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Come Up For Air, with Nick Sonnenberg

Shannon Waller: Hi, Shannon Waller here, and welcome to Team Success. Today, I am absolutely thrilled because my good friend Nick Sonnenberg is here to talk about his brand-new book. Yay! Come Up For Air. And this is truly a labor of love as well as passion. So I'm super excited to dive in and talk about it. We've got some special offers for you. Nick's been very generous. But Nick, before we jump into that, why don't you let people know who Nick is and maybe a little bit about why you wrote the book, and welcome.

Nick Sonnenberg: Well, thanks for having me back for, what's this, the third time?

Shannon Waller: At least.

Nick Sonnenberg: Yeah. So for those that don't know me, I'm Nick Sonnenberg. I'm also a member of Strategic Coach for a few years now, and a good friend of Shannon. My background, if I kind of reverse-engineer into how I wrote this book and why I wrote the book, my background in the past was as a high frequency trader. So for eight years, I was on Wall Street building algorithms, coding computers to trade stocks automatically at super high frequencies, like we're talking nano- and microseconds. So I did that for eight years. And in that industry, you don't know anything about the stocks, it's all purely based off of math. I'm trying to find mathematical discrepancies between where certain assets and certain stocks are versus what the math is saying. And in that job, it's all automated, not just the trading but the analysis and so on and so forth.

But I really built an even deeper appreciation for the value of time. I mean, I've always been obsessed with time my whole life, but in that job you're literally high-fiving colleagues if you can save a microsecond because that can mean the difference of millions of dollars. And so I say that because I think in a certain way I've been programmed to think in terms of automation, celebrating small wins, deconstructing things into a process. And so I applied that same type of thinking into my company Leverage, which now does operational efficiency consulting and training for Strategic Coach clients, Genius Network clients, but also larger Fortune 10 tech companies. But originally when I left finance to get into entrepreneurship, and that's a whole other story, the thought process and why I decided to do it. But eventually I had some money in the bank, I had an idea for a startup, and I took the launch in the deep end to do it.

And at first, I started off with Leverage being a freelancer marketplace where we were doing tasks and projects for a lot of clients, like Strategic Coach clients. So we've always had this tight relationship with the different entrepreneur organizations. And we grew too quickly. We got ahead of our skis, and within the first year we got to 150 team members, seven figures of revenue. One, we tapped into a really strong marketing funnel for ourselves. And two, I did use the power of automation and tools to allow us the capability to expand quite quickly. Now, all that sounds great, but couple years in, one day I'm having coffee with my now ex-business partner, and he tapped me on the shoulder, and he says that he's leaving and he's not leaving



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in two weeks, not leaving in two days, he's leaving in literally two minutes. And I go white, my hands are sweating, and I'm like, "Holy crap, we're going to go bankrupt."

Because you have to understand at that point we had this superficial success, but we had a lot of problems. For example, we were growing quickly, we were getting 20% new clients in every month, but we were losing 15% every month too. So we were net growing at 5%, but good marketing was masking some foundational problems with our product. Also, another mistake was, out of 150 people, the org chart was just me and him. So he was people-facing, I was non-people-facing. So when he left, only about five or 10 team members out of 150 knew who I was. Basically, no clients knew who I was out of 500. We had three quarters of a million dollars of debt, losing almost half a million a year. So that's why I went white, and my hands were sweating, and I had to make a decision: Do I want to bankrupt the company, or do I want to try to renavigate this ship?

And, one, I didn't feel it was ethical to walk away, literally owed about three quarters of a million dollars of services, a lot to Strategic Coach clients. And then, two, I did see a path to turning things around. I knew it wouldn't be easy, but I did see a path. And so within the first three months, though, we lose 40% of revenue. I'm cashing out my 401k, my dad's taking a second mortgage on his house to loan money for payroll. We were on the verge of bankruptcy. Probably the only thing that saved us was that I had documented all the processes and SOPs on his side, but we were very close, and I was working crazy hours. You know this because we talked a lot about during this time. And so I was working crazy hours, and I started seeing, where are we struggling? How do I start cleaning this up? Because there wasn't just a magic pill.

I had to start breaking this down, decomposing this into different buckets of where we needed to optimize. And so I started seeing all these inefficiencies with how we ran. Communication was a big one. We had, with 150 people and kind of no org chart, it was just non-stop pings and dings between Slack and email and all these things. So I knew I had to clean up how we communicated. Then, I couldn't answer basic questions like, "Who's working on what?" "What's the status of this project?" So I knew I needed to be able to answer those questions, and in a more powerful way, use the power of project management. And then lastly, I knew that we had this intellectual property, these SOPs, these processes. I'd already invested quite a lot into that, and I knew that that was important, and we needed to continue. And so long story short, this event happens, and I start really diving deep into how to clean this up.

And it takes a long time. It wasn't easy. It was a very difficult time, but word started getting out around how we operated. And I started getting referrals to various people, like Tony Robbins, Poo-Pourri, some massive Fortune 10 tech companies. There were a lot of financial advisors too. And smaller seven-figure entrepreneurs like vet hospital owners or coaches and consultants. So I started doing this consulting on the side while we were cleaning up the freelancer marketplace. And what I started noticing—I'm good at pattern recognition from my



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background in math—I started seeing this pattern. And it didn't matter if you were a million-dollar-a-year financial advisor or a hundred-million-dollar-a-year poop spray company, you needed the same things that we needed. You needed to communicate efficiently, you needed to be able to capture projects and tasks and answer those questions like, "Who's working on what?"

