocks Zone 53

Principle #6: OATK 63

Principle #7: Push It Down and Push It Out 71

Phase 3: Improve and Iterate **79**

Principle #8: Building a World-Class Culture 81

Principle #9: Clarity and Seamless Execution 91

Principle #10: Iterations 101

Bonus Principle #11: Time to Fire Yourself **111**

Your Roadmap from Confusion to Clarity **121**

Next Steps **125**

Acknowledgments **127**

Author Bio **131**

Introduction

Simplicity is the ultimate sophistication.

—Leonardo da Vinci

Hello, I'm Mike Dennison, the author of *Clarity Principles*. Before we get into it, I want to say a very heartfelt thank you for taking the time to read this book.

Over the last thirty-plus years, I've had the opportunity to work for and consult with companies of all sizes—from some of the largest companies in the world to startups and other emerging companies looking to get to the next level. I've also owned, started, and scaled businesses of my own.

Through those many years, I've observed certain behaviors and patterns.

The companies that had great cultures with excellent execution, the ones that were positioned to scale, had many things in common. These companies were successfully leveraging the principles that I now call Clarity Principles. In most cases, they discovered the principles on their own, often through painful, costly trial and error.

Companies that struggled with below-average cultures, the ones that experienced challenges with execution and had difficulty positioning themselves to scale, also had traits in common. I noticed that these companies were consistently violating the Clarity Principles. After I worked with these companies to help them understand, embrace, and apply the principles, they often underwent a dramatic turnaround.

Over the years, many highly respected friends, peers, and clients have told me, "Mike, you really should write a book about these principles."

I had thought about it off and on but could never really align on how I wanted to present it. I knew what I didn't want. I did *not* want to create another business book full of jargon word vomit. There's enough of that out there already.

No, if I was going to write a book, two things were absolute musts for me:

1. I would organize these principles in a way that would cut through the noise, in a format that the reader could easily consume and then quickly act upon.
2. I would deliver *real* impact to readers, with the intent to change their lives and the lives of their employees in a way that would ultimately transform their businesses for the better.

In writing this book, I hope I've hit the mark for you.

There may be parts where you say to yourself, "I've heard this before" or "I already know this." While that may be the case, here's my question for you: Are you applying what you already know, and doing it in a way that builds on a sustainable framework around the other principles?

Businesses of all sizes can leverage these principles. However, this book is especially targeted to CEOs and business leaders that are looking to build a foundation for their company to make the leap and possibly someday become a legacy company. That may sound like a bold statement and a tall order for a small book. But not *this* book.

As you read, I'll take you on a journey. You will hear a fable about how two partners in business, Jim and Julie, navigate their way from Confusion to Clarity. They discover and apply the Clarity Principles, and in doing so, they save their business from going under and build a foundation for exponential growth, while creating a world-class culture in the process. And I have to say, writing this story was quite enjoyable. Many of the experiences that Jim and Julie go through are from real-life scenarios I've encountered with clients over the years.

Rather than chapters, I've divided the book into ten principles. I call them Clarity Principles. I've stacked the principles so that each one builds off the one before it. Applying any of the principles individually will have an impact, but applying all of them can be a catalyst for monumental results.

Each principle starts with the story of our protagonists and how they discover and apply the concepts highlighted within that particular principle. Then, in a section called "Let's Chat," I offer a recap of that principle, along with further insights, practical application, and next steps. The goal of each "Let's Chat" section is not necessarily to provide an absolute on what you *must* and *must not* do. These sections are designed, rather, to bring awareness to potential gaps in your business, leading to a deeper discussion about how you might apply each principle.

Before each principle, I've also included an associated question to highlight a prevalent symptom that often arises when a business violates the principle. This will help give you an idea of how this breakdown may manifest itself in your business. And as a bonus, I've provided additional resources, including videos, worksheets and more which you can find at www.clarityprinciples.com/resources.

My hope is that this book will provide insight and some real "aha" moments for CEOs and business leaders who have been working so hard to move the needle but feel like they're just not getting the traction and wins they're looking for across the organization.

I love the Leonardo da Vinci quote about simplicity being the ultimate sophistication. The quote is a driving mantra for the Clarity Principles methodology and for this book. All too often, processes and operations are riddled with unnecessary complexity. This leads to compounding confusion, chaos, and frustration that tends to manifest across an organization and out to the customer base. I've written this book to help you understand how you might bring that elegant simplicity to your business.

I've organized the Clarity Principles into three "phases." Phase 1, "Identify," includes the first four principles, where we gain a better understanding of potential gaps in the business and look to create some of those "aha" moments. Next is the "Implement" phase, which comprises the next three principles, where we begin acting on what we discovered during the "Identify" phase. And the third phase is the "Improve and Iterate" phase. This is where we get to see the results of the first two phases manifesting into a world-class company culture with clarity and seamless execution. It's also where we systematically iterate in a certain area of the business, looking for additional gains, or where we decide to move to the next area that requires attention.

As you go through this book, you will see that there is a focus on process and people. That is not by mistake. Without good processes and energized people that feel they are positioned for success, a business doesn't stand a chance of scaling and sustaining growth. This book shows you how to establish a foundation that will foster that winning environment.

I'm excited for us to go on this journey together. At the end of the book, you will find a Next Steps section, where I'll tell you how you can connect with me directly, if you'd like, to discuss the Clarity Principles in more detail, specifically for your business.

Thanks again, and all the best!

Mike

One other thing…

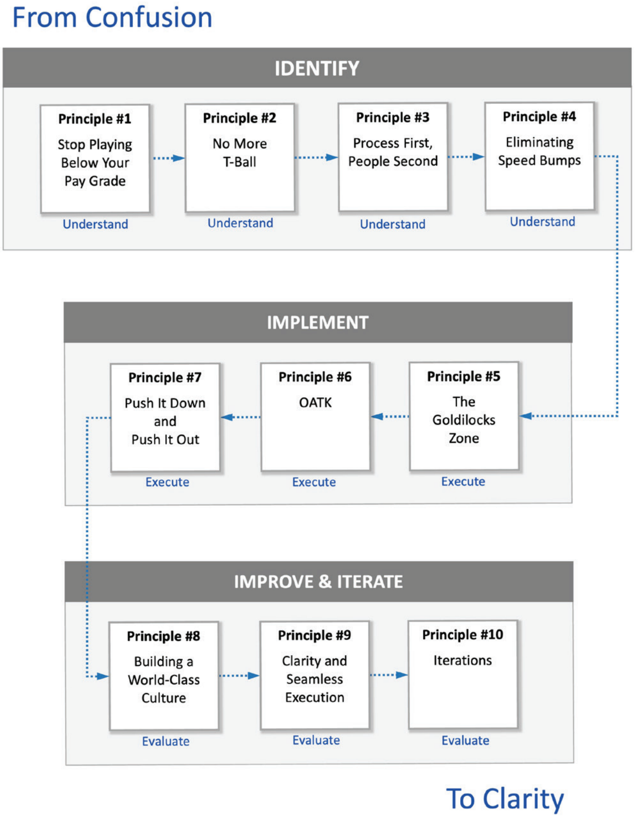
Before diving into the book, take a couple minutes to run through the following questionnaire. Do any of these "symptoms" apply to your business? If so, then this book is definitely for you.

Name: ________________________________ Date: ____/____/___

Company: ______________________________

Are key stakeholders spending **too much time fighting daily fires** instead of attending to the strategic needs and growth of the business?	○ Not Much ○ At Times ○ Way Too Much
Are **process breakdowns creating frustration** and confusion in areas of the business or across the entire organization?	○ Not Much ○ At Times ○ Way Too Much
Is your business **relying too heavily on the expertise of certain individuals** in order to execute on the day-to-day needs of the organization?	○ Not Much ○ At Times ○ Way Too Much
Are **current processes viewed as slow and inefficient** in parts of the organization or across the entire business?	○ Not Much ○ At Times ○ Way Too Much
Is there a **struggle to implement** new processes, or change existing ones, quickly and effectively, leading to inconsistent results, delays, and confusion?	○ Not Much ○ At Times ○ Way Too Much
Does the business **lack clearly defined owners** for all the processes and process points, creating uncertainty about exactly where to go during each step of the process?	○ Not Much ○ At Times ○ Way Too Much
Does "information hoarding" tend to happen with individuals, departments, or geographies due to **a lack of seamless, natural knowledge transfer** throughout the business?	○ Not Much ○ At Times ○ Way Too Much
Is there an **issue with the culture** of the business where overall morale is not as strong as it should be in some areas—or across the business as a whole?	○ Not Much ○ At Times ○ Way Too Much
Does confusion and ambiguity exist within areas of the business, making it **difficult to make hard, effective decisions** that could lead to scaling and growth?	○ Not Much ○ At Times ○ Way Too Much
Does the business **lack an effective strategy** for identifying gaps and applying a consistent approach for addressing any of the issues above?	○ Not Much ○ At Times ○ Way Too Much

The Clarity Principles Roadmap



Phase 1: Identify

- ✓ Principle #1—Stop Playing Below Your Pay Grade
- ✓ Principle #2—No More T-Ball
- ✓ Principle #3—Process First, People Second
- ✓ Principle #4—Eliminating Speed Bumps

Principle #1

Stop Playing Below Your Pay Grade

Question:

> *Are key stakeholders spending too much time fighting daily fires instead of attending to the strategic needs and growth of the business?*

It was 9:00 on a Friday night, and Jim was stuck at the office again. He looked up from the paperwork on his desk. "Everyone's gone, and here I am putting out fires after another seventy-hour work week," he muttered to himself. He hadn't completed any of the tasks he'd wanted to focus on for the week—strategic, big-picture tasks. This had been the routine now for as long as he could remember. All the best-laid plans for the week went out the window as he dealt with the tactical firefighting that really should've been handled way below his pay grade, or at least by his management team.

At Jim's company, people hadn't been observing the proper chain of command and escalation processes, and this had created noticeable frustration across the entire organization. To help drive strategic growth, Jim was fine with working on product development, marketing, and the sales cycle, but he found himself deeply involved in every facet of the business. He was constantly pulled into more tactical areas, such as delivery, fulfillment, and support, and it was causing a significant drain on his time and energy.

Lately, he'd been wondering whether any of it was worth it. Not exactly where he thought he'd be five years after starting the business. And he could only imagine how much worse things would be if he hadn't brought Julie on as a partner four years prior. Maybe it was time to give some serious thought to closing the business, or selling off his shares and working for somebody else. It pained him to think that way, but he hadn't spent any quality time with Mary and the kids in months. This had taken a toll on them too.

On the drive home, Jim was exhausted and discouraged. Here it was, another Friday night, everyone excited about rolling into the weekend, and all he felt was a huge, heavy sense of inadequacy. He had been busy all week—frantically so—but he'd been far from productive. On top of putting out fire after fire, among other things, he missed getting the proposal out to a new client and had to let them know he wouldn't get it to them until Monday. *I'll just go in early in the morning and hammer out the proposal*, Jim thought. *No distractions in the office on a Saturday*. But Mary would kill him if he missed the kids' games for the third week in a row. He was too drained to even think about it anymore. He just wanted to get home, take a shower, and go to bed.

Jim reflected on how excited he had been five years ago when he started the business. He'd had all these grand plans and could see it all so vividly. With a great product and great service, his goal was to build the business to the point where he could gradually step away from the day-to-day and still earn a passive, residual income for his family. Maybe even go public, or sell out down the road if it made sense. Instead, here he was, physically and emotionally spent—so far away, it seemed, from his original goal of financial freedom.

Let's Chat

In this section, we've revealed Principle #1: Stop Playing Below Your Pay Grade.

