

Meeting Pulse (Part 1)

Lawrence: Luke, welcome back to the [Membership](#).

Luke: Thanks for having me, Lawrence.

Lawrence: Great to have you. Thanks for doing this again. We are almost to the end of this Traction series. This is I think the second to last episode of the series. I'm kind of sad to say as well because this has been such a fun journey. But this is the sixth and final component of [Traction](#). This is the traction component which is all about Rocks and Meeting Pulse. Now, as we said before we got recording, we're not going to cover Rocks because we've already that in Part 7 - Quarterly Rocks, so if you want to review that information please go to Traction series and look at Part 7.

We are going to be talking about the Meeting Pulse. We are going to talk about how to do that effectively, how to manage meetings, how to run the meetings, the agendas, etcetera. How to do it in a high intensity training business context. This is a very dense section in [Traction](#). We're not going to be going through every single line in the book as I always say, so please do buy [Traction](#) and follow along with the book because it is very prescriptive, it is very detailed, and the book shows you how to do this. But hopefully this will add even more value because Luke and [Discover Strength](#) have so much experience running these meetings and they've got their own spin on it I'm sure which is going to be great to hear, and then you can adopt that into your own process.

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Luke, let's just set the scene. What is the purpose of the traction component? How would you describe the purpose and the point of this part of the book?

Luke: Okay, so I have started half of our podcast or half of the Traction series with this answer. This is the most important part. Traction is one of the elements of all the different elements we've discussed. The word 'traction' means how do you bring all this down to the ground and make it work. You can go to the vision component and think, "Great! I have a great vision. I'm done." Well, how do you actually bring it down to the ground and you bring it down to the ground? And you bring it down to the ground with these two things: one is Rocks which is a separate discussion that we've had, and the other one is great meetings. Ultimately, you can build a great company, an enduring company without great meetings. I mean, meetings are the key element of building something special and growing a company, growing a profitable company. That's what it means. You don't bring it all down to the ground unless you have great meetings, and nailing the meeting pulse is critically important.

I am well aware that a decent percentage of your membership right now and they listen to me says, "Okay, I want to stop and listen to something else. I'd rather listen to James Steele go on for an hour and 15 minutes on the normal podcast than listen anymore on this on meetings." Because meetings we just traditionally look at it as so boring. I think it is so incredibly important.

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Lawrence: Yeah. Great way to start this. I'm super excited to get into this one. I've just been loving doing the weekly review myself and how sad is that, it is just me. I don't have a big team I'm doing it with. Before we get into it, I just love to hear, just to get people a bit excited. Can you just touch on the before and after for [Discover Strength](#)? Before you implemented [Traction](#) and after in terms of specifically the meetings. Can you just touch on the results and the experiences you've had in your businesses from this?

Luke: Absolutely. I'll start off with we always did meetings before we ever read [Traction](#). Okay. But our meetings were not just effective meetings. It wasn't that I didn't make time for meetings, I just had really bad meetings. Of course, at that time I didn't think they are really bad meetings. I probably thought they could be improved. But as soon as we implemented this meeting pulse, so specifically the weekly L10, as soon as we implemented that I turned to my team (leadership team), so this is like 2014, maybe late 2013 and I said, "Wow! I can now go from working 50-80+ hours a week, and I can now work 1.5 hour a week. I don't think we need to decrease my compensation because I actually think I am bringing enough value to the organization." That's how powerful the weekly L10 meeting becomes. It is just a game changed. It is the best way to grow the business. It just changed our entire organization. The rest of the meetings matter also and obviously we'll talk through all those. But for us as soon as we implemented the weekly L10 everything changed in the business.

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Now, let me tell you, every time I visit another business whether it is in our industry or outside of our industry and they ask what I want to see. I always request to see meetings. And I can look at how they run their meetings to see, okay, “Does this organization have a chance to grow?” I just see companies that I even respect run just really poor meetings. My observation is most managers, most leaders, most businesses don’t know how to do meetings. And if they figure out how to do meetings, my goodness, everything changes. Everything changes for that business. We’ve had so many colleagues and friends from all different industries come in and observe our meetings. I’m actually looking out the window right now of our Chanhassen location and there is a guy in the parking lot. We’re doing an outdoor workout today to raise money for a charity and so we have a million people outside training. One guy that I’m looking at right now runs a \$180 million company. He came and sat through our weekly meetings because he wants to see how we ran it because he wants to improve his. We are tiny compared to him. But it doesn’t matter what size of company you are, people struggle with running great meetings. Gino Wickman in the book does a great job of articulating what that meeting can look like.