And then you also had this intellectual property and this knowledge that needed to be stored so that you didn't have risk when that key team member leaves. And so that you don't have to waste time answering the same question. And so every company, and at this point now it's been thousands, every team, every company had the same issues. And so I started creating this "CPR" framework, which is the core of the book: communicate, plan, and resource. No pun intended, CPR, Come Up For Air. But everyone had the same issues. And so over time, we started pivoting. And now at Leverage we're really focused on operational efficiency consulting and training. We've created all of this intellectual property, training materials, and process so that my team can clean up the scavenger hunt in other teams and make those teams more efficient. And it's not rocket science.

So that's the journey to get to where we are today. And I wanted to write this book because I wanted to help people. I wanted to get this content out there. There's never been a book really about team productivity. All the books out there around individual productivity and there's all these new tools available like Slack and Asana and Monday and ClickUp and Notion and Guru, there's all these stuff in the last 10 years and no one's ever been taught, "How do you think about all these freaking tools? What's the purpose of them?" The only tools that have been around for longer is Gmail and Outlook, which also people don't use right. So I wanted to create a book that taught people this framework. Ultimately, we're seeing astonishing results. We're seeing each person in a company, if they implement this, gets a full business day back per week. And so I wanted this to be the employee manual that people never got. Instead of talking about health insurance and vacation days, at company ABC, this is how we operate, this is how we collaborate. It's like a language almost.

Shannon Waller: Oh, brilliant. And thank you. I appreciate knowing the context behind it. And yes, we were on, had many conversations when you were pulling things out from the depths.

Nick Sonnenberg: I was drowning in work.

Shannon Waller: Yes, you were drowning in work. Well, kudos for you for really structuring it and then also making it available to other people. And you use that term, "superficial success." That is a brilliant term, and I think so describes fast growth, new initiatives, and what this book is about. And it's beautifully written, by the way. I love it. I got to see the early versions.



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Nick Sonnenberg: Thank you for being an early beta reader. Your advice has not only shaped the book, but you're so good at frameworks as well. It also shaped overall the CPR framework and a lot of the products that we offer and the training programs, like you're such a wizard when it comes to those things. So I just wanted to say thank you for helping give advice for those.

Shannon Waller: Oh, you're very welcome. My pleasure. It's fun to do. I was sharing with you earlier, I was talking to a senior, senior team member of someone that we all know, and she was pouring through the book and making notes and highlighting and she goes, "Oh, I just love Nick's book and Come Up For Air just describes, I can't wait to implement everything," she said. So it's really interesting, team members really do see this as a handbook because it solves so many darn problems. We're going to talk about some of those problems that it solves because this is so—it's not even scaffolding—this is the system that could actually help you not just have superficial success but actually have sustainable success, put the true frameworks in place. And you and I had actually some very powerful conversations at the very beginning of the lockdowns, which was how to make remote work work.

It's one of the videos on our prospect site. When people are working remotely and a lot more of us, even if we didn't originally, now have digital companies, this becomes even more important. When people are in person, you can walk across the hall to get updated on a project. When they're across town or in another country or another time zone, how the hell do you do that? So I think your book is—lot of blood, sweat, and tears went into the learning for this—but I think it is so relevant for growth, sustainable success going forward, and your book is so perfectly placed, not only in content but in time.

Nick Sonnenberg: Yeah, well my old boss when I was a trader used to tell me, better to be lucky than smart. And I got lucky with the timing of this one right on the back of a pandemic during basically an economic downturn where layoffs are happening left and right, budgets are getting cut, companies are expecting more output with less resources. How do you do that? So, efficiency and leveraging these systems and tools, it's not that it wasn't important before. It's always been important. It's just as important now as it's always been. It's just, there's more awareness on the need and I got lucky with the timing of that.

Shannon Waller: I love it. Well, we're going to do a bit of a deep dive, an overview with diving into a couple of the key things. And I have always loved the CPR framework, as you know, I'm passionate about it, and you've helped Strategic Coach dramatically. So even a simple thing, even though we're not a formal client, you were super clear about communication, and I was just talking with the people in our U.S. leadership team who were saying how much we all just love chat. Because before, guess what we were using for all communication—client, internal. We were using email, and our email inboxes were stupid and exploding. So chat, you have shifted our basic way of functioning just from that one piece of coaching because we have to-



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Nick Sonnenberg: Yeah. And a lot of people might be thinking, okay, so you've just moved it from tool A to tool B, but still the net volume is the same. That's a common thing that people think about. But the name of the game with all this stuff is how do you retrieve what you're looking for as fast as possible? So even if you're not using email right or Google Chat right, or a lot of people listening probably use Microsoft Teams or Slack, just by knowing what tool to open to even start looking for what you're looking for is a massive game. So you have to know the purpose of these tools and when to use the tools, obviously how to use them. And using email right, using Google Chat right is also important. But just by that alone, you're removing a huge dimension of the scavenger hunt issue by allowing people to know what tool to even open.

And not to mention, you can start prioritizing your day and your time a little bit better. Depending on your role, if you're in sales, well most communication that you need to be focused on is in your email. That's where the money is. If you're in HR, you probably need to focus more on your team. Not saying you should never open the other tool, but depending on your role, you have different priorities. So by separating internal and external, you could have the default one that's more important and relevant to your role up for more time of the day versus, if you're in sales and you're getting all this email coming in from your team that's distracting you away from doing your core job, that's not great. So by removing it, now they can focus on what they need to do for their core job and then still log in to the other tool and answer it, but at a lower frequency.

Shannon Waller: Love it. And there's so many different directions I want to go right now. So just to really clarify that particular definition. And then I really want to get into defining the scavenger hunt and how much time it wastes, but email is for external, right? You're very clear, "Shannon. You only want to be using that for client stuff." It's what you told me.

Nick Sonnenberg: Yeah.

Shannon Waller: And then chat or Slack or whatever particular tool you use, that's for internal.

Nick Sonnenberg: Yep.

