



## MAXIMIZE BUSINESS VALUE PODCAST - EPISODE 11 Transcript with Jim Brewer

### ANNOUNCER: 0:05

Welcome to the maximize business value podcast. This podcast is brought to you by mastery partners, where our mission is to equip business owners maximize business value so they can transition their business on their terms. Our mission was born from the lessons we've learned from over a hundred business transactions, which fuels our desire to share our experiences and wisdom. So you can succeed. Now, here's your host CEO of mastery partners, Tom Bronson.

### Speaker 2: 0:32

[music].

### TOM BRONSON: 1:23

Hi, this is Tom Bronson, and welcome to maximize business value. A podcast for business leaders who are passionate about building long-term sustainable value in their businesses. In this episode, I'd like to welcome our guest Jim Brewer, he's principal at Brewer leadership, which is a consulting practice that helps business leaders thrive by coaching the principles of accountability toward tangible goals, alignment around values and corporate culture enhancement. Jim is a Vistage chair and is also an implementation coach for EOS the entrepreneurial operating system. I've known Jim for several years. He's been a speaker at our value 90 X lunch and learn series. And I've been wanting to get him on this podcast since we started so welcome to maximize business value. Jim, tell us about brewer leadership and why you started that practice.

### JIM BREWER: 2:24

Yeah, I will Tom. And first of all, thank you for the opportunity to talk to you and as some of your listeners, uh, uh, so, so I've got a few gray hairs, Tom,

**TOM BRONSON: 2:34**

And, uh, I have none by the way.

**JIM BREWER: 2:39**

So, so my career was in a really fertile ground for, for learning and innovation. I spent most of my career in the technology sector and then the latter part of my career. Uh, uh, I ended up with an old friend of mine, uh, acting as his vice president of sales and that company, uh, uh, we started, uh, at about \$20 million in 2005. And, uh, uh, when we sold it to a publicly held company, we ranked number one, the company had grown to 1,000,000,003. And the only reason I, I bring that story up is, is both of those experiences taught me a lot. Uh, we never would have gotten to where we got at number health, uh, if, uh, the number nine and eight, number one, if we hadn't employed some frameworks and techniques. And so that floats my boat, I get a chance to work with other, uh, uh, entrepreneurs and, uh, and walk alongside as as they pursue that journey. So, so, so that's why I do what I do.

**TOM BRONSON: 3:48**

So, um, what year was it that you sold that business?

**JIM BREWER: 3:53**

Uh, the company actually sold in 2008. Uh, uh, so we were, we were INC. Number nine in 2006 and Inc. Number one in 2007. It was awarded in 2008.

**TOM BRONSON: 4:08**

Holy cow. I look, I, I've had a business on the inc 5,000 list, um, four times, uh, but, uh, but, uh, I never made it to number one. I was the highest I got was number 1946. I was told that that's how you should say that. So cause when you say 19 people go, Oh, and I said, 46. So, uh, so that is quite the accomplishment because there's a lot of businesses out there. And I think that that was before Gino, Wickman had even written the book Traction. So, so Jimmy and I have known is that I'm right, right. He wrote it in 12. So, uh, Jim and I have known one another for a number of years. Uh, and the first time that we met for coffee sometime ago, Jim brought me a copy of Gino Wickman's book, traction, the basis for the entrepreneurial operating system or EOS. So I'd already listened to the book on audible, uh, but was thrilled to get a hard copy because frankly I think it is simply brilliant. Every business owner on the planet should at least read it if not read it and then implement it. So I wish that I'd read it years ago. In fact, many of my clients at

mastery partners use EOS to build longterm sustainable value in their businesses, which is what this podcast is all about. So Jim, tell us what EOS is maybe kind of the major components and how it works.

**JIM BREWER: 5:47**

Yeah, I'm more than glad to Tom. On first of all, there are six Vos asserts that there are six major components skills areas that, that an entrepreneur or an entrepreneurial team need to master in order to take their business to the next level. The first of those items is vision. You've got to know where you're going. If you've got to answer a few basic questions about, uh, uh, how your business occurs and how you want your business to occur, those questions are what are the values of the people inside the business? What's the values of the business itself? What's that, that what Jim Collins called the hedgehog concept for your business. What's the niche that you participate in? You know, what's your marketing strategy in order to pursue that. So all of those things make up the vision for the company, but vision alone isn't enough.

**JIM BREWER: 6:51**

So you have to have great people, as well as having a great vision. And those EOS, again, asserts a couple of principles around people. You have to have the right people and they have to be in the right seats. The next major component is data. Tom is, you know, companies are unsuccessful or unsustainable. If they run their business on a motion, you have to run your business on data. And which means you need scorecards, which means you need to set very specific quarterly goals inside the business. The next major component that comes up with that is process. So every company has some basic processes, HR processes, financial processes, uh, uh, onboarding customers, sales and marketing processes. And, uh, it's important to document those, but document them in a really specific way where you document about 20% of the process and get 80% of the coverage there.

