

Announcer: Welcome to the Carey Nieuwhof Leadership Podcast, a podcast all about leadership, change, and personal growth. The goal? To help you lead like never before, in your church or in your business. And now, your host, Carey Nieuwhof.

Carey Nieuwhof: Well, hey everybody, and welcome to Episode 265 of the podcast. My name is Carey Nieuwhof and I hope our time together today helps you lead like never before. Well, we are into glorious late spring and early summer, absolutely my favorite season. I just love being outside. I don't know about you, but my podcast listening goes up when the weather is nice. That's because I'm doing stuff like mowing the lawn, and out on my bike, and like out for walks. So I've already binged listened this spring, and I hope you're doing the same. If you happen to be tuning in for the first time or you are a regular listener, you're going to love today's guest.

Carey Nieuwhof: His name is Les McKeown. This is his third time on the podcast. He was on on Episodes 112 and Episode number 206 as well. I just love how generous he is with leaders. Les is one of those people that when he talks, I see my whole leadership life flash before my eyes. We've already talked about the seven stages of business, which you should go back and listen to those other episodes, 112 and 206, because he goes through it in detail. But he gives you recap at the beginning of this intro, and then he talks about Visionaries, Operators, and Processors.

Carey Nieuwhof: Today we're going to talk about scale. It's a fantastic interview and we talk about what is the difference between growth and scale, what gets in the way of growth, what gets in the way of scale, and then how to basically position yourself on a team or as the senior leader to help your company, your church grow. But the reality is 94% of all churches aren't growing, not as fast as their community, or they're plateaued, or they're declining. I literally get the opportunity to meet with hundreds if not thousands of church leaders face to face every year, and I know how discouraging that can be.

Carey Nieuwhof: I've got a brand new resource that we just released called The Church Growth Masterclass. I know that's kind of a big name. Here's the reality, I can't make your church grow and you can't make your church grow. But I really believe that there are things that we do as leaders that can position our church to grow. God is really in charge of growth, but there are things I can do as a leader that get in the way, and there are things I can do as a leader that really help, and that's what the Church Growth Masterclass is all about. It really takes a lot of lessons that I've learned over the last two and a bit decades in leadership, where we started with just a handful of people, and now serve over 1500 people on the weekend, thousands more online. We have seen people that we never dreamed would be reached with the gospel, and we've seen that happen in a post-Christian, post-modern context.

Carey Nieuwhof: Church Growth Masterclass has a couple of editions. A starter edition, and then also an advanced edition. I can help with you things like, "Our church isn't growing at all, and we're stuck, and we have no vision." Well how do you

recapture vision? How do you understand the culture? How do you position your church to speak into the culture in a way that's biblically authentic? Then some churches are growing, like they're attracting new people, but they just can't get past their current plateau. So there's new people all the time but like, you've been 200 people for a while, or 150 people for a while, or 400 people for a while. How do you scale that? Well, that's what we talk about in the Church Growth Masterclass.

Carey Nieuwhof: Now, what you need to know is that the offer that we have on right now for the Masterclass, the introductory pricing, ends tomorrow. So if you haven't checked out ChurchGrowthMasterclass.com, make sure you don't miss out. I am so excited to get this resource in the hands of leaders because I hope it can help you take away some of the invisible barriers, some of the things that you and your team maybe have missed. Because we missed it along the way, and then we picked it up, and man, when we cracked those issues we really started to see people reached. That's my sincere hope for you. Head on over to ChurchGrowthMasterclass.com. Make sure you don't miss out before the price goes up tomorrow. Man, that's happening tomorrow, Wednesday, May 22nd. You can always get the course but you'll get the very best pricing if you act now.

Carey Nieuwhof: Hey, there's a fun little video on YouTube. The challenge with that is two younger people, two kids, trying to dial a rotary phone in four minutes. They have no idea how to do it. A few of us remember rotary phones. Barely, for me. Just an example of how things have changed, and even how the way we communicate in society keeps changing. We really do live in a media generation. People are consuming more content online than ever before. If your church or business is not speaking the language of media, then you will not be able to reach people today, plain and simple. Think about podcasting. Didn't really exist a decade ago. It is exploding across the globe today.