Shannon Waller: It's great because we've got groups so we can, if it's Program Advisors or U.S. leadership team or what have you, we've got them all labeled. So that's a huge part of the communication structure. And then also when to use text and when not to, you were also super clear on that. So just so that we don't leave people hanging before we get into the scavenger hunt, is that accurate what I've described? Or I'm sure I've missed one or two steps.

Nick Sonnenberg: That is accurate. And I think it's important that people understand the "why" behind these things because no one likes to change their behavior or implement a tool. So a lot of what I like to emphasize is the logic, why. Why are you telling me to install Slack? Why are you telling me to stop using text and do this? So another reason, if you just take email versus let's just say Slack or Microsoft Teams or one of those tools, right? Why is one better than the



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other? Okay, so we have the argument of separating internal and external for the purpose of optimizing your role, but also these tools have slightly different logic behind the scenes. If you think about email, how is email ordered? It's chronological. So the most recent email goes to the top. These other tools like Slack or Teams or Google Chat, you can create channels around topics.

So now instead of organizing chronologically, you're organizing it by a topic. And that is a subtle but extremely important difference because when you're dealing with your team, it's not that the most important information's the last thing that came in; it's, you're going in and you need to find something or talk about something around a topic. So going to that channel and keeping the communication organized with the relevant people so it's easy to find in that topic is why that's so critical. And so you have all these different tools, you want to separate these things. You want to keep in general, personal. I know a lot of people that love to use text, it is the fastest. That's a hard argument to beat if you're optimizing to just get stuff off your plate and get information to someone else as fast as possible. Text does that really well.

So does email. And we can talk about this further, but for me the name of the game is not optimizing for transferring information. It's optimizing for retrieving information, which means you need to take pause, spend an extra few seconds or even a minute and put things in the right bucket so that it's easier for you and your colleagues to find tomorrow, next week, next month. So you got to shift the mindset where everyone is aligned on taking an extra few clicks or seconds to put things in the right bucket. Net-net so that it comes back to you and you're saving 10x or even 100x the time to find what you're looking for. And it's the same thinking that you do in your personal life. And I'm just recommending applying it to business. An example that I like to use is, when you do your laundry, the fastest way to be done with your laundry is you take it all out of the dryer and you stick it all in one drawer, but you don't do that.

You take an extra few minutes and you separate your socks in one drawer, your underwear in another drawer, so on and so forth. Because tomorrow when you need to put an outfit together, it's much faster. So it's really a matter of, do you want to be a team or a company that's optimizing for short term or optimizing for long term? And it's the same in math. You have the concept of a local optimization and a global optimization. You want to be globally optimizing, optimizing for the long term, and optimizing for the team. If you're just shortsighted and individual-focused, you're kind of, what is it? Cutting off your nose to spite your face. It's hurting you, your team, your organization.

And so it's tough because when you're drowning in work, you try to just play hot potato. Okay, I'm working 12 hours a day here, just take it, get away. So you need to figure out a way to take a step back, roll out a framework, teach people how to put things in the right drawer. You need to do things in a logical order because it's not overnight. But that's really the only way that you're going to have a long-term efficient and scalable company.



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Shannon Waller: Love that. And Dan's always say-, he's been saying this since advent of microchip. In the 20th century, the three main skills were reading, writing, and arithmetic. Three Rs. In the 21st century, we've added a fourth: retrieval. So when he said that, and you say that, I'm like, yes. The laundry example is so useful, and I just reorganized my closet. That's how I'm thinking about it. But it's like it was not optimized for retrieval, and it was super frustrating. And I think that's the other part of, there's just the efficiency part of it, which we're both fans of, but then there's a true frustration and then you spend, forget a few more seconds or a minute, you're spending five, 10, 15, 20 minutes, half an hour trying to find something, which is what you define the scavenger hunt. And it's a massive time waster. But there's an emotional frustration as well when things are not set up properly.

Nick Sonnenberg: Totally. Actually, now with ChatGPT, maybe the writing is going to be replaced with retrieval and still be three Rs. It'll be, not three Rs, but three things instead of four. But yeah, hey this stuff is critical and it's always good to know that you came to a conclusion of something in one way. Someone else that you respect comes to a conclusion another way. But ultimately, it's the same conclusion. You need systems and processes if you want to have a sustainable, profitable, scalable business. And also, better culture too, because people don't love going on this scavenger hunt. You need to be thinking about, how is everyone retrieving information?

Shannon Waller: So we've talked about communication, so let's go into plans and resources because I think those are exciting. Communicate—is that step one with most people that you work on? You work on email?

Nick Sonnenberg: One of the most popular things that we do, it's such a quick win. There's, look, I like to look at things under a microscope. How can I save a second? Because for me, every second matters because if you save a second and you do that activity 60 times a day, it's like a minute a day, five minutes a week, 20 minutes a month, you're talking four hours a year. Now you got a team of 10, that's 40 hours back because you fixed one one-second step of a process. But email is one of these quick wins that is sort of, so to speak, this magic pill that we see where depending on the volume you get, when we teach people how to get to inbox zero, that's a quick three to five hours a week per employee almost instantly. So usually that's a good start.

Shannon Waller: Yep.

Nick Sonnenberg: Now-



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Shannon Waller: All right, so let's talk about the P&R just to help resuscitate some people's businesses, yeah.

Nick Sonnenberg: But we have to understand, what's the difference between communication versus planning?

Shannon Waller: Nice.

Nick Sonnenberg: And so imagine that you are going to go camping in the forest with your team. You need walkie-talkies to communicate with each other, but that doesn't replace needing a map to get out of the forest. So Slack, Google Chat, email, those are your walkie-talkies, right? "Hey everyone, welcome Eddie to the team" or "Announcement: my book is launching February 7." You don't need to capture that in a task or project. That's just an announcement. That's information being pushed. But anything that's actionable, that you want to capture the state of something, where you want to be able to click a button and know did this get done, that's where you need a project-management tool. So there's tools out there, we're partners with Asana, but there's other great tools like Monday and ClickUp and others. And the purpose of these tools is to be able to hold people accountable, have transparency.

