

Pulling It All Together

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

Luke: Lawrence, it's always a pleasure. Thanks for having me.

Lawrence: I really appreciate it. Always appreciate having you in the [Membership](#), and this is the final part of the Traction Series so really been excited to record this one with you, Luke. Obviously, just to kind of set the scene for members, the Traction Series is based on the book [Traction](#) by [Gino Wickman](#), which is all about the [Entrepreneur Operating System](#) (EOS) which is a framework, a system for managing and growing your business. Obviously, we are talking about how you can execute and implement that within a high intensity training business.

This particular episode is focused on Chapter 9 – Pulling It All Together, and we're not going to cover every single thing mentioned in Chapter 9. I think you can go to the book and read that through. But what I think would be really productive here is for Luke and I to discuss some of the key points from that chapter and then for Luke to really add some color in terms of examples and stories and commentary from [Discover Strength](#) since Luke and his team have been implementing and using [EOS](#) for years. Again, if you're listening to the Traction Series you would have implemented hopefully as you listen to it and as you read the book you've kind of have implemented as you go along. This section is really going to help you I think overcome some of the challenges in the implementation because it's not simply about just reading a book and it's done. You have

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to obviously do the work and there are challenges, and entrepreneurship is a full context for. There is no magic bullet, and so I think this chapter is really useful in terms of just helping the owner and the leadership team kind of overcome those inevitable challenges. I thought, Luke, good way to start is to kind of get people I suppose a bit excited. Can you just reinforce the results that you have achieved at [Discover Strength](#) by actually following through and by implementing [EOS](#) fully in your business?

Luke: Yeah, so the summary statement is we hired an EOS implementer, three locations just under a million dollars in total revenue across the three locations. They were mature so all three locations have been open for more than two years. We hired a Traction implementer, couldn't afford the Traction implementer, found a way to afford the Traction implementer, and went from \$1 million in three locations to \$3 million across the three locations in a matter of maybe 2-3 years. I think we may be added a million dollars in topline in the first year and a half. The revenue growth is important. The profit growth is important. We went from a company where we were constantly fighting to have any profit to really, really being profitable, which of course it is the goal. It is not just to grow topline revenue, you want to be profitable in growth, profitable revenue. Lastly, I would say that I went from an owner, an entrepreneur that felt like when I went to bed at night I was thinking about the business, when I woke up in the morning I was thinking about the business, I had to have my hands on in everything at all times. The word 'stress' is probably the right word.

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Stressed out. But just constantly the business was me to going to a position where I could work less, work on the right things, have more control, have more... this is a cliché, but balance in my life. Not only did the business changed but my life as the owner and operator changed, and then I think most of my people would say the same thing. They say I got to really stepped up and find a role and move into that role so I think their actual careers became that much more fulfilling. It's not just a revenue or profit growth. It was. It was the change to my life as well as my team's lives.

Lawrence: Where do you think you'd be now if you had never implemented [EOS](#)?

Luke: Well, as we record this now, we're five locations and building our sixth location right now. We'd be at three locations. I still think we'd be in business but I wouldn't get the same joy and satisfaction out of the business and we just wouldn't be making the same money. Here's the key: I would be searching for the magic bullet. Every single day, searching, and I'll keep buying books and reading every damn book and think that I'm going to find it in this book, and I still wouldn't find it. Where now, I know what the magic bullet is. Of course it's not the magic bullet but I know what the system, I know what the framework is, I know what the operating system is, and any book that I read, any presentation I listen to, pundit I hear on a podcast, that's going to fit in to this existing framework. Now I have the framework that allows me to absorb other learning, absorb other experiences, and I can make sense of it.

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Lawrence: And that's the key. Isn't it? It's something that you and I spoke about. I can't remember if we spoke about it on this series or offline. It's being able to integrate what you learn into the system because it is so easy to get shiny objects and start using a different framework, or a different system. But the beauty of this system is it's comprised of timeless principles of business management and leadership. Like what you were saying to me, as you learn more about this timeless principle it just deepens your understanding and makes you more effective, which just fills me with so much excitement.

I thought it would also be interesting to hear, and as we record this, it's July 31st 2020. We're still in this [COVID pandemic](#) situation with studios closed all over the world and a lot of studios including your own had to pivot to virtual workouts and virtual personal training. I'd love to hear just how you feel that [EOS](#) has helped during COVID for [Discover Strength](#).

Luke: Well, two comments on that. One, we continue to use the framework and the V/TO and when we talk about like the pivot to virtual we said, "Well, hold on. Is this still our strategic niche?" And our strategic niche is to find us personalized strength training. We said, "Okay. It is in our strategic niche." So the pivot isn't even that tough of a pivot. What are our three uniques? Alright, evidence-based. Is this evidence-based? Training with your body weight, training with minimal equipment. Absolutely is. Efficient is a unique. Are these workouts still efficient? They're even more efficient.