Lawrence: I love that humility. I love that fact that you give people the opportunity to sit in those meetings. That’s amazing. Yeah, and so just to add on what you said there, yes, it is definitely a view across all industries that meetings are bad, and meetings are unproductive. There is a great line in [Traction](#) it says, “Imagine hearing a surgeon saying to a nurse before

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surgery, ‘If I didn’t have to operate on people I might actually like this job.’” It is just another way of saying that meetings are, as you’ve been saying Luke, incredibly important if you get them right. They are incredibly productive sessions to drive your business.

We are going into, first we are going to start with the 90-day world aka the quarterly meetings. We are going to go through that, and then we are going touch on [EOS](#) annual meeting which is a 2-day, and then the weekly meeting pulse in that order. Let’s start with the 90-day world. This is the way, you’ve spoken about this before Luke, is how humans tend to... Obviously, [Traction](#) talks about this, humans tend to stumble off track every 90 days and 90 days seem to be like a good kaitens. Do you want to just, I guess before we get into the structure, do you want to talk about quarterly meeting just to kind of describe what it is if it is not too [unclear – 7:23]

Luke: There is actually two quarterly meetings. Let’s just assume... We can look at this either way. We can say there is a leadership team or we can assume that there is not a leadership team and it is just a studio of five people. Maybe you have 2-3 studios, or you have a studio with 12 people working, or a larger gym, and you have a leadership team of four people. The quarterly meeting is getting those four people, that leadership team, together for a full day to reflect on what happened in the last 90 days and plan what will happen in the coming 90 days. Part of that plan is what is our revenue goal for the next quarter, what are our rocks going to be for

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the next quarter, and what are all the issues in our issues list that we haven't solved and let's solve them now. Or specifically, let's solve the really big strategic issues right now in this quarter. So solving the issues is really strategic that we should probably go off site and solve. Now, I say off site, you can do this anywhere. Since we use a Traction implementer, he has a session room, which is that it's called in the business. It is called the Traction lodge. That's the name of it. He's got a beautiful space it is far away enough for us. I mean, it is like a 25-minute drive for us to get to, great atmosphere, we get in there at 7:30 in the morning, and he is fully stocked with food and drink. And my biggest goal going into that meeting is to not consume 4,000 calories that I shouldn't consume. And we plan, we reflect on the past quarter, we wrap up that last quarter, and then we plan what the next quarter is going to look like. So that's the quarterly, 8 hours long, and then when you're done with that you have to communicate that to the rest of your team. You can ask more questions there, Lawrence, but that's the quarterly meeting. A leadership team getting off site meeting for a full day planning for their next quarter solving key issues.

But then, there is also something called the quarterly state of the company meeting. This is like 1 to 2-hour meeting where you have to share with the entire company where you've been and where you're going. For us, we always do this leadership team quarterly meeting on a Friday. We actually do ours Friday the 26th. I'm talking to you June 11th right now. We'll do it June 26th which is a Friday. And then our quarterly state of the company

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meeting is always on Saturday. We have no problems doing meetings on weekends because our staff based on schedules work on weekends. It is actually easier for us to meet for two hours on a Saturday afternoon. In this coming out of COVID season we are still doing a virtual meeting. We'll have all 45 employees together virtually on Saturday, normally we'd be together, and in two hours we just talk about where we've been, we recap all of our rocks, everyone has rocks, we go over rock completion percentages, we talk about did we hit our revenue goal, did we hit our profit goal, total transparency around all things financial. And then, we plan what's going on next quarter or we share what's going on next quarter. So that quarterly state of the company serves as an opportunity to reinforce values, reinforce the vision. I go through all the slides and answer all the six questions from core values to core focus to our BHAG, our 3-year, our 1-year, our marketing strategy. We review it every single quarter. I read the core value speech.

I just think it is important that your listeners are clear. Those are two different meetings of full day of quarterly with your leadership team, and then the other one is just the quarterly state of the company meeting. Now, you may say I don't have a leadership team. You know, clearly I didn't have a leadership when we first started and we still did meetings. If you have three trainers and you, I think all four of you should be doing that daylong meeting and planning the next quarter. And then, eventually, you'll get to the point where you just have a leadership team do it.

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Lawrence: Excellent. Again, for the members listening this is so well laid out in the book. I think we'll let the book do much the work in terms of giving you a structure because it is so well laid out. The sequence makes so much sense. It is relatively straight forward to execute on. I'm sure it takes some practice. I guess, I've got the whole agenda in front of me. As I said, it won't be probably that productive to go line by line as this is all in the book. But I'm just curious in pulling out some of this to see if there is anything that might be particularly interesting to speak on.