Jim was experiencing overwhelm and frustration. He found himself dragged into tactical firefighting and low-level decision-making. Ideally, this stuff should've been handled further downstream so Jim could stay focused on driving strategic growth and scaling the business.

When This Principle Is Violated

When this principle is violated, it can lead to a feeling of chaos, confusion, and frenzy. It can cause a significant strain on the entire organization and create a lack of confidence in the leadership within the company, leading to a high rate of attrition, excessive employee turnover, and poor morale.

If you dig deeper, you'll often find that a violation of Principle #1 is *not* because of one big decision made from the top. It's usually because of many microdecisions made over time—microdecisions that create a snowball effect. When it's pervasive, this pattern of behavior can bring about a level of apathy, burnout, and distrust among the rank and file of the organization.

This is referred to as "founder's syndrome."

Founder's syndrome can manifest in varying degrees. It is often seen in smaller companies and startups that struggle to make the leap toward scaling and growing to the next level. This is primarily due to the stranglehold on a company by those at the top, and it results in a wide range of problems.

Insights from the Author

When I see top-level personnel playing below their pay grade, it's because of breakdowns happening elsewhere—usually due to other inefficiencies within the company. These inefficiencies arise in areas that need concentrated attention: product quality issues, an inability to deliver on time, or a lack of dependable processes, just to name a few.

What tends to happen then is a knee-jerk reaction, an attempt to "fix" things and "throw bodies" at a problem, pulling even more people out of position. This then becomes crisis management in too many areas to manage, and a paradigm of simply addressing the "squeaky wheel." Ultimately, this leads to employee burnout and a lack of confidence from the customer base in the business's ability to execute and deliver.

When a business runs like this, it is in constant catch-up mode. Everything ends up turning into a scramble and firefight. While the company may marginally execute on one or two of these crisis situations, other areas suffer, and this is not a strategy that scales. No business can run for long like this and expect to grow. For a company to move forward, there first must be an awareness and acceptance that playing below your pay grade is a real problem.

Next Steps and Practical Application

The biggest challenge for most companies that struggle with this is an inability for those at the top to admit it's a problem.

Think about the question at the beginning of our discussion on Principle #1: *Are key stakeholders spending too much time fighting daily fires instead of attending to the strategic needs and growth of the business?* If the answer is yes, there's an issue within your company.

First, accept that this could be contributing to the challenges your business is experiencing, and then do a deeper dive to understand root cause and why this tendency exists. Are there areas of the company that are failing or need to be rebuilt from the ground up? If so, determine why they are failing and start working on it.

If, as a CEO or business leader, one feels the need to be directly involved in even the smallest of things, then they are too deeply engaged, and something else is broken.

Ask yourself, what is the true root cause? What's creating the inefficiencies in each area? Look at the violation of Principle

#1 as a symptom, a *big* indicator that something's not right, usually because of violations of the other principles. Once you see it this way and begin to build on the other foundational principles, the need to play below your pay grade will go away.

Check out the additional resources for Principle #1 at www.clarityprinciples.com/resources.

Principle #2

No More T-Ball

Question:

> *Are process breakdowns creating frustration and confusion in areas of the business or across the entire organization?*

Early Saturday morning, Jim walked into the kitchen. Mary was sitting at the table with her coffee already. "Good morning," she said. "Another late night at the office?" Jim poured a cup for himself and sat down across the table from her.

"Yep, another late night," he said.

"Jim, how long can you keep this up? It's grinding you down," Mary said. She looked at her husband, genuinely concerned. "We haven't had any quality time in who knows how long. And the kids, they hardly see you. Something has *got* to change!"

Jim had planned on going into the office for a few hours but remembered that Danny had a T-ball game that morning, and Sarah had a soccer game that afternoon. After hearing Mary's concerns, legitimate ones for sure, he knew there was no way he could go into the office. Especially since he had already missed the kids' games for two weekends in a row.

No office time that weekend, Jim decided. He needed to make a long-overdue deposit into the "family time" account. He needed to be there for his wife and kids.

At his son's T-ball game, Jim smiled as he gazed out at the young players. *There's just something about being back at the field*, he thought. He had spent a lot of time playing ball himself when he was a kid. In high school, he was a top pitcher, and after high school, he played a lot of softball. Jim and Mary had met on the softball field, in fact. Mary was an excellent player herself. As he sat with his wife in the bleachers that day, taking in the smell of fresh-cut grass and the familiar sights and sounds around him, Jim was transported to a simpler time.

The sound of his son's voice snapped him back to the present moment then. "Dad!" Danny shouted from the field. "Dad, look!" Danny stood behind home plate, swinging his new bat. "Watch me, Dad!" he shouted. "I'll get a hit for you!" As Danny stepped up to the plate, the coach placed a ball on the tee. All the kids in the field stood with their hands on their knees, ready for the ball.

And then chaos ensued.

Danny took a swing and made contact with the ball. He flung the bat behind him, and it nailed his coach in the shin. As the ball bounced toward the shortstop, nearly *every* kid on the field ran to it: the pitcher, the outfielders, and the second baseman. They all abandoned their positions and hurried toward the ball. Then, instead of running to first base, Danny ran right past the pitcher and straight to second base. Somewhere amid the cluster of players, one kid picked up the ball and threw it toward first base, and although a kid held up his glove, the ball hit him in the head. He did a pirouette and fell, unhurt but dramatically, to the ground. Danny hesitated on second base and then ran to third. He tagged third and headed for home as the rest of the players scattered in every which direction.

Jim watched the pandemonium and smiled. You couldn't script this kind of craziness if you tried, he thought.

But in an instant, his smile faded. This is exactly what my company looks like, he thought as he observed the hectic scene unfolding before him. Everyone's out of position and trying to do everything all at once. Everyone's frustrated, and we're not getting anything done. We're playing T-ball like a field full of kids!

On the drive from the T-ball field to the soccer field for Sarah's game, Jim couldn't stop thinking about what he had witnessed: every player out of position, so much activity, yet no real progress. He also couldn't shake the thought of his business feeling the exact same way, in utter disarray, everyone bumping into and stepping all over one other. So much inefficiency.

As they arrived for Sarah's game, parked the car, and made their way toward the soccer field, the sound of Mary's voice startled him. "Jim?" she nearly shouted. She had been trying to get his attention and he hadn't noticed until now. She studied him, her eyebrows raised. "Where'd you go?"

"Sorry," Jim said. "Just thinking."

He looked ahead and realized the soccer game was about to begin. Sarah and her teammates assembled on the field. The referee blew a whistle, a player kicked the ball, and what happened next was poetry in motion.

Sarah was seven years older than Danny, and she had been playing soccer for several years. Her team was one of the best in the county. Watching them play was a treat. Every player knew their role and knew what to do. None of them ever moved out of position. They communicated with one another on the field, and their passes were perfect. *Now* that's *how the business should run*, Jim thought. He marveled at the seamlessness of it.

He had seen both Danny and Sarah's games before, but until now, he hadn't made the connection. He'd never thought about the parallels between Danny's T-ball game and the disjointed operation of his business. How long had his business been running like this? He took a moment to reflect. Had it been running this way since the beginning? *Yes, it had*, he thought. The only difference was that in the beginning, the business was smaller, so the inefficiencies went mostly unnoticed. But they had grown over the years, and to Jim, it was now clear as day *why* the business was struggling to scale.

He pulled out his phone and texted Julie. "Hey, block out an hour on Monday morning. We need to talk. Nothing bad. See you then."

Jim was feeling consumed by all of it, so he decided to put it on the shelf and refocus his time and attention on the family for the rest of the weekend. However, he couldn't wait to share his thoughts with Julie on Monday morning. He was eager to tell her about what he had witnessed at both games and about the bolt-of-lightning epiphany he had experienced.

First thing Monday morning, as soon as Jim arrived at work, he went straight to Julie's office. "Hi there," he said. "You busy?"

"Do you really have to ask?" she said with a grin.

"Yeah, I guess not," Jim answered.

Jim sat down and shared his thoughts. He told her about his realization that he and Julie had been playing below their pay grade, and about watching his kids' games on Saturday. He explained the correlation between Danny's T-ball game and the way they had been running the business, and he told her how smoothly Sarah's soccer game had gone.

"We've been at this a long time," he said. "I don't know why I never saw it before now. I think we need to drill down on this some more and get to the bottom of why things are the way they are." He paused then, and Julie nodded in agreement. "We need to come up with some action steps," he continued. "Honestly, the way things have been going is burning me out. We need to take a step back and figure out how to work smarter instead of harder."

"I know it's been beating you down," Julie said. "Lately, you haven't been the fun, energetic leader we all know and love. It's as if you're just treading water, and to tell you the truth, I'm smoked too, Jim. But I know you've been struggling to carry it all, so I haven't said anything."

Jim nodded. "Sorry about that," he said. "We've both been working so hard to plug all the holes. We haven't had any time to step back and really evaluate what we're doing."

"I agree," Julie said. "So, what should we do about it?"

"No matter what, let's carve out some time to identify why we're constantly getting pulled into so many areas of the business and putting out fires everywhere. Let's determine why everyone's out of position like the kids in Danny's T-ball game."

"Sounds good to me," Julie said. "I'd really like that."

Over the following week, Jim and Julie spent a good deal of time digging deeper to find the root cause of this constant firefighting mode and "playing below their pay grade," getting pulled so far from the strategic needs of the business. They did their best to figure out where the company was "playing T-ball," and they worked to understand why so many people were getting pulled way out of position. They made solid progress and began to gain a better perspective on what was best for the company.

Even though he and Julie hadn't started implementing anything yet, Jim felt great about the mere act of identifying systemic problems they had never really thought about before with this new perspective. It felt like a huge weight off his shoulders. He thought about how they might fix some of it, but he knew they didn't have the answers they needed yet. They were still in the "Identify" phase.

It would all have to wait until the following Monday. Jim couldn't believe it was the weekend again already. The week had flown by. He decided not to stay late this time. Instead, he'd go home and surprise Mary and the kids. He felt a newfound energy and excitement that he hadn't felt in a long time.

Let's Chat

We've now introduced Principle #2: No More T-Ball.

We saw how the disorganized nature of Danny's T-ball game helped open Jim's eyes to the way he had been running the business. And we witnessed the stark contrast between Danny's T-ball game and his older sister's harmonious soccer game, where Sarah and all the players knew their roles and remained in position. It was a dramatic realization for Jim, how inefficiently his company had been running and how it started at the top. It started with him.

When This Principle Is Violated

When Principle #2 is violated, we see a lack of understanding and a lack of adherence to roles and responsibilities. What often happens is that more and more responsibilities are piled onto individuals whose time and resources are already constrained. This creates further frustration and a sense of defeat among team members. They feel a lack of awareness and a disconnect from "above" about what it truly takes to do their job and deliver.

We see smaller companies operating this way and trying to make the leap but burning out and losing key people in the process, creating multiple significant gaps. These gaps eventually result in poor delivery and a negative impact on customer experience. Unfavorable customer experience results in customer churn and directly impacts the ability to drive healthy, dependable revenue into the business.

The financial pressure then leads, perhaps, to making loftier promises to customers, which makes it even more challenging to deliver and creates a bigger drain on already exhausted resources. It becomes a downward spiral that can eventually be the demise of a business.

Insights from the Author

Over the years, I've seen this in varying degrees with so many businesses, some not so problematic, and others where being "out of position" is pervasive throughout the entire organization.

When this occurs, the team is uncertain about where they're supposed to be. Not because they aren't working hard but because there's a lack of clarity around properly defined responsibilities. When everyone is out of position, no one can do their job effectively, there's a lack of progress and results, and people are unsure and unsettled, creating a significant emotional and physical drain on employees.

