

Glossary of EOS Terms*

Accountability Chart – A clear, simple illustration of organizational structure that gives your company the greatest possible chance of achieving its vision over the next six to twelve months. Built by focusing first on finding the right structure (without being distracted by people and history), an Accountability Chart simplifies and clarifies the roles and responsibilities for everyone in the organization. See also “*Seat*” and “*GWC*.”

Assistance Track—This EOS tool is designed to help you manage your time and the inflow of constant emails, phone calls etc. It covers 5 areas: 1. Delegate & Elevate 2. The Stack...touch everything only once. 3. The Daily Meeting to hand off your Stack. 4. The Email System—turn your email over to someone you trust. 5. Your Schedule—Turn your schedule over to someone to do your scheduling for you.

Back to Basics Checklist: This EOS tool is designed to get you moving again when you are “hitting the ceiling”. We have you look at several areas to get the company moving, from Clarity Breaks to Is everyone following the process, to are your meetings healthy to do you have the Right People in the Right Seats.

Cascading Messages – An important agenda item in a *Level 10 Meeting*. Before concluding the meeting, make sure everyone on the team is clear about whether anything that happened will be shared outside the meeting. If so, make sure everyone agrees on what will be told, to whom, by whom, when and how.

Clarity Break—Keeping your head clear and your focus strong is what this tool is all about. Great leaders have the habit of taking quiet time to think. That means escaping the office on a regular basis for an hour or so. By working on yourself and the business, you will rise above feeling frustrated and overwhelmed to a clear headed and confident state. As a result, when you come back into the business, you will be laser-focused and in the right leadership frame of mind.

Compartmentalizing – The EOS way of finding a place for everything in your business. Major priorities for the year become the (three to seven) *Goals* in your *1-Year Plan*. Priorities for the next quarter are *Rocks*. *To Dos* are seven-day action items that are created and recorded as “Done” in weekly *Level 10 Meetings*. Everything else is an *Issue*. Long-Term Issues can or should wait until next quarter and are recorded on your *VTO*. Short-term Issues need to be resolved this quarter and belong on your *Level 10 Meeting Agenda’s Issues List*.

Company Scorecard-- Scorecard(s) – A handful of weekly, leading indicators that helps teams at every level of the organization keep an absolute pulse on the business. A company Scorecard is reviewed weekly by the leadership team while departmental Scorecards are reviewed weekly by teams at the next level(s) of the organization. Displayed in a simple spreadsheet that includes thirteen weeks of history, a great scorecard clearly identifies patterns and trends that lead to real insight and better, faster decision-making.

Core Focus – Your organization’s “sweet spot.” Where your purpose, cause or passion meets the thing you’re driven to be best in the world at. Once defined, the Core Focus helps leadership teams make better decisions, investing time and energy within the Core Focus rather than being distracted by “shiny stuff.”

Core Process(es) – Every business has just a handful of Core Processes – essential things that need to be done consistently well every time, no matter who in the organization is doing them. For example, most companies have an HR or People process, a Marketing process, a Sales Process, one or more Operations processes, an Accounting process, and a Customer Service or Customer Retention process. Once your team agrees on your handful of Core Processes (and what they are going to be called forever), you must document them at a high level, train your employees, and begin measuring compliance until they are “followed by all.”

Core Values – Three to seven essential, guiding characteristics that define your organization’s culture. Once defined, your Core Values are repeated often and used as real standards, rules everyone must play by.

Core Values Speech – A one-page outline that clearly defines for everyone *exactly* what each of your *Core Values* means. Using stories, analogies, examples and anti-values, the Core Values Speech helps every leader talk about your Core Values in a clear and consistent way.

Customer and Employee Headlines – One of the “*Reporting Only*” agenda items in the *Level 10 Meeting* Agenda. Leaders briefly share headlines with one another to share information about whether or not customers and employees are satisfied. Those headlines worthy of further discussion are added (or “dropped down”) to the Issues List.