You should be able to click a button as a team leader, as a business owner, you should be able to, in one or two clicks, answer some basic questions. What do I need to do today? What is past due that I delegated to people? What got done last week? What's the status of this project? All of those things, you shouldn't have to ping anyone, waste time, distract them, wait for an answer because you don't know when they're going to get back to you. All of that should be avoided because you should have a good system of planning and using one of those tools in the right way.

Shannon Waller: I just had this insight that I haven't had before when we've talked about this and that is that one of the things I talk about in The Team Success Handbook, and we talk about a lot in our team programs, is two things. One is "closing the open file" because there's nothing more frustrating. We have a little fun cartoon, and you have an entrepreneur, I name him Bob, and he wakes up at 3 a.m. wondering what's happening with whatever that he's communicated to his team. And it's like 3:00 in the morning, inappropriate time to call, hits in the shower in the morning, also not good, driving to work, it's this thought bubble above our head. And it takes up so much mental energy and it's so frustrating.

So what you're talking about is, and I've taken on a new responsibility at Coach, drives me crazy because when do I remember, oh yeah, whatever happened with this project, this to-do, where is this action step? It's never when I'm in front of the people I need to ask; it's always some other time. And then also communication. How much information do you need? And the systems that you're talking about really addresses The Open-File Syndrome. And then again, the level of



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communication or delegation that you're doing so this is, I love it. You just solved a whole bunch of problems that I identified 20 years ago.

Nick Sonnenberg: David Allen who wrote Getting Things Done has a great quote that "Your brain is for having ideas, not holding ideas." And that's another underlying principle. That's an underlying principle I think of just productivity in general. But I apply that to the team context. And to your point, you're waking up, you're in the shower, you have all these thoughts, whether it's a creative thought for a new initiative, whether it's, "Oh, I wonder if Shannon got that done" or whatever it is, especially if you're an entrepreneur listening and you have ADD like I do. I have millions of thoughts that pop into my head all the time, questions, ideas. It's stressful if you don't have a place to dump all of that, you don't have a filing cabinet. And you don't want your brain to be that open filing cabinet because that's a lot of stress. And it's hard to have new breakthrough ideas when you're running around with all this stuff going on and all this noise going on.

So for me, this is a way to de-stress because I have buckets, or let's call it drawers, back to the laundry example. There's drawers for every type of thing that goes in on my head. I know exactly where to go when I have a new idea, when I have a question for someone, when I want someone to do something. And I have a trusted system where I know exactly where to go, where I know that I will be able to find it in a year from now because there's logic and a framework in terms of guiding me where to go. And then I don't have to be anxious. I could be more present on calls because if something pops in my head, boom, I go and put it where it is. I'm back into it. So this is my kind of Adderall for dealing with ADD is having these systems so that I know that, you know, look, not all ideas are created equal.

We all think everything that goes on in our head is the next brilliant thing, which unfortunately it's not always, but some of them might be. And you want to make sure that you don't lose them and that you capture these, right? And by not having it, and you know that your colleague doesn't have a good system, now think of all the wasted time and energy. So if I wanted a team member to do something and I can't trust that they have a good system, that they're following this CPR framework, that they know how to use the planning tool that we're talking about, then I ask them to do something and I'm going to sit with anxiety, like, are they really going to get this done? So then I might send a text or an email or Slack message because I'm sitting with all this anxiety, what's going on? And I don't have one place to go and look to just answer it.

And so I'm sitting here frustrated with anxiety and then they're getting distracted and bombarded with these pings and dings. So then they're getting frustrated and distracted. And then if they do drop the ball, I start losing trust in them. Not that I don't trust them to be ethical and not steal money, but I don't trust that if I ask them to do something, it's going to get done. So there's all this time wasted, energy wasted, and trust starts breaking down.



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Shannon Waller: I think that's a really critical point because calling it entrepreneurial Adderall, very cool. I think that's a great term. And then also, we do have anxiety. We do get stressed when we don't know certain things. We don't know where the status of stuff. We don't know where a project is at. Did someone drop the ball? Maybe they're totally fine. Maybe we use Kolbe, and we know what their Follow Thru is and all the rest of it, but we could all benefit from prompts. So the David Allen quote, "Our brain is for having ideas, not holding ideas." Brilliant. And that's true for team members. And we are all moving faster. So how do you, as I like to say, pass the baton well? It's not going to be when we're together a lot of times because we're not. We might be on Zoom, we might be on Teams, or we might be working as you say, asynchronously. Is that how you say that?

Nick Sonnenberg: Yeah, yeah.

Shannon Waller: And I think that having somewhere else to hold that information is really key. And there's some big projects that Coach is launching. There's new strategies we want to try to impact our marketing. We're launching a new book, 10x Is Easier Than 2x, in May. These are big, large-scale projects with a lot of "Whos," a lot of people, a lot of talent, some of them external. So how in Lord's name does anyone expect themselves to keep this all in their head? And how can I check it at 6:30 at night when I know my team is with their families? That's what I want to know.

Nick Sonnenberg: Look, we use Asana, that's who we're partners with. If we didn't use Asana the way that we did for this book launch, I would have needed probably, instead of like say a team of four on this book to have gotten all the stuff that we did, we probably would've needed 20 people. But we had a project for just writing the book with all the milestones, all the roles and responsibilities, all the assignees and due dates. If there was a question about any part of it, we're creating tasks in the right place in there where we're then commenting about that thing. So you could have a milestone, "Finished chapter one" and then you could have in their subtasks around different parts of chapter one. And then in those, you could have conversations with the relevant people and it's all in this nice container and well organized versus if you try that over text and email, can you imagine all the different conversations? And then you want to go and talk about something, you could be scrolling forever to go and try to find it.