I've seen it so many times, especially when working with companies that are struggling to scale. And when this kind of disorganization exists, it's almost always because of a breakdown in processes and a futile attempt to cover the resulting gaps in the business.

It's fine to be in "all-hands-on-deck" mode periodically, especially during a brief sprint toward a specific short-term goal. It is *not* healthy or sustainable, however, to remain in this mode long term without creating significant negative effects on the business and its employees.

Next Steps and Practical Application

As is the case with many of these principles, the most important step you can take at this stage is being hyperaware of where you and your company are violating this principle. Then, make a commitment to hold yourself accountable, own the gaps, close them, and ultimately turn things around.

Once you are aware that the problem exists, the next step is to drill down on the root causes. Write down all the reasons you can think of for why the people in your organization are getting pulled out of position. Some examples might be a lack of processes, poorly defined roles and responsibilities, trying to meet overly aggressive timelines, a lack of enablement, or product quality issues. Whatever it may be, take the time to capture any potential root causes that are creating this "out of position" scenario.

As you work through the Clarity Principles, don't try to "boil the whole ocean." I recommend instead selecting a couple of specific, manageable areas of the business that need addressing, where you can identify the root causes and begin to work through them.

Next, we'll discuss Principle #3 and a *huge* issue that prevents many businesses from scaling and getting to the next level.

Check out the additional resources for Principle #2 at www.clarityprinciples.com/resources.

Principle #3

Process First, People Second

Question:

> *Is your business relying too heavily on the expertise of certain individuals in order to execute on the day-to-day needs of the organization?*

It was Monday morning once again, and as Jim walked out of the house to his car, he thought about the weekend. For the first time in so long, he'd had a chance to recharge. He had spent quality time with Mary and the kids and felt refreshed and eager to pick up where he and Julie had left off the week before. Just as he opened the car door, his phone rang. It was Julie.

"Hey, Julie, you must've read my mind. I was just thinking about you."

"Jim, you need to get here fast," Julie said. "We have an issue!"

He couldn't believe it. He hadn't even settled into his car yet. "Well, happy Monday to me," he mumbled to himself, a hint of sarcasm in his words. He climbed into his car, and as he headed to work, he wondered what awaited him and how they'd end up navigating through it—whatever it was.

When he arrived, Julie filled him in on the current crisis.

"Ugh," Jim replied. "I can't believe Tom wants to quit. He's been with us since the beginning. I should call him. Maybe we can convince him to just take a little time off."

"I don't know, Jim. I think he's done. We've been spreading him so thin. It looks like this firefighting mode we've been in has taken a toll on everyone," Julie replied. "I wish you'd had your T-ball epiphany a few weeks ago." She propped her elbows on her desk, clasped her fingers together, and rested her chin on her hands. "I hate to say it, but I'm concerned about losing Jan too," she continued. "She hasn't been happy either."

"Oh, gosh. Seriously? If we lose both Jan and Tom, we might as well just close up shop," said Jim. "How did we get here? Why have we become so reliant on just a few people for the success of our business?"

"I don't know, but if last week showed us anything, it's that we really need to tighten up our processes. We haven't done a good review in a long time, and honestly, people just aren't following what we already have in place," Julie said. "When a problem arises, we just throw bodies at it and hope it magically resolves itself. Everyone's constantly scrambling to catch up and jumping out of position. I guess we've taken it all for granted."

In the past, Jim and Julie had discussed their processes and acknowledged that they'd become stale and outdated. But everyone had been in such a reactive mode for so long that they had repeatedly put off conducting a real review. Now two key employees were ready to quit.

While Jim and Julie both realized they needed to take a good, hard look at the entire company and begin to update their processes, they also knew they had to pace themselves. They needed to take it one step at a time. They decided to start by assessing where else in the business they had become too reliant on certain individuals, and where it seemed a lot of processes were breaking down.

"We can't put this off any longer," Jim said. "We have to figure out where else we're at risk like we are with Tom and Jan, and then we need to do a deep dive on our processes and identify where the problems and bottlenecks are."

"I agree 100 percent," said Julie. "Let's do this."

Let's Chat

In this section, we've discussed Principle #3: Process First, People Second.

We saw how vital employees in Jim and Julie's organization were on the verge of quitting. They had been spread too thin for too long and constantly pulled out of position, creating a personnel crisis situation. This forced Jim and Julie to do an immediate deep dive to understand where else in their organization they were exposed and at risk due to being too reliant on specific individuals for their business to run.

When This Principle Is Violated

In most cases, when Principle #3 is violated, it's not something that happens overnight. It's a progression that happens over time, where the company evolves (or perhaps "devolves") into a heavy reliance on specific team members that possess skill sets critical to the operation of the business.

When this overreliance on individuals occurs, it creates a *significant* amount of risk and exposure for the business. Companies tend to continue this practice as if it's business as usual. "If it ain't broke, don't fix it," right? Wrong. Unfortunately, this mindset leads to overly leveraged people, which ultimately leads to stress and burnout. Or worse yet, these key individuals decide to quit, leaving the business with a significant gap in expertise.

To retain these employees, a business often ends up throwing more money at them just to keep them on board. But even if they accept an increase in pay, if the core systemic issues aren't resolved, these employees will end up right back where they were.

Insights from the Author

I have seen this happen numerous times with businesses I've been brought in to work with. When the first two principles are violated, it results in a violation of Principle #3.

Often, organizations don't address this until it comes to a head, when a critical employee decides to leave—or worse yet, multiple vital employees decide to jump ship. Unless a company has a built-in succession plan with an immediate replacement ready to step in, the company exposes itself to the risk of serious impact. We will talk more about succession plans in a later principle.

As mentioned before, businesses that are so heavily reliant on individuals filling critical needs are often "held hostage" by employees demanding a significant increase in pay, simply because they know the business has no recourse but to pay it. Until an organization addresses these systemic issues, attrition will continue to be a problem. Subject matter expertise and specific skill sets will become increasingly difficult to replace.

Next Steps and Practical Application

We will discuss later how to build the right processes, during the Implement phase. For now, we're still in the Identify phase. The key here is to understand and determine what areas of your business may be exposed. In what areas do you have too much reliance on certain individuals?

You'll want to rethink the paradigm of "people solving a problem" and instead move toward an environment in which processes solve problems that people are plugged into. When that happens, you can start building a scalable organization that is highly protected from the loss of an individual's skill set.

Begin to think about each role in your organization and the people that fill those roles as having "interchangeable" parts. Ultimately, there should be a succession plan for every role within your business. As I mentioned, we'll talk more about succession plans in a later principle.

For now, ask yourself, where in your business are you too reliant on individuals? Where are you at risk and exposed? In what areas of the business would you be in dire straits if a specific individual were to leave tomorrow? These are the areas to work on first with laser focus.

Check out the additional resources for Principle #3 at www.clarityprinciples.com/resources.

Principle #4
Eliminating Speed Bumps

Question:

> *Are current processes viewed as slow and inefficient in parts of the organization or across the entire business?*

Jim and Julie sat down with Tom and Jan separately to see what they might do to keep them on board. Tom wasn't happy. He clearly was ready to quit. And although it may not have been as obvious, Jan was ready to leave too.

"Wow, that was brutal!" Jim said to Julie after both meetings were over. "I had no idea they were feeling that way and that things were that bad for them."

"Jim, you've been so busy running around trying to keep us from going under," Julie replied. "How could you have known? But yeah, it's been bad. If we don't manage this properly, we'll risk losing others."

"Well, at least we've salvaged Tom and Jan," said Jim. "I'll take that as a win for now, but when word gets around about the bump in pay, there may be backlash. Before that happens, the two of us need to carve out some time and use that 'exposure' worksheet you talked about putting together. We need to evaluate the rest of the team before we have another 'Tom and Jan' situation."

"Agreed. We need to take a closer look at every role in the organization and see where we've been too reliant on individual skill sets. We need to make sure we tighten the processes around those roles. We also need to do better at cross-training and knowledge transfer so we're not so exposed and at risk."

"Absolutely. We also need to identify the most suitable replacement for each role in case anyone does leave. We need to build a succession plan for every role," Jim said. "I guess we really have our work cut out for us."

As Jim started his car the next morning, he decided he'd take an alternate route to the office. *What the heck?* he thought. As he made his way down Williams Road—a road he hadn't taken in quite some time—he had to slow down to drive over speed bump after speed bump. He even had to take a detour where they were installing *more* speed bumps. Apparently, in the last month since Jim had taken that route, they had added at least ten. A commute that normally took him fifteen minutes now took him significantly longer.

Jim thought about the process discussions he and Julie had been having. *This is what our processes are like*, he thought. *Full of speed bumps*.

Jim walked into Julie's office when he arrived. "Have you been down Williams Road lately?" he asked, exasperated. "They've put in at least *ten* speed bumps, and they're adding more!"

"I know," Julie said. "I used to take Williams every morning. Not anymore."

"As I made my way through the gauntlet of speed bumps, I had another epiphany," said Jim. "Our processes are loaded with speed bumps."

Julie asked him what he meant.

"In the beginning, things were simpler," Jim said. "We didn't have as many layers as we do now. As we've added more complexity, our processes have been like Frankenstein." Julie looked puzzled now. "One by one, we've slapped on parts and pieces," Jim continued. "Over time, our processes have become inefficient, and full of speed bumps that slow things down."

"I get it," Julie said. "Go on."

"It's obvious that these speed bumps are adding to the team's frustration. We heard about it in our meetings with Tom and Jan. We need to look at what's causing us the most pain and what's critical to the business, and then do a deep dive on those processes. I'll bet that when we look at those processes, we'll see speed bumps all over the place."

Julie nodded in agreement. "We've already identified areas where we're too reliant on individuals," she said. "This should be our next priority."

Over the next few days, Jim and Julie identified ten key processes they wanted to focus on that were broken and full of inefficiencies (speed bumps). These flawed processes fed into the problem of overreliance on individuals to fill in the gaps. They evaluated those ten processes and narrowed them down to an initial list of three to start with. They did this by using a priority matrix to determine which ones were causing the most pain and were the most critical to the success of the business.

Let's Chat

We've now revealed Principle #4: Eliminating Speed Bumps.

As we continued our journey with Jim and Julie, we saw the aftermath of their meetings with Tom and Jan and how they had to do an off-cycle pay raise just to keep them—an action that's bound to get out to others and create some friction. We also witnessed Jim's next insight as he headed down a road with recently installed speed bumps that slowed down his drive considerably. Just as he had done earlier at his kids' ballgames, he found parallels. He saw a correlation between the physical speed bumps on his alternate route and the metaphorical speed bumps in their outdated business processes.

When This Principle Is Violated

When Principle #4 is being violated, we see a mishmash of processes throughout the organization. Like the violation of most of these principles, getting to this state of confusion doesn't happen overnight. It compounds over time.

A company may create processes that are initially effective but become stagnant and inefficient over time. They are not properly reviewed and updated as needed. This leads to processes that are too simple and that fall short of hitting the mark. Or processes that have been "Frankensteined," with pieces added on to existing processes, making them overly complex, clunky, and laden with speed bumps. When we review these processes, we often discover that there is a tremendous amount of friction, resulting in a slow, tedious, inefficient process flow.

This will lead to employee frustration, confusion, and breakdown across the organization. Think of the processes in your business like the circulatory system of your body. A clogged system creates serious health issues. The same is true with processes that clog your business and slow it down.

Insights from the Author

On numerous occasions, I have had to help companies refine critical processes within their organization. In most cases, it hasn't been an effort to make the processes more complex, but rather just the opposite. The focus has been on simplifying the processes while ensuring they still capture the critical needs of the business.

In Principle #5, we'll discuss the Goldilocks Zone and how it applies to process development. We want processes that are not overly simple *or* overly complicated. We want processes that are just right.

