

Issues List, IDS, The Issues Solving Track

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

Luke: Thanks for having me, Lawrence.

Lawrence: Great to have you and excited to dig into this episode today for the Traction series. This is the fourth component - the Issues component. We're going to start off by talking about the issues list and then the issue solving track, and we're going to talking this in high intensity training business context. However, as you know Luke, all these principles transferred to any business, really. But it makes it really useful to the members when it's done in a high intensity training context and we hear about how you implement this at [Discover Strength](#).

Members listening, please follow along this series with the book [Traction](#) by Gino Wickman as we won't be going line by line. We will be missing stuff out so we can really get to the key elements. It's important that you follow the book when implementing this framework, this operating system into your business. With that said, if this is the first one you are listening to I encourage you to start from the beginning of this series and implement it step by step.

Luke, let's start with issues, the issues list. Do you want to just start of by defining exactly what that is?

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Luke: Well, the issues list is going to frame up how you run your meetings. Eventually, we have to kind of talk about both. But the idea is that during the week things come up, you're facing a problem, you have a great idea, there's some type of a road block, there's a decision that needs to be made. And what have we normally done? We've called someone, we've called our staff, we've called our team, we've shot an email off to them, we've stopped in their office and had the discussion. Well, the idea of the issues list is instead of making the call, sending the email, having the quick meeting, you just jot it down on the issues list.

I think like to get really tactical that issues list is like a Google Doc that's shared with whoever is on your team. So if you're a studio and you have 5 people that work on the studio, all 5 people have access to that issues list and they can drop issues on that issues list, and those issues just build up all week long, alright. Now, it's important to note, and [Traction](#) does a pretty good job of talking through this that it's normal to have issues. The goal of the business is not to not have issues. The goal of the leader of the organization, and frankly everyone that works in the organization is to smoke out those issues. So you're constantly trying to surface those issues, capture them, and get them on an issues list. So all week long, everyone is adding to that issues list. You have an idea, you have a thought, you're facing a problem and you drop it on that list. Say you have 5 people on the team, and everyone maybe adds 2, 3, 4 issues during the week. And there you are coming to your weekly meeting and now you're

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looking at 15 to 20 issues that your team is facing. That is the idea of that list.

Lawrence: Awesome. Okay, great start. Okay, so you've build up the list. Let's quickly just touch on some of the reasons why this is so productive. There's some obvious reasons, right, in terms of it's incredibly powerful from a time management perspective because you're not being pulled into different meetings, different conversations about things adhoc which could then could interrupt your key activities during the week or your strategic activities, and so rather save that all up and almost batch process it in a meeting. But tell me more about kind of why you implemented this and the kind of results that it's delivered for [Discover Strength](#).

Luke: Well, the 3 areas that I think it is the most powerful, okay, number one, the issues list now gives everyone a voice. Organizations where people don't have a chance to share their thoughts, or complain, or come up with new ideas; that is not a good culture. That's not a recipe for developing good culture. Now, if you ever have an employee, they kind of complains about something, you can just pause them and say, "Well, that sounds a great issue for an issues list." Or you pause someone and you say, "Yeah, you're facing a problem. That does sound like a sticky situation. I wish we had like a list where we would write that kind of problem on it. Oh, we do, it's the issues list. Put it down in the issues list."

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What happens in most businesses in every industry is employees constantly walk the halls of organizations and I guess walk around gyms and complain about what's not going right. As soon as you have an issues list you say, "Hey, there is no more complaining about this stuff. Let's surface it. Let's put it on the list and let's attack it." There's nothing that can't go on that list. So that's number one, is you've now given a mechanism or a voice for everyone, for leadership, for your frontline employee, your newest hire, anyone, let's put it on that list. So that's number one, okay.

I think number two is freeing up mental head space. So no longer as a leader, no longer as a personal trainer in a studio do you have to walk around with all of these ideas and issues and problem in your head. As soon as something pops up, boom, you drop it in your issues list. If you have it on a Google Doc, you grab your phone. If you're on a walk on a Saturday afternoon with your significant other, you grab your phone and just drop it on that issues list rather than having it burden you, and you know that you're going to sort it out later. I think that's a second really powerful element.

The third one to me, and this does not come from the book. By the way, Lawrence, you can correct me if you want to add something from the book. I just haven't read the book in so many years. The third thing that's so powerful is this is your opportunity to innovate. Issues are not just things that are broken, they are ideas also. We should constantly put in

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our ideas on an issue list. I'm constantly jotting an issue in the issues list that's a big idea, or a medium size idea, or a way I think we can fix something that we're currently doing, or, "Hey, is this a blind spot? Can we exploit an opportunity here?" I think it gives an organization opportunity to innovate and share ideas.