Shannon Waller: Hundred percent. So I have a question for you because again, I just referred to Kolbe—K-O-L-B-E.com if anyone's curious—but I'm not a terribly specific person. Scale of 10, my Fact Finder's a 3. Yours is much higher. So what if I don't know how to break down all the aspects of the project? What if that is not an instinctive or intuitive thing for me to do? Can I still participate in these systems?

Nick Sonnenberg: Yeah, because that's not your role. You need a project manager that probably has a higher Fact Finder. So that's your "Who," right? You play a different role, but you're still part of the project team. It's just you're the contributor or you're the approver, or



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you're the creative person. And you're the in charge of the content side of it. So when you kick it off, and how you kick off a project's extremely important. Most people aren't spending the time—actually a lot of your Impact Filters and those frameworks at Strategic Coach you use, a lot of those are variations of what people in the project-management space do when they kick off a project. So, what does success of the project look like? If this project were to fail, let's do a pre-mortem and imagine that it failed—what happened? And then you kind of reverse-engineer what your risks are, getting into D.O.S., and you think through, what are the roles and responsibilities, what does success look like? Why are we doing this? What are the key milestones that need to be achieved to call this a success?

So that initial project kickoff, most people skip, and it's one of the most critical steps that can save you so much time. So another concept with this stuff now as we're speaking I want to address is, it's investing time up front to get a return later that's much greater. So the more you set your project up for success, even though that's an initial investment of time, that's time away from a million other things that are high priority, by investing that time on the front end, you might save hundreds of hours or the success of the project on the backend. By investing the time to put information into a drawer or the right bucket, it's an investment of time now to give you dividends later. So think about it like that.

Shannon Waller: And I think it's even more than that. It's not only whether or not the project is successful, how much more time or money it takes, it's whether or not it actually happens at all.

Nick Sonnenberg: Yeah.

Shannon Waller: Okay. If you're listening right now, it's like you've had projects in your past where you thought you communicated clearly. It was in your head, it was a fully built structure, it had all the bells and whistles, and however or whoever you were talking to couldn't get the memo or it fell apart somewhere, a baton didn't get passed over or a step got dropped, something fell through the cracks and it didn't end up well. Ended up costing you time, costing you money, maybe you lost some good teamwork. You did not get the result that you wanted. And it's incredibly frustrating, and we all have scar tissue from those things. And we did our best. There's no blame here. And you're probably thinking to yourself, there must be a better way before you get too cynical and resigned about starting larger scale projects like that. So I think this is so important, and I'm one of those people who moved super fast, and I want people to just read my brain, thank you very much.

Nick Sonnenberg: Yep. They're not mind readers, right?

Shannon Waller: I'm doing my best, doing as much entrepreneurial mind reading as possible. Still, it's a work in progress after 27 years, 28 now.



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Nick Sonnenberg: Maybe that'll be the fifth R.

Shannon Waller: There you, mind-

Nick Sonnenberg: After retrieval.

Shannon Waller: Mind reading?

Nick Sonnenberg: I guess it would be an M.

Shannon Waller: That's okay. Still works. So I think this is so key and I figure if I'm sold, given how impatient I am, this makes sense for everybody. And I think you're right. Strategic Coach tools are how to think about things. The Impact Filter is one—largest one is 8.5 x 11—way to get your thinking across, but then it still has to get executed and you still have a million questions about where the project is at and this is what the plan and the tools that you're talking about really, really solves that problem.

Nick Sonnenberg: Yeah, no, totally. And look, I'm all about going fast. I was a high frequency trader.

Shannon Waller: Exactly.

Nick Sonnenberg: I kind of look at this as high frequency work. The amount of information that's moving around in Leverage land across clients and team members, and it literally is like it's high frequency information transfer all over the place.

Shannon Waller: Love that. High frequency information transfer. Love that.

Nick Sonnenberg: We're a small team. And earlier, you said premature scaling and success criteria, which we could talk about. But for the amount of output that we're producing, most teams would have to be 10 times bigger and think about the impact and cost. There's three ways to increase capacity, and most people that come to me, they say that they're drowning in work, they're out of capacity. And there's three ways to increase capacity. You can hire more people, and that's what I'm talking about right now. And that's usually the most expensive way to increase capacity. You have to pay for recruiting, onboarding, training, salary, and you know this better than me, but what are the odds that someone that you hired today is still around in 12 months? And so there's also this slippage cost to factor in where they leave and you don't have everything documented and a wiki or things like that.

You don't know what they were working on. So there's some slippage there too. And say it all works out. You onboard them quickly, you recruited them quickly, that you're paying a salary. Every person you add still adds exponential complexity to your organization. So I'm sure those listening, we've all been there where you think, okay, I just need more hands here, I just need more capacity and more bodies here. And then you find out you've hired one or two or five



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people, whatever it is, and it turns out that you're still just as drowning and still underwater as you were before. And the reason is because every person you add adds exponential complexity. There's exponentially more ways that information can get transferred, lost, balls dropped, et cetera. It's exponentially harder to manage more people per person that you add. It's not linear. The second way is, you ask people to work harder. People say they have a full plate, you're just like, well, increase the size of your plate.

As it turns out in our extensive research, people do not like to be asked to work more hours and work harder in the big plate. So it causes burnout, resentment, people quit, you have retention issues. And then the third way is, get more efficient. Every business that we've come across has an opportunity to, at minimum 20%, but sometimes we see a 50% increase in productivity. When you think about the amount of time wasted with these pings and dings and going on a scavenger hunt, it's enormous. It's by far the most overlooked and cost-effective way to simplify and to make your business more efficient and get more output with less complexity. And this can become more and more of something, especially with remote work now being more of a thing with the pandemic, which we talked about, and budget cuts and people expecting more output with less resources.

