

How an operating system can help your small business

Small businesses in growth mode typically rely on informal interactions to develop their offerings, connect with customers and employees and conduct operations. To synchronize all these efforts, they generally develop some form of a unique operating system — a collection of processes, rules, systems and ideals.

Whether intentional or unintentional, an operating system is likely built on instincts, lessons from mentors or books you've read about building and running a business.

So far, your unique operating system may have served you well. But underdeveloped systems create something akin to technical debt in software enterprises and cause stagnation. Imperfections, impurities and quick fixes accumulate and eventually cause organizational dysfunction, leading to challenges that manifest in what appears to be insurmountable barriers to growth.

Perhaps each department in your company is operating with different goals, you can't scale up beyond a certain revenue point or your leadership team can't agree on how to allocate resources.

In his book "Traction," entrepreneur and visionary Gino Wickman describes "hitting the ceiling" as

stalled growth or facing a business challenge you can't overcome. He shares the common signals that you're hitting the ceiling through several common hurdles founders and entrepreneurs face. A few examples include:

► **Low growth or stagnation.** No matter your actions, you can't seem to progress to the next level. You feel overwhelmed and unsure how to proceed.

► **Insufficient profit.** No matter your efforts, you can't generate the profit you've sought to achieve.

► **People issues.** You are frustrated with the people who are meant to help you build and grow your business, like team members, customers, vendors or partners. They don't seem to listen, understand you or follow through with their agreements. In short, you're all on different pages.

As a successful entrepreneur who sold his business, Wickman developed a business operating system, drawing on his own experience and that of his friends with like backgrounds, to get at the root cause of these signals and reinvigorate the business.

They call it the Entrepreneurial Operating System, or EOS. The premise is that every company is made up of the same six compo-

nents: vision, people, data, issues, process and traction.

If each of these is healthy, your company is bound for success. If a few are struggling, you know which areas of the company need the most attention and support.

When each area of the EOS model is receiving the right amount of focus, you'll know it. Some of the ways these components present in a healthy organization, along with insights into a few of the key tools used to get an organization to that place, include:

► **Unified vision and clarity:** The company has a clear, shared vision of where it wants to be, articulated through an exercise documented in a tool called the Vision/Traction Organizer.

► **Streamlined operations:** The operating system provides a highly refined approach to the talent function, starting with a tool known as the Accountability Chart. When fully implemented, roles and responsibilities are clearly defined, eliminating confusion and ensuring that everyone knows what they have agreed to.

► **Data-driven decision-making:** The adoption of an EOS Scorecard means decisions are based on real, actionable data. Regular tracking of measurables ensures

the company remains agile and able to respond to changes or challenges effectively.

► **Proactive problem-solving:** An Issues Solving Track is ingrained in the company culture, fostering an environment where issues are addressed promptly and systematically.

► **Consistent and effective communication:** The Meeting Pulse, including Level 10 Meetings that create a standard structure for productivity, quarterly meetings and annual sessions, is fully integrated into the company's routine.

► **A culture of accountability and continuous improvement:** The full implementation of EOS tools and processes creates a culture where accountability is valued and continuous improvement is a constant pursuit.

► **Sustainable growth and success:** The company experiences sustainable growth, with the EOS framework providing the structure and tools needed to scale effectively, navigate challenges and seize new opportunities.

While EOS is a great option, there are also other proven operating systems available for small businesses. While entrepreneurs can decide which is best for their business, it's important to remember that EOS



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Advice for small businesses and entrepreneurs in partnership with the University of Chicago Booth School of Business.

and other operating systems are not Band-Aids or a magic wand. They can't fix your organization's issues overnight, but they can help you fix them for good.