It's best if businesses learn to look at processes as living entities within the organization. A periodic review is crucial, to ensure they are still hitting the mark. It's easy to fall into a habit of ad hoc modification of processes over time to handle specific exceptions. However, in modifying these processes to address the exceptions, they are often made less effective.

Building a focus on process and process review into your company is a great step in helping address the violations happening with the previous principles we've discussed.

Next Steps and Practical Application

I've said it before. It's critical that we don't try to boil the whole ocean all at once. It's best to take a systematic approach and decide which processes you want to address first.

In our story, Jim and Julie used a priority matrix that helped identify critical and painful processes that they could focus on first. In the additional resources at the link below, I have included a sample priority matrix that you can use to help identify your own processes to focus on first.

Within the priority matrix, write down all the processes that come to mind that are creating issues and breaking down within your business. As you go through this exercise, there will be processes (and subprocesses) with varying degrees of criticality, creating different levels of pain for the organization.

Identify one to three of the processes that gravitate to the upper left quadrant of the priority matrix. These will be the critical and most painful processes. They're the ones you'll want to start with, and we'll look to address them as we move into the Implement phase and discuss Principle #5, The Goldilocks Zone.

Check out the additional resources for Principle #4 at www.clarityprinciples.com/resources.

Phase 2: Implement

- ✓ Principle #5—The Goldilocks Zone
- ✓ Principle #6—OATK
- ✓ Principle #7—Push It Down and Push It Out

Principle #5

The Goldilocks Zone

Question:

> *Is there a struggle to implement new processes, or change existing ones, quickly and effectively, leading to inconsistent results, delays, and confusion?*

"Julie, we've done some great work *identifying* the gaps in our business. Now it's time to start *implementing*. I have to say, I feel good about the processes we picked to start with."

"I agree. I'm ready to dig in. The processes we picked are key processes that will help streamline and even automate more of the workflow around Tom and Jan's roles," Julie said. "It will take some of the pressure off of them."

"Yes, and those key processes also happen to be super critical to the whole business. They've been causing us pain for a long time. We just haven't taken the time to address them, and it has cost us," Jim said. "And there's one other thing."

“What’s that?” asked Julie.

“We need to pull together an employee satisfaction survey. We’ve heard from Tom and Jan, but we need to get a feel for the entire team,” Jim said. “I’m ashamed to say, I’ve been in a vacuum too long. I’m certain you have a better awareness of the team than I do, but we really need to know what everyone thinks. The team’s feedback will be crucial in turning things around.”

“I’m glad you brought it up. I’ve been thinking the same thing,” Julie replied. “I’ll take the lead on that.”

Jim and Julie pulled together an all-hands meeting and shared some details about what they had been working on over the prior weeks. They communicated their plans to revamp processes, and they explained why. Jim shared his experiences from the kids’ games. He explained how everyone was out of position in the T-ball game and related it to how the business had been operating. In contrast, he told them about the seamless execution he witnessed during Sarah’s soccer game.

He told the team that he appreciated how hard everyone was working but felt that he had let them down by not providing an optimal environment for everyone to thrive. He let them know that he and Julie would work on getting everyone into the best position to succeed in their roles. He would do everything he could to help them feel proud to work there and to truly love their jobs. That had been the essence of the business when they had first started, he said, and he wanted to get back to that.

Julie told them she and Jim would be putting together an employee satisfaction survey that they'd send to everyone. She asked for their honest feedback and expressed how important it was in helping to create the kind of culture everyone would love being a part of.

"Jim, I haven't seen the team that inspired and energized in a long time," Julie said after the meeting. "Great job!"

"You too!" he said.

Over the next few days, Jim and Julie sat down with key individuals and stakeholders on the team to better understand what was working and what wasn't. They discussed pain points and asked for input about improving processes in their respective areas. Through these interviews, they received some critical ground-level feedback that they could immediately act on.

Julie made headway on the employee satisfaction survey and sent it out to all the employees in the company. Both Jim and Julie felt good about their overall progress but knew they still had an uphill climb ahead of them.

After completing interviews with key stakeholders to discuss the initial processes, they wanted to begin the reengineering effort. Jim and Julie met to regroup and review. "Wow, that was eye-opening," said Jim. "No wonder we're having process breakdowns, and no wonder they're all so frustrated! I'm honestly embarrassed we've ended up here."

"Well, we're here, and all we can do is commit to doing better and never going back," Julie replied. "It really was startling to see how outdated some of our processes are. We could cut at least 30 percent of the overall steps, and possibly automate another 10 to 20 percent in those areas. We need to make this next round of processes only as complex as they need to be."

"Yeah, like Goldilocks," Jim said.

Julie looked at him, perplexed.

"You know, Goldilocks and the three bears. Not too hot, not too cold, but just right," Jim continued. "Our processes need to be in the Goldilocks Zone. Not too simple, not too complex, but just right."

"Oh, I like that. That'll be a good benchmark as we iterate over time. We'll have to put together a review schedule—especially for the most critical processes—and we can't let them get out of the Goldilocks Zone as we scale." Julie paused for a moment. "What was that you said before about sewing on random parts?" she asked.

"Frankenstein," Jim said.

"Yes! No more Frankenstein processes," Julie said. "Also, I've received most of the employee satisfaction surveys back. There are a few stragglers. I hope to have them all in by the end of the week. I'll let you know when I've had a chance to compile them."

Over the next couple of weeks, Jim and Julie dug into the key processes with the team and really started to understand the pain points. They took the time to study each of the process points, their inputs, their outputs, and the impact on the stakeholders involved.

For some of the processes, they needed to establish service level agreements (SLAs), both internally and then externally for the customer-facing ones. Even on the ones they already had SLAs in place for, they found they'd been dropping the ball significantly and often.

Discussions were healthy, with a couple of sticking points. Jim initially wanted to add steps to some processes, but after talking it out with Julie, he realized that he'd just be inserting speed bumps, with very little ROI on what he was asking for. Julie pointed out, and he agreed, that they could do without the extra steps.

They went through the processes with key stakeholders. Julie and Jim didn't want any of it to feel like mandates coming down from an ivory tower. By letting team members assume ownership of their own processes, they'd be more apt to call out inefficiencies and surface potential solutions.

After some time and a lot of work, they were in the Goldilocks Zone.

They also made sure they were no longer too reliant on certain individuals. It was important that over time, the processes could be agnostic of the individual that was carrying them out. They'd continue to evolve toward that goal, of course, but what they had was a great start.

Collectively, Jim, Julie, and the team began to strive toward growth. It was critical that they put in place a solid foundation for the business as it scaled. They'd obviously need to revamp the processes to accommodate growth, but the goal was to not have to completely reengineer them.

Finally, the team put together a review schedule to ensure that each of the processes would remain in the Goldilocks Zone.

Let's Chat

We've just discussed Principle #5: The Goldilocks Zone.

We saw how Jim and Julie began to dig into the critical processes they'd identified in the previous section, processes that were vital to the business and needed an overhaul.

After meeting with key stakeholders, they drilled down into the processes and gained a real understanding of the pain points and breakdowns. They remained hyperfocused on getting the processes into the Goldilocks Zone and made sure they were less reliant on specific individuals for the processes to be successful. They also put in place periodic reviews to make sure the processes were kept up to date.

When This Principle Is Violated

When Principle #5 is violated, we often see processes put in place that are either too simplistic or too complex. There also tends to be no real methodology in place for developing and maintaining processes. This lack of methodology often leads to disparate processes that don't properly address all the business requirements.

When a process is too simple, people scramble around trying to resolve issues on the fly. In many cases, the process might have started out "just right," but as the workflow became more complex, no one reviewed and revised the process to support the new workflow.

On the flip side, when the process is too complex, it tends to overburden the team and slow everything down. While there may be necessary approval points and decisions, processes that are too complex are often laden with unnecessary process points.

There are no absolutes for what makes a process "just right." This comes about through discussions and iterations on the process's purpose, requirements, and input from stakeholders. But one thing is certain: when you have it "just right," you'll know.

Insights from the Author

Over the years, I've seen so many businesses that insist they have good processes in place, but during interviews with the employees that must use those processes, troublesome challenges and breakdowns come to light.

Of the many businesses I have consulted with, very few have a regular process review schedule. What often exists is more of a "squeaky wheel" syndrome, where the processes that create the most significant breakdowns end up getting attention. Unfortunately, this can generate a lot of unnecessary pain and cost the business a lot of money. As I work with these businesses, I help them put checks and balances in place around their processes. We'll discuss some of these in a little more detail as we continue.

There's so much content out there on process development and design. The one thing to keep in mind is that, over time, *all* systems break down, and processes become obsolete if not reviewed and refreshed to fit evolving business requirements.

Next Steps and Practical Application

There are a few simple things you can commit to doing right now to start getting ahead of this process breakdown happening in your business.

One of the very first things you should consider doing is starting a process manual. If you don't have one, it's helpful to at least compile a basic inventory of existing processes, detailing the purpose, identifying the process owner and who the key stakeholders are, making clear what input is required, and defining the desired outcome or output. Also, are there any SLAs the process needs to adhere to? These are just some of the basics.

Once you've identified critical and painful processes as discussed in Principle #4 and aligned them in the Goldilocks Zone (Principle #5), you'll want to schedule a process review date. This date will often vary based on how bad the process was to begin with and how complex it is. Over time, and through iterations, you'll begin to understand which processes will require more frequent review as well as the ones you can review less frequently because they are right where you want them.

Check out the additional resources for Principle #5 at www.clarityprinciples.com/resources.

Principle #6
OATK

Question:

> *Does the business lack clearly defined owners for all the processes and process points, creating uncertainty about exactly where to go during each step of the process?*

Jim looked as if he had seen a ghost. Julie had just shared the results of the first employee satisfaction survey with him, and he felt dejected, to say the least.

"Seventy-eight percent? I can't believe it. I figured we'd be in the mid-eighties, at the lowest," Jim said. He placed his head in his hands for a moment. Then he looked at Julie and shook his head in disbelief. "Wow. I really have been out of touch," he continued. "I've been letting everyone down. You, the team, myself. I knew things were tough, but I've obviously had blinders on. I love this team, and I promise you right here and now, we'll fix this. We'll turn this business into a world-class culture for our people if it's the last thing we do.

"Jim, come on, don't beat yourself up," Julie replied. "We've been running so hard for so long—and we *are* fixing it. We're on the right track. Listen, you wanted transparency from the team, and you got it. What's that thing you're always telling me? If you can't measure something, you can't improve it."

"Pearson's Law," Jim said. He sighed then and began to relax a bit. "I do feel good about the progress we've made," he said. "Seeing that 78 percent was a punch in the gut, but you're right. We asked for transparency, and we got it. Now we just need to fix it. We'll put these changes in place and look for better results on the next round of surveys. This one can be our baseline, our lowest mark. We won't go below this."

A couple of weeks later, Jim and Julie met to review the process changes and discuss how things were going so far. "From what I've heard from the troops, the changes we've made are really making a positive impact," said Jim.

Julie told him about her own observations and the feedback she'd received. "I definitely see a difference," she said. "Tiffany even shared some ideas for tweaks we can implement to make the delivery process more efficient. The team has really embraced this."

"That's awesome!" Jim said.

"It's a great start. We're really getting things dialed in on the critical processes we identified. Soon, we'll want to take it a step further and evaluate our medium-priority processes," Julie said. "But before we do that, we need to get a better understanding of some breakdowns we're still running into."

"Tell me more," said Jim.

"Well, we've had some delays in fulfillment. The revamped process was working and all, but then we had two people out sick—and they were each other's backup. We hadn't accommodated for that."

"So, what I'm hearing is that we need to establish some ownership for processes and process steps," Jim said. "Do we tag somebody to own it all?"