**JIM BREWER: 8:03**

You know, as you know, if you go through and try and document it a hundred percent, you'll spend your life document, right? So that's not what we're saying, but we're saying that process is really important. The next thing is issues. If you're up to big things with great people, running your business on data, you're going to have some issues that come up, how you handle those on a day to day basis will have a dramatic impact on your business and your ultimate success. And then finally, uh, uh, they end with surprisingly do, you know, ends with traction and, and traction is the ability to really set quarterly

goals and keep the management team on place. We are prescriptive enough that we go through exactly how to run the weekly meeting. You know, what that agenda looks like, uh, uh, how you marshal the brainpower of your leadership team around that table to solve the issues that are important that week. So, so that's ELs in a nutshell.

**TOM BRONSON: 9:07**

Well, that, that sounds complicated. Um, and I think that, uh, in the implementation of it, it, it can be, but it is so well spelled out in the book and they of course said, EOS worldwide.com provide, um, tools and things like that. So, uh, but you know, it's, it's been, um, all the rage. I mean, it's a very popular book. It's a New York times bestseller. I'm confident, although I didn't look that up, uh, before this, but, uh, so, uh, I recommend to all of our clients that they get a copy of the book, uh, and that they read it. And of course, many business owners will get a copy of the book and read it and then decide, well, this isn't that hard. Cause once you, those con the things that you're talking about are, are so very important to running a great business, but this kind of brings it down and breaks it into bite sized chunks. And so a lot of business owners say, well, I've read the book so I can go out and self implement it. Uh, how hard is it to implement kind of the strategies in EOS, if you're doing it on your own,

**JIM BREWER: 10:18**

Tom, it is not unlike, uh, uh, what you do at mastery partners, helping organizations prepare for that ultimate event. There's things that you can see from the outside that are really difficult to see when you're on the inside. So really I play three roles of there that help, uh, help people. And, and certainly people self implement. I actually help people correct after they've made some basic mistakes that everybody makes when they self implement. But, but when I'm implementing EOS, I really do three things. I act as a teacher, cause this is not my first rodeo because I've taken a number of clients through the process from a number of different industries. So I have, you know, so I know these principles inside and out. So I teach them the second role that I play is a facilitator, because part of the magic of what happens at EOS, a lot of the work that you do too, I suspect the magic is in the leadership team already. And you have to facilitate and get it out, coming in as an outside player gives you an opportunity in order to do that. And finally, I act as a coach because whether it's your golf swing or running your business, you know, you've got, you've got some flaws that you can't see, but when you're looking from the outside, you know, they're, they're quite obvious. So, so how to

present them, how to work with them, uh, uh, uh, how to reveal them to the leader is again, part of what I do.

**TOM BRONSON: 11:56**

So, uh, of the, uh, assistance that you provide to companies, um, what percentage of those started by self implementing and then called you in later to, to help with the professional facilitation,

**JIM BREWER: 12:10**

Really a small number have started self implementing. And then I, then I come in, I think I've had two clients in my history where I have done that most of the clients, as they begin this, as they read that book, traction recognize that having an expert come in from the outside in order to help them facilitate through the process is what they do. So, so that's a vast majority of my clients.

**TOM BRONSON: 12:37**

Well, I I've had, uh, several clients talk about it and say, well, gosh, I've read the book. And I think that I could go out and do this, but, uh, you know, my advice to them is, look, you can go do it. And, and, and if you go to the website, you can see the, there's probably thousands of companies that are attempting, uh, self implementation, but, but nothing works like having a professional who understands it, uh, to be in front of you and to guide you through that process, because really traction is, it's a system, right? It's a, it's a process and it helps you extract good information. It helps you to be able to use that information to better your business. And, um, I, I, my quick story on that is I've got one client who, uh, did a self implementation and did it fairly well for about three years, but then finally decided, you know, what, we're kind of losing our steam.

**TOM BRONSON: 13:33**

And then they called in a, uh, an implementation specialist. And I was, I had dinner with, uh, the CEO, uh, this past weekend. And I said, so how's it going? You're, you're six months into professional implementation. Even after you'd self implemented for three years. He said, I wish I'd done this from the beginning. I wish that I'd gone that route. And I'm really amazed at the progress that we're making and the things that we were just kinda overlooking, uh, in the self implementation. So I'm a, I'm a big fan of, uh, doing

that. Uh, so, so we're talking with Jim brewer about the entrepreneurial operating system. Let's take a Quick break. We'll be back in 30 seconds,

**ANNOUNCER: 14:15**

Mastery partners, equips business owners to maximize business value so they can transition on their own terms using our four step process. We start with a snapshot of where your business is today. Then we help you understand where you want to be and design a custom strategy to get you there. Next, you execute that strategy with the health of our amazing resource network. And ultimately we help you transition your business on your terms. What are you waiting more time, more revenue, if you want to maximize your business value, it takes time. Now is the time get started today by checking this out to mastery partners.com or email us at info@masterypartners.com.