Those are the three things, the three rationale, for why I think it's so incredibly powerful. Now all of that leads up to the issues list and this [IDS](#) that you're going to get into. It's what makes meeting so effective, and without effective meetings you can't have a great company. And if you improve your meetings in a company, the company will grow. I think it's the single most important growth factor in any organization is how do you run your meetings. When I say any organization, I mean organization that has more than one person.

Lawrence: Yeah, absolutely. Obviously, we're going to be digging into meetings more when we get to the last component on with the [Traction](#) component which lays that all out and puts everything that we've been going through in this entire series really it brings it down to the ground. Yeah, thank you for that.

Obviously, I've read the book very recently for like the third time, and so I took a few direct quotes which I thought were powerful wise in terms why this is so important. One was, "*Your ability to succeed is in direct proportion to your ability to solve your problems.*" It talks about how so many thousands of businesses fail because they're inert and they don't

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make decisions. They want to put off this lingering problems. Conversely, fast decisions equal much more success even if they're not the perfect or even the right decision. And then other quote I pulled straight from the book was, "Only a handful of issues in the history of business." There are only a handful of issues. The same ones scrape up over and over again. It doesn't say this but one thing I found is that when you do tackle problems, again the same ones do occur over and over again, and you develop that problem solving muscle. You get better at solving complex problems. Can you vouch for that because you've been doing this for so long? You're able to tackle problems more effectively.

Luke: I just couldn't agree more. I agree with all of that. It is so important and it just changes the organization, so yeah, a 100% agree.

Lawrence: Yeah. This is something that you said to me. I don't know whether you said this on the Traction series or offline, but you said how [Traction](#) is obviously a collection of all the classic timeless business principles that are tied into a framework. It's amazing to me like the more and more I read [Traction](#) the more I start reading outside of [Traction](#). I start to see all the similarities and patterns where principles are being drawn in. Re-reading this issue section made me think of Chet Holmes, the late Chet Holmes, who wrote [The Ultimate Sales Machine](#), and he talked about the 'Got a minute meeting', have you got a minute, have you got a minute, right? And then he talks about how to take all those got a minutes and put them, rather than have these 5-minute meetings, put it all into a... They don't call

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it an issues list but basically put it all on a list and then process it in a single batch, much like this. And then also you've got what you said there about reducing cognitive load and jotting down stuff. That's [Getting Things Done](#), right? That's in-tray right there.

Luke: Absolutely.

Lawrence: It's like for me is amazing because I've got, obviously, I'm opening this studio with Shawn, and I've got my personal life, and I found myself I had this single in-tray for [High Intensity Business](#), the studio and my personal life and I thought sometimes it can be quite overwhelming. But doing this I've been able to compartmentalize the in-tray for [High Intensity Business](#) which is obviously now the issues list. Again, a proven concept in lots of different domains. I just wanted to mention that.

Luke: I can't stress this enough, Lawrence, because people a lot of times will say, "I'll give a talk to somewhere", and someone will say in all different industry, people say, "Yeah, that was great. That was a great overview of [EOS](#), and that was very [Traction](#). Or people will say, "Hey, you're doing EOS. You're doing Traction." I always say, "Well, you can say that but Traction is not Traction, EOS is not EOS. It is just management." I mean, every one of these things is universal, so you're going to get into this eventually when you get into Meetings and maybe [IDS](#). But one of the things that [Patrick Lencioni](#), my all-time favorite author, writes about is, "You should never come to a meeting that has an agenda pre-created. You

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should create that agenda in the meeting”, and he teaches about that and has taught about that for years. Well, then you read Gino Wickman, and Gino Wickman does not use those exact words. But what he saying is you come up with an issues list, and then when you get to your meeting, you pick the top 3 issues in that issues list then you solve those. So Gino is saying the exact same thing as Patrick Lencioni that you got to decide. You don’t know what to talk about until you get together and you look at what’s actually going on.

I don’t care what the topic is whether it’s a big picture, core values, or BHAG, or something as tactical as to how to run meetings, so much of this stuff is universal. I think the beauty, the strength of [Traction](#) and [EOS](#), and I told Gino Wickman this to his face is it makes it so actionable. And you’ve heard me say this before, I read the book [Different](#) by Youngme Moon and knew in that moment this is one of the most important books I’ve ever read. But I didn’t do a damn thing about it, right. I didn’t know how to implement any of it. Then I read [Traction](#) and look at the simple concept of the 3 uniques, and I thought, oh Gino Wickman has a way to apply everything that Youngme Moon talks about in a full 250-page book. Gino distills it down to 2 pages in the book. As you read more, you realize that the other concept support and allow you to go deeper on the mechanisms that are in [Traction](#).

Lawrence: Yeah. I’m really looking forward to getting into more of your reading list that you’ve shared throughout this series but also on other podcast. One

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of different is one of those I need to get to into. Just curious, I found for me personally that when I contribute to my in-tray or issues list, when I finally get to processing it, I will find that I'll actually discard at least 50%. And I look at some of those ideas and I'll be like, "Well, that's ridiculous. That doesn't even make sense." I'm might not been really motivated in the moment but then after the fact things have happened, I've thought about it, and I just no longer that important. I'm just curious with your issues list. Can you give us some context in terms of is it usually a humongous list? How much of that list you end up discarding? I mean we're going to get into the how in the moment but I just wanted to ask you that quickly.