Data Component – One of the *Six Key Components* in the *EOS Model*. To be 100% strong in the Data Component, your organization must run itself on facts and figures, objective information rather than the subjective feelings, emotions and egos that so often drive decisions in an entrepreneurial company. To become 100% strong, create a leadership team *Scorecard* that contains five to fifteen numbers – *leading indicators* - that give you an absolute pulse on your business. Use the same approach to develop scorecards in every department, and for every team in the organization, until everyone in your company has at least one *measurable*.

Delegate and Elevate – An EOS Tool that helps leaders decide what to focus on themselves, and what to delegate to others. When used properly, this tool helps leaders identify those activities they love most and are best at, and to elevate themselves into a role focused on those activities.

Dirty Dozen – A tool used to segment customers or clients in an effort to improve relationships with the least profitable or valuable among them.

Drop it down – A phrase used to quickly drop Issues to the *Issues List*, most often used during the reporting section (Scorecard, Rock Review and Headlines) of a *Level 10 Meeting*.

End run(s) – Direct communication with team members that fails to respect the lines of authority drawn on the Accountability Chart. Most often occurs when leaders speak directly with an employee who works for another leader, or vice versa.

EOS Model – A visual illustration of the *Six Key Components*.

EOS Process – A visual illustration of the proven process used by an EOS Implementer to help a leadership team master EOS.

EOS Toolbox: There are 20 tools in the EOS Toolbox. They are introduced one at a time in quarterly and annual sessions.

Five Leadership Abilities – Five essential skills that help leaders break through the inevitable ceilings they hit at three levels – organizationally, departmentally, and personally. The Leadership Abilities are - *Simplify, Delegate, Predict, Systemize* and *Structure*.

The Foundational Tools: The Foundational Tools are: V/TO, Accountability Chart, Rocks, Meeting Pulse and Scorecard

Getting What You Want—What are the end results you are hoping to achieve? What do you really want? This tool will help you define the steps you will need to take to get what you want and the measurables for tracking those procedural steps or activities. It can also help you figure out “Leading Indicators” for your Scorecard.

Goals – Three to seven organizational priorities identified by the leadership team on its 1-Year Plan.

Guarantee – One of the four parts of a company’s *Marketing Strategy*, the Guarantee is a compelling promise that addresses a common fear or worry in the minds of your *Target Market* that makes winning business more difficult

GWC – When an employee “GWCs” her seat on the Accountability Chart, she is in the *Right Seat*. Employees are rated “yes” or “no” in all three categories – to be in the *Right Seat*, all three must be a “yes.”

- “G” stands for “**Gets It**,” which means the neurons in her brain fire in a way that makes her perfectly suited for the job. No amount of training or development will ever help someone “Get It.”
- “W” stands for “**Wants It**,” which means she springs out of bed every day genuinely wanting to excel in the role. You can’t coach people, pay people, or kick people in the butt to want it.
- “C” stands for “**Capacity to Do It**.” This means she has the God-given talent, skills, experience, and training to do the job well. While you can’t train or develop “gets it” or “wants it,” some employees can acquire the “capacity to do it” with a well-defined personal development plan.

Hitting the Ceiling – The inevitable phenomenon of getting “stuck” during periods of growth and change. Leaders who master the *Five Leadership Abilities* become proficient at helping their companies, their departments, and even they break through the ceiling.

IDS – A discipline that helps leaders permanently resolve *Issues*.

- “I” stands for “**Identify**” – the art of digging into the Issue and determining its root cause BEFORE beginning to Discuss or Solve it
- “D” stands for “**Discuss**” – with everyone saying once what needs to be said, because more than once is politicking.
- “S” stands for “**Solve**” – agreeing on a plan of action that will make the Issue go away forever.

Integrator – The leader of an organization’s leadership team. Integrators beat the drum, break the ties, harmoniously integrate the other major functions in the organization, and accept ultimate accountability for achieving the P&L results and executing on the business plan.