"Well, we don't want to go back to being heavily reliant on certain individuals. We've been there, and it didn't work," Julie replied. "Adhering to our philosophy of Process First, People Second, we should consider adding process ownership to the defined roles we talked about." Julie went on to express that in a case where two people are out sick, and they're backups for each other, they should perhaps have an overall process owner that could then designate the next in line. "There are a few ways we can fix this," Julie continued. "But I've been thinking about it, and I think we need OATK."

"Okay, you got me on that one," Jim said. "What the heck is OATK?"

Julie shared with Jim that her father was a high-ranking officer in the military, and he would always say, "I don't care how we got here. I just want OATK." When Julie got older, her father explained that OATK meant One Ass to Kick. One designated individual was responsible if there was a breakdown within a function or process. There was no ambiguity or confusion about who the owner was and who should be held accountable. The principle was applied throughout the entire chain of command.

"OATK, huh? I like that. How do we apply it here?"

"There will be steps in every process," Julie went on. "And there will be roles responsible for carrying out those steps. If a breakdown occurs within any of those steps, the role that owns the overall process will be the OATK." Julie took a sip from the mug of hot tea on her desk. "It's not as harsh as it sounds," she continued. "It's just a clear definition of ownership, so if anything isn't right, they know it's their responsibility to be on top of it."

"Great stuff," Jim said. "I can see how this will help bring more clarity overall. Let's do it."

Let's Chat

In this section, we revealed Principle #6: OATK.

We witnessed Jim and Julie's discussion after they received rather unfavorable results on their initial employee satisfaction survey. A couple weeks later, we saw the newly revised processes begin to gain traction with some good feedback from the team. Julie told Jim about some breakdowns where ownership of processes and process points weren't as clear as they should have been. Julie introduced the concept of OATK, or One Ass to Kick, and they incorporated it into their processes.

When This Principle Is Violated

When Principle #6 is violated, there will inevitably be a breakdown within processes that don't have the proper level of ownership.

When we talk about ownership, we're *not* talking about a process that requires someone to nurse it through the workflow. If that's what appears to be necessary, then you'll need to go back to Principle #5, and review whether that process is in the Goldilocks Zone.

A lack of ownership tends to reveal itself at a critical juncture. Businesses that have a process in place, but no proper ownership of the process *and* process points, often experience breakdowns at the worst possible time. Here's an example. A critical release is going out over the weekend. The primary individual responsible falls ill or has technical issues and is unable to complete the task—and a backup resource hasn't been designated prior to the weekend. Without a process owner on call to make an immediate decision and pull in a backup resource, the entire release is disrupted, or worse yet, aborted completely.

Insights from the Author

I have seen this happen many times. It happens less with mature, baked-in processes, since those processes have gone through several iterations and many of the process-point breakdowns have been addressed over time. More often, we tend to see a lack of accountability and process ownership with the less mature or one-off type processes put in place. The challenge with these processes is that they haven't been run through enough to fully understand where the breakdowns might happen.

I have seen some costly issues arise for businesses who have failed to execute due to loose process ownership around critical process points.

Remember, the Clarity Principles are about creating foundational best practices that ultimately cascade upward. Typically, if an organization adheres to all the mid- and lowerlevel principles, the first principles we discussed won't even manifest. As we continue down the stack of the principles, we see how each one further refines what we covered in the previous ones. The principle of OATK (and accountability) is an important one.

Next Steps and Practical Application

How do we apply this? To start with, every process should have an ultimate owner—and that owner should be the one responsible for not only owning the process but also having direct input into updating the process documentation.

Ownership and accountability go further than that. Not only should the process itself have an ultimate owner, but there can be multiple OATKs. While this might sound contradictory to the concept of singular ownership, this is often seen where there are highly specialized process points, or subprocesses. If you have subprocesses, it's best to treat them as their own individual processes with their own OATKs that higher-level processes can leverage. Assessing ownership and designated OATKs should be part of your periodic process reviews.

If your company is highly dependent upon the flawless execution of processes, I'd advise that you consider developing a COE (Center of Excellence) that owns the review process and "all things process" in your company. We'll touch on that a bit later in the book.

Check out the additional resources for Principle #6 at www.clarityprinciples.com/resources.

Principle #7

Push It Down and Push It Out

Question:

> *Does "information hoarding" tend to happen with individuals, departments, or geographies due to a lack of seamless, natural knowledge transfer throughout the business?*

"Hey there! How was your weekend?" Jim asked, standing in the doorway of Julie's office with one hand behind his back.

"Really nice," Julie replied. "We took a drive with the kids to the beach. It was beautiful and very relaxing. How about you?"

"Fantastic! We took the boat out and did some fishing, then cruised over to the sandbar and chilled afterwards. And before you ask, yes, we caught some fish and yes, I made smoked fish dip." Jim revealed the container he'd been hiding behind his back and handed it to Julie. "And yes, I brought you some." Julie's eyes lit up as she took the container from Jim. He was known for his delicious smoked fish dip.

"Jim, we need to talk about Tom," Julie said then.

Jim's smile faded as he recalled the last conversation they'd had about Tom. "Please tell me this won't be like our last discussion about Tom," he said.

Julie chuckled. "Everything's fine," she said. "Don't worry." She went on to explain that Tom had really stepped up and that she wanted to start working him into a leadership role. There was a management role in R&D that Tom had expressed interest in, and Julie really wanted to help make it happen for him.

"Who would fill his current role?" Jim asked. "We've done a lot to stop relying so heavily on individuals, and we've built some solid processes to help us in those areas, but Tom is still pretty vital to our success in his current role."

"I'd like to move Samantha into Tom's current role," Julie replied. "In fact, when Tom came to me a month ago about the possibility of moving into a leadership position, I asked him who he saw as a suitable replacement. He told me that when we discussed implementing a succession plan, he had started bringing Samantha up to speed on his current role and responsibilities."

"I love that! That truly is a leadership move," Jim said. "Seeing an opportunity and doing what it takes to make it happen in a way that's a win-win for everyone involved. And now that you mention it, I can absolutely see Samantha doing great in that role," Jim said with a fatherly look of pride in his eyes. "She has huge potential." He paused to take it all in. "This is exactly what we want to demonstrate to our people," he continued. "When team members take their knowledge and *push it down* to others, they create opportunities upward for themselves."

"There's another piece to it," Julie continued. "With the recent acquisition overseas, we need to make sure the knowledge and skills are *pushed out* too. In fact, I spoke with Tom about putting together a framework for developing a Center of Excellence (COE) so that we not only *push down* the information in that area to further develop the team's capabilities but also spread the wealth further as we *push it out*."

"I love it," Jim said. *Push It Down and Push It Out*. We need to add that to our list of Clarity Principles."

Let's Chat

At this point, we've learned about Principle #7: Push It Down and Push It Out.

Jim and Julie discussed some personnel moves, like moving Tom into a management position in R&D. The Push It Down and Push It Out principle came into play as Tom proactively developed his succession plan, identifying Samantha as a suitable replacement for his current role. Jim and Julie also discussed making Tom responsible for developing a knowledge-transfer plan for their latest overseas acquisition.

When This Principle Is Violated

When Principle #7 is violated, we often see a hoarding of information. In some cases, individuals will intentionally *not* push down and push out their subject matter expertise, believing this will make them appear more important or give them more job security.

In other cases, a failure to properly disseminate subject matter expertise and successfully transfer knowledge is due to a lack of awareness or lack of built-in processes like we're discussing here.

Hoarding of information, whether it's intentional or not, is one of the most detrimental paradigms that can exist in a company. When there's no real strategy in place for pushing information and skills *down* and *out*, it hampers the success of a business—it keeps it from scaling and growing.

Team members who don't pass down their specialized skills will not have the bandwidth to work on higher, more valuable initiatives for the business because they'll remain unable to offload their current work. If not addressed, these pockets of hoarding will create significant challenges with scaling of skills and resource availability.

Insights from the Author

Over the years, I have consulted with many companies at all levels, and I've directly managed hundreds of people. During that time, I have witnessed many instances of "information hoarding" in organizations. I've also seen the damage this mindset can (and will) create.

As a business leader, it's imperative that you root this out of your organization. You do this by building a culture where the free sharing of knowledge is rewarded. We'll discuss some next steps you can take in the next section. A big part of moving toward becoming a business that shares information openly and freely is adopting Principle #7, Push It Down and Push It Out.

While this may not seem like a big deal on the surface, especially for a smaller company, it will become a major issue for a business looking to make the leap and scale. As a business begins putting the proper processes in place to address this, the hoarding of information will be rooted out naturally, and a culture of freely sharing knowledge will rise to the top and become the prevalent mindset. This is what you should strive for.

Next Steps and Practical Application

Let's talk about some next steps and how to apply this principle. One of the first things you need to do is identify where in your organization information is not being freely shared. A good place to start is with the individuals you identified in Principle #3, the ones your business relies too heavily on.

While these individuals may not be hoarding information on purpose, it is critical knowledge that needs to be extracted from them, documented, and shared to minimize the risk and exposure for the business. These are the same individuals that you want to develop succession plans for right away. In their succession plans, identify the next logical replacement for their role, and create built-in knowledge-transfer targets and objectives. Make it part of their roles and responsibilities. This will help ensure that the knowledge transfer happens freely.

Again, start with the areas where you are highly exposed, but ultimately, this should be done across the entire organization.

If your business is highly reliant on information, then you'll also want to look into building a knowledge base repository. This should have clear targets and objectives with ownership, and it should be leveraged across the company. There are other things you can do in this area to help Push It Down and Push It Out. Executing on the ones identified above will be a great start.

Check out the additional resources for Principle #7 at www.clarityprinciples.com/resources.

Phase 3: Improve and Iterate

- ✓ Principle #8—Building a World-Class Culture
- ✓ Principle #9—Clarity and Seamless Execution
- ✓ Principle #10—Iterations

Principle #8

Building a World-Class Culture

Question:

> *Is there an issue with the culture of the business where overall morale is not as strong as it should be in some areas—or across the business as a whole?*

Jim was walking down the hall near Julie's office. "Jim, could you come in here? I need to show you something."

"What's up?" he asked.

She looked up at him and slid a piece of paper across the desk. "Our recent employee satisfaction survey."

As Jim stepped into Julie's office and sat down, he picked up the paper and stared at it for what seemed like a solid minute without saying a word. Julie watched him the whole time. Finally, he looked up at her, then looked back down at the paper once more. "I can't believe it," he said. He looked at Julie again, clearly emotional. "Ninety-six percent?"

"Yep," she answered with a grin. "*Ninety-six* percent."

"Julie, this means *so* much to me?"

"I know it does. We've worked so hard to make this happen," she said. "*You've* worked so hard for all of us."

In six months, Jim and Julie had practically turned the whole business around. The difference between where they had been and where they were now was monumental. They still had work to do, but they had a methodology and framework in place with the Clarity Principles as a foundation.

Over the following months, their revenue had more than doubled. Not only had the bottom line increased, but they now had energized and happy employees that *wanted* to work there. Employee satisfaction surveys continued to come back in the high nineties, and the culture had improved dramatically.

They had the opportunity to work through several other processes with the same focus and methodology, and it was having a broader and deeper impact throughout the company.

They also defined every role with respective responsibilities, including process ownership, and every employee was responsible for developing their own succession plan. Another big win was how every employee had a component of content development and knowledge transfer built into their responsibilities, ensuring knowledge sharing and cross-training could happen organically throughout the organization.

With the succession plans in place, they were able to promote and easily backfill roles, demonstrating to everyone the value of grooming their own replacements. They put in place a prerequisite that anyone considering a promotion would have to identify and help develop their replacement.