Luke: I'll tell you what can happen and then I'll tell you what normally happens for us. So an issues list, again, let's say you have 5 people. It's five people on a leadership team or it's five people in the training studio. I think it's very normal to show up in a given week and only have 10 issues in the issues list. That's okay. That's normal. But I also think there's times where you're going to show up and there's going to be 25 issues on that issues list. We'll get into this, you only solve the top 3, and then you pick the next top 3, and you pick the next top 3. So in a given issue solving block you may actually only get to 2 issues which means you could have 15 issues, you could have 25 issues sitting on the issues list that you are just not touching, and that's actually okay. I'm kind of getting ahead of ourselves here but as long as your attacking, solving the most important issues that the company is facing, you're making progress.

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As we talk here, I'm just literally pulling up my issues list to give you an idea. We currently have exactly on the button, 30 issues on our issues list. We did our meeting yesterday so we solve issues yesterday for 55 minutes of that meeting. I'm telling you, we only solved 2 issues. That's because those 2 issues were really big meaty issues. Sometimes you're going to solve literally 12 issues in a 55-minute period, so it really depends. I kind of maybe went out of order there, Lawrence, so I apologize.

Lawrence: That's fine.

Luke: But that's expected size. You could have 10 issues on the issues list. You could have 50 issues in the issues list. I'm telling you, if you only have 2 or 3 issues in the issues list, it's not because your company doesn't have issues. It is just because no one is thinking about those issues and capturing them, or they are just avoiding the issues. So it's 2 things, is your brain turned on and are you focused. We call it 'work like you own it'. You got to come to work every day like you own [Discover Strength](#) which means you got to find the problems, you got to smoke out the issues, you got to find ways processes could improve. You should be putting that on the issues list. Or you just don't want to come to terms with the fact that you have issues and maybe that ego gets in the way. But if you have no issues on your issues list it is not because you do not have issues. It's because you're not doing it right. You're not smoking them out.

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Lawrence: Excellent. Before we get to the Issue Solving Track, just to frame up high level in terms of this two 2s list, right. You've got the VTO issues list which is your high level issues list which when you add to that list, you will shelve those issues for 90 days, and you review them after that quarter, right. And that could be any issues, new ideas, opportunities, problems. And then you got, again, correct me if you are doing any of this differently. And then the second list is the issues list that we've been talking about which is that which you then review in your weekly leadership team meetings and department team meetings.

Luke: 100%. Yeah, it's the normal issues list which is your weekly meetings, and then there's your long term issues list which is called the long term issues list or you can call it the parking lot. We often will get into an issue and we think it's the issue we're going to go through and we say, "Hey, I think this is just parking lot. We should put it on the long term issues list like we're going to get into it at some point." I'm looking right now. I'm just pointing up, and we have 4 issues on our long term issues list. Let me give you an example of one of them. It's called... Have you read or are you familiar with the book [Profit First](#) by Mike Michalowicz, Lawrence?

Lawrence: Yes, I am. Yeah. I'm actually reading it now.

Luke: Okay, great. I wrote, the issue is, this is in our long term issues list - Profit First read/teach in November/December in preparation for 2021 (and teach to zees). Zees means franchisees. I read Profit First, couple of our

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leadership team read it probably 3 years ago now. But Jessica who is our VP of Finance, I mean, she's just read it recently, and we are not using it entirely. And so we had an issue, like is this something we should actually be implementing. Ultimately, we just said you know what let's wait until the end of the year, and then we will decide do we want to really launch it and commit to it 100% for 2021, and then do we want to teach to our franchisees etc. because I think it's really, really applicable to smaller businesses. It is applicable to all business but even smaller businesses. But we didn't want to deal with it now. We knew we weren't going to implement it now but it something we should revisit, so it just drops into that long term issues list.

Lawrence: Yeah, and obviously we're going to go on to issue solving track where you talk about the filters for issues that can be parked for the 90-day review, and those which you can process now and deal with now. With that said, do you want to just introduce the issue solving track and just describe what that is?

Luke: Absolutely. So issue solving track is 3 steps, it's [IDS](#) (Identify, Discuss, and Solve). Identify is just asking yourself, "What's the real issue?" You are really supposed to spend 70% of your effort here. What you realize is most companies, most people discuss issues, and yet 5 people discussing the issue, and they actually are discussing slightly different issues. So like what is the real issue that we're discussing, and you got to state it in one sentence and the whole group should agree that this is the

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real issue. And I'm telling you, this never goes away. In our meeting yesterday as a leadership team, I said, "Hold on. What's the real issue?" And then people keep talking and I say, "Hold on. What's the real issue?" I still don't know what we're trying to solve here, and then we get it into one sentence and we say, "Okay, this is the issue we're going to solve, alright."