Luke, when it comes to the quarterly meeting, leadership team meeting, have you in your experience what are some of the mistakes you see specifically in high intensity training maybe when you've taught this to colleagues in the past and maybe observed how they do it or got feedback from them. Is there anything that's glaringly obvious in terms of mistakes that the members could avoid if they learn that from you.

Luke: Yeah, that's easy. It is not having the discipline of doing it consistently. So they'll make time for it. Something else urgent comes up, and they shorten it, they don't do it at all. They start off and are really committed to it and then they have commitment fizzle. They just don't stick to it.

For us, we have every quarterly meeting dates in the calendar a full year ahead of time. I told you June 26th, and then at the end of September. I know when that September date is already. It is in our calendar, like, there is nothing that can replace that meeting. So the full year of those meetings

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is set in stone and we wouldn't let anything supersede the importance of that meeting, so that's number one.

This one is a little bit controversial. I don't think it is something they have to do but there is so much value to it is have someone else run that meeting. I mean, that's the power of having a Traction implementer. You haven't asked this specifically, Lawrence, in our series but we use a Traction implementer. You don't have to but I would say, and most Traction implementers would agree with this, the biggest mistake that Gino Wickman makes in that book is he makes it sound like you can do it and do it well on your own. I just don't agree with that. I think that I'm into the material. I'm into the content. I believe in all of it but I could never do it by myself. I want to have an implementer. When we hired an implementer we couldn't afford it and I also said, "Well, I can't afford not to hire an implementer." That implementer runs that quarterly meeting. So what that allows us to do, Lawrence, is we can just participate in the meeting. Before we hired an implementer, I used to run, I used to administer, facilitate all of our meetings and I was just an okay participant in the meeting. Now I can show up and I can participate and he is going to facilitate. He is going to keep us on schedule. He is going to determine what the actual agenda for the meeting looks like and I get to just roll up my sleeves and dive in and participate, and that's refreshing and it's powerful. The reality is I've done a quarterly every quarter for the last, I don't know, we've been doing this for like six years, seven years. But he

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does quarterlies like almost every day of the week. He is truly a master at it. I think having that expertise is important.

I'll use an analogy that many of the Traction implementers use and our implementer is the one that kind of started this, and it's a little bit crude, so forgive me. He says, "Doing Traction is a lot like teenage sex." Everyone says they are doing it. Everyone says they are doing [Traction](#) but only a few are actually doing it and even fewer are actually doing it well. I think it is a crude analogy but it's probably really true.

Lawrence: So true. It is the perfect analogy.

Luke: I live in the twin cities. I live in Minnesota and we are the most densely populated if it is the right term analogy. We have more Traction saturation here than any other market in the country. I mean, more companies are using [Traction](#). I meet companies all the time that use Traction. When I first met him I thought, "Wow, we are all doing the same thing." And then you get to know them a little bit better and you realize, "Oh, you are not really doing Traction. You are doing like 20% of it." Because they'll say they are doing [Traction](#), and I'll talk about, "When was your last quarterly conversation?" "Oh, we haven't done that." "What are your rocks?" "Ah, we haven't. Not everyone has a rock." And I'll say, "What are your 3 uniques?" "I have to look that up." And then I just say, "Okay. You are not actually doing Traction. You've read the book and you are familiar with the

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terminology but you are not completely committed to it.” And the implemented helps you do that. The implementer will help you get there.

Lawrence: Just very curious. How do you then handle the conversation from there? Do you keep your point of view to yourself or will you make the comment, “You know what you are not really doing Traction.”? I’m just very curious.

Luke: It totally depends on the relationship. If it is someone I’m really close with... I mean, I have a wonderful colleague recently said, “As you know, we fully implemented Traction.” And I said, “Well, that’s interesting because we’ve been doing it for 7 years. I wouldn’t call it fully implement it.” Like you are never there. It is a journey. If it is someone I’m close with I may say something like that. If it’s someone I just met and it is just a relationship in a different industry, I wouldn’t even go there. But it is good to find out and I find out like are we just weird? Are we weird that we went all in on this? I definitely think we went all in on it but I don’t think there is any other way forward. Each element of [Traction](#) that we’ve discussed, Lawrence, every one of them is widely important. I just don’t think you could half ask anyone of these components, and meetings, and the quarterly meetings is important as it gets.

Our leadership team will go into this quarterly on the 26th. We are already, like, we can’t wait for it because it is a reset, right. It is like you are sprinting. The 90-day world is your head is down and you’re sprinting, and then finally you get to that meeting and you take a deep breath, and you put a bow on the last quarter and you wrap it up. And then you turn your

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focus and you feel so rejuvenated. We all walk out of that quarterly equally exhausted because we've been really working hard for 8 hours, 9 hours in that meeting. But we also feel rejuvenated that we are so excited to go work on new rocks and have a clear plan for the next quarter.