Issues Component - One of the *Six Key Components* in the *EOS Model*. To be 100% strong in the Issues Component, your organization must use two tools – an *Issues List* and *IDS* – at every level of the organization. With an Issues List, you create an open and honest culture, where everyone feels comfortable getting ideas, opportunities, problems, challenges and obstacles out of their heads and onto an Issues List. Once there, you can prioritize and ultimately solve them using *IDS*.

Issue(s) – An Issue is an unresolved problem, challenge obstacle or frustration – something slowing you down or ticking you off. It can also be a new idea or an opportunity you want to pursue. Issues occur and can be solved at every level of the organization using *Issues Lists* and *IDS*.

Issues List – A written list of Issues that haven’t yet been solved. Short-term Issues – those you need or want to solve THIS quarter, belong on your Level 10 Agenda’s Issues List. Long-term Issues – those you don’t want to be distracted by until next quarter (or later) – belong on your V/TO Issues List.

Issues Solving Track: This tool explains in detail the IDS process for solving Issues. Step 1 is Identify Step 2 is Discuss and Step 3 is Solve. It's important to make sure you are identifying the root cause of the issue before discussing or attempting to Solve.

Keep, Kill and Combine – A “process of elimination” technique used to help teams prioritize properly.

Level 10 Meeting(s) – A weekly meeting that occurs on the same day at the same time each week. Using the same agenda and always starting and ending on time, teams who master the Level 10 Meeting develop an efficient productive *Meeting Pulse* and become experts at getting more of the right stuff done each week, and at prioritizing and resolving Issues.

LMA – An EOS Tool that summarizes the primary responsibility of anyone in the organization with one or more direct reports. “LMA” stands for Leadership + Management = Accountability. In other words, one must lead and manage in a way that creates an environment in which accountable employees thrive and non-accountable people stick out like a sore thumb and want to leave.

Marketing Strategy – One of the eight questions on the *VTO*, the Marketing Strategy helps bring laser-focus to an organization's sales and marketing efforts. It starts with a clear definition of your *Target Market* and also includes three parts of a compelling marketing message to that target market – *Three Uniques, Proven Process,* and *Guarantee.*

Meeting Pulse – A regular, efficient series of meetings with the same team-members and following a standard agenda. EOS companies have a *quarterly meeting pulse* (three one-day *quarterly sessions* and one two-day *annual planning session*) that creates a 90-day world for the organization. They also have a *weekly meeting pulse* using the *Level 10 Agenda.*

Merger/Acquisition Fit: This tool helps you determine the “Cultural Fit” as well as the “Strategic Fit” when looking at mergers or acquisitions.

Niche – Part of an organization's *Core Focus*, your Niche describes – simply and clearly - what you do better than anyone else.

“Off—Line” Meeting Track. This EOS tool is design to take a topic that doesn't fit in any of the EOS compartments “Off Line”. This tool help you create the right agenda to take on that project or issue and achieve the objective of the meeting.

One-Year (1-Year) Plan – A leadership team’s prediction of what is going to happen during the year. It starts with financial predictions – revenue, profit and any key measurables. It also includes three to seven *Goals* – the most important things your company must accomplish in the coming year.

Open and Honest – The basic rules for communication in an organization running on EOS. Leaders engage with open minds, ready to draw everyone into a discussion and truly hear what’s being said. Honest means “just say it,” even when it stings a bit. This approach creates clarity, eliminates confusion and politicking, and creates more cohesive, functional leadership teams.

Organizational Checkup – A twenty-question survey that helps measure an organization’s “strength” in the *Six Key Component*

Partnership Rules of the Game—This EOS tool helps clarify the different roles of partners. It gives guidelines on how to get and stay on the same page with each other. It also discusses what happens when the “Owner” steps into the business and assumes a seat on the Accountability Chart. They are now an Employee and no longer the owner when they step into that role and what that means to the Integrator and others.