Carey Nieuwhof: That's why a partner like Pro Media Fire is vital. They're a team of graphic designers, they've got video editors, and they will create custom videos and graphics for you each month for a flat rate. Now, if you need some fire for your content and your social media, check out Pro Media Fire. Listeners of this podcast receive 10% off plans for life at ProMediaFire.com/Carey. That's C-A-R-E-Y. Head on over to ProMediaFire.com/Carey and you will get 10% off for life. Well, without further ado, here is my conversation with author, entrepreneur, serial entrepreneur, and brilliant leader, Les McKeown, as we talk about growth and scale and how that impacts your leadership. Here we go.

Carey Nieuwhof: Well it's such a thrill, Les, to have you back on the podcast. Welcome back.

Les McKeown: It's great to be back, Carey. I've always enjoyed our conversations.

Carey Nieuwhof: Well, you've helped a lot of leaders. Why don't we start here? For those who ... just give us the like real quick summary of the body of your work. First time you were here, today we're going to talk about scale, and what are the keys to scaling. But we've talked about Predictable Success and the seven phases that

every organization, business, startup, church, those of you who are transitioning organizations. That was the first episode, the first time I had you on. Last time we talked about teams and Visionaries, Operators, and Processors.

Carey Nieuwhof: Again, these are matrices that I have in my head. They're just part of my working knowledge, and they're part of any team I'm involved in. It's like, "Huh, do you think that that organization's in Treadmill? Do you think that church is in Death Rattle? Are we in Startup? Are we in Fun?" Operator, Visionary, Processor, they've been so helpful for literally tens of thousands of leaders who listen to this podcast. But give us the elevator pitch on both of those because they, I think, set up what we're going to talk about with scale so well.

Les McKeown: Sure. Well, as you beautifully summarized there, Carey, essentially my life's work is helping leaders grow their organizations. That's what I do. I got into it, fell into it by being a serial entrepreneur, the hough it was so long ago we didn't have that phrase back then. Started over 40 businesses myself. As I say to people, even a dumb Irishman, which is what I am, is going to start seeing repeating patterns if you do something that frequently. I did, I started to see frequent patterns, stuff that repeated over and over again in growing organizations. Began to realize that this was something that if I dug deep enough was a holistic model. Not something I invented, just something that I recognized.

Les McKeown: What I've essentially done for folks is put together shared vocabulary. I find intuitive ways to describe something that almost everybody I work with says, "You know, I think I knew that. I just didn't know how to express it. I know it, the stage I'm in is Fun. It is Fun. And then I hit Whitewater and that's what it felt like." So what I've done essentially is I've recognized what the patterns of growth are in any sort of organization, for-profit or not-for-profit. I've codified it, and I help leaders take that methodology and use it to grow their organizations.

Carey Nieuwhof: Yeah. Can you give us, just real quick, the seven stages of predictable, well Predictable Success is in the middle, but basically your work in that area? Every organization goes through seven stages. Because when I read that for the first time and reached out to you I'm like, my whole leadership life flashed before my eyes. You described every situation I've ever been in. I've seen this all over the place. Again, I think you were able to name what every leader experiences.

Les McKeown: Sure. So the seven stages, if you think of an arc, it's like lobbing a ball goes up in the air and comes back down again. Growth lifecycle is exactly the same. We've got seven stages. There are three that are growth stages, the peak stage Predictable Success, talk about it in a second or so, and then there are three decline stages. What's really important to bear in mind before I go through them however, is that unlike a human lifecycle, you don't have to as an organization go through the decline phases. What my life's work about is trying to help people not begin that slide, that decline.

Les McKeown: The stages are, first of all, early struggle. That's what it is, early struggle. It's a struggle to find a market if it's a commercial organization, a market for your product or services. If you're a cause-based organization it might sound mercenary, but it's a market for what you're trying to do and achieve. Early struggle, it's probably the second, it's not probably, it's the second most dangerous stage for any organization because the mortality rate is so high. 80% of all new ventures fail in the first three years. For the 20% that make it, and we might touch briefly in a minute or two about what makes it and what doesn't make it, but the 20% that make it, they hit the first real growth stage. I call it Fun, because that's what it is. It's the stage-

Carey Nieuwhof: It is fun.