Lawrence: It says in the book, "Your meeting should leave you..." What's the... I wrote it down here somewhere. Here we go. "Your meeting should be passionate, intense, exhausting, and never boring." I love that. That's a good litmus test because I just remember from my background working for different firms in London is the meetings were typically quite boring.

Just one point I want to raise. I just kind of want to challenge your point there on your view on having an implementer. I can appreciate the value in having someone run those meetings. I've been running them for the new startup business that Shaw and I have been doing in terms of opening a studio here in Galway. I've been basically running that with him as we get ready in that sort of early stages. I will admit it is challenging because obviously I am learning as I go. Whereas, an implementer is like you say a veteran. He/she is doing it day in and day out. But if you are a one-person studio business, or if you've got a very small business, or you're still having to work in the business quite a lot and you're not perhaps generating as much revenue. Do you not think that not everyone can really afford that and you just kind of have to make do running it as the owner in the beginning?

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Luke: Yeah, you raised a great point. I agree with you completely. I want to have your listeners pause and really think through that decision. It is not up to me to make suggestions on how each listener makes different financial decisions. But for me, I'm not going on vacation until I hire an implementer, right. We can go without Christmas presents this year so we can hire an implementer. That last example was intentionally silly. But you got to decide what's important from a lifestyle standpoint. I much rather go without some lifestyle things, spend the money on the implementer because I know it is going to allow us to grow. I mean, we are doing \$1 million in revenue almost exactly when we hired an implementer in three studios. Three studios total \$1 million. We hired an implementer and I thought this guy is charging \$6000 a day. How am I going to be able to afford this? Then I said, well, I can't afford not to do it. We just super charge to \$3 million in those three studios and it was the best money we've ever spent. It was the best money we've ever spent.

I think about it \$6000 a day for a quarterly, and there's 3 quarterlies, and then there is one annual meeting, which we'll talk about which is 2 days long. So it's 5 days with your implementer times \$6000, that's \$30000. Now, most companies I know of have employees that they pay \$30000 for the year and the employee is not really too and much good for them. A lot of companies have \$30000 in dead weight as an employee so that's what your implementer is. It is a \$30000 employee that just come to work 5 days a year but they are probably producing the value, the ROI. At least

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that's how it was for us. I can't speak for every business but that's absolutely how it was for us.

The other thing the implementer does, you probably heard this statement, Lawrence, the question, "Who discovered water?" That answer to that question is I don't know but I know it wasn't a fish, right. Like when you are in the middle of it you just don't see things the same way as an outsider sees it. So you may be an expert in your business but sometimes when you are in the thick of it you've always look the problems and the issues from one vantage point. It changes when you have an implementer take you through it.

Lawrence: Awesome. That's a strong argument and you really reiterating, you said that similar thing earlier on in the series which reminded of me that. If they follow the Traction series right through then they would have heard you say that and I'm sure that will hit home.

Okay, I'm just curious. Have you ever missed a quarterly meeting since doing [Traction](#) as a business?

Luke: No, we haven't.

Lawrence: Okay. That's good. Alright. I think, again, the details of how to run the quarterly meeting are in the book. I don't think you would have mentioned any strong deviations from the framework in the book. Is there anything,

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any way you would deviate? I know you have read the book in long time, Luke, probably because you are so used to working with your implementer and running it in the business. But is there any kind of deviations that you remember making from what the book might suggest in terms of the structure.

Luke: No. I like the structure exactly how it is written. It is really important for your listeners to understand is the idea of the quarterly meeting is not [unclear – 23:09] to [Traction](#). So many authors, most businesses when they reach a certain size have leaders get off site each quarter and plan the next quarter so it is not uncommon to have that kaitens. What I think the value of the book [Traction](#) is that Gino gives you a really, really good agenda for doing that. It is not just an offsite... Here is what you cannot do. You cannot do an off site where you do trust falls, and you do ropes course, and you climb, and you put blindfolds on and tickle each other. You cannot do that. And too many companies are doing that. I mean, this is getting away as a team and really going to work on the business and that's about as valuable as it gets. It is not [unclear – 23:49] just to [Traction](#). Other books, other authors, other pondents, and virtually every business of a certain size does something just like that. It is a key element to growing the business.

Lawrence: Awesome. Okay.