I think this is in the book, there's really probably 3 kind of issues. It's like a true problem that you got to solve, there's information that needs to be communicated or agreed upon by the team, and then the last one is like, it's just an idea, it's an opportunity, you need feedback on it, you need a green light from the team. Don't think issue is just something that's broken. It's any of those 3 things. So that's Identify, you spend most of your time there, we figure out what the real issue is. Because sometimes you realize, you get down into it and you realize the issue is this person. The issue is Lawrence, okay. It's not the process was broken. It is Lawrence. So let's talk about the real issue. Lawrence doesn't get, want, or have the capacity to do his job. Let's talk about that. I don't know why I picked you, Lawrence, as the person as the real issue. So sometimes you're solving what is a symptom but not the real issue, okay, so that's Identify.

The next one is Discuss. Discuss is everyone is weighing in and having discussion on how we can solve this. Now, you don't jump for this all, you start having a discussion. But here's the key, now that you know what the real issue is and you know that you are eventually moving toward a solve,

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it brings so much direction to this discussion. Like most people, most business people, discuss like ad nauseam and they think they're being productive. I'm not saying that pointing fingers because I think I maybe invented that. If you went into my meetings 10 years ago we would discuss, discuss, discuss, discuss and then the meeting would end and we'd come back next week, and we would discuss the same thing. So we are really good at discussing stuff, we just don't move it toward us all. So you're discussing, everyone's weighing in, you want conflict. Conflict is good. Man, if you're not having ideological conflict, you're not doing it right.

One of the most important things you need bear in mind when you're discussing is you have to avoid tangents. A tangent is just getting off topic, and I also think I invented tangents. So if you're entrepreneurial, if you're the owner, if you are a visionary, you're the most likely to tangent. Where you're solving a particular issue, you're discussing a particular issue, and then 3 minutes later, you're talking about something completely different and you're passionate about it. Someone has got say, tangent, like, literally it is a tangent alert. You say tangent and then you get right back to the actual topic. I mean, if I had one dime for every time Hannah has called me out for a tangent over the last 8 years, I'd have a million dollars. I mean she is really good at that and I'll call people out all the time as well like, "That's a tangent. Let's get back to the real issue." Again, this is universal. I was talking to another author. I think you're familiar with Simon Sinek, so he wrote [Start with Why](#), and he's written a number of

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books. I love his new book [The Infinite Game](#). I was talking to him in February in Orlando and he said in our company, we just call it, we use the word... This is too silly for me but it works for Simon, 'Banana'. Like if you're going to tangent, you start talking about something else, at some point, you just say banana and that means alright zip it. We got to get back to what we really talking about. He didn't look at it as a tangent. It just means that you get off the real topic. So call out that tangent into the discussion.

But here's the deal, in that discussion, if you're stating your case over and over and over, that's politicking, and you want to avoid politicking. You want to say it once and that's it, and everyone's got to weigh in and everyone's got to disagree. I can't stress enough that the conflict is good. I will show you an unhealthy company, if you go to their meetings and you watch their meetings and everyone's getting along. If there's not like heated ideological conflict, then you're not solving important issues and you don't have people that are passionate about getting to the right answer. But in order to do that, you got to have trust, you got to understand that the reason we're having this conflict is we're trying to get to the best solution. It's got to be ideological conflict. It's not interpersonal conflict; so that's Discuss.

And then, the last one is Solve. Let me just review it; it's IDS (Identify, Discuss, and Solve). Solve just means like this is the solution or the conclusion, and 95% of our solves are going to end in multiple to-dos and someone owns the to-do. This is really where power is. I used to hold

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meetings where we discuss, discuss, discuss. We would kind of agree on something. But if you ask the five people that were in that meeting the next day, “What do we agree on?” Or two minutes later, “What do we agree on?” They’d have 5 different answers. The Solve is where actually you’re going to write out the to-do, the next step. That to-do is like a 7-day to-do, like, this is what you have to do in the next seven days. You can’t solve all of the world’s problems in the next seven days, but you can write down what do we have to do in the next 7 days. So I have to call Lawrence, send an email to Fred, and communicate with my direct reports that we’re now... Okay, those are three of the potential to-dos as a part of this overall solve. And then, you just capture someone’s initials next to that to-dos so you know who is actually owning this. And then when the meeting is over, you have between 5 and maybe 30 to-dos and that’s the stuff that you go work on all week and a lot of that stuff should be very important. Why? Because they’re the action steps that are supporting you solving the most important issues facing the company. So that’s the [IDS](#) (Identify, Discuss, and Solve), and the solve are captured as to-dos.