They also added what they called the 15 percent rule. In the past, team members had been pushed so far out of their comfort zone that it led to frustration, overwhelm, and breakdown across the company. With everyone encouraged to work 15 percent outside of their comfort zone, it was enough of a stretch to create growth and productivity gains, but not so much that it would lead to breakdown and chaos.

The exciting part was that they now had an amazing and truly authentic culture that had developed organically as part of the fabric of the company. Employees felt they were being heard, that they mattered, and that they made a difference.

Jim and Julie had introduced new initiatives that would have easily broken the team before. But now, the team had rallied around the new initiatives with excitement and vigor.

The results were palpable. The magnitude of the increased pride and improved culture within the employee base was unexpected, but it was the greatest benefit of all.

Jim and Julie discussed further plans for growth and realized they had a blossoming world-class culture fully capable of supporting that growth. They also started rigorously reaching out to their customer base to assess whether what they had been doing internally was making an impact externally for the customers. When they reviewed customer satisfaction surveys, there was practically a direct alignment with the employee satisfaction surveys. It was clear that happy, satisfied employees had a direct correlation with happy, satisfied customers.

Customers remarked on how everything about the company seemed to have changed for the better. They said the employees seemed so much more engaged and consistently provided service above and beyond what they had experienced before. Customers also commented that product quality was better, and that delivery—which had been spotty before—seemed now to always be on point. Before the turnaround, a few customers had said they were on the verge of leaving and looking for an alternative vendor but were now so happy they hadn't. All of this resulted in a dramatic increase in sales, record-breaking retention rates, and an unbelievable increase in referrals, resulting in a huge impact to the bottom line.

The Clarity Principles had changed the entire game—for Jim and Julie, for the rest of the team, and for their entire customer base. With laser focus on the principles, they built a solid foundation from the inside out, and they put the company in a position to make a quantum leap to the next level in all areas of the organization.

Let's Chat

In this section, we revealed the first principle in the Improve and Iterate phase, Principle #8: Building a World-Class Culture.

Through diligent application of the Clarity Principles, Jim and Julie significantly moved the needle in employee satisfaction and overall morale. Not only did employee satisfaction dramatically improve, but leveraging the principles directly impacted the bottom line, with a doubling in revenue. All of this provided Jim and Julie with the confidence to apply further stretch goals without a concern of breaking the team. These internal changes resulted in customers noticing the difference, and the company was able to salvage some accounts that had been ready to churn.

When This Principle Is Violated

The violation of Principle #8 comes about when some (or all) of the previous principles have been violated. If the prior principles are not addressed, the business doesn't stand a chance of building a sustainable world-class culture that will support scaling and growth.

Many smaller companies, not having matured through the Clarity Principles in their organization, may get away with violating some of the principles and still have a decent culture. However, when more stress is put on the organization to attempt to scale, breakdowns happen across the board. Employee morale is then significantly impacted, trust is broken, and culture erodes.

There's a reason why we start with Principle #1, Stop Playing Below Your Pay Grade, as the first principle. Yes, it all starts at the top, but a company doesn't end up with a great culture simply because the leaders say so. It must be proven through the systematic actions I've outlined in this book.

While applying the Clarity Principles requires work, it comes down to simple economics. There are *zero* companies of significance, with a world-class culture, that haven't applied *some* iteration of these principles within their organization.

Insights from the Author

When it comes to culture, I have had the opportunity to work with companies on the entire spectrum. I've worked with companies that had terrible cultures and seemed they would never scale due to all the internal issues. I've also worked with companies where everything flowed almost seamlessly. Where the Clarity Principles were not only in place but also embraced by the whole team, the end result was a world-class culture that emerged organically.

I could write an entire book about this one principle—about Building a World-Class Culture. At the heart of it all, when you have built a world-class culture and are executing with minimal friction on even a reasonable growth strategy, the business itself cannot help but grow and scale. And everyone is *all-in* to make it happen.

The mistake I've seen so many businesses make is that they focus on building a culture *without* addressing the underlying gaps we've revealed through the Clarity Principles. All employees want to feel valued and feel as if they are contributing. For that to happen, the organization must set them up for success. Otherwise, there's no way to build the kind of culture that can be an absolute difference-maker.

Next Steps and Practical Application

One of the first things you must realize when it comes to building a world-class culture is that it's not just a single thing you focus on doing. Instead, it's the end result and net effect of the *many* things you've put in place that organically raise the level of the culture and improve morale within your business. It is a key measurement of an internally healthy business poised to make the leap.

As mentioned before, do not expect a world-class culture to simply emerge without doing the due diligence of instituting the previous principles. A great culture in a company can be a fickle thing. Establishing your world-class culture takes a lot of dedicated, focused work. You need to establish trust up and down the organization. You need to ensure your employees know exactly what their roles are, that they feel valued, and that they feel the work they do matters. They also need to know there is a path forward to grow into.

Building a world-class culture does not happen overnight. But when you achieve it, it is one of the most cherished qualities of a company. It takes on a life of its own within the business. While it takes time to build a great culture, it can be lost in a heartbeat when trust established between the employee base and the company is broken. You must protect that trust at all costs.

Check out the additional resources for Principle #8 at www.clarityprinciples.com/resources.

Principle #9

Clarity and Seamless Execution

Question:

> *Does confusion and ambiguity exist within areas of the business, making it difficult to make hard, effective decisions that could lead to scaling and growth?*

It was five o'clock Friday night and Jim was walking out of his office. He paused for a moment and looked around, thinking back to that Friday night many months back when he was stuck at his desk for at least another five hours before he even considered going home. He smiled, closed his office door, and locked up for the weekend.

On the way home, he reflected on the whirlwind of progress that had taken place to get the company where it was today. It had all started that one Friday night, when he was ready to give it all up and close the business down. At that time, even though he was pulled into every facet of his company, he didn't have the clarity and visibility to make the strategic decisions necessary to truly grow the business and take it to the next level.

He thought about how drastically different things were for him then compared to now, regarding how he was running the company. The concept of Playing Below Your Pay Grade fit him to a T. Back then, he felt it was the right thing to do. He had thought that being involved so deeply in all the decision-making at every level of the company would help the business. It turned out it was just the opposite. He didn't realize that his excessively hands-on involvement in even the most tactical of areas was doing the company more harm than good.

He really had to shift the paradigm, for himself and for the business, to get to where they were now. When he admitted to himself that the way he had been managing the company was a big reason everyone was out of position and playing T-ball, things started to fall into place. Until he came to that realization, the company hadn't stood a chance.

He thought about that first push toward Process First, People Second—when they had almost lost Tom and Jan—and how they had built a company to that point that was vulnerable and at risk, one that was too reliant on specific individuals for the success of the business. He recalled how, shortly after that, he and Julie had started digging into some of the processes.

Using a priority matrix, they'd selected the three they deemed most critical, the ones that had been causing significant pain to the business.

When he and Julie started evaluating their processes, they had unearthed all the inefficiencies. This was about the time Jim had chosen an alternate route to work one morning, leading to yet another metaphor for the state of their business. Driving over all the added speed bumps on Williams Road that day, Jim had thought about the company's processes and how they, too, had become laden with Speed Bumps over time.

He recalled how he and Julie seemed to really hit their stride when they started reworking their processes with an eye toward making sure they were in the Goldilocks Zone—not too complex and not too simple, but "just right."

Shortly after that, they incorporated the OATK principle, to ensure there was accountability across the board for all processes and process steps. And after the processes were really dialed in, they implemented Push It Down and Push It Out, to drive the skills and knowledge deep and across the whole organization. The Push It Down concept had a remarkable impact on all areas of the business, including new acquisitions, where they were getting people up to speed in record time by Pushing It Out.

Jim remembered how that first employee satisfaction survey had been like a punch in his gut. Then he thought about what happened to the employee satisfaction numbers once he and Julie had instituted the Clarity Principles. If he hadn't been there to experience it all firsthand, he thought, he never would've believed it was possible.

All of this had resulted in not only improvements but a world-class company with a world-class culture. A culture that hadn't been forced but that had come about organically because of what they had put in place.

As Jim pulled into his driveway, a satisfied smile stretched across his face. He felt a huge sense of accomplishment in where the company was now. He sat in the driveway for a while before going inside and thought back on how it had all unfolded and how far they had come.

For a moment, he wondered where they would've been if he had discovered the Clarity Principles at the very beginning, when they had started the company. But he decided it wasn't worth second-guessing about all that. He was just incredibly grateful for the blessing of a newfound sense of clarity in the business—total clarity that had come about *without* micromanaging. He knew he could trust his team because they now had the right foundation and infrastructure to support the growth and scaling of the business.

Jim now had in place the tools he needed to run his business, tools that he and Julie had developed and refined. Each department had their individual KPIs and metrics that rolled up into several dashboards through which Jim and Julie could easily determine the health of the company.

He thought about the total chaos and confusion of the business before the turnaround, before all the clarity. Clarity that no longer required him to work seventy hours a week and maintain a death grip on every facet of the business. This level of clarity had given him and Julie the ability to execute seamlessly on their plans. In fact, they were in the process of acquiring two more companies. In the past, the thought of an acquisition would have made his stomach turn. He would've questioned whether they could pull it off. Now, he knew with absolute confidence that they would be successful in the expansion. They were on a tremendous trajectory for growth.

Jim shook his head, still smiling, as he turned off the car and walked into the house. His work was done for the week, and it was time to start the weekend with Mary and the kids.

Let's Chat

In this section, we witnessed Jim's reflections on Principle #9: Clarity and Seamless Execution.

He looked back on all that had happened since that late Friday evening in the office many months prior. Jim pondered all the key moments when the Clarity Principles had revealed themselves. He thought about the amazing culture the company had now, and how he had gained a sense of clarity into the entire business where there had once been nothing but confusion and chaos.

When This Principle Is Violated

This one is pretty simple. When Principle #9 is violated, a company will *not* scale and grow. It's impossible for a business to grow in a sustainable way when there is no clarity and an inability to execute at a high level with confidence at the top.

We've seen the ramifications when all the principles are violated. As is the case with Building a World-Class Culture, obtaining Clarity and Seamless Execution is the end result of successfully working through and applying the other principles.

Ask yourself:

- How does a business stand a chance of sustainably growing and scaling when all the other principles are out of alignment?
- What kind of execution do you have in your business? Are there areas of breakdown that need attention?
- Do you see how an adherence to all of these principles could move your business from confusion to clarity, from average to world-class?

Insights from the Author

When working with companies that have successfully established and leveraged the Clarity Principles, there is a calmness in their execution, and it shows. On the other hand, many of the companies I've observed that *haven't* leveraged the principles have a frantic, "all over the place" feel about them—constant crisis management with an oozing sense of desperation—and everyone feels it. Including their customers.

As was the case with the previous principle of Building a World-Class Culture, the principle of Clarity and Seamless Execution is the end result of the work done previously. These two principles are in the Improve and Iterate phase because they are measurements by which you can evaluate your progress of laying down the foundation with the previous principles.

There are other factors, of course, but the idea of Clarity and Seamless Execution indicates that you now have your finger on the pulse on your entire business. You know what's happening throughout the organization. You are running your business around the rule, not around all the exceptions that arise when a business hasn't applied these principles. You have the clarity to make hard decisions quickly and with confidence.

Next Steps and Practical Application

"When performance is measured, performance improves. When performance is measured and reported back, the rate of improvement accelerates." This is Pearson's Law. As you work your way through all the Clarity Principles within your business and refine your success measurements, your clarity into the business and your ability to execute will improve dramatically.

Before stepping into Principle #10, where we'll determine whether we need to iterate on the Clarity Principles again for the area of the business you just completed, you'll need to ask yourself whether you have the necessary tools in place to measure success for that area.