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Luke: By the way, let me just mention, Lawrence. I have to say this. That quarterly, for me, it is like a Christmas Day, right. The day before feels like Christmas Eve like I'm so incredibly excited. We all do a clarity break to prepare for it. I mean, I can't wait for it. I'm thinking about what I'm going to wear tomorrow. I'm going to lay out my outfit. The alarm is set, like, we try to do a workout together beforehand. A lot of times we'll plan like this quarterly meeting we'll have a big dinner planned afterwards as a team to kind of celebrate some things and just be together. It is my favorite day of the entire quarter. Hey, if you don't want to get together with smart people, and your teammates, your leadership team, and have conflict and discussion and make a better plan, and talk about where we're going. If that doesn't get you going, you don't have a pulse, right. That's as good as it gets. There is nothing better on Earth than that. This quarterly is not another thing you have to do. It is truly as enjoyable as it gets.

Lawrence: I love that because I can't tell you, Luke, when I worked in London and I've worked in various IT service businesses, I used to really want to get entrenched in the business, and in the goals, and in the vision. Obviously, I really wanted to be a top performer. I was always in sales. But I really like want to buy in to the whole business and so when the annual sales awards day, which would be a day of awards and recognition but also day of learning and setting goals for the next year. I did work for some businesses that did that quite well and they probably struggled to then actually keep it going after that day which is the common problem, right. It is what Gino says in [Traction](#) is like they have a meeting and it goes really

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well and then it kind of fizzles out because there is no kind of like check ins. And that's kind of obviously the genesis for this. You know, I would just get so excited about that day just like you described there in terms of laying out your outfit and all of that. Because I would have worked pretty hard and I knew I was probably due a reward or two and that was also exciting, and I'm competitive so I want to see my name up on the board and all that stuff. But then I talked to colleagues and they just weren't bothered. They just weren't that motivated or interested. You could argue that's perhaps because they were bad culture fit or maybe the business didn't do a good job of getting them to kind of be motivated to want to attend because of previous... I don't know. But I just want to say that because that really resonates with me and I find that so inspiring myself to hear you say that because I want to carry out really productive and exciting meetings in my own businesses as well. There you go.

Luke: Lawrence, I saw the movie. I'm not sure if you ever saw it. It is early 90s or mid-90s. It was called [A Few Good Men](#); Tom Cruise, so one of my all-time favorites. I literally saw it in the movie theater three times. I've seen it a million times. I'll travel and go to a conference every now and again with Rick who is one of our long time trainers and Rick loves that movie also. I can tell you I picture us; we were at Kim Wood's strength clinic in Cincinnati a few years ago. It was like 11:30, 11:45 at night and he is flipping to the channel and [A Few Good Men](#) was on and it was just starting, and we both look at each other like, shoot. We know we have to watch this whole movie now because we can't not watch it. Well, there is

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a great scene in that movie and I can remember being 13 years old watching this where they take on this case. It is the three attorneys and they are meeting at Tom Cruise's house, and Tom Cruise said, "I have no food. I have you who. If you want food bring over food, bring over refreshments. We'll order in Chinese." And he is walking around with a baseball bat in his hand because he says he thinks better with a bat, and they are like staying up all night solving problems and working on this project.

When I watched it I said, "I don't know if I want to be a lawyer but I want to do that." I want to get together with other people that are excited about something and just talk all day or all night and try to solve the problems and come up with a better plan. That's what you quarterly can be. And by the way, it is not over something that's boring to you. It is over a strength training business, right. If we were selling copy machines or IT, no offense to you Lawrence, something I personally have no interest in like that might get boring. But we are literally talking about a strength training business. That's as good as it gets.

Lawrence: Yeah, absolutely. I am 100% going to watch [A Few Good Men](#) tonight. I have decided after hearing you say that. I have obviously watched it before but it was a long, long time ago so I could do with the update.

Alright, so let's talk about the [EOS](#) annual meeting pulse. Do you want to just set the scene and describe what that is exactly?

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Luke: The annual meeting is 2-day off site. It is like the quarterly it is just two days long. The agenda is in the book, but here is the big the difference. Day 2 of that 2-day off site is very much like a quarterly. I mean, you're planning what the next year is going to look like and you're specifically planning what the next quarter, first quarter of the next year, is going to look like. The first day of that off site is two things: number one, it is more team health. So as the leadership team you have to continue to grow healthier as a team. You need more vulnerability base trust. The first day is around team health. And then the second day is more about creating the plan. The other thing that takes place in that first day is usually a SWOT Analysis, so Strengths, Weaknesses, Opportunities, and Threats. You are getting a little bit more strategic on that first day. The second day kind of mirrors a traditional quarterly.

Lawrence: Okay. Good stuff. Once again, the structure of the annual meeting is outlined in a lot of detail in the book so I would direct the members to read the book to get the outline and the structure. But I am just going to pull on a few threads here. I'm just curious to see if you follow it by the book or if you have deviated to make it more bespoke to DS. Just going through in order here, do you segway? You have like the three greatest accomplishments in the previous years. Have people talk about their greatest accomplishments at the start?