Lawrence: That’s awesome. Just a couple of things I wanted to mention, backing up slightly, is this section of the book really highlight the importance of vision, right. Because, for instance, you talked about identifying the top 3 issues and just going to work on them during the meeting. You can only understand what’s this top 3 issues are, if you understand your vision, your quarterly rocks so that you can align the issues, most important issues with those rocks and prioritize. And then similarly, when you come

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to solve, you've got that decision filter and play there as well. If it doesn't align, if the solve isn't align with your vision, you don't have a vision, you just don't have a direction. You have no understanding of what that solve might look like, right. I just wonder if you could speak on I guess bringing it all back how the [IDS](#) connects to the vision and other elements of [Traction](#).

Luke: Lawrence, that's the smartest thing you've ever said on your own podcast. I mean you're so right.

Lawrence: You are too kind.

Luke: That's the most important point, and let me just add to it. The vision component is like the six big questions, right. If you don't know that, if you don't know the answer to those questions, how could you even enter into an [IDS](#)? Like you are discussing and you are having the debate. Well, the answer to those 6 questions frames up that debate, and Gino Wickman calls it the greater good. The greater good is not like human kind or something else altruistic. The greater good is the answer to your 6 questions. It means what's the company trying to accomplish. Once you understand the answer to those 6 questions, the greater good, now we can have a discussion. Otherwise we have a discussion and you just have 5 people with totally different ideas. They're just hashing it out with no framework to guide the discussion. If you're always thinking greater good, you can go back and you can say, "Well, hold on. If our core values are

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these don't we have to do this?" Or, "Hey, one of our 3 uniques is this. Don't you think we have to actually double down on this?" "Hey, our 1-year goal is to achieve x amount of revenue. If we don't do this I don't think we are going to get there. Whatever our solve is on this I think it's got..." Okay, so if you understand those 6 questions, it makes these debates and these conversations so much richer. That's why I could pick 4 really brilliant people in the high intensity world from different studios, and if I debate an issue with them, that's going to be a really fun debate. But it's not going to be productive because we don't have the same answer to those 6 questions, and so you got to get the same answer to those 6 questions before you can move forward with healthy debate.

I always talk about [Alan Mulally](#) to you, the former CEO of Ford, that had a huge impact on Gino Wickman, and I just love Alan Mulally. I think he should be the next president of the United States of America. I'm not kidding when I say that. I think he'd be the perfect leader of our country. He said Ford started to turn around, when Ford executives started making decisions in the best interest of Ford. To translate that to what we're saying, Ford started to turn around, when Ford executives made decisions with the greater good, and so you got to understand what that greater good is first. You're so right in making that important comment, Lawrence.

Lawrence: Yeah, I appreciate that. Just to clarify, obviously this isn't on the [public podcast](#) even though Luke said that's the smartest thing I said on the podcast. I just want to make that clear.

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Luke: Oh, I apologize. You've said a lot of smart things. I just think it's the smartest thing I've ever heard you say. It's important.

Lawrence: No, that's fine. I just want to clarify because this entire Traction series, this is obviously for members only. So that was great. You pretty much gone through Identify, Discuss, Solve in a lot of depth. I'm really pleased about that. And then, I won't go into it now, but in the book you've got the 10 commandments and these are just really principles and rules to follow during [IDS](#) which I think are really helpful, will give you some idea of how you can improve that process in your business. I just want to kind of wrap up this a bit, just talking a little bit more about the benefits. You talked about the negative impact of too much discussion not enough problem solving and how sort of wasteful that can be, and obviously the converse is this process really does save time exponentially. And I'm quoting directly from the book now, "*Eliminates future symptomatic issues.*" I'm just curious, have you found in [Discover Strength](#) that you might solve a really high priority issue and then suddenly 10 issues related to it are no longer important or have been kind of solved by solving that one key issue that they all connect to.

Luke: Absolutely. That's why you pick that top 3 issues on the issues list and just solve those. And then when you're done solving them, you pick the next three most important, and the next three most important. People say, "Why are you only picking the top 3?" Because if you solve the top 3, in

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almost all cases, you'll find out that 2, 3, 4, 5, 6, other issues just disappear; and it always works that way. I mean, there is two reasons why you got to solve the biggest three first is you only have finite time, so you got to solve the meatiest most important issues that are going to move you forward. Number two, when you do solve the most important issues the other issues go away; and that's always the case.

Lawrence: The other thing as well, and this is just a kind of productivity principle 101 is that there is always more to do, right? There is always stuff to do. Your issues list, your to-do list is infinite, right, in life and business. I'm always reminded whenever I have a day, and I often fallback into the trap of I've got to get loads of things done, and picking volume over quality, and picking lots of things over the right things and being busy. And yet, it is impossible to actually get everything done because you're always going to add to that list and so by virtue that you have to prioritize in order to be effective. This was just a very strong reminder of that for me. Would you agree with that?