What are the metrics, KPIs, and possible dashboards needed to ensure you have a finger on the pulse of that area of the business? Regarding the area of the business you've been focusing on, what other tools are essential to allow you to make hard decisions quickly and in the most informed manner possible?

Whatever those tools are, this is the time to ensure you define what you need and put them in place. It's not necessary to be perfect. However, you should be able to get very close at this point in understanding the raw information and metrics you need for effective decision-making at the highest level.

Each time through the Clarity Principles, you will further refine your view of your business, ultimately providing the Clarity and Seamless Execution you are looking for.

Check out the additional resources for Principle #9 at www.clarityprinciples.com/resources.

Principle #10
Iterations

Question:

> *Does the business lack an effective strategy for identifying gaps and applying a consistent approach for addressing any of the issues above?*

Julie looked elated as she walked into Jim's office and sat down.

"What's up?" Jim asked.

"I just got the go-ahead for us to lease the new building," she said.

"Outstanding!" Jim exclaimed, clapping his hands in celebration. "Great job, Julie!"

"Can you believe what we've done?" she asked. "We've grown almost 300 percent in the last year! I think we can expect a 10x jump in the next three years, maybe even sooner."

Jim leaned forward. "I *know* we can, as long as we keep iterating through the principles across the business like we have been," he said. "Every iteration, we've gotten better and better." He paused for a moment. "We were plateaued for so long," he said then. "But we worked so hard to turn things around. I'm so proud of what we've all accomplished."

Jim and Julie continued discussing where they were when they started with the principles and how they had gone from chaos and confusion to so much clarity. Jim shared with Julie how he had been reflecting on the exact same thing during his drive home the other night. He went on to express how critical Julie had been to all of it and commended her for how she really took hold of the principles and ran with them. He said they wouldn't be where they were today without her driving it all.

Julie held up her hand. "Stop right there," she said. "This was a team thing. None of this would've happened if all the parts weren't in place. Especially if you hadn't had those 'aha' moments along the way. Everything came to us at the perfect time."

"Yeah, you're right," Jim replied. "It is a bit uncanny how we got the answers as we needed them, once we opened ourselves up to it all. And I love that we could root out an underperforming area, work through a couple iterations, and really tighten things up each time through."

In many areas, Jim and Julie found that going through the principles only once was sufficient. But more problematic or complex areas required two or three iterations. Iterating like that dialed things in tighter and tighter after each time through. Also, through each iteration, they built more and more tools for each of the principles. They created worksheets, roadmaps, workflow diagrams, manuals, and more—all centered around the processes and the principles.

The business was on an amazing trajectory.

They also found that in some areas of the business, they didn't have to iterate through *all* the principles, but recognized areas where there were gaps, where they could do a deep dive on just a few of the principles to get the improvements they were looking for.

With the speed at which the business was growing, they decided to create an actual practice and Center of Excellence responsible for iterating through the Clarity Principles. Jim and Julie had already identified several people in the company that really had a knack for working through the principles and made them responsible for heading up the COE. Their role was to manage and evolve the principles as needed, with an eye toward overall efficiency. They were the ones responsible for executing on the principles within the business, as well as helping to facilitate any necessary knowledge transfer to support the principles.

Jim chuckled when Julie said that developing the COE and having team members run it was a perfect example of Pushing It Down—in this case, Jim and Julie "pushing it down" to free themselves up for higher-level initiatives.

"You know, Jim, this whole thing worked because you went all-in," Julie said. "On multiple occasions, it would've been easy to slip back into that micromanaging, firefighting mode. But you saw it through, and that's why we're here."

"Maybe so," Jim said, "but you had to be all-in too. We were both in unfamiliar territory, but it required both of us."

"Well, be that as it may, one thing's for certain," said Julie.

"What's that?"

"We have our fearless leader back. The same leader that made me say yes to coming on board in the first place," Julie said. "The impact you've had on everyone in this company cannot be measured. Look at our employee turnover. When's the last time anyone left this place?" Jim smiled and nodded in agreement as he listened. "Not only that," Julie went on. "Look how many new hires have come in through employee referrals. This is the culture we've built. Not through BS lip service and hollow words but through authentic care and feeding of this company. Your leadership is woven throughout the entire fabric of this company. And you know what? There's no stopping us now!"

"Thank you, Julie. I can't tell you how much that means to me. I appreciate you more than you'll ever know."

"Oh, and one other thing," Julie added. "It's about Samantha."

"Is she okay?" Jim asked. Samantha had gone through a difficult pregnancy. She had been in the hospital and was expecting at any time.

"Yes, she's fine. She had her baby. Seven pounds, four ounces. A boy, healthy as can be. Our first company baby!"

Samantha and her husband, Robert, both worked for the company and had first met as employees. "I love those two," Jim gushed. "They're such an amazing young couple. We'll have to send them something really special."

"I checked in on Samantha earlier to see how she was doing," Julie said. "She said everything was great. She also wanted me to tell you something."

"Oh yeah? What's that?"

"She told me she and Robert have come up with a name for their son," Julie said, choked up and struggling a bit to get out the rest of her words. "They named him James," she said. "After you."

This stopped Jim in his tracks. As he tried to process what Julie had just said, a wave of emotion washed over him, and he could barely speak. "Why would they do that?" he said finally.

"You're more than a boss, Jim. You're like a father to a lot of these folks. What you've done here for everyone has been monumental. And I, for one, want to thank you. Not only for what you've done but for who you are."

"Thank you," Jim managed, still overwhelmed and barely able to speak. In that moment, he was beyond grateful—for everything.

Let's Chat

We've revealed our final principle in the framework—Principle #10: Iterations.

In this section, we saw our story come to a close, with Jim and Julie having grown the business by 300 percent and projecting a 10x growth in the next three years. They had used the concept of Iterations to go back through the Clarity Principles and achieve greater results in certain areas where once through wasn't enough. Jim and Julie realized how important it was to have an "all-in" mindset from the beginning to create the level of success they had experienced.

When This Principle Is Violated

Let's talk about what happens when Principle #10 is violated. When a company only goes through the Clarity Principles once without ever iterating, they can expect the work they did to eventually become ineffective again. If there's one constant in business, it's that change and breakdown are inevitable.

Without the concept of Iterations and running back through the Clarity Principles periodically as needed, processes will become outdated and start breaking down. People will get pulled out of position and you'll once again see a heavy reliance on specific individuals to make up for the breakdown and new gaps in processes. Areas of the company will move away from clarity and back to confusion. The culture will backslide.

Insights from the Author

We've all heard about the value of keeping things simple. The Clarity Principles are designed to be a simple framework that any organization can execute on.

I've seen companies that have adopted some of the principles we've discussed in this book, or that have run through the Clarity Principles just once, and it has generated great results—but without Iterations, those results didn't last.

The companies that have done the best with this framework and methodology are the ones that have baked it into the fabric of their organization. They've focused on smaller areas to work through, just a few at a time, and they've iterated often. Many of these companies have different departments running through the Clarity Principles at the same time. They've kept things simple and manageable, and as we covered earlier, they haven't tried to boil the whole ocean.

If you leverage the Clarity Principles like I've shown and use the concept of Iterations to review areas of the business to make sure there are no new gaps, the company will always be able to keep up with inevitable changes.

Next Steps and Practical Application

You may be asking yourself *How do I know if I need to iterate through the principles again in a certain area?* This is a valid question. To determine if you might want to iterate through an area that you've just gone through, here are a few questions you can ask yourself:

- Do I now have the right processes and people in place for that area of the business to be successful?
- Do the people in that area now have a solid grasp on their roles and responsibilities, with succession plans in place?
- Could I take on a growth of 10 to 20 percent in that area if needed without causing significant stress on the processes and people?
- After this round of the Clarity Principles, do I feel I have a finger on the pulse of this particular area—enough to make informed, difficult decisions *fast* if necessary?

These are just a few questions that will give you a good indication of whether you need to iterate through the Clarity Principles again in that particular area of the business, or move on to the next.

Check out the additional resources for Principle #10 at www.clarityprinciples.com/resources.

Bonus Principle #11

Time to Fire Yourself

Jim finished his speech and looked out at the audience of several hundred CEOs and business leaders as they gave him a standing ovation. Julie waited in the wings, and he waved to her, motioning for her to join him onstage. More and more often, organizations had been asking Jim to be a keynote speaker for events like this. It was something Jim loved doing, and he poured everything he had into it. Occasionally, Julie would make a guest appearance.

As Julie made her way to the stage, Jim reflected once again on all that they had been through over the last several years leading up to this. The changes they had made through the Clarity Principles had created exponential growth in the company—growth that had been unfathomable five years prior. Looking out at the audience, he couldn't help but wonder how many of them were in the exact same situation he and Julie were in just a few years back.

He knew firsthand that there were quite a few. After every event, a line of people waited to speak with him and share their struggles. He loved helping them as much as he could, and it pained him when he had to turn away those he couldn't work with. But soon—very soon—that wouldn't be the case. He looked over at Julie, and he couldn't help but grin in anticipation of what was to come.

Jim and Julie waved at the crowd. They recognized some of the audience members, but there were so many they didn't recognize. So many that may have been struggling themselves. After they said their thank-yous to the audience, they walked off the stage. Jim loved it when he could bring Julie on as a guest speaker to share her insights.

"Jim, that was amazing," Julie said. "I've heard your speech a hundred times, but every time I hear it, it takes me back to all that we've gone through to get here. What a journey it's been! Thanks for having me up there with you."

"Julie, you crushed it. I love doing these events, but when you get to join me and share the journey from your perspective, it makes it that much more special," Jim replied. "It all feels so surreal," he went on, shaking his head. "Sometimes it feels like it all happened a lifetime ago, but on the other hand, it feels like it was yesterday. It's been quite a ride."

"Absolutely," Julie said.

"I want to talk to you about something," Jim continued. "I've been speaking with the board, and I've decided to step down as CEO."

"What? No!"

"Hear me out," Jim said. "I've also been discussing my succession plan with the board. I mean, after all, we had everyone else in the organization create one, right?" Julie smiled and nodded. "I told the board it's time for you to take the reins," Jim continued. "No one can step in and take the company to the next level the way I know *you* can. And it was a resounding and unanimous 'yes' from the board. The role of CEO is yours," he said. "If you want it, that is."

Julie looked at Jim for a few seconds. "First of all, absolutely! I'd be honored to take the torch from you," she said. "But are you sure this is what you want? We've done so much together to grow this company, and we're even talking about going public. Are you sure you want to leave now?"

"I'm positive," he said with conviction. "Think about how far we've come with the Clarity Principles over the last few years. When I look out at an audience like that, I can't help but wonder how many of them are in the same place now that we were then."

"I get it," Julie said.

"Look at it this way," Jim went on. "Each one of those people in the audience represents a company that is not only responsible for their employees, but the families of those employees. You know as well as I do how close we were to shutting everything down. Look at the turnaround we made. Look at the expansion and the stability we've provided for our employees and their families. I feel there's a bigger purpose for me now. The more I connect with others and share what we did, the more I see how many others are struggling with the same challenges we went through."

Julie nodded again. From the look on her face, it was clear to Jim that she fully understood where he was coming from.

"We've impacted so many lives with the turnaround in our business alone," he continued. "I'm stepping down for a couple reasons." He held up his index finger then to indicate the number one. "First, I want to take some time off to spend with Mary and the kids. Not just a few weeks, but some real quality time. You know how important family is to me. I've been coaching the kids' teams on the weekends, but I want more than that. Mary and I have been discussing the idea of homeschooling the kids and doing some traveling as a family."