Luke: Always. Always start with a segway. Absolutely.

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Lawrence: Okay. I'm just going to go through some of this. Yeah, setting the tone is obviously a part of that. Then you going into reviewing the previous year which again is all described in the book. Here is an interesting thing, so the team health building. Do you do the thing where you have each person identify their single greatest strength and have the team identify their biggest weakness, so hindrance to the success of the company. Do you do that process?

Luke: Yeah. It is one of the most effective activities that you're going to ever go through as a team of any kind. In a nutshell, you sit around the table. And so if I have three people with me, three people on my team, I write down the biggest strength, the biggest behavioral strength. So the biggest thing they bring to the team that makes us strong, I write it down for each one of them. And then I also write their greatest weakness that's inhibiting our ability to grow and reach our goals etc. Now, when you pick the weakness it should be behavioral, right. I can't say, "Hey, Lawrence your biggest weakness is you're short." Well, you can't go to work on that. You can't fix that so it's got to be behavioral. And then you share it.

The leader goes first. They are kind of in the hot seat and they'll say, "Luke, your greatest strength is this..." They go around the table and share all the strengths and I write them down. I say, "Guys, thanks for sharing." And I feel great about myself and I say, I got to continue to play to that strength. I might not even have an awareness that was a strength.

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And then they share your greatest weakness, the behavioral weakness that you need to improve on and it's like, "Ugh, this is tough to hear this and it's tough to hear this." And you keep writing it down.

And then when you are done, you pick one thing that you're going to focus on improving on over the next year. It is called the one thing commitment. I've listened to the three people on my team's negative feedback about me. I can't assimilate all three of them into one. I'll say like, "Hey, David and Hannah I really appreciate that feedback. I'll work on that but my one thing commitment is going to be..." It might be the one that just mentioned, right. And then all year long that's what you're focused on and every quarterly you do a check in on how you've done at that. And that builds. That's a team health exercise. It builds vulnerability based trust. Vulnerability means your ability to let your guard down and say I'm not very good at something and I'm willing to admit that, and I'm willing to get butt naked if you will and just let that guard down. That is just a powerful exercise to receive that negative feedback. Just say, "Thank you for sharing it", and then pick one thing that you're going to focus on, improving on. It is so incredibly powerful.

By the way, it is so powerful for every team. I had a football coaching staff. One of the most successful school football programs in Minnesota and they did it. He said, "I'm planning an offsite." The head coach, "We're going to have some beers. First we're going to drive go carts, we are going to go golfing." And I said, "Scrap half of that. Do this exercise." And

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he called me that night and he said, “Hey, that exercise went on for like 3 hours and it led the richest conversation we’ve ever had. We canceled the next three activities we had planned because it went so well and we wanted to stay in that moment and in that conversation. It is just so incredibly powerful.” Absolutely we do.

Lawrence: Wow! That’s awesome. Excellent. Thank you for sharing that. Okay, then you go on to obviously the SWOT Analysis. Would you add to the issues list and then you review the vision traction organizer in terms of the 1-year plan. And then to get to the 1-year plan or the new 1-year plan challenging all of the elements of the vision, debating that into everyone’s in sync creating a new 3-year picture. Oh, that’s an interesting one. So you basically store your current or old 3-year picture and create a new one, right? Is that something that you guys do as well?

Luke: Yeah. We now know that at every annual you’re going to check in on every one of those questions. Are our core values really our core values? Are we really, on and on and on... Our core focus which is two parts, our core purpose which is why do we exist. Is that really working for us? Is that really our core purpose. And then, hey our strategic niche. For us it is personalized strength training. Is that really our strategic niche? On every annual we go deep on these things and we say we should change it. We’ve changed our core purpose before. Our core purpose many years ago used to be never stop improving. We realized that was not our core

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purpose. Our core purpose is to lead the movement in evidence-based exercise so we changed that number of years ago.

And so you check in on all of those things but every year, every annual off site, the 3-year is going to change. You reset the 3-year to make sure that you are on track for the BHAG. Now, the BHAG is not going to change every year. Once you get within like 3 years of that BHAG then you change the BHAG, but you don't change it every year. You may stop and reflect on it and say, "Are we sure this is still the right BHAG?" But the 3-year gets reset and the 1-year gets reset. That's one of the things that is so fun about going in the annual. You are so excited about setting your 1-year goal and your 3-year goal. When you prepare for that meeting you usually do a lot of thinking and we call it a clarity break or Gino Wickman calls it the clarity break so you're prepared for that.