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Okay. So 30-minute workout, you don't have to drive to the studio. Expert educated trainer is our third. Well, we still have our expert educated trainers, so we can still play these three unique. So we start to think, "Is this pivot even that much of a pivot? It totally fits in with what we are already doing our niche and our differentiation." Okay, so then we needed to update some of the things like our goals and our rocks and so forth, but that was just a part of it. The first thing we did in this panic is we get to the end of the quarter where we have to set new goals or rocks, and we said rocks that represent what's the most important thing that moves us toward our 1-year goal in the midst of this pandemic. Right? It allowed us to completely refocus and adjust the plan and of course adjust scorecard and so forth. The framework allowed us to navigate through all of this, so that was the number one.

Number two is we use Traction implementer which you don't have to do. We've just really enjoyed having a Traction implementer. When the pandemic hit, we had a quarterly schedule a few weeks later and I reached out to my implementer and said, "We're going to cancel the quarterly for the first time in like 6 or 7 years because it's really expensive." And he said, "No, we got to do it." And he said, "I'll do it for free for you." I was like, "Nope, you don't have to do that. I just think there's too much going on. We don't need to do it." And he said, "You need to do it." And so we did it. And to a person, everyone in my leadership team going into it said, "We shouldn't do it. We shouldn't pay for it. We have too much going on." And when they came out of it

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everyone of them including our VP for Finance said, “That was the most important quarterly we’ve ever done.” The whole process and the expertise of our implementer was really valuable. Now remember, the implementer is not teaching you how to run your business. He’s just teaching you how to run [Traction](#). He’s not like saying, “You should pivot to virtual.” We have to come up with that, right? But he’s just going to guide you through the structure and the format and keep you honest to it.

Lawrence: That’s so interesting. Now obviously, I love that the people listening to this have gone through the series so they’ll understand some of the components and the steps. Just to add some color to that. Can you remember specific things that were [EOS](#) related within that quarterly that were particularly productive? Maybe it was a part of an issue solving track component or setting a rock or something that maybe you can just speak on that a little bit more about specific things that have made you come out of that thinking, “Well, this was the most productive quarterly ever.”?

Luke: Well, I would say, I think the best answer to that question is rocks. This is going to sound not [Traction](#) pure but I think it’s worth it for your members, is for the first time ever instead of setting a 90-day rock which that sort of what a rock is. It is a 90-day goal or priority. We set just a one-month long rocks because we all knew, and really this is our implementer’s pushed, things are going to change really fast over this next quarter so we did a mini-quarterly with our implementer once a month just 3 hours with them, and we set new 30-day rocks, and so we just focused on 30 days. Where

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if we focused on, like, right now as we record this we're kind of in the beginning of Q3. We have 90-day rocks for Q3 but all Q2 we just went one month at a time. So I think that was the most valuable thing we did is have clear rocks and those rocks actually worth 30 days instead of 90 days. Which I don't want to confuse the listener, and the member, normally they should be 90 days. We just want to take it 30 days at a time. But the clarity that when that meeting ends, everyone was able to take a deep breath and they say, "Okay, in the midst of all this, I now know what to focus on, what to double down on, how I can sort to move these thing forward." Because I think where panic and stress comes from is there is all the chaos around you, and you all these issues, and you have this concerns and worries and sources of stress and you don't know what to deploy next, you don't know where to take action. The rocks make it very clear. This is where we're taking action.

Lawrence: Yeah, that's awesome. I mean, it's the thing. It just keeps you focused. Isn't it? Focus on the right things. Go ahead.

Luke: Yup. So that was number one. I'm sorry for interrupting, Lawrence.

Lawrence: Sure.

Luke: That was number one and the other one was we re-adjusted our goals. We said, "Okay, our 1-year goal is \$5 million in revenue. We're not going to hit \$5 million in revenue because we've been closed for a quarter and

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we had virtually a week and a half or two weeks of no revenue. Then we launched virtual training and it gradually increased throughout the quarter which was fantastic. But it was still a small percentage of what a normal revenue was so we're not going to hit \$5 million." We said we have to reset the 1-year goal which you are allowed to do. We reset the 1-year goal and just changed it to what we called 'Beat Last Year'. If we beat last year, if we beat our 2019 revenue goal in the midst of this COVID that would be like an epic accomplishment to us. That's what we felt in our industry, not too many health club, fitness, training studios are actually growing through the pandemic. So if we could beat last year that would be a great goal but we don't think \$5 million is realistic. We changed that annual goal was. That was another huge change for us, and then we look at the supporting goals of the annual goals which there are just three of them which is improve our client retention from 72% to 73%. The next one was the number of introductory workouts that we wanted to generate. The next one was the number of franchises that we wanted to sell, and we kept all those the exact same actually. Getting clarity on what the goal was, was important also.