**TOM BRONSON: 15:16**

We're back with Jim brewer. And we're talking about EOS, the entrepreneurial operating System introduced by Gino Wickman in his book traction. Uh, Jim, you've been, you've already given us a brief overview of the system. Uh, are there any size limits to who could implement EOS?

**JIM BREWER: 15:35**

Not really Tom, but let me talk about suitability for just a second. Uh, this is establishing a process and a framework for a solo entrepreneur for somebody that's maybe, you know, less than 10 or 15 employees. Uh, it's a lot of overhead for a more simplified, uh, journey. Uh, I would suggest that it is a great fit for organizations anywhere from 20 to maybe 350 or 400 employees on, on the upper side, the principles all still work, but the level of customization in order to look at their culture of, of, of starts varying, uh, uh, pretty dramatically. So, uh, uh, so I would suggest that there's probably on an upper limit for the model as it's normally used.

**TOM BRONSON: 16:37**

Okay. So, but now I've, I've heard anecdotally, uh, of larger businesses with thousands of employees who might implement this in a piece of their organization in a division or in a branch or something like that. Um, uh, does, does that work as well?

**JIM BREWER: 16:59**

Oh, certainly. Yeah. Whenever you can define the goal and objective to be specifically enough to look at it as a, a single vision, you know, maybe it would more than one product, but, but all under a single vision umbrella, uh, uh, then I think the principles really work well. And, and the other limiting factor I would suggest is the size of the senior leadership team. You know, typically you're always gonna have at least three major components to every business sales and marketing, finance, and operations. Sometimes those break up into a sub categories. You know, I think that senior leadership team is, is important. It's, uh, uh, I think generally if senior leadership teams more than a dozen, uh, but it gets pretty difficult to manage the business. Okay.

**TOM BRONSON: 17:54**

Okay. Well, you know, you mentioned a, it's kind of a high overhead, um, of course at, uh, at mastery partners, we're kind of under the, the, the lower limit. Um, however, we don't, we don't completely implement attraction, but we use the basics of it. Some of the stuff that we've learned by reading the book and, and interacting with folks such as yourself. So we set quarterly rocks, you know, we, we know how to manage those. We typically have a level 10 meetings, um, but, uh, some of the other stuff, um, the, the people stuff and the components, we're just not broad enough to be able to do that. But the principles contained in the book are, are really good, even for, I think so entrepreneurs who, um, sometimes tend to get distracted by other things, and they don't, they forget to how to focus on what's important, identifying those quarterly rocks, um, really puts in front of you, the things that you have to, to implement. Um, if boy, I get really testy. If, if a quarterly rock has to roll into the next quarter, you know, it's because these are the things you're identifying, what is the important thing, many entrepreneurs and entrepreneurial businesses get caught up in the day to day. And they're not focused on those big things that can really move the business down the path. And EOS gives a framework to be able to do that. I should be a commercial agent.

**TOM BRONSON: 19:29**

So of course this podcast is being recorded as businesses are just starting to reopen after the COVID-19 shut down. Jim, what are some things that business owners can do with EOS as they're starting to come back to work?

**JIM BREWER: 19:46**

Oh, good, great question. And, uh, uh, certainly, uh, the organizations that have been challenged by this, I have all of our sympathies, but there's been some good that has really come out of the process. So we've learned how to work remotely. We've learned,

uh, uh, uh, certain skills and it'll vary company by company in order to deal with these extraordinary times that we've been dealing with. I think that the real value is taking those lessons learned, you know, in the crucible of, of, of what we're going through right now. And really, how can I use those to change the way I do business forever?

**TOM BRONSON: 20:33**

Well, that's that I have to soak that in for just a second. So things, yes. You know, you said that there are some good things that are happening. And I just had this conversation yesterday. I mean, companies are starting realize that they can operate virtually, right. Uh, they're starting to realize that they can get work done in a different way. And so, so how do you capitalize on that? And, and EOS can help you, uh, navigate those sakes. Of course, uh, this wouldn't be the maximize business value podcast. Uh, if, uh, if we didn't really talk about, uh, what you think is, is the one thing, what is the one most important thing a business owner can do to build longterm value in his business?