I kind of just went nuts on all that, Lawrence. You're going to ask specific questions on those. But, yeah, that's one of the real focuses of the annual is. We got to come up with our new 3-year plan and we're going to come up with our new 1-year goal.

Lawrence: Yeah, no, that's great. And then towards the end of that first day you then obviously coming up with the next year's plan. You are setting revenue profit and various numbers for the coming year, the 3-7 most important goals, the budget to support that, and then make sure everyone is clear on roles and responsibilities. Is there anything you want to add or comment on regarding Day 1 before we go on to Day 2?

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Luke: No. That's the agenda that we follow. The only thing I would add is this annual meeting, the book talks about this, should generally be off site. Again, the quarterlies are off site. But realistically, off site for us means we drive 25 minutes. It is just not in your normal office because you don't want to be around the day to day fires that are present in any business. The annual is even more off site. Let me give you an example. We are in Minnesota we've done annual off sites where we flown to Miami, Florida and stayed at a beautiful hotel on the beach. We've done it in Chicago. I love Chicago. It is a great city. We always do our annual before Christmas, and I love Christmas, so we'll spend time in Chicago. We usually get there a day ahead of time and just have some time to think and take notes and prepare then we go on to the two days. We've done it in Chicago. We did it in Orlando a couple of years ago. Flew down and we started with a workout the day before at Jim Flanagan's house and then we're in a hotel for two days doing the meeting. This last year we decided to stay in town. Budgets are tough and travel can be tough. Our VP of Finance has two young daughters and she didn't want to miss their school concert and so we drove 2.5 hours north to what's called Grand View Lodge and we got a cabin. We rented a cabin and just had a wonderful meeting in casual clothes by a fireplace and met for two days. I think the key where I am going with all of this is at the end of the first day you got to go dinner together as a team. You have to have together time, so you meet all day. Maybe you give people an hour or two break. For us that means we'll hit the hot tub or I'll go on a run, something like that. Someone will go take a

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nap and then you go to dinner together as a team that first day. That's the only other addition that I would have for Day 1.

Lawrence: Cool. That sounds awesome. That sounds like a lot of fun.

Luke: I should mention, in our early days, when we didn't have any money we still did an offsite. We just did it in town. We got a hotel in downtown Minneapolis and a conference room in that hotel, and I said no one is going home you have to stay in the hotel because we want the feeling that we are off site. We just don't have to spend any money on travel and so forth. We were all in. We went to dinner and we stayed in the hotel. The next morning, we went into the board room in the hotel and met again, so you have the feel of being off site. It is not that we actually have to travel. It is just you got to be away from family and the other commitments.

Lawrence: Yeah. Just so you'll know, Luke, I think it might be more ideal because I don't want to rush through the weekly meeting pulse so we'll maybe cover that in the next session or figure something out so that I can aim to wrap up in sort of 5-10 minutes. Is that okay?

Luke: I think that's a great idea, Lawrence, because weekly meeting pulse is so important it can't be rushed through.

Lawrence: Yeah. Good, I appreciate it. Just a couple of things then just to wrap up really the annual meeting and Day 2. That's great you covered obviously having the team dinner. I was going to come unto that getting away. Do

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you know what, I am really curious, you guys like to have workouts before meetings; I now remember Hannah telling me she gets workout brain. I will attest to definitely having like what I feel is like a cognitive boost after a workout. Whenever I have a workout I'm always like, I'm usually quite creative and I've been known to write 3000-word long blog articles after workout. I certainly feel quite inspired. I mean, you talk the other day on another, I think it was a podcast or [Membership](#) podcast we did recently where you said about how David... You walked into one of your weekly meetings and he wasn't really feeling a workout and he had a workout or you all did and you all just felt amazing which is interesting to hear. Is that common? Do you experience that yourself and do you as a team find that you are more productive if you work out before meetings and things like that?

Luke: Well we think it embodies what the brand, what the company, what the purpose is all about. If I can't get together with my leadership team and enjoy the very thing, the very passion that brings the whole company together, like, I want to do that, right. When we pick our meeting location is almost built around a workout. Let me give you a specific example. This year we just drove 2.5 hours north. Well, guess what we did. We met at our Chanhassen location in the morning. We all did a workout here together. Okay, to be honest, we all did a [BodPod](#). I said, no one gets in the car unless you BodPod first, so we did a BodPod. Alright. I said, "If you are chubby you don't get to be a part of this meeting." No, I did not

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say that because a lot of us has bad BodPods and I think I had the worst. BodPod, workout...

Lawrence: Can you reveal your metrics?