Lawrence: Just a follow-up question on that. That's interesting that you changed the 1-year goal. I'm just curious, how might someone assess whether or not that's a good idea. Because in my mind it's like you have a 1-year goal, okay, crisis hits like COVID and you're thinking, "Okay, it's going to be a lot harder to hit that now." But then part of my brain says, "Well, if this forces you to be creative and think of ways in which you can still hit that

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goal rather than changing it, or is it okay so you now have to actually make it achievable and logically look, extrapolate back like what you need to achieve each month and week to get there. Actually if you would to leave it as it was, it might demotivate your organization because it just seems so far-fetched. Maybe I answered my question there. But what is the kind of mental exercise you do to figure out that 1-year goal is just not appropriate anymore?

Luke: There's two points here and you nailed one of them. I just can't imagine being in a quarterly meeting, say, we are going to 4th Quarter and our goal is still \$5 million. I announced, we've done the math on how many sessions we have to do in each location to hit \$5 million. And it's some absurd amount of sessions. Like this past week, we did 1,741 workouts. We did this past week as we record this at the end of July. Well, I can imagine at the beginning of the quarter, this is like very, very early October. I can imagine saying, "Hey, we need to average, every week this week, we need to average 2,400 sessions." And people are going to look at me like, "You are nuts. That is never going to happen." And every week when we check in on our progress, we just know we are nowhere close. And if are nowhere close, you just stop caring about the goal. So you nailed it, Lawrence, you're 100% right. The goal has to be somewhat realistic.

The other thing is and I'll give you context on this. If you have a goal, revenue that's \$5 million. Well, you've created your budget around that and you've created your expenses around that. So Jessica, our VP of

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Finance will look at me and be like, “Great! We have \$5 million as a goal and we’re spending money as if we’re going to hit \$5 million and we actually end up getting \$4 Million. We are not profitable. We just lost a shit ton of money” So we need to be realistic with that goal so that she can budget appropriately. Now, that only matters if you actually create a budget. If you ask me this question 10 years ago I’d said, “Who cares? I don’t create a budget anyways. We just try not to spend money and try to make as much money as much as we can.” But Jess creates a budget for us and she’s like, “Okay, if our revenue is going to be down, you got to tell me where we are cutting cost.” And so we have to go through this constant cost cutting conversations. By the way, every business on the planet of any decent size is going through that same exercises. Jess is great at it. She’s pushing me, “Okay, what’s the realistic revenue goals?” “This is what it is.” “Alright, so where are we going to cut?” And then we just have that conversation over and over and over because it’s very easy to continue to run the business as if you are going to produce \$5 million in revenue, and you’re not going to produce \$5 million in revenue. At least for us we are not going to.

Lawrence: Awesome, Okay.

Luke: Lawrence, and as our Traction implementer reminds us always, “You’re setting the floor here, not the ceiling. So there’s no penalty if you go over whatever that revenue goal is. So if you set it too low you exceed it, you’re not going to be upset.”

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Lawrence: Yeah, absolutely. I'm just thinking about obviously as what I was kind of saying in the kind of preface of this one, members would have listened to the series up to this point, started implementing [Traction](#), [EOS](#), and it's tough. If you'll completely new to this and you have to implement it, it's a fair amount of work and mental energy required to implement this and obviously it's a huge return. It can be everything to your business once it's actually implemented. But there are challenges therein. It mentions in the book about your profit and loss, the figure is the bottom line it's going to be slow to changes not overnight transformation as soon as you implement [Traction](#) it all becomes good. That's not how it works. It takes time. And it can feel very overwhelming when you try to implement all of the steps and obviously the bit at the end of the book I think it is called 'Getting Started' and actually addresses the order thing. I'd prefer listeners to go to that to actually implement the book step by step.

A quote that really kind of illustrates this in the book is "Everything's going to look failure in the middle", and it is about getting through that. Could you speak on the challenges you had at [Discover Strength](#) when first implementing this and I guess how you were able to overcome those if any come to mind?

Luke: I would say the first challenge to get over, as you read the book or you listen to the series, is the idea that it seems so daunting, right? Like I have enough on my plate already. I feel like I'm already completely taxed. This

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feels like a lot of extra work. I'm going to internalize the concepts. I can't tell you how many entrepreneurs I know that have read the book and have done nothing, right? I have great entrepreneurial friend who runs a \$160 million company. This guy makes, he brings home between \$15 and \$20 million a year. He's like, "I've read the book 5x, Luke, over the last 7 years. I just can't actually do the next step." Part of it for him is "I'm already doing well" even though he wants to grow massively. He wants to do a heck a lot more than that. He's like, "I just don't know where to start." So he had to get over that mental hurdle and for him it was finally hiring an implementer.