Les McKeown: ... that feels most natural. It's like, "Okay, that's what we were here for. We did it. We found our market. Let's go. Let's open another campus. Let's bring water to 17 states that don't have water. Let's sell more plastic extrusion than the world could ever use." It just feels like fun. We've found our market and we've got a lot of low-hanging fruit. We get very evangelical and we grow like crazy. Then at some point that very growth brings with it complexity. Our organization's grown, it's become more complex. We were running up using our gut. A board meeting was a ride up in the elevator during Fun. We just made decisions on the fly, made them happen overnight.

Les McKeown: Then complexity slows us down. We hit a stage I call Whitewater. In Whitewater we just start dropping the ball. That visceral way of running the organization begins to tap out. We can't just think that we have got the golden gut answer to everything. We've got to do something that feels a little unnatural at the start, which is to put systems and processes in place. We've got to start owning information. We've got to start knowing more than just what our gut tells us.

Les McKeown: We've got a choice at that point, do we want to do that or do we just want to go back to Fun? That's a perfectly fine thing to you. You can just say, "Wait a minute, I don't like this and I don't want to go any further with it. I liked it the way it was." So you go back but you've got to accept there'll always be a cap in your growth if you do that. You think about most mom-and-pop businesses, classic example of businesses that have decided to stay in Fun. They want the little donut shop that you go to. They don't want to be Dunkin Donuts. They just want to have one, two, three units.

Les McKeown: But if you decide you want to keep growing, you've got to get through Whitewater. Calls for putting in systems and processes, but also calls for a big behavior mindset change, which is really what the second book is all about, to move into Predictable Success. Predictable Success is the apex. The difference between it and Fun is that Fun has always got a cap, as we've seen in how you can grow. Predictable success, we've now put the systems and processes in place that allow us to scale to whatever size our industry or our market will allow. We'll talk, I'm sure, a bit more about that in a minute or two.

Carey Nieuwhof: Is it correct, Les, this is the way I think of it and I just want to make sure I'm accurate when I share this with my team. But it is you hold intention, the entrepreneurial zeal, that's not gone. The idea is the culture with the system. So the problem with Fun is it's all ideas. It's just working but I doesn't grow. It's not scalable. It stays small. Then the problem on the other side of decline is you have all systems but the entrepreneurs are all gone. Is that right?

Les McKeown: Correct. Yeah, in Fun you do grow. There's no doubt about it. You grow like crazy. But the way you're doing it is shall we say ... I don't know if you've ever seen six-year-olds play soccer, Carey.

Carey Nieuwhof: Yeah, I have. Coached it.

Les McKeown: It's flockball, right? It's just 22 players including both goalkeepers in one heap. The ball is under there somewhere, and there's a dust cloud above them. Wherever the ball goes, they go. That's how we grow in Fun. We just massive effort towards stuff. It's fantastic. All that entrepreneurial zeal and all the rest of it, you're quite right. In Predictable Success we say, "Now wait a minute. That's not enough anymore. We actually trip over ourselves." Anyway, you can imagine a bunch of six-year-olds or even a semi-professional team with that approach playing a team that knows how to play soccer, keeps to their positions, let the ball do the work. You'd get skinned alive. Predictable Success is learning to play soccer at a professional level. I don't want to stretch that analogy too far.

Les McKeown: But if we keep that tension right we can stay there in Predictable Success indefinitely. But the reality is, as you just teased out, what tends to happen is the same thing that happens when we do any good thing. We just did something that was painful, bringing in systems and processes, but it was really good. It helped us to get to this next stage in growth, the ability to scale in Predictable Success. So guess what, let's do some more. We'll put some more systems and processes in place. We start to do kaizens. We have lean manufacturing. We bring in more and more systems and processes, and that's what tilts us over into the decline stage.

Les McKeown: At first we fall into a stage I call Treadmill. It's sort of the mirror opposite of Whitewater. Whitewater we were for the first time that under-processed organization. Here in Treadmill for the first time we're the over-processed organization. It's just getting sluggish. We're getting a little arthritic. It's a little hard to get decisions made, it's very hard to get them implemented. We're making people jump through hoops. Checklists are appearing all over the place. We talk about compliance a lot. But that's a natural thing to have happen. But it is an absolutely existential moment in the existence of the organization. You can see this in for-profits. You see it in churches. You see it in faith-based organizations.