It's really the only way that I've seen people can do it. And one other thing with remote, all this stuff is important. Whether you're hybrid, remote, or you work co-located, it's just you can't work remote if you're not using these tools, it's just impossible. But even if you are co-located, you still should use these tools. And it's not that walking over to someone's desk, tapping them on the shoulder, taking them out of whatever they're doing. It's not like that's great either. And if you walk down the aisle to someone's desk, tell them to get something done by Friday, that's still not better than putting it in the right tool, capturing it so you can click a button and know what's going on. So this stuff is regardless if you're in person, hybrid, or remote. It's just now there's a lot more awareness because of this whole remote movement.

Shannon Waller: I love it. Well, as soon as you'd say "efficiency," my brain goes, "more profitable." It's like the more we increase efficiency, the more profitable- this goes right to the bottom line. If someone can save 20 or 50% of their time, that means they're freed up to do much more fun, productive things. Let's say that. So I think that's cool. And the other thing is, we're using technology, which is, per Dan Sullivan's definition, automated teamwork. So this is why you can do it with four people rather than 20 for your book launch.

Nick Sonnenberg: I mean you guys talk about Who Not How. I look at technology as a "Who."

Shannon Waller: A hundred percent, hundred percent.

Nick Sonnenberg: Here's another way of looking at the bottom-. The stuff with this is, it's not like a sales strategy or you hire a consultant that comes in, gives you a nine-word email or some new funnel, and all of a sudden, you were making a million a month and you're making five



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million a month. It's not like that. And it's not like you're sitting there with a hourglass next to you to know that by doing that you just saved 17.5 seconds or minutes or whatever. But when we survey people and we ask, "What's productivity gain?" Whether it's 20% or 40%, whatever it is, think about what payroll you're paying people. And if conservatively, it's 20%, if your payroll's a million dollars a month, that's like 200K a month of productivity gain back, right?

Shannon Waller: Yeah.

Nick Sonnenberg: Another way to look at it is, if you save conservatively five hours a week per employee, and in general, if you look at, I mentioned these stats in the book, Asana has a index that they do, like an annual anatomy of work survey, and it's something crazy like 60 to 70% or so of people's time is spent on what they define to be work about work. So it could be emails, scavenger hunting, trying to find a time to do something. It's the non-kind of high impact work.

Shannon Waller: So it's the organizing to do the work, not actually doing the work.

Nick Sonnenberg: Yeah, exactly.

Shannon Waller: Interesting.

Nick Sonnenberg: So when you look at numbers, right?

Shannon Waller: Oh, so let me just translate to Coach terms for a second. So that would mean Buffer and some Buffer is important. Let's be clear. Putting in stuff in the right bucket is key. So this frees up a ton of time for Focus.

Nick Sonnenberg: Yeah, exactly.

Shannon Waller: Which is the money-making.

Nick Sonnenberg: Exactly. Yeah. So think of it like this, right? Say on a 40-hour week, we can save up by teaching you Inbox Zero or whatever the strategy is, five hours. It's not just 12 and a half percent, five into 40. Because if you take the stats from Asana's anatomy of index, right? Say it's 25 hours a week on the Buffer time and you only have 15 hours of Focus time using Coach language, well now we just freed up an extra five hours. So now you went from 15 to 20 hours, so it's not a 12 and a half percent increase there. Now, you've just got an extra one-third of Focus time more.

Shannon Waller: If that's not sexy, I don't know what is.

Nick Sonnenberg: Yeah. So it's really amazing the impact. So you just greatly increased basically three extra Focus time.



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Shannon Waller: Mm-hmm. Which is awesome. Oh, this is so much fun. All right, so let's go on to the R, because this is the one that I personally- Communication I feel like we've started, but the P and the R, I'm kind of salivating. So let's talk about the R because I've learned a lot from you in terms of static knowledge, not static knowledge. Where do you keep it, find it, and as you grow, you talked about this earlier, when you add an extra person, the complexity increases. And we talk about 10x, we talk about multiplying. Multiplying complexity is something no sane human does.

And I think a lot of people's growth gets curtailed or held down like ballast in a hot air balloon because they're like, "I can't multiply what I currently have. It's not simple enough." So this whole process is about, how do you simplify so that you can multiply, preferably dramatically, not just 2x but 10x? And that's why the whole framework is so important. But again, if you are going to add new people, they have to know where to find the information for how to do their jobs. So let's jump into R.

Nick Sonnenberg: Yeah. So R is all about documenting your intellectual property. I call it your resources. And I separate your knowledge into two buckets: dynamic and static. So static is where you would put information in a wiki, which answers the question, who, what, when, where, why? Dynamic answers the question, how? So how do you onboard a new team member? How do you do payroll? That's a process. The wiki on the who, what, where, when, why, it's, who's the CEO? What are the core values? What's the vision? But you want to make sure that when you hire someone, it's like a last resort versus a first resort. And when you hire them, you set them up for success and you want to minimize slippage. And it's always this balance because you need to be profitable, you need to be thinking about your revenue. But I find that most people are a hundred on revenue and zero on operations, and it needs to be some balance between the two.

And depending on the maturity of your business, what its optimal might be different. When you're a startup and you can hardly make payroll, you got to solve that problem. You don't have the luxury of sitting in a dark room and writing out the most beautiful SOPs ever. But if you don't have that constraint and that pressure, you need to be focused both on short and long term and investing in the wiki and the process documentation in your systems is part of your long-term scaling strategy. And so you just need to think about that and allocate resources into the long-term and the short-term buckets. Most people are too short-sighted.