But for me, I read it, and I was like paralyzed with, "Ah, this is great information but how do I take that first step?" And frankly, I get addicted, and I think we all get addicted to just understanding the concepts. I'm picturing friends and colleagues right now in our industry, in other industries, that have read the book and understand all the concepts. They can even do a presentation on it. They just haven't implemented one iota of it. To me that was the initial like, "Ah, this is daunting." But I will tell you the second we started implementing in one word I had, HOPE. I knew coming out of our first session with an implementer, like that first session was like, "Okay, this is the absolute game changer." We created an accountability chart, like there's so much that's done in that first session with an implementer. And if you don't hire an implementer when you get together with your team, your full staff... If you have two trainers and it's you, you get together and you start going through these things and make

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these decisions, you will have an immediate feeling of hope that you're actually starting to move and move in a particular direction. I think the biggest trap to fall into is that you just stagnate and lose interest in the process and it gets put in a back burner. Of course that's the value of an implementer is they are not going to let that happen. You can't have this like [Traction](#) commitment fizzle where you're excited about it and 6 months from now you barely talk about it, and a year from now it's just another thing.

By the way, I think our high intensity community is so damn well suited for this. You think about the average high intensity training super slow practitioner. They've been doing the same damn protocol on the same equipment for the last 15 years. And they're not bored with that because they understand it is important and its principle, it is what they believed in. Well, I think you almost have to have the same dogmatic conviction in this, and dogmatic is too strong of a word. In our subset of the industry, we have the most disciplined people that you can fathom in terms of protocol. Where the rest of the fitness industry a large is you look at what they are doing in their clubs and it shifts every one to two years based on whatever the current trend is. It is just absolute chaos, right. Where we are really focus, we could apply that same focus and discipline to something like [Traction](#). When we do apply that focus and discipline it will free you up to be more creative, and to be more effective, and to have more balance and have more time off, and all of the things. Lawrence, that was a tangent. I got away from your original question. I apologize.

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Lawrence: No, that was great answer actually. Yeah, you made me think that [EOS](#)... Hang on, let me rephrase that. I was going to say [EOS](#) is to business management best practice is what high intensity training is to the exercise industry. It's like the best practice. If high intensity training is the best exercise we can embark on. [EOS](#) is like probably the best business management system. You would think that there will be more people actually implementing this fully, if that's the case, so that's interesting.

Luke: Absolutely. All roads lead to high intensity training. It is unescapable and it is always going to be that way. We need to put tension on the muscle, high degree of effort, probably the muscle failure. We don't need that much exercise. We don't need that much frequency. It should be strength training over other forms of exercise. If you can do it with a better tool that has better biomechanics, you should do it. It is just unescapable. It is going to be that way 5 years from now and 50 years from now. The same is true with business. There are some simple tools and concepts that we can't just get away from and we have to have discipline around and we shouldn't look for something new. And if we find something new it fits in with that framework, right. So if we've been doing the high intensity training a certain way with a certain protocol a certain equipment, and a new machine comes out, "Oh, the Gluteator created by Dynavec. This is a new machine." It doesn't mean I have to say no to it. I have to say, "What do I think about this machine? I never used this machine before. I've been practicing for 25 years.", and decide does it fit in with what I'm currently

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doing. And in that case the answer is, yeah, absolutely it does. And that's the same with a new protocol, a new movement. Ellington Darden playing around with 30-30-30 reps. You can still be creative and add new things but it is in a principled approach.

Lawrence: Yeah, I love that. It is like you say, [EOS](#) gives you a filter for every decision of your business. It makes you make decisions faster, make more effective decisions. That's so clear obviously, and the listeners know this, with your pivot to virtual and how it aligned with your strategic niche and your three uniques. I think it is awesome for that reason. But one thing I kind of earlier is [EOS](#) works full stop because it is based on human nature. This is what he explains in [Traction](#) like it is proven best practices in your business, the 90-day world in terms of reviewing your business on a quarterly basis. It is so important. It is specifically 90 days because that's the only timeframe within which humans tend to operate on until they kind of lose their way. They need that kind of 90-day check in. You know, the to-do list, the V/TO, core values, issues solving track. These are all best practices taken from what we know works in business and put in one system.

This is the other thing as well, Luke, is I find... I don't know about you but I find the more you challenge [Traction](#), and I suppose I'd say I've challenged it with you on numerous podcasts. Before I even knew you were talking about [Traction](#), but you just give me advice and I challenge you on it. It is so robust and resilient. You can challenge it but you always had a good rebuttal and you always explained how kind of universal and

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tried and true these principles are. That's kind of like high intensity training, right? Once you really challenged what the definition of exercise and what we are trying to achieve, like you said there, HIT is where you end up, right? I feel a really strong parallel there. Does that make sense?

Luke: Yeah. I couldn't agree more. My analogy for that is you can read 10 books, or you can take courses, and you realized, "Hey, this book, this author has never in business and management." Has never met [Gino Wickman](#) and Gino Wickman has no idea who this person is. And you read their thing and you're like, "This book, this concept, this entire thesis supports one of the things Gino was talking about." And Gino had no idea, like, that's incredible. The same is true in exercise. We may have strength training researchers who never knew who [Arthur Jones](#) was, who didn't care about Arthur Jones. I picture [Brad Schoenfeld](#) doing research and discovering that one set produce the same benefit for strength as 3, 4 or 5 sets. He is like, you won't believe what I discovered, right? Meanwhile, Arthur Jones is rolling over his grave thinking, "Yeah, I figure that out in the early 60s so you are a little bit today." But it is like everyone gets there differently but you're still going to get there. That's not a perfect analogy but it is a pretty close analogy, right?