People Analyzer – A simple tool for evaluating *Right People* in the *Right Seats*.

People Component - One of the *Six Key Components* in the *EOS Model*. To be 100% strong in the People Component, every employee in your organization needs to be a *Right Person* in the *Right Seat*. Tools used to strengthen your People Component include *Core Values*, the *Accountability Chart*, the *People Analyzer*, and *GWC*.

Process Component - One of the *Six Key Components* in the *EOS Model*. To be 100% strong in the Process Component, you must first document your handful of Core Processes at a high level, clearly defining the major steps in each process. Once documented, you must train your employees, and then measure compliance with the major steps in your Core Processes to get them followed by all.

Proven Process – A one-page visual illustration of the way your organization takes care of its customers (or clients). Part of your *Marketing Strategy*, your Proven Process is a sales and marketing tool that tells your prospects that you have a proven way of taking care of them, helps your sales team create consistent, realistic expectations.

Purpose/Cause/Passion - Part of an organization's *Core Focus*, your Purpose, Cause or Passion describes – simply and clearly – what drives you, what gets you out of bed every morning. This is bigger than a goal, than money, than what you do – it's WHY you do it.

Quarterly Rocks: are simply 90-Day priorities. A Company Rock is one of the three to seven most important things the company needs to get done this quarter. Departmental Rocks are the three to seven most important things for your department to accomplish this quarter. An Individual Rock is one of the three to seven most important things YOU need to get done this quarter.

Right People – Right People fit your company's culture; they consistently exhibit your *Core Values*.

Right Seat(s) – People who are in the Right Seat have the talent, skills, experience, education and training to consistently excel in a role described by one of the seats on your *Accountability Chart*. See also *GWC*

Rocks – Rocks are simply 90-Day priorities. A *Company Rock* is one of the three to seven most important things the company needs to get done this quarter. *Departmental Rocks* are the three to seven most important things for your department to accomplish this quarter. An *Individual Rock* is one of the three to seven most important things YOU need to get done this quarter.

Sales Department Checkup—this tool helps you examine eight different areas where your sales department may need to improve. It looks at the Sales Manager, the Marketing Plan, the Sales Process, the Sales Scorecard and much more.

Same Page Meetings – Regular Issues-solving meetings designed to ensure two key people in your organization (usually Visionaries and Integrators) stay on the same page and present a united front when working with other leaders and employees

Scorecard(s) – A handful of weekly, *leading indicators* that helps teams at every level of the organization keep an absolute pulse on the business. A *company Scorecard* is reviewed weekly by the leadership team while *departmental Scorecards* are reviewed weekly by teams at the next level(s) of the organization. Displayed in a simple spreadsheet that includes thirteen weeks of history, a great scorecard clearly identifies patterns and trends that lead to real insight and better, faster decision-making.

Six Key Components – *Vision, People, Data, Issues, Process* and *Traction*, the Six Key Components make up the *EOS Model*. Truly great organizations are strong in all six of these components.

SMART – A way to write Goals and Rocks that eliminates ambiguity and confusion - Specific, Measurable, Attainable, Realistic, and Timely.

State of the Company Message – A quarterly message to the entire organization that helps get an organization’s Vision shared by all.

Tangent Alert – A discipline used to keep teams focused on solving the *Issue* at hand during *IDS*.

Target Market – A clear definition of your organization’s ideal prospects. It defines the demographic profile (who are they?), the geographic profile (where are they?) and the psychographic profile (how do they think?) of those people or organizations most likely to become your best customers. Once defined, the Target Market brings laser-focus to your proactive sales and marketing efforts.

Ten-Year (10-Year) Target – A long range, energizing goal for the organization. Goals range from five years to twenty years out.

The Bar – The minimum rating on the *People Analyzer* that an employee must receive to be considered a *Right Person* in the *Right Seat*.