Shannon Waller: Yes. Or their natural talents, being entrepreneurs, don't lend themselves to that. So then they don't personally like doing it, but then they don't put the appropriate "Who" in there. And I have to tell you, there are people who live to document, who just love it. They are naturally talented, skilled. My sister is one of them. Now, she happens to document people's Unique Abilities now, but before, she used to document all of our workshops and the content and the different names of all the different workshops, the curriculum of Coach, and we never



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had that before she showed up. There are people who absolutely love to do all the things that we may not. That's why talking to Eunice about the book, she was like, "Oh, because she has that kind of a brain. This is food for her." Yep, perfect.

Nick Sonnenberg: And it's again, back to Who Not How. You as a CEO or the team leader, if that's your role, you don't need to love these things. You just need to acknowledge that this stuff is critical and prioritize it in your quarterly or yearly planning and find a "Who" to help roll this stuff out. Now, I'm not just trying to plug my services at Leverage. You need to have an internal "Who" to champion it and liaise. And if this is not your jam, find that person. Maybe it's your COO, your director of ops, whatever, but then that person needs to go and figure it out, hire a consultant or training, and champion it. There's lots of things I hate. I'm not great at writing and other things, but I know it's important.

And so I've got Aidan, my ghost writer. There's so many parts of business that I suck at or don't love, but you have to acknowledge this is important. And it matters also what you're optimizing for. I am not optimizing for just a one-hit wonder, short-term win. I want to have something that is sustainable that can become very profitable without the pain. To me, it's not a win if it's profitable, but there's a lot of pain. So-

Shannon Waller: A hundred percent.

Nick Sonnenberg: It's both profitable and pain that I'm trying to factor in.

Shannon Waller: I love it. Well, it goes back to what you said at the very, very beginning. Before, you were optimizing for revenue in the previous iteration of Leverage. And now, you're optimizing for efficiency, which turns into profitability, which also being such a huge fan, supporter of Unique Ability Teamwork, it creates ease at work. It prevents that pain, which is real, just so everyone's aware. A lot of entrepreneurs can set themselves up to be in their Unique Ability and successful, but having no idea of the discontent or the frustration and the lack of resources that they have underneath, your team has underneath, this is an opportunity for you to work on your business, not just in it, to put these systems in place.

Nick Sonnenberg: Totally. I could talk for hours about the benefits and why this stuff is important, but I think it matters what you're optimizing for. I think it's a mistake if you're just... Now, look. If you're a young tech company that just raised X million dollars and you've got VCs breathing down your throat that only care about revenue, you have to optimize around that. However, there's been a correction in the market and now valuations have gotten hammered that previously were just crazy multipliers on revenue. Also, when you exit a company, your valuation's much higher when you have that wiki or the documentation and you could literally just hand over the business with everything in a playbook. Here's the keys, here's the document. And the new owner could in a month be running everything. It makes the valuation much higher too.



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Shannon Waller: Well, we actually had a valuation specialist in our program. Our paper and pencil tool is called Unique Method. There are some very sophisticated—Process Suite, Process Street—tools that help you document this. But this is actually the napkin version, which I still enjoy because it's graphic. Because at that point we had high 400s, 500 documented methodologies of how to run Strategic Coach. There's a big backstage. Everyone up here listening to that. And he goes, "Oh yeah, you've just doubled the value of your company." And this is from someone who does this for a living. So yes, yes, and yes to everything that you just said. So I want to get into, what are some of the good wikis that you like? What are a couple of the good process documenting softwares that you find useful? Give us some tools.

Nick Sonnenberg: The most important is, whichever tool you use, you use it when you should and how you should. The ones that we currently use, and we get some discounts, I think if you go to getleverage.com/tools, you can see that. But we use Coda for our knowledge base. That's the wiki. We use process.st— Process Street is the name of the company—for our process documentation. We use Asana for our work management. And again, we have relationships and discounts and all these. I mentioned this also in the book, in each chapter that we're talking about the different tools where say, look at Leverage, we use this tool, but here are other tools on the market today. And also, we mentioned, honestly, even if none of these tools ever exist in five years, as long as you understand the purpose and how to think about them and use them, it takes a day to get set up with a new tool. So as long as you've got a tool working well and your team knows when and how to use it, you could swap it out within a couple of days and you're totally fine.

Shannon Waller: And I like it because you stay current on this. The transparency is awesome. You're like, okay, this is what we use, this is what we like, and if you like something, you pursue it and you become a partner, which means you can offer that to your clients. But it's like, before I know you've used a different tool to be your wiki. So it does change. New technologies come out, new innovations, and you have all the pro tips and what's next in each chapter. So it really summarizes kind of the bottom line for those of us that need that in terms of how to actually implement and apply this.

Nick Sonnenberg: Yep.

Shannon Waller: Cool.

Nick Sonnenberg: Very practical guide. One last thing too is, people buy various insurance policies. You buy homeowner's insurance, workers' compensation insurance. People buy insurance because they're trying to minimize downside risk for a future event. Now, what if you could buy insurance around, in my case, a business partner picking up and leaving with two minutes' notice or that head of sales or your CFO or, whoever's mission-critical, you can't go to



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Farmers Insurance and say like, "Hey, I want to hedge myself against this event that this person quits." Farmers isn't going to underwrite that for you, but you could underwrite it for yourself by documenting all the different key aspects of their role. And not only does that allow you to make them more efficient and more consistent with their job, but it also protects your downside if they leave.

Shannon Waller: We talk about 2 a.m. issues and dangerous for entrepreneurs. These are issues.

Nick Sonnenberg: I mean, when you do D.O.S., if a critical team member isn't in your D.O.S., it most likely should be, or a critical client, we all sit on that risk that there's a critical team member or a critical vendor or a client, or if you're doing Facebook ads, you've always got D.O.S. that they change their algorithm and that affects you. So there's always risks. And a really fantastic strategy that's not too expensive and helps in so many aspects of your business is to document the knowledge to minimize the downside risk of that role leaving.