Luke: Yeah. You can sit in a meeting and in that meeting you solve literally 13 issues or you can sit in a meeting next week and you only solve 1 issue, and you may say, "You know what, this meeting was actually better meeting than the last meeting because the issue we solve was so important and so meaty." Don't get addicted to how many issues you solve. Get addicted to are you solving the right issues that move the organization forward. We've experienced that so many times. I mean,

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yesterday we only got to two issues but they were absolutely the right issues.

If you don't even have this issues list approach at all what do you do? You talk about the things that the leader, the owner, the manager has the most interested in and they might not be the most important issues. This is a collaborative process where everyone is weighing in and saying, "I think this is an important issue." I mean, we literally all have the issues listed and we sit around... Well, we use to sit around the table. Now we do it virtually and we say, "Okay, what do we think." And someone says, "I think 32." And I say, "58." Someone else says, "We got to hit 57." And then I say, "I don't know if 57... I don't think that's very urgent. It is important but we've have other things we got to take care of this week." "Okay, not 57. 22." "Alright, we've got the top 3." And then we say, "Okay, first issue 48. What's the real issue?" I mean, that's literally how it works. That's how long it takes to pick those issues.

I mean, don't spend 10 minutes deciding what are your top 3. It is just a few seconds talking it through. Most of the people on your team will come to that meeting knowing, I got to get this issue solve. Like Hannah will say, "I need a green light on this." One of our issues yesterday was marketing budget for next month. We basically threw out our 202 budget when COVID hit which is really weird for us. And so it is like month at a time she asks, "How much money can I spend on marketing next month?", and so she said marketing budgets. Gino Wickman would say a lot of times when

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you bring up the issue you should tee it up to someone. Like she'll say, "Hey, the issue is what is our marketing spend is going to be this next month." I'm really teeing this issue up to Jess. David can weigh in and I can weigh in, but Jess is our VP of Finance so she is going to weigh in significantly. A lot of times if I have a really exercise related issue I'll tee it up more to David. Everyone else can weigh in but David is probably going to give the most significant weigh in.

Lawrence: Awesome. I think we forgot to mention that if you are struggling to come up with issues for your list and to bring to your meetings then make it mandatory for everyone to bring two issues. It doesn't sound like that's the problem for you and your business, Luke, because you've got obviously high trust and people feel like can be honest with issues and that's kind of what you are trying to cultivate.

Luke: I will say every once in a while we'll have a location that doesn't have many issues in their issues list, or a department that doesn't have many issues in their issues list. I will always say, "Well, this sounds like a problem. It sounds like people are not working like they own it." Work like they own it means, again, you got to smoke this stuff out. We have a derogatory way of saying of work like you own it, so it is called 'bring your brain to work'. If you brought your brain to work you should be pointing areas for improvement and problems all the time.

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I don't think we've talk about this yet. We'll maybe talk about it later, Lawrence, but the discipline of the clarity break. The clarity break is once a week spending a half hour to an hour away from the business just thinking. Well, if you don't have issues on your issues list it is because you don't have leaders that are doing clarity breaks. They are just not thinking on the business. Man, you think about the business and your issues pop up nonstop.

Lawrence: Yeah, awesome. In terms of the next bit I just want to cover. I'm really keen to hear a couple of examples that you might be able to share from [Discover Strength](#) in terms of talking through a couple of scenarios if that is okay, Luke. But before we get to that, can you just talk about the personal issues solving session in terms of building a healthy team when you've got two individuals who might have conflict? Have you had to go through that process before?

Luke: Yeah. You want that conflict, everybody has to engage in that conflict and the leader in that meeting has the mind for conflict. I'd have to look at you in the meeting with your arms crossed. I know because we've chatted in the past offline that you're passionate about something, but you are not saying anything. And I'm reading your body language and I say, "Lawrence, what do you think?" And you said, "No. I'm fine with that." And I say, "Lawrence, I know you are not fine with that. I'm staring at you and your arms are crossed and you've mentioned before like I know you've got something on your mind." Again you say, "Well, no, I really..."

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“Lawrence.” And then finally you say, “Yeah, I hate this idea. I don’t think it’s...” That’s okay to say. You can say I hate this idea but what you can’t say is, “I hate David.” You can say I hate David’s idea.

And so we have that conflict and then in the middle of that conflict. In real time, as the leader, I have to call out and say, “This is exactly what we want. Keep going, Lawrence. Keep saying that. Okay.” And David is disagreeing vehemently and he is heated. In real time I give real time permission I say, “David, that’s the exact conflict and emotion that we want and you’re doing a great job keeping it about the issue.” You have to give permission on that moment because in that meeting that would be intense and people will look around and be like, “Is this bad? Is this World War 3?” And so you want to give real time permission, and then eventually you come to a solve.