Les McKeown: There's a critical decision to be made, which most people don't realize needs to be made, which is this. In Treadmill you can still recover. In Treadmill you can

self-diagnose and you can say, "This is crazy. Why should somebody have to fill in 13 fields in an online form just for us to contact them?" This is stupid. First name, email address. In Treadmill you can take your foot off the brake, which is what it feels like when you've got too many systems and processes, and you can go back into Predictable Success. But if you don't the organization will continue to decline, will fall into a stage which I call The Big Rut. The Big Rut.

Les McKeown: Essentially in The Big Rut we lose the ability to self-diagnose. "We like it like this." Everybody's in a comfort zone. Customers, the people that we serve, they're a pain in the neck with everything working perfectly. If you want to see The Big Rut in action, this is a little unfair because I'm sure it doesn't apply everywhere, but go to your local DMV. It's just, "Follow the system. Don't smile. Don't talk to me." You sit there for four hours and then we maybe give you your driver's license. Organizations in The Big Rut, they have lost the ability to self-diagnose and they've become completely bureaucratic. Everything follows a standard pattern and there's no deviance. The challenge factor gets squeezed out. Anybody who's got the gall to question stuff gets squeezed out. Essentially we're just sitting there on a long, slow decline to irrelevance.

Les McKeown: Why is it long and slow? It usually is, sometimes it's precipitous, but usually it's long and slow. Why? Because we were in Predictable Success for a long time. You had a bunch load of money. We got very big, very fat. We've got a big balance sheet. You make a lot of money in Treadmill. You can become very successful. We see it in the church world as well, a lot of places just sitting around, slowly sliding into decline. Not going to disappear tomorrow, but generationally they're not going to be around in the longterm. Then you hit-

Carey Nieuwhof: Yeah. They got money in the bank, and they're sitting on real estate, and they got 30 people left, 100%.

Les McKeown: And everybody's comfortable. They don't want any change, and they fear that change. So it becomes a self-filtering group of people. Eventually you hit the final stage which I call Death Rattle, in which it looks like something might be happening but it's not. We're just putting this thing to bed. It's finally disappearing. We saw two good examples over the years. Kodak going the whole way through that arc. Kodak in my childhood, they owned film, as they called it back then. They should have actually in retrospect have owned imaging but they owned the old mechanical ways of taking photographs, Kodak were. They owned it. They're dead now. RIM, the BlackBerry manufacturer, another good example of an organization that's gone the whole way through.

Les McKeown: So that is one part of the model. The second part of the model then is what are the underlying big things that make those changes happen, that move organizations through that. You know what I discovered? It's the people who are running the organizations. In the second book then I talk about the four styles, that the mix of which is essentially the key thing that dictates where you get to in that cycle. The hardest thing in moving from one part of the

Predictable Success lifecycle to another is understanding the behavioral shifts that are needed.

Les McKeown: The mechanistic shifts are tough enough. You've got to put these systems and processes in place, and then you've got to dismantle them when you need to. But the thing that's really hardest for most folks is the four inches between their ears. Marshall Goldsmith has a book with a great title, What Got You Here Won't Get You There. That's the constant challenge of organizational growth. The very things that were a success, and were vital and necessary for example in Fun, become a barrier to growth when you're trying to get to Predictable Success.

Carey Nieuwhof: No. I know a lot of people listening to these podcast, they would be Visionaries and Operators. These are the people who start things, who come alongside entrepreneurs, founders, transitioners. I'm a Visionary. I did your assessment. We'll link to all this in the show notes too, the previous episodes, the previous work. But if you're going to live in Predictable Success you need to have a synergistic style where you have Visionaries, Operators, and Processors. I want to get to scale, but can you give us the elevator pitch definition of a Visionary, an Operator, a Processor, and then the synergist style? Then I want to jump right into scaling up because this is your latest work and your latest research that I want to dive into.

Les McKeown: And it's all integrated. It's all one model. It's like going to a Neil Young concert's all one song. The material here is-

Carey Nieuwhof: That is very true. That's very true.