Luke: I cannot. I will just say it was the worst in a 6-month period. We did a [BodPod](#), we work out, we jumped in the car, we drove 2.5 hours north. That's the day before and then that night this is like right before Christmas we are by the fireplace. We are watching a Christmas movie together as a team. I gave them Christmas presents. We had some great discussion and then the next morning we're ready to go. Meeting starts at 7:30. We meet all day for two days and then drive home. That's how we incorporate the workout there. We did our meeting in Chicago a couple of years ago and that's where we came up with our current BHAG. One of my favorite hotels in the world, The Drake Hotel in Chicago. Well, we did a workout the day before at [Hardpressed](#) with Dan Geraci. We just got the tar beaten out of us. Unbelievable workout and then we met afterwards. I mentioned the [Jim Flanagan](#). Almost everywhere we go we try to plan where we can have a workout.

Lawrence: Awesome. Yeah, that's great. And then, okay, so then you got Day 2 is like you say is basically similar to the quarterly meeting, quarterly review, and you are establishing rocks, you are tackling key issues, you are confirming next steps and you are concluding as outlined in the book. But, one of the things it talks about in [Traction](#) is one of the benefits of this meeting is

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sometimes it stimulates or encourages I should say attendees to bring up bigger issues that they may not bring up in the weekly or quarterly meeting. Have you found that to be the case?

Luke: Absolutely. One of the issues list is the long term issues list. It is on the video. That long term issues list, a great thing to put on that long term issues list, and sometimes this will just emerge in the middle of your meeting anyways is the really the big strategic decisions, right. Sometimes I'll have an idea, Hannah will have an idea, and we start talking about and I just say, "Hannah, that is long term issues list." We know that we are going to discuss it. It was in Orlando in the JW Marriott Hotel a year and a half ago now where we had... We knew it is going to be the big issue of the whole 2-day off site is, "Are we going to franchise as a company?" Are we going to franchise? We went through it and we discussed it and we went through the [IDS process](#). Coming out of that we knew... I didn't know going into it whether we were going to franchise or we weren't. Coming out of that we knew we are going to franchise. So that's an example of a really big strategic discussion that you need to have. The strategic discussion could be reopening up another location. The strategic discussion could be a myriad of things but it should leave there, not during a weekly meeting and probably not even in a quarterly. Like you are probably just not going to go dive into a really meaty issue like that.

Lawrence: Yeah. Just on that, I can see where [IDS](#) is really effective. I would refer the listeners to the issues list, IDS part of the series which is... I wrote it down

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here somewhere. Okay, I can't see it on my list here. But if you just go to the Traction series you'll see it. It is there. But I am just curious, if you've got a big issue like the franchising decision. I mean, that's obviously a huge decision. One that takes probably a lot of premeditation and discussion to just come to a solve or way forward. Do you still find [IDS](#) to be useful for that or would you use something more like the [A3 problem solving](#) template, Luke, which I know that The Perfect Workout use for more challenging decisions? Do you use that or other frameworks in terms of big decisions or does IDS works for all of yours?

Luke: Well, to be fair I am not familiar with A3. It may be brilliant. It may be better. The value of [IDS](#) is that you're identifying what are we really talking about and then discuss. There is a lot of different tools you can use to improve the discussion. I mean, I have a ton of different discussion tools that we use. One of them might be, our implementer may say, "Okay, no one is talking but you all have post it notes. You're going to write your ideas on the post it notes and you're going to start voting with your post it notes." We haven't said anything for 20 minutes straight but our ideas are going up on the wall via post it notes. That's part of the discussion, right.

And then the solve is just what are we going to do next. We have to solve just means we have to walk out of this meeting and we all know exactly what was decided and how we are moving forward. I said this in our last episode together, I said, I've been a part of so many meetings where we have unbelievably rich discussions about something. And then if you ask

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everybody, you pull everyone who is in that meeting, five hours after that meeting, “What did we decide?” Everybody will have a different answer, right. So the solve just means we know what we are doing. If you grab anyone of my leadership team a year and a half ago after that particular meeting and said, “Are you guys franchising?” They would say, “Yeah, we are franchising. Here is when we are going to start and here is our goal when we have the first location opened.” That’s it. There is a million ways, a million different tools that you can use within the D, within the Discuss. But I still think that general framework works.

Lawrence: Awesome. Yeah, and I just found it here. It is Part 11 is Issues List and Issues Solving Track. If you need a refresher on that process which is invaluable then go check the Part 11 of the series.

Luke, I think that probably brings us to the end of Day 2. Like I was saying, I think it would be great for us to schedule the weekly meeting pulse as like a Part 2 for the meeting pulse in the Traction series since there’s quite a lot to cover and I don’t want to rush it. Perhaps we’ll schedule that offline. Thank you so much again for joining me. This has been excellent.

Luke: My pleasure, Lawrence. Thanks for having me.