I think this is the most important part of the solve when you’ve had conflict is the concept of disagree and commit. You’re not going to get 5 really smart people talking about a difficult issue to agree. You are not going for consensus. You’re not going to get consensus on big issues and that’s okay. You can disagree but eventually you have to say, the leader steps up and says, “Alright, I’ve heard what everyone said. We’ve had rich discussion over this. This is the direction we’re going to move in. This is the solve.” And then, someone in that meeting, Lawrence has to say, “I 100% as you guys know disagree with that. But now from this moment forward I completely commit to it.” So you disagree with it the whole

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meeting but now you commit to it. You're going to run the play. You are going to execute on it. You can't just say it in that meeting. You actually have to run the play. So many meetings most people shake their head and say, "Yup, I got them onboard", and when the project fails, when the initiative fails later on, two months down the road they say, "I knew that wasn't going to work. I told you that wasn't going to work." Or they just lean back and watch the inevitable collision, the train wreck, that's on the horizon. And so that's saying, "No, I have committed to it, which means I have to execute on this. I have to prevent the train wreck." So disagree and commit is so powerful.

I always think about American football, right. Like American football there's 11 guys in the huddle and the coach calls the play. It is not a matter of was the right play called which is, is it the right solve. It's do all 11 guys run the play. In the huddle of 11 guys, like, literally 8 of them maybe thinking that's the wrong play. We shouldn't be running that play. But the still run the play. If they say, "No. I'm going to run the play that I think we should run right now." It doesn't work. So in business, just like in American football, it is not a matter of calling the right play. It is a matter of does everyone run the play. If you can get that to happen in your business you just become absolutely unstoppable. Normally, I hate bad sports analogies but that's a perfect sport analogy. I gave that sports analogy in Australia three years ago and it just absolutely was crickets because they didn't understand American football at all.

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Lawrence: Yeah. You should have picked cricket or... I'm trying to think what sports are big in Australia. I can't even think right now.

Luke: I think they are into rugby. I think rugby is pretty big.

Lawrence: Aussie rules football as well isn't it which kind of a cross between football and rugby. Yeah. I'm sure many other things that I'm ignorant about. That's great. Thank you for that, Luke. And for everyone, members, listening if you want to learn more about the personal issue solving session there is a process in [Traction](#) as well that outlines the process for that.

Luke, I just love to finish off with maybe you could talk about a couple of scenarios, obviously concealing any sort of confidential/sensitive information, where you can kind of talk through how you were able to address some pretty tricky issues in [Discover Strength](#), and then how those progressed and then were eventually solved in this process? If there's any that come to mind.

Luke: Yeah. I'm trying to frame up one that I think is really good. So state your question again, just a difficult issue that we solved and how we worked through it?

Lawrence: Yeah. I mean, obviously the more challenging the better because then it will kind of I think put a lot of the... Because this is quite an intimidating

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part of the book because some of the issues really do take a lot of cognitive load and really challenging to face and figure out how to resolve. I hear you talk about one you've had at DS where you've had to run through this process and solved it successfully would be very helpful I think.

Luke: Okay, so here is one. We are launching in this COVID period in home training. Right now, we're just on virtual. We have some clients that have not done virtual and we don't charge that much for our virtual. And so we thought, well, we could probably grow our revenue by doing in home training. The issue on the issues list was in home training. We debated and deliberated how do we launch and how do we communicate in home training. What's the pricing look like? Which trainers do we have involved? How long are we are going to do it? Like we are going to keep virtual training forever. Do we want to keep in home training forever? That was a pretty meaty issue that had a lot of different components on it. But it wasn't necessarily a stock, it was an idea. It was an idea for us to make revenue. So that was an issue that David was owning it as a rock, but he needed all of our weigh in on it. He usually not going to make a pricing decision by himself. We are all going to be involved in that pricing decision, and that marketing decision, and all of it. So that was the issue where the issue is an idea.

Another issue where the issue is an idea was we thought about, well, let's launch a micro [Discover Strength](#). People might not rush back to studios

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but what if we bought an ARX machine or that all in one machine that Simon Shawcross has in his flat. What if we bought that and then put in like 200 sq. ft. and that's all we had, and we did a 20-minute workout. Our clients that don't feel comfortable coming back to studios like we still have not reopen studios in Minnesota as we record this. We are kind of behind of the rest of the U.S. But when we do get back would people feel more comfortable in that kind of clinical environment. So that was again an opportunity that allowed us to make money. We discussed that and I guess it doesn't really matter where we ended up on that but that was where we just went deep into whether or not we thought it made sense. We just had a great IDS around that.