Les McKeown: Do Scale is an integral, it's sort of a more in depth dive into the Predictable Success stage, but we'll talk about that in a second. Sure. So we've got these four styles and there's a choreography, there's a cadence with which they've got to arrive for optimal success and it goes like this. A Visionary's the first one to start thinking about starting a new venture. It's such a risk taking thing. You've got to be driven to do it. It's one of the reasons why, as an aside, in recessions it's really unfortunate. A lot of people start businesses because of necessity, and they're not actually Visionaries driven to do it, and then the mortality rate jumps.

Les McKeown: Visionaries are people who will willingly go do something that's got an 80% chance of failing because they're driven by this vision. Most Visionaries start things because of the need for freedom and autonomy. It's not for the monetary reward, though that comes pretty high up the list. It's the need to do things their own way. You see that a lot in the church world. Church planting happens a lot by Visionaries saying, "I want to do this my way." Except sometimes in the church world we bring God into that equation.

Carey Nieuwhof: Sometimes it's a very fine line, Wes. It's a very fine line.

Les McKeown: We might dance across both sides on that. But anyway, Visionaries are the folks that are driven to do something because of a need for freedom and autonomy. So they get started and very early on the successful Visionaries recognize, "This is great, but here's something I know about my myself, I'm not great with the detail. I can do it if I have to but it drives me crazy. I want to get on to the next big thing. I want to look at the 30,000-foot level." They inherently, they intuitively go find people that I call Operators. A Visionary is essentially a starter. A Visionary gets an endorphin rush by thinking about something and starting it is wonderful.

Les McKeown: An Operator gets their endorphin rush by finishing stuff. That's what they want to do is to do things. They get stuff done. Sometimes they don't say "stuff". They get stuff done. Visionaries and Operators are a symbiotic link. They really work well together. They're a wonderful team. So a Visionary with Operators, that's how you grow the organization through Fun. At this stage the Visionary is playing the role of a conductor. He's essentially bringing in an Operator to run this part of the organization, the other Operator to do the youth ministry, this Operator to be our admin person, here's our marketing person. We bring a bunch of Operators and the Visionary conducts the orchestra. That's how we grow the organization during Fun. It's fantastic, and it's great fun. I love it. There's not a darn thing wrong with being there.

Les McKeown: However, the challenge comes when we hit Whitewater because neither the Visionary nor the Operator get any endorphin rush by instilling, installing, and adhering to systems and processes. It drives them crazy. The Visionary because they want what? Freedom and autonomy, and systems and processes curtail their freedom and autonomy. The Operator loathes systems and processes for a different reason, because they see them as getting in the way of getting stuff done. An Operator, you ask them to fill in a spreadsheet, they'd rather open a paperclip and stab themselves in the eye. It's just painful, painful for an out-and-out Operator to do that.

Les McKeown: So there's where the first battle comes in, is that we've got to go get people who are good at that, we call them Processors in the model. They could be your accounting people, your legal people, your quality people, your warehousing people, whatever it is that you need to bring systems and processes in place. You bring these folks in and we have our first cultural clash of material scale because now we've got a conflict going on. It's all about do we over-V this thing, go back to Fun, or do we over-P this thing and head towards Treadmill? That's where if you want to get to Predictable, the decision at this point is, "Ah, I can't be dealing with this. Get rid of those folks. Let's go back to Fun." Then we realize we grow again, we hit Whitewater, we need some processors.

Les McKeown: At some point you recognize if we're going to get to Predictable Success and get the ability to scale, we need to integrate the Processor role. Embrace it, not just put up with it. That's where the fourth role comes in because then a fourth learned style, the other three are all, Visionary, Operator, Processor, all natural styles. We come out of the womb with some version of those. But there's a

learned style, that style is the style I call the Synergist style. That Synergist style is the recognition that these three roles are equally, equally important if we're going to scale.

Les McKeown: That it's not a question of the Processor being a secondary citizen in service to the Visionary and Operators, who because of all the glory days they had, have got all sorts of status and authority in the organization. It's a recognition that the Processor role is just as important. Without the Synergist binding that team together, we'll just end up with this triangular three-way argument all of the time. Those four roles are the roles that get us into Predictable Success and give us the ability to do what I talk about in Do Scale, which is the ability to scale.