The List – A complete list of your organization’s ideal prospects created by using your *Target Market* as filter. Brings laser-focus to your proactive sales and marketing efforts, and increases your win-rate.

Three Data Points – When providing constructive feedback to employees using the *People Analyzer*, the discipline of providing three specific examples to support any rating less than a “+” (for *Core Values*) or a “no” (for *GWC*).

Three-Step (3-Step) Process Documenter – A tool that helps teams identify their handful of *Core Processes*, document and simplify them, then get them followed by all employees.

Three Uniques – Part of your company’s *Marketing Strategy*. Three things that – when taken together - make your organization different and better than the competition in the minds of your *Target Market*.

Three-Strike Rule – The approach used by most EOS clients to resolve people issues. When an employee is *below the bar*, use the *People Analyzer* and *three data points* to communicate clearly in a series of up to three meetings typically held thirty days apart:

- A *Strike One Meeting* clearly defines the *Issues* and results in a clear plan of action to resolve them, with a date set for a *Strike Two Meeting* to review progress.
- A *Strike Two Meeting* provides clear feedback to an employee about whether or not he has completed his action plan and elevated himself *above the bar*. If not, another action plan is agreed upon and a *Strike Three Meeting* (termination) date is set.

Three-Year (3-Year) Picture – A prediction made by the leadership team (and recorded on your *VTO*) that clearly describes the organization you intend to build in three short years.

To-Do – A seven-day action item resulting from *IDS* in a *Level 10 Meeting* which is recorded on the *Agenda* and completed before the next meeting.

To-Do List – The place in the *Level 10 Meeting Agenda* where *To-Dos* are recorded and reported on (“Done” or “Not Done”) each week.

Traction Component - One of the *Six Key Components* in the *EOS Model*, describes the focus, discipline and accountability necessary to achieve your Vision. To be 100% strong in the Traction Component, first create a 90- Day World by setting and completing *Rocks* at every level. Then bring the proper *Meeting Pulse* (Quarterly and weekly *Level 10 Meetings*) to everyone in the organization.

Trust Builders—There are a total of 10 recommended Trust Builders in this EOS tool. They are usually introduced in Quarterly and Annual Sessions. Some are done offsite on company time. Here’s a few: Personal Histories Exercise, One Thing (recommended annually), Kolbe Profiles, Strength Finders, Personal Issues Solving Session, and “Clear the Air” meeting.

Vision Component - One of the *Six Key Components* in the *EOS Model*, this is getting everyone in the organization on the same page with where you’re going and exactly how you plan to get there. To be 100% strong in the Vision Component, first work with the leadership team to answer the eight questions on the *VTO*. Once defined, communicate that Vision regularly with everyone in the organization to get it shared by all.

Visionary – Typically the founding entrepreneur, a Visionary has lots of ideas and is a strategic thinker who always sees the big picture and is tuned in to the future of your industry. Visionaries are usually great with big relationships and the culture of the organization. On the other hand, a Visionary isn't good at (and does not like) holding people accountable, or the details and follow-through required to run the day-to-day operation of the business.

V/TO (Vision/Traction Organizer) – A two-page strategic plan consisting of eight questions (or sections): *Core Values, Core Focus, 10-Year Target, Marketing Strategy, 3-Year Picture, 1-Year Plan, Quarterly Rocks, and Issues List.*

5-5-5—this tool gives you the structure for your Quarterly Conversation with your direct reports. At each quarterly conversation you talk about your 5 Core Values, their 5 Key Roles and their 5 Rocks for the quarter.

8 Cash Flow Drivers—this tool helps identify all the ways a company derives revenue. The purpose is to identify how to make the company more profitable. Some possible Cash Flow Drivers are: Price, Cost of Goods Sold, Margin, Errors/Mistakes, A/R Days, G& A Expenses, Compensation, Labor Costs, Service Time, or Ancillary Sales.

*As originally compiled by Greg Cleary, Certified EOS Implementer