Every new business book that I read, I'm like, this is an unbelievable book and it just goes deeper on one of the topics that Gino touched on. I make it sound like Gino is a genius. He is not. He just distilled down all the key tenets in a really digestible way.

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Lawrence: Yeah, absolutely. One of the important things in terms of when you implement [Traction](#) to keep yourself on track is that organization checkup which you are supposed to do twice a year, and there are 20 questions which enable you to calculate a score for how well you've implemented [Traction](#) in your business. The score is 0-100%, and Gino says aim for 80%. To be honest if you are hitting 80% you probably got an incredible business with very good growth year and year. The cool thing about it is it enables you to find the gaps. Okay, what do we need to work on and change in terms of the plan, and rocks, and the to-dos. Is that at [Discover Strength](#) do you do the org checkup twice a year, Luke? Is that something you guys do?

Luke: Yeah. We are obsessed with it. Just obsessed with it. There are a couple of ways you can do it. You can do it with your leadership team. In our annual off site we do it as a leadership team and our implementer will take us through it. Okay. That's really healthy. What's fun about that is you contrast that with when you first do it. When you are with an implementer for example, they'll come and then give your whole team that and your score is just piece four. And you're embarrassed and you leave there and you're like, "How do I even own this business. I should probably just get out of it." You just feel like you are pathetic. And then you start implementing these tools over time and now we take that test and we are like 97%. We are tough graders. We are tough on ourselves. That's one way you can do it with your leadership team.

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Then you can have like your direct reports do it. If you have 5 trainers, have your trainers do it and see what they say what their score is. We just did it in a meeting two months ago where we had every single manager do it. Sometimes the leaders, like, I've seen this in a lot of companies. Leadership teams are doing it and they are like at a high percentage. They are at 85% kicking butt. But if you give it to the next level down or the frontline it is like we are not doing any of this stuff. I think everyone needs to interact with that survey. Do you call it a survey, Lawrence?

Lawrence: Survey, yeah.

Luke: I think you have to do that at every level of your organization at some point. But I think it is so incredibly powerful. If you ever want a litmus test of how much progress you actually made as a company, look at your first score to your score a year later, two years later, three years later. It is just absolutely nuts and you forget how much you learn with anything, right? You forget how much you didn't know early on. I give this 3-hour talk about exercise to a vestige audience and I've given it well over 150x now. The first 50x that I gave the talk, at the end of the talk, people gave their feedback. They say, "I love the talk. It is really great" It reaffirmed all the things I knew about exercise. I'm thinking, "Bullshit! You didn't know any of this stuff about exercise. You are just saying that." What I did, I started the talk out with a quiz where I ask six questions. I asked six questions that we are going to cover in the upcoming presentation. I asked six questions that I knew they were going to get all of them wrong. Invariably,

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they got all six questions wrong at the beginning, and I had them write down their answers so at the end when we do the recap they didn't say, "You reaffirmed what I already knew." Because if they said that I'll just pick up their sheet of paper saying, "No, no, no, you got all six questions wrong. You didn't know any of this stuff." We forget just in three hours of learning how I didn't know this stuff earlier.

The same is true in our businesses. We forget the progress that we have made over time. Hannah and I will whack nostalgic and think like, "Can you relive what things were like 7 or 8 years ago before we were doing all of these." But we forget it because we have just live in a world where we are doing these things. We are doing L10s, and we have a V/TO, we have rocks, and we have quarterly conversations, all of that.

Lawrence: Yeah, that is so true. I only did an exercise today where I compared revenues over the period of January 1st to now versus the same period last year. This is during a COVID year obviously so bear that in mind. If you still exist as a business that's an upside. I had 10% growth in that time for [High Intensity Business](#). I thought, you know what, it is really important... You know the saying, "You have to be grateful and appreciative of what you have otherwise you'll never be grateful and appreciative what you get." This a little bit tangent talk around gratitude, but I think you're right. I think it is so important to take stock of what you've achieved and measure that. Otherwise you just get so lost in the future, a future orientation, you'll never really appreciate what you achieved and appreciate the progress

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that you've made. If you don't do that then you're never going to... I don't know. You are always going to feel a little less happy day to day in my experience.

Luke: Absolutely. It is just so easy to forget the progress that you make as you implement all these things, in the [Traction](#) model. but like you said in anything in life. Joe Cirulli at [The Gainesville Health and Fitness Center](#) said one of his biggest issues is that hiring new employee. And the new employee would walk in say one of the largest most beautiful health clubs in the whole world and just look around and think, "Okay, this is what it is always been like." Joe, let say, didn't realized that when we first started it was a couple thousand square feet. Then we moved the location, then we expanded it, and then we expanded it again. Then we moved it and built a new location, then we added unto it, then we invested a few millions dollars in this. They didn't see the progression where Joe lived the progression. They just assumed this is what it's always been like and that's not the case. Maybe that person doesn't care in that case. But my goodness as the entrepreneur, as someone who is leading the company, you have to honor each of those steps and realize that progress that you actually made. I think in the [Traction](#) sense this is important. You have to realize the progress that you made so that you're reminded how important the whole thing is.