Carey Nieuwhof: That is so helpful. For some listeners this will be the first introduction to that material. I would encourage you, and we'll link to it in the show notes, to go back to the previous episodes. Or the easy way to do it is just Google my name and Les's name and it'll come up. It's McKeown but it's M-c-K-E-O-W-N. Correct?

Les McKeown: Correct.

Carey Nieuwhof: You will find that. I would say, that was a great overview, but there is so much more there. Your books are worth purchasing on that too. I would say just as a leader who's been in this almost a quarter century now, in senior leadership, the appreciation for process was my toughest thing to do. Just because I would rather never have spreadsheets, never have the fine print. I don't want any of that stuff. To realize, "Oh, there's the ceiling. If we don't have this, this is the ceiling. We'll never reach more people. We'll never be able to see what the potential of this is." That was a slow learn and I found your material so helpful.

Carey Nieuwhof: Now I want to flip things to talk about scale, because we've got business leaders, church leaders listening, who are thinking about new locations. In church world, there's a huge difference between three locations and five. That seems to be a tipping point. Between seven and 12, between 12 and 20, which is where some churches are getting to now. There always seems to be that tipping point. Similarly, we've had entrepreneurs on this show and they're now in 17 states or they're getting to that scale thing. And I know there's a lot of young leaders listening who have dreams. I want to drill down on scale. So you have a very precise definition of scale. I want you to share it with us. So what do you mean by scale? Because I think of scale and my popular, my little tiny brain says, "Bigger." But it's way more nuanced than that.

Les McKeown: Sure. One of the key reasons I wrote the book is that, what I recognized is that there's an enormous degree of confusion about what we mean when we talk about scaling. Some people just mean getting very big. Some people think it's getting very big very fast. Some people think it's being bigger than what I currently am. I have found myself over the years having discussions with people who are talking about scaling when really what they're talking about is just growing through Fun. Scaling is very different thing. Scaling, and let me back up

to the definition if I can. Let me talk a little bit about distinctly what we're talking about.

Les McKeown: Growth, the organic growth that we get in the early stages through Fun is what you can think of as an arc. It's the ability to grow, but the rate of growth is typically evening off. As you get bigger through Fun, the ability to get bigger and bigger gets harder and harder because of this need for systems and processes. You decide to just stay in Fun, you actually put a cap on your growth. Nothing wrong with that. That's a decision I made personally. There's no ethical judgment. But it's a decision about what level of growth you can get to. I'm a single consultant. I'm not going to be Bain & Company. I'm not going to have offices all over the world. I've done that in the past. I know what that's like. I've chosen to stay in Fun, so I've by nature put a cap on growth.

Les McKeown: If on the other hand, as I did do many times and as most of the people I work with want to do, you want to go through Whitewater to get into Predictable Success, you come out with the ability to get onto a different curve, which is sometimes called a J curve. It's the rate of growth that's actually increasing over time. The rate in which you're growing is getting faster and faster.

Carey Nieuwhof: So it's almost like hockey stick growth? Sometimes I've heard that called-

Les McKeown: That's a phrase that's often used. That's a very specific thing. If you go back to the example that you talked about a moment ago, if you're running a fast growing church and you're finding, and you're quite right, there's a stretch between three and up. It's the same thing actually with retail outlets. You move between three to five, it's a big distinction, big difference. You're running a little mom-and-pop restaurant and you open your fourth outlet, it becomes a big deal. You don't have the ability to scale at that stage.

Les McKeown: If you're moving from 12 to 17 and it's still highly problematic and stretching you like crazy, you haven't yet got the ability to scale. Because the ability to scale says, "We can grow," this is my definition in the book, "We can grow to whatever size our industry or the market we serve will allow us."

Carey Nieuwhof: Wow.

Les McKeown: "We can grow to whatever size our market or industry that we serve will allow us." Doesn't mean you have to grow to the biggest size, that's dominating, which is a subset of scaling, but you can. A way to look at it is this, whenever we're building our organization in Fun, I want you to think about the industry or the market you serve as a massive skyscraper, 160 floors high I think there's one in Dubai. In Fun during organic growth the way we're getting up that building is running up the stairwell. That's essentially what it is, right?

Carey Nieuwhof: Yeah.