"And second," he said, holding up two fingers this time, "I feel compelled to continue speaking and consulting with other businesses on the Clarity Principles. I've seen what it has done for our company, and I've seen what it has done for the companies I've already consulted with. After every event I speak at, several people approach me to express that our journey sounds exactly like theirs, and to ask if I can help them. And I always hate to say no. It leaves me with an empty feeling in my stomach—because I know what a game changer it could be for them."

"That all makes perfect sense, Jim. I'm so excited for you!" Julie said. "And thank you for having so much faith in me. I won't let you down."

"I know you won't," Jim said with a wink.

"I sure will be sad to see you go," Julie added.

"Well, I'll still be on the board," he said. "But, effective immediately, it'll be *your* company, to lead and continue to grow as you please. I've already started the paperwork."

"Of course you have," she said with a smile. "Follow your heart, Jim. I know a lot of people could really use your help, and they'll be lucky to have it."

"One other thing before I forget," said Julie. "I wanted to talk to you about a couple promotions. I want to promote Tom to VP of Research and Development and put Jan in charge of Global Strategic Operations."

Jim thought about the time when Tom and Jan had been ready to quit, and how he and Julie made a last-ditch effort to keep them—which is what led to them uncovering Principle #3. Tom and Jan were two of the best individuals he had ever worked with. "Why are you asking me?" he said. "That sounds like a decision for the new CEO."

Julie gave Jim a big hug then. "Thanks again," she said. "For everything."

"You're so very welcome. And thank *you*. I can't wait to see the new heights you take the company to," Jim said. "And one other thing. I expect you to join me on stage every once in a while, as I continue sharing the Clarity Principles with others."

"It's a deal!"

Insights from the Author

We started the book with Principle #1: Stop Playing Below Your Pay Grade. That was on purpose. If the founders, owners, and leaders of a company find themselves consistently getting involved in low-level, tactical initiatives, then the business will never scale to any significant size. There *must* be buy-in at the top to let go of these tactical initiatives and drive that ownership down into the business to allow leaders to stay focused at the strategic level. Once we understand and embrace that at the highest levels of the business, we can execute on all the principles that follow.

As we've discussed the Clarity Principles, you should have noticed that we were developing a sense of organization and cohesion across the business—organization and cohesion that led to accountability and empowerment driven down to all levels.

Bonus Principle #11 is a fitting bookend for all the principles. When we discussed Principle #7, Push It Down and Push It Out, we looked specifically at the concept of driving the ownership downstream. Consider this eleventh principle, Time to Fire Yourself, as the highest level of that. In the final portion of our story, Jim chose to step away from the business and hand the keys over to Julie. He essentially "fired" himself so he could move on to the greater things he wanted to pursue. He was able to do that because he had a very capable replacement in Julie, someone who had worked alongside him over the years and could step in and take over.

While it may take time to get to a point where you're ready to step away like Jim did, it's something you should ponder from the beginning. When you've arrived at this point, you will know you've created something spectacular with your business in a way that you may not have thought possible when you began your journey.

You could stop at Principle #10 and continue to iterate on these principles throughout the business, and you'd still be light-years ahead of most who continue to struggle. But very few CEOs and business leaders (if any) have told me they want to be a slave to their business forever. My guess is that, deep down inside, neither do you. Most started their business because of what they believed the business could provide for them, such as time and financial freedom, along with the ability to provide a service to others.

As you work through the Clarity Principles, even from the very beginning, keep this principle of firing yourself in mind. Beyond owning and running your business, are there greater dreams you'd like to work toward fulfilling? You may not have an answer to that question right now, and that's okay. Start with taking some time to define what your true purpose in life is. Most likely, your business was founded on some or all of what you believe that purpose to be.

Throughout this process, continue to ask yourself, *When I scale this business to the point where it's time for me to move on, what is it that will truly feed my soul? What can I focus on next that will allow me to positively impact even more lives?*

I believe we all have gifts and talents we can leverage for the better. I also believe it should be everyone's life mission, and even obligation to oneself, to continuously work on uncovering and revealing those gifts and talents and learning how we can use them for good in the lives of others. I truly believe that our greatest calling is to serve others, and I want to thank you for allowing me to share my thoughts and serve you.

Your Roadmap from Confusion to Clarity

I hope you've enjoyed this book.

Throughout over thirty years of owning my own businesses as well as working for and consulting with companies of all sizes, from Fortune 50s to startups, these principles have consistently proven themselves to be effective. While the principles may seem basic, don't let the simplicity of the framework fool you. I have had the opportunity to apply these principles in many situations, replacing dysfunction with clarity and organization. Dysfunction that sometimes exists due to a violation of one, but more often, a number of these principles.

Remember the Leonardo da Vinci quote at the beginning of the book? "Simplicity is the ultimate sophistication." I purposely chose the format of this book to deliver the framework in a way that is easy to consume and understand. The truth is, one could write an entire book about each one of these principles. But my goal was to share the power of the framework as a whole, while not getting lost in a deep dive on any one of the principles.

There are other things to consider here. For example, we must assume that an organization has a reasonably viable and continuously improving product that customers want, and that the organization delivers on those wants. While the Clarity Principles cannot make a bad product or service great, they can certainly help with processes and accountability to help ensure the product or service gets better. This holds true for any part of the organization that's lagging.

While every business is unique, the reasons for success and failure are usually *not* unique and can often be traced back to just a handful of reasons.

I have personally used, and consulted on, these principles with others and have helped many businesses that were stuck at a plateau and unable to scale. Using these principles, I've helped them get unstuck, scale rapidly, and create massive value for employees and customers alike. These principles work. The framework works. However, there needs to be an "all-in" mindset and acknowledgement that starts at the top. When we have that buy-in and a commitment to execute, we see very positive results.

There are other factors at play, of course, such as strategic vision and focus, marketing, finances, and so on. But even in these areas, the Clarity Principles can often be applied and have measurable results.

The Clarity Principles are more than just a once-through application. They're a philosophy that you can leverage over and over again throughout an organization. They can also be a powerful way to identify emerging symptoms and breakdowns, using the questionnaire.

Now that we've reached the end of the book, it's decision time. You've learned about the Clarity Principles and the framework. What will you do from here? You can choose to do nothing, or you can choose to embrace these principles and framework, and possibly take your business to new heights you found previously unattainable. The choice is yours. But at least now you know there is a methodology for recognizing the gaps, closing them, and achieving those new heights.

You also have the option to take things further. Aside from applying what you've learned from this book, you can leverage our online coaching and course materials. Or you can work directly with me, and together we'll bring the Clarity Principles to life for your organization.

As we close, let's take one more look at the framework and your roadmap to success with the Clarity Principles:

Phase 1: Identify

- Principle #1—Stop Playing Below Your Pay Grade
- Principle #2—No More T-Ball
- Principle #3—Process First, People Second
- Principle #4—Eliminating Speed Bumps

Phase 2: Implement

- Principle #5—The Goldilocks Zone
- Principle #6—OATK
- Principle #7—Push It Down and Push It Out

Phase 3: Improve and Iterate

- Principle #8—Building a World-Class Culture
- Principle #9—Clarity and Seamless Execution
- Principle #10—Iterations

Bonus

- Principle #11—Time to Fire Yourself

Next Steps

I have a very special place in my heart for the business leaders grinding it out day in and day out, week in and week out, to make a better life for themselves and their employees while delivering as much value as possible to their customers.

Having been there myself, and having consulted with many others that have been there too, I know it can feel like you're spinning your wheels and not getting anywhere. It can be an exhausting and discouraging existence.

While writing this book, I knew there was no way I could capture everything I wanted to share with you and still present it as an "airplane read." Think of this book as your primer, an introduction to the Clarity Principles. The Clarity Principles and this framework have been a game changer for so many people. I can't wait to see what it will do for you and your business!

Now that you know what the principles are and see what can happen when you apply them, here are some next steps for you to make the leap to the next level:

1. Access All Your Free Bonuses

By simply reading this book and allowing me to share the Clarity Principles with you, you have unlocked all the free bonuses I've offered with the book.

Access all the resources mentioned in the book for free at www.clarityprinciples.com/resources.

2. Hire Me to Speak

If you'd like me to be a guest speaker for an event or group, I'd be happy to come and share more on the Clarity Principles or other leadership principles. You can contact me directly at: mike@clarityprinciples.com with "Speaking" in the subject line.

3. Hire Me to Work with You and Your Business

If you've found this book helpful and see value in taking the Clarity Principles to the next level in your organization, let's schedule some time to talk. I'd love to learn more about you, your goals, and what challenges are keeping you from reaching those goals in your business. We can brainstorm a bit on some possible paths forward.

You can schedule your free introductory call with me at www.clarityprinciples.com/call.

Acknowledgments

First and foremost, to my lord and savior, Jesus Christ. Many prayers were raised up during the creation of this book asking for guidance on how to write in a way to best serve others. I stalled and hit writer's block many times. After stepping away and praying about it, the answer always came on what to do next. Through Him, all things truly are possible.

To the most caring person I know, my beautiful wife, Teresa. After thirty-three years of marriage, my love for you is deeper than ever. What an amazing life we've had together—the adventures we've had! Thank you for being my rock and my biggest cheerleader and the most amazing mother to our daughter. I love you more than words could ever express. I am so blessed to have you as my soulmate, and I look forward to the next thirty years.

To my beautiful and wise-beyond-her-years daughter, Shalyn. A father couldn't ask for a better relationship than the one we have. My life is infinitely better with you in it. The memories we've made together—like getting our black

belts, fishing together, and now competing on the pickleball courts—bring a smile to my face every day. Thank you for your feedback and helping me get this book started.

To my dad and mom, Ed and Pat. I learned so much from both of you throughout the years. While you are both gone now, I love you both and miss you so much. Thank you for being there when I was growing up and learning how to navigate this thing called life. I hope I've made you proud.

To my stepfather, Barry. I miss spending all those hours with you on the sailboat talking about business and other things. You left us too soon.

To DeVory. Thanks for being there and imparting the right wisdom at the right time, both as a friend and as a coach. Many times, I wondered if I was hitting the mark like I wanted to. You always showed me that I was, and helped me get realigned if I wasn't. Thanks, friend!

To Stan. Thanks for having me on the *Morning Show* throughout the years to do leadership training for your team. After I'd finished doing a training for the team, you would always ask me, "When are you going to write a book?" Well, here it is, brother. Thanks so much for that motivation.

To all my mentors from the past. I was blessed to have some incredible and highly intelligent people provide guidance for

me along the way—whether it was in business, life, or sports. Thank you for your wisdom and insight.

To all my clients, past and present, many of whom have become some of my greatest friends. Thank you for believing in me and letting me serve you.

To all my pickleball friends. What a community we have! So many times, getting on the courts and playing was what I needed to clear my head and get my creative juices going again. You're more than friends. You're family.

To *you*, the one reading this book. You were the motivation behind this coming into existence. My sole purpose and goal for this book was to help and serve others. Thanks again for giving me the opportunity to share it with you.

Author Bio

Mike Dennison is a highly sought-after customer experience executive, leadership coach and organizational consultant. Over the last thirty-plus years, he has had the opportunity to work for and consult with companies of all sizes. From some of the largest companies in the world, to startups and emerging businesses looking to get to the next level. He has owned, started, and scaled several businesses of his own. Mike specializes in working with businesses to create straightforward organizational clarity and high-impact cultures within their organizations and is often contracted to speak on these topics. For more information on connecting with Mike or having him speak or work with you and your organization, email mike@clarityprinciples.com.

One last favor…

Before I let you go, I would like to ask you one last thing.

If I was able to provide you with some inspiration and you got anything from this book at all, I would be so thankful if you could drop a review for me on *Clarity Principles*.

Thanks so much, and I truly hope we get a chance to connect with one another somewhere down the road.