I go to that organization checkup I'm thinking, if I gave this checkup, organization checkup, if I gave this to any of my friends and colleagues

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that run businesses they get like 10% or 20%. They are smart people they are not just doing any of these things in the business. I can do it and in our worst day, in our worst score we are going to be at 90%. It is a sign of you can point to the things that you actually built into the business, and that's powerful.

Lawrence: Yeah. That's an incredible score. At the start of this we are talking about how after you implement or as you implement [Traction](#) and run your business you still come across challenges and obviously it can be you come across scores and implement it effectively. An important thing to highlight you have to move at your own pace and the bigger and more complex your business the likelihood it is slower and the longer it will take to implement. However, I think the vast majority of people listening to this are either personal trainers or studio owners. I think for the most part they are pretty quite agile and they could actually implement and see huge benefits from this actually very quickly so slight contradiction on I was going to say about being patient and not seeing the P&L changed overnight. But you should see pretty rapid change I think for most studio owners. Would you agree?

Luke: Completely agree. That's why I use the word hope before. You get out of your first meeting where you're implementing this stuff and things change right away and you don't even recognize the organization a quarter from now, two quarters from now, and definitely a year from now. It just becomes unrecognizable. One of the emotions or feelings that everyone

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of your members will have if they really commit to implementing this... I shouldn't say that everyone will have. I think they will have and I definitely had it is a small degree of embarrassment over how you use to run the business. I want to call former employees who used to work at [Discover Strength](#) for years before we implemented all this and they left and we had not implemented any of this. I wanted to just call them and say, "I wish you'd come back and hang out with us for two days and see how things are now." I mean, not to recruit them back but to just let them know I promise we got better and I'm sorry that we weren't doing any of these things before. I think about that on a regular basis. You are almost, at least I was almost embarrassed about how I was running things before. I understand like I don't need to get down on myself and truly be embarrassed but it is an emotion that's unescapable to some extent.

Lawrence: That's super interesting. I guess the final thing we really have to cover because I think it is one of the most important part to this chapter and I would be remiss if we miss it out is the clarity break concept. Can you talk about what exactly is a clarity break?

Luke: Clarity break is one of the practices from Gino Wickman the five leadership practices. He says there are five things that leaders do and one of them is to take a clarity break. It is a discipline of it doesn't have to be these kaitens but generally once a week you take an hour away from work. You do the clarity break not in your office, not in the studio, but you do it at home. You do it in your backyard. For me it is always a coffee

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shop. Literally, I am recording this with you right now on the back paddy of a coffee shop three hours from my home. It is near my parent's, the family cabin, and so they are all at the cabin right now. I'm going to do a clarity break when we are done recording and I will spend one hour thinking on the business with a blank notebook in front of me. No technology. I have a specific clarity break notebook and you write down all of your ideas. And so you think about is the vision the right vision for us? Do we have the right goals? Is our 1-year goal the right goal? I am focusing my energy, my talent on the right things? Do I have the right people? What people move do I actually need to make? You protect your confidence. You think through how you are showing up as a leader and a manager. You think about what are the opportunities that COVID in this current environment are creating. How can we capitalize on those opportunities? What are our strengths? What are our weaknesses? How can I lead my people? If I had to change one thing in how I led and managed what would that be? You can pick whatever the topic is. You don't need a topic. You sit down for one hour and you just start writing your ideas.

The reality is once we start running our businesses we just stop thinking. We work in the business instead of on the business. We don't do, this like a Henry Ford clichéd paraphrased, the hardest work that we ever do as an entrepreneur is thinking and most entrepreneurs just avoid it. Now we worry about things and we think about the day to day but are we really taking a step back and thinking part on the business. You may have a

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problem and you say, “I have this problem, this worry, this concern, this big decision.” What you do is just hold on to it and say, “I’ll do a clarity break around it later.” And so you say, “Okay, this Friday I’m going to sit down in the coffee shop and I’m just going to think on that specific problem. How could I re-imagine this process, this system? How am I going to confront and ultimately overcome this problem that we are facing?” So once a week, one hour. Now, it doesn’t have to be once a week for one hour. If that’s not your style you say I do it for once a month and I take a full day and do it. Or you could be very Bill Gates like and say, Bill Gates would go once a year for the full week. He called it ‘think week’ where for a full week he had no interaction with any humans besides the people in his home that cooked him food, and brought him food, and all he did was write, and read, and think.

Technically, a clarity break in the [Traction](#) sense you don’t read at all. It is not reading a book. It is not taking a bubble bath. It is not going on a long walk and clearing your head. It is actually with a blank notebook in front of you and writing your ideas.