I'm trying to think of one other one that's truly something that was broke that we needed to solve. I'm just looking right now. I'm pulling up my issues list right now. Alright, so one would be like COVID hits and we are solving the issue of how are we managing cash. And then I would say, "Well, how we manage cash can't be the issue. What's the real issue? Okay." The issue is how we drive revenue. Let's put that on the issues list. Is the issue how we are spending money? Alright, well, we are not spending money on anything right now except for payroll so I think the real issue is payroll. Okay. Now, hold on. Is the issue payroll for our trainers or from our salary? That's us narrowing down what the real issue is. Then we say, the real issue is payroll for our salary and staff. Alright, okay now we are going to solve that issue. And that's some of the conversations, the issue solves that we've had in the last 2.5 half months

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for sure. I don't know if I nailed that for you, Lawrence, but those are few different examples of issues that were truly roadblocks, and some that were opportunities that we said, "Well, we got to decide how we can exploit this and move it forward."

But let me contrast that with what we did 10 years ago. Ten years ago I'd say, "I have an idea. I think we could launch in home training or a micro studio." And it would just be an idea that I'm excited about, and I would share it with everyone, we chat about it, and then there would be no next step. This always conclude with exactly what the next step is, the to-do. It is, "Jess, create a spreadsheet that will show forecasting for our revenue, all our expenses if we launch the micro studio with everything included. Luke's to-do is email the guys at ARX and get a quote on the Omni and the Alpha. David's to-do is come up with a pricing. Everyone is going to have a to-do so we can actually move that forward over the next seven days.

Lawrence: Got it. Okay. No, I caught you off guard with that one so, no, that's totally fine. Just backtracking for a moment when you were considering home training what was the outcome of that? If you don't mind me asking. Have you removed that and instead focused completely on the virtual because obviously in home I'm assuming it is not something you would look to do long term and that was kind of the filter for that?

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Luke: No. We actually are moving with in-home but we are just going to communicate that this is going to go away. We are going to communicate virtual is staying around forever. In home is going to go away. In my opinion, as long as you create a clear expectation then you can do something that's going to go away. You just got to communicate that. So we'll launch that next week actually and communicate that when our studios open this will go away and why will it go away, okay. For us, why will it go away. It's going away because, man, planning out the logistics of driving at different homes and what if the homes are far apart. How do you make sure that you are generating the right amount of revenue per unit of time? So we had to think what's best for our trainer, what's best for the client, what's best for us driving revenue.

Ultimately, I said we can make some mistakes on this because it is only six weeks long, right. If we don't have the perfect margin on this that's okay because it is six weeks. If it is something that sustainable and you have something off in your margin you got to fix that. You can't make that mistake because it is going to be repeatable and it's going to be death by a thousand cuts. Where in this case, six weeks, if we don't nail it it's okay. Now, we can't launch it in a sloppy way. We really have to launch it and communicate it well and be thoughtful and planful about it. But yeah, we are going to move forward with that because we are going to be close. Right now we are recording this on June 4th. We are going to be close until the middle of July so I think we have a great opportunity to drive revenue and give clients great workouts in home.

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Lawrence: Yeah, because I guess there is a cohort of people that just wouldn't do the virtual, and so that cohort maybe interested in this. I guess that's part of incentive for you to do that.

Luke: Absolutely. Again, when we are having that discussion we go back to the vision component, the greater good, the six questions. Well, what's our strategic niche? It is personalized strength training. Is in home strength training part of personalized strength training? 100% it is. What are our 3 uniques? Efficient, evidence-based, educated expert. Does that align with those 3 uniques? Yes.

We even talk about in our in home training we are going to give a timeframe of when the trainer arrives. Like so many deliveries, so many services, "We'll arrive between a 15-minute buffer." That's what we are about to do and I said, "Wait, our unique is efficient. Meaning a 30-minute experience." If we say, "You kind of got to be ready for 15 minutes because we might show up at any time." That erodes the efficiency. Not aligned with our unique we can't do it. And then as soon as I said that, everyone in that meeting said, "Yup! 100% right."

If you don't have those uniques dialed in and they are framing the conversation, not just the uniques, all the answers to the six questions, you just can't have good conversations. It is like smart people, assuming your team is smart, and I our audience is really smart. You have smart

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people just having intellectual conversations rather than intellectual conversations that are framed up by a shared vision.

Lawrence: Yup. Obviously, the six questions are elaborated on in-depth in the Traction series. And those six questions; Luke, correct if I get any of this wrong; what are your core values, what is your core focus, what is your 10-year target, what is your marketing strategy, what is your 3-year picture, what is your 1-year plan. That's the six questions, isn't it?

Luke: Yeah, and you could also look at it as seven questions because core focus is really two questions. It is what is your core purpose and what is your strategic niche. I think it is so important to separate those out because they are both just wildly important.

Lawrence: Yeah, absolutely. They are all in the Traction series. We're looking for to getting this there as well. We are almost done, Luke. We are getting to the end. It's been an epic journey. I think there's just enormous amount of value in this. Although we haven't finished yet this series I just want to say thank you because this has been another excellent addition.

Luke: Well, honestly, Lawrence it is my pleasure. It's just fun to talk about it. I appreciate you having me on.

Lawrence: Cheers, Luke. Thank you.



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Luke: Thank you.