**JIM BREWER: 21:22**

Well, surprisingly, and I know you believe this as well, Tom, because it's been one of our conversations over a cup of coffee or a glass of beer, you have to get yourself, your personality out of your business in order to be able to sell it. You really have to develop the leadership team to, to have the company really have inherent value, uh, of, uh, uh, for the purchaser of the business, as long as it is just you, as long as it is all commanding control, as long as it is the magic of the moment and not a process. And as, uh, a series of, of repeatable processes, you'll never get the value for your business that you could otherwise.

**TOM BRONSON: 22:12**

Wow, that's a, that couldn't be said any better, you know, frankly, as I tell our prospective clients, when I go meet with them, if, um, if the business is dependent on the owner of the business to operate, it's worth almost zero. If, if it requires the business owner to operate in the business, that means that the business owner has to stay, uh, if a transition, uh, happens and what happens if something happens to the business owner. So, so that is great advice. And of course you can use the traction framework to start building those processes and, and, uh, building the team and, and offloading those things to where they really belong in the business. That is great advice. I'm afraid I'm going to hit you with a, a, a, with a question that I didn't tell you before, but our listeners to the maximize business value podcast know that we always ask a bonus question, and that is



what personality trait has gotten you into the most trouble through the years, Tom Bronson.

**JIM BREWER: 23:31**

So I spent my career at Tom and sales and, and, and what's now called, uh, for business development. And so, uh, uh, there was an illusion that, that I held for too damn long, and that was that sales made the business work right without customers. We're nothing. Now there's some fundamental truth in that, but if you look at a company and say sales is strong, but operations or finance is weak, what happens to the ultimate value of that company? Right? They will. They, I would suggest they certainly will not thrive. They certainly won't get the month multiple when they get to whatever their, uh, uh, their ultimate event turns out to be. Uh, and in the same way, if sales is week of, uh, an operations and finance are, are strong, you've got a great company looking for something to do. So it takes all three, but, but I used to believe that sales was perhaps even more important than it really is.

**TOM BRONSON: 24:47**

Alright, that's a, that is an acceptable answer. I was there for a second. I thought you were dodging me. So Jim, how can our listeners and viewers get in touch with you?

**JIM BREWER: 24:59**

Uh, uh, really two ways, uh, but certainly by, uh, uh, by email. Uh, but I really encourage folks to look at my website, which is, uh, a brewer leadership.com. Uh, uh, there, we talk about the value of peer groups, uh, and what, uh, what we do with the Vistage practice. I talk about the EOS process, and I talk about some private consulting and special project work that we do, uh, uh, there on that website. We also have, uh, once we get to know, uh, uh, potential clients, we have a group of trusted advisors, but like our friends at mastery partners, where we participate in, uh, where there's an ecosystem of, of people that we trust that can bring tools and solutions to specific problems.

**TOM BRONSON: 25:52**

So the best way is a, is right there on your website. They can,

**JIM BREWER: 25:56**

If they're on the website, email and everything is, is there on the contact? Uh, uh, uh, uh, the important thing is reach out. Let's have a, you know, at least a 10 or 15 minute call

and get to know one another, uh, uh, you know, it's important to be honest, I'll tell you if I can help, and I'll tell you if I can.

**TOM BRONSON: 26:14**

And as I found out this week, if you go to Jim's website, you can actually schedule a meeting right there with him at a time that is convenient for you. So thank you, Jim, for being our guest. Uh, you can find Jim at his website, which is [brewer.leadership.com](http://brewer.leadership.com). You can find him on LinkedIn. You can reach out to us here at [maximize business value](http://maximizebusinessvalue.com) podcast, and we will be happy to put you in contact with Jim in our blog posts. This week, you'll get a link to Jim's website, as well as a link to the book *traction*. It is a must read. Let me say that again. It is a must read for any business owner who wants to maximize their business value. This is the [maximize business value](http://maximizebusinessvalue.com) podcast, where we give practical advice to business owners on how to build longterm sustainable value in your business, even during challenging times like these. So be sure to tune in each week and follow us wherever you found this podcast, and be sure to comment. We love comments, and we respond to all of them. So until next time, I'm Tom Bronson reminding you to use EOS while you maximize business value.

**ANNOUNCER: 27:37**

Thank you for tuning in to the [maximize business value](http://maximizebusinessvalue.com) podcast. Tom Bronson, this podcast is brought to you by [mastery apartments](http://masterypartners.com), where our mission is to equip business owners to maximize business value so they can transition on their own terms. Our mission was born from the lessons we've learned from over a hundred business transactions with fuels our desire to share our experiences and wisdom. So you can succeed, learn more on how to build longterm sustainable business value and get free value building tools by visiting our website, [www.masterypartners.com](http://www.masterypartners.com) that's mastery with the Y [mastery partners.com](http://masterypartners.com)

**Speaker 2: 28:22**

[inaudible].

**TOM BRONSON: 28:22**

That was perfect. I wouldn't make any changes on that.