Lawrence: Yeah, this is awesome. I’ve been doing clarity breaks myself recently and found them to be so productive. I journal. I know you are a big fan of journaling to, Luke. I journal every morning and I just find that time to write down your thoughts and think, and sometimes for me it is just totally stream of consciousness. It is so enviably productive. It is often forgotten

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in a time where we're just obsessed with doing. It just doesn't feel like you are being productive unless you are doing something, right?

Only the other day I was listening to an interview or watching an interview with Jeff Bezos, obviously founder of Amazon. He was saying how... I think everyone or a lot of people would assume that he just be like on 24/7. He essentially got quite a chilled out structure to this morning. I think he'd make sure he gets sort of 8-10 hours sleep. He even used the word pottering around with his kids in the morning and he reads the newspaper and he has his coffee, and kind of the justification for him to really look after himself – the main asset, so that he can make productive and effective decisions. That is literally his most important role in Amazon is meeting up with his senior leadership team and being able to make a couple of decisions every day is how he put it and make the right decisions. You can't do that unless you give yourself that headspace to work through things otherwise you'll just constantly doing and in the business. If one of the greatest entrepreneurs in history, Amazon... Are they the biggest organization right now in the world in terms of market capital?

Luke: Top 3 for sure.

Lawrence: Yeah. If that individual is doing that then I think that's testament to how important this kind of concept is for every entrepreneur. I just wanted to use that to underscore what you said there, Luke. Anything else you want

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to add on a clarity break? Any kind of breakthroughs you've had personally that you could talk about from that?

Luke: I'll say this. Our whole leadership team and all of our managers we basically mandated they got to do a clarity break, right. Anytime we're in meetings and now one has a good idea in a long time I just look at my team and say, "You guys haven't been taking your clarity breaks." And they all say, "You're right." If I haven't had a good idea for a long time the team looks at me and says, "You haven't been doing your clarity breaks." Like you are not bringing anything to the table. I just think it is so incredibly important and it is also so easy to skip. I will tell you that last quarter, so that was like the peak of COVID. I don't know when the peak of COVID but it's when the shutdown first started, Q2 2020, I had my worst quarter in terms of clarity breaks. You'd think well I should have the best quarter because so much is slowed down you have time to do it. And if there is ever a time where you need to think more you should have done it. I was bad. I had four clarity breaks in a 13-week quarter, and that's to me is just totally unacceptable. One of my objectives of Q3 is you got to stay in your clarity breaks every week of this quarter as a goal.

Lawrence, I can't just say enough about how important they are. But I don't think anyone listening should get too rigid on how you have to do them. It could be 30 minutes every other week. It could be an hour every week. It could be like I said, I toyed around with the idea that once a month I would take a full day. That wasn't the right kaitens for me. I prefer

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the once a week approach. But it's got to be out of your office. It's got to be some place different and it's got to be pen and paper and some of those tenets that Gino walks through.

Lawrence: Yeah, absolutely. Obviously, listeners can refer to the book [Traction](#) to get more on clarity break and how to do it, but I think that was great. Last thing I wanted to finish on really is the idea of... This is obviously following consuming this, listeners are going to be then implementing [Traction/EOS](#) in their business. Or maybe they are actually midway through or finished implementing it. Obviously, it's a long term thing. It is not something you do and forget about. It is something that becomes part of your business' DNA and it is something you are managing every day you are running your business. With that said, it is really the importance of recognizing that you have to enjoy the journey not just the destination.

I just want to read this piece here from [Traction](#) briefly. The section is The Road to Hana, *"Some time ago, a friend of mine and his wife visited a major Maui tourist attraction called The Road to Hana. It comprised of a long winding road that, over the course of hours, took them through breathtaking scenery, waterfalls, cliffs, mountains, and beaches. At the end, there was nothing but the small town of Hana with one gas station. When they finally arrived the wife was very upset. She said "we drove all this way for this". The Road to Hana is about the journey, not the destination."*

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I thought that was quite beautiful and important reminder of what the entrepreneurial journey is all about. Obviously you want to generate wealth and that can be a destination but that's really not the most important piece. Can you speak on that briefly for [DS](#)?

Luke: Lawrence, you reading that just made my whole morning. I got to share a similar version of that. Donald Miller who wrote [StoryBrand](#), before he wrote StoryBrand, truly the best marketing mind I think in the country right now. Before he got into writing about business he wrote fiction, he wrote memoirs, and he was a bestselling author. He wrote a book. It is a life changing book, and the book is called. It would be way better if I knew the name of the life changing book. I'm going to tell you the name of the book here. I did it on audio, and, [A Million Miles in a Thousand Years](#). This book is an unbelievable book. He tells a similar story. He is in [Machu Picchu](#) and is hiking to Machu Picchu. This is how the story goes, okay. They are on a 26-mile 3-day hike to Machu Picchu. He finds out on the hike that there is a different route to get to Machu Picchu and it is like 6 miles long. Everyone in the hiking group asked the guide, "Why are we taking the 26-mile hike and not the shorter option?" And the guide says, "Well, here's the deal. In ancient times, the king/emperor disallowed people from taking the shorter hike." Because when you take the longer hike, 3-day 26-mile route, when you get to Machu Picchu, Machu Picchu is that much more beautiful. That is the same motif as what you just described. It is the longer more arduous journey always makes the destination more beautiful. What you just said is it's about the journey not the destination, and I

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completely agree. But whatever that destination is it is so much more beautiful, and appreciated, and meaningful if the road is more longer and more arduous and there is more tumult. So we have to enjoy that whole process.