Shannon Waller: And you mentioned IP earlier when you described what resources actually means. And it's interesting because—if anyone's part of Strategic Coach, you've heard us talk about this a little bit—is that IP is actually becoming a massive asset class for your business. So in 1980, tangible assets were roughly 84% of a company's value and 16% was intellectual property, good will, all of those sorts of things. In 2020, complete inverse: 84% of a company's evaluation is actually its intellectual property and then 16% is tangible. That's the flip from tangible to digital, if you want to put it that way.

And so not only does it protect you from dangers, but it actually can provide a massive opportunity. I trust companies when I know that they know what they're doing. So when you've documented your—what we would call Unique Methods—when you've documented your internal processes, means you can also document your external ones too. It means you can package them better, and that literally companies will invest in you if you have protected your IP. But you have to capture it. You have to strengthen it. You have to write it down before that's even a possibility with through copyrights, trademarks, and even patents.

Nick Sonnenberg: I mean like BlackBerry, who people haven't used BlackBerry for a long time, is worth still a decent amount because of their patent portfolio.

Shannon Waller: Yeah, FedEx's valuation, a huge amount of it is based on how they know how to have delivery systems, right? They're really a logistics company more than- yes, they get your package to you, but they sell their wisdom about how to do that. Disney, Disney, right? I've been on backstage tours of Disney. They show you how to create that amazing customer experience.

Nick Sonnenberg:



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Well, all the stuff that we're talking about too, an analogy I like to use is, imagine you have a sink that's overflowing with water. Most people are just trying to mop the floor faster, and that's the short-sighted way to fix the issue, but there's still a freaking pipe with water pouring out of it. At some point, you've got to spend the time and patch the pipe. That's the only way to long-term solve the problem. And sure, maybe if patching the pipe takes X hours versus mopping is a few minutes, but at some point, if you keep mopping forever, you will have wasted way more time and energy and money than the upfront investment of just patching the pipe.

Shannon Waller: I love that. In terms of when someone is thinking about this, if you're hitting the Ceiling of Complexity, the ceiling of frustration, in your company and you're hitting a growth, kind of a suppression is probably my best word for it. This is when it's time to go, as the expression is, upstream. It's time to fix the problem at its origin point, the broken pipe, rather than just trying to mop the floor. But it does take a certain mindset to do it. It takes that investment mindset, it takes that, let's set things up elegantly for future success, for sustainable success, which I think is super cool. We certainly don't want to have it be superficial. This is just super exciting.

And I do think that some of the operationally-minded people on your team, buy them all a copy is what I would say. I mean, by all means, read it so you can support the initiatives and include it in your company's OKRs and their KPIs and their rocks and all the things. But this is the handbook. I mean, I wrote The Team Success Handbook for how to have entrepreneurs [team members] work with entrepreneurs, but you've written the one for team members for how to be operationally efficient.

Nick Sonnenberg: That has been my hope for the last four years when I've been writing this book. This stuff, it's like speaking another language. And if you hire someone and they speak French and you speak English and someone else speaks Japanese and everyone's speaking a different language, it's hard to collaborate. So this stuff is like a new language and this handbook, it's really meant to be for not just you, but for your entire team so you're all speaking the same language. And it's supposed to be that handbook you should give to any new employee. So it's not just about vacation days and health insurance, but hey, at our company we follow the CPR framework. You should read this and get up to speed because if you wait too long and people are already kind of drowning in work and you've given them a hundred projects, it's hard to find that space and time to learn this stuff. So the sooner someone gets on board with this stuff, you're setting them up for success so that you prevent them from drowning in work and then it's really hard to catch up once you're drowning.

Shannon Waller: So true. Oh my gosh. So cool. I'm sure we'll have future conversations about this, Nick, but in the meantime, where can people get the book? You're making a very generous kind of little extra thing for listeners for Strategic Coach. So what's the deal? How can people find out about how to quickly optimize for profitability and efficiency?



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Nick Sonnenberg: So go to comeupforair.com. You could learn there about where to buy the book, where to get some special packages for teams, or just get the free resources. If you would help implementing and training your team on this stuff, Leverage is my company. getleverage.com does training and consulting for businesses if you need additional help. If you want to get the book, even if you don't buy the book, we have a lot of free bonus material and resources. We don't ask you to enter an order number. So you can just go to comeupforair.com and you can see, because throughout the book, the book's already 320 pages long. And so throughout the book, as you saw, we were saying oftentimes if you want to see more detail on this one topic, go there.

Shannon Waller: Awesome. Thank you so much, Nick. There's so much more we could have talked about like how to have a more efficient meeting. But anyway, I'll leave that as a teaser for the book.

Nick Sonnenberg: Well, read the book for that one. The start that most people find the most beneficial is learning email, as unsexy as that might sound. That's our number one thing that we're helping teams with at Leverage. Training them on how to use email properly. It can fundamentally change your productivity in a very short period of time. And we do these short-term training sessions and group format to do that. If you do nothing else, don't do any other tool, just learning how to use your email properly is a game changer.

Shannon Waller: I love that and I love where to start because it can be a lot. So where to start is so key. And I know even the little bit of coaching when you grab my laptop, and I was like, "What's happening?" It made a fundamental difference. So, could not agree more. Thank you very much. So getleverage.com/strategiccoach if you want to get the special offer. Definitely go to comeupforair.com for the awesome resources, and grab the book. It's really well written. You tell great stories, Nick. I know Aidan has his hands all over this too, but it's really well put together in a very thoughtful way because you address so many of the dangers that entrepreneurs and their teams experience and present the opportunity for what the other side looks like and just how much savings and productivity and more focused time and frankly less pain, as you were talking about. So thank you for writing it.

Nick Sonnenberg: Thank you for having me.

Shannon Waller: Pleasure.