Lawrence, I hope that added something. I just could not agree with the quote from Gino more and I love it. To me, I got to do a full clarity break and just reflect on that, reflect on the journey right now because I just think that's a fantastic quote.

Lawrence: Yeah. Thank you for adding that. What a great sentiment to wrap up the entire series on. It brings me back to that message you sent me on that day about [The Daily Stoic](#) article and podcast, "*Not what but who.*" You said to me the important thing and this is just so poignant during COVID, during July 2020, is that the important thing right now is to keep thinking, and learning, and working hard. That's what you said to me verbatim. And that's how you get through this. It is like, what an incredible adventure. I know there's been a lot of people that have lost businesses or loved ones and been sick themselves during this time, but I guess a silver lining to this is the opportunity for the entrepreneur and those listening to this to really become great business people and really develop their skills during this time to them make them even more successful in the future. But that future is not going to be as sweet unless there is hardship, unless there is challenge, and what better arena to experience that than during COVID. It's really weird twist of plot on the current situation we find ourselves in,

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but I do think that's completely true. You said this so well on the [FOCUS episode for REC](#). You said about how this is going to bring you to your knees and this is what makes things meaningful. It is like the hero's journey. I just think that's a wonderful way to look at this and see this is an opportunity for growth.

Luke: Your words are perfect there, Lawrence. I was in a vestige meeting, so pure CEO meeting a number of years ago. It is right before Christmas. Our chair, the person that leads the group asked the question, "Tell us a story about a major infliction point in your life where your whole life changed and your trajectory changed." My story, I thought this story is going to be awesome. My story was how my freshmen year of college I suddenly decide not to play college football, and by doing that it allowed me to transfer schools. And then transferring schools, Steve Wetzel, the head strength coach for the Vikings where I already had a connection with hired me pure high intensity training program, every Nautilus machine, every Hammer Strength machine, all the new MedX Avenger machines, like, he set me on the trajectory I'm at today and my whole life changed. My story was boring as hell compared to everybody else's. Everyone else's infliction point was I came from work and my husband was dead. The next person was my son is a drug addict and this is what we went through. I mean, everyone else was like I got fired from this job, this lawsuit happened. The reality was every person in the group, what they accomplished, the path that they took, the impetus of that path was some infliction point that involved incredible pain, or tumult, or hardship. I don't think our Chair

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knew that's where he was going and our Chair is just brilliant Ph.D. in Organizational Psychology. He said, "Isn't it fascinating that what we try to do with our kids, we try to remove the struggle. Instinctively we try to make life easier for them when in fact every single one of you just said the best things you've ever done in your life were all created or started by an incredible hardship." Maybe we have to lean into that hardship and it's the Ryan Holiday's [The Obstacle Is the Way](#).

You said it brilliantly, Lawrence, and so I probably should not have added anything there. You just nailed it. I think right now we need a reminder of that. No matter how mentally tough we are we need a reminder of that that this COVID represents an obstacle, and the obstacle is the way and the hardship is so incredibly important to our journey.

Lawrence: I think you just complemented what I say. I think that's a wonderful way to wrap this whole program up. I think this has just been fantastic. I've learned so much during this whole process. It's been just phenomenal for me and I'm really excited for more people to consume this, Luke. For everyone listening, the best thing to do next probably would be Getting Started. Go to the 'Getting Started' section in the book and implement [Traction](#) step by step, [EOS](#) step by step. Although you are probably already doing that if you are this far.

Luke, I just want to say thank you so much for being so generous of your time over the last few months. I mean, this has taken us literally months

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and hours and hours of recording and planning to get this done. I just think it is absolutely a masterpiece. I think it is the quintessential success checklist for a high intensity business. Obviously, this system is the checklist for any business but I think what we've been able to do here and I guess you've been able to do more so than anything is actually make this specific to a high intensity training studio business. I just refer everyone to this now because I think it is complete in that sense, so I really appreciate that.

Luke: Yeah. Thank for having me, Lawrence. It's been my pleasure.

Lawrence: Great. I guess as this will be the last part what's the best way for people to find out more about you, Luke?

Luke: They can always go to discoverstrength.com and they can always email me directly at luke@discoverstrength.com.

Lawrence: Great! Thanks very much for your time again, Luke.

Luke: It's my pleasure.