Les McKeown: We just run up the stairwell. "Hey, what are we going to do this week?" "Let's go up to the fifth floor ... run up there."

Carey Nieuwhof: First few floors are always fun.

Les McKeown: The first few floors are, "Charge! And we're all running behind, and the Visionary leaders are all up there. And then ... up a few steps." I don't care how fit you are, you're starting to get a little tired. You flag a little bit and you stop, and you have an off year, and things are quieter. You've gathered your resources and the money's got tight. Then you, "Big deep breath and charge! Let's go up another couple stairs." The ability to scale is the ability to walk in, punch the floor on the elevator, and go there. No drain on your resources because you've got the process and systems to take you there.

Les McKeown: The big problem is this, and it's what the book is all about, is that nobody hands us a building with the elevator. We've got to build the elevator. We've got to build the elevator. That's what the whole process and systems, the whole transition and transformation in Whitewater is all about. It's building an elevator that will allow us to scale. Behaviorally, we keep wanting to run back out and go up a couple more flights of stairs because there's immediate gratification, first of all, and secondly, it's what we did for many years. Just sticking to our last and saying, "No, wait a minute. We just got to build this darn thing, and then this all becomes an awful lot easier." That's the hardest part of that transformation.

Carey Nieuwhof: Well, and I guess what you're saying, just to give some real world examples. And I'm just testing these, you can tell me if it's right or wrong. But it would be the difference between the regional coffee shop that has one outlet in Portland to all of a sudden we got five across the city, but it's ability to really become Starbucks. That's what Starbucks did, right? It's like-

Les McKeown: Correct.

Carey Nieuwhof: ... the market will bear in whatever countries. I've met a couple times with the senior leadership team of Chick-fil-A. You look at that story over the last 50 years, they went from Atlanta to the South to America. I met with some of their team in Toronto recently. They're opening Toronto locations this summer, and looking at globally expanding, but they had to build that skyscraper. Or Life.Church in the church world probably, with over 30 locations now, that's how they're reaching 100,000 people on-

Les McKeown: Correct.

Carey Nieuwhof: ... on some weekends is they've figured out, "Okay, now we have a replicable system." I've had Jerry Hurley, and Craig Groeschel, and Bobby Gruenewald on previous episodes we'll link in the show notes. Again, that's not for everybody. But there is, I imagine there are a measurable number, like probably hundreds if

not thousands of listeners right now who are right between that first and the third coffee shop, the first and the third location, the third and the fifth, and they're getting tired climbing those stairs.

Les McKeown: Correct. And so it's time to put that elevator in place. But what you can do, to flesh out the full paragraph of the definition, what I say is that scaling is the ability to grow to whatever size your industry or market will allow in whatever footprint you choose to engage in. You don't have to immediately ... Chick-fil-A didn't suddenly become the third largest operator after Starbucks and McDonald's. They built up regionally first of all. They built the elevator that they could operate in ... you think of a 20 story building, you build an elevator that takes you there. That's absolutely fine and you can choose to stop at that point. There are a number of great ... you go to Caribou Coffee, really, really great in a particular region. They're not national, they're not global, but they've really got a great reputation regionally. You can choose just to operate locally and you can stay in Fun, typically, locally. You can choose to go state-wide. I'm just using geographical things here-

Carey Nieuwhof: Yeah. Yeah, sure.

Les McKeown: ... we can make other distinctions. You can go statewide and then you're teetering on the brink. You can just probably serve a small state in Fun. Once you want to go regional, you've made a decision. You've got to put an elevator in place. You've got to be able to scale into the region, go from region to national, you can go from national to global. You don't have to immediately decide, "We're going to be the next Chick-fil-A." But if you're going to grow outside of local and probably state, you need to put that elevator in place. Now, will you come back and retool that to take you further up? Almost certainly. But by that point, you've learned the principles. You understand what the behavioral shifts that are needed.

Les McKeown: It's much easier to go, for example, from regional to national, or even national to global, than making that first shift from Fun into Predictable Success. In Predictable Success you can do this two, three times, get bigger, bigger, bigger. It's that first shift because it's such a big change in mindset, particularly for the Visionary and Operators. That's what I'm trying to do in Do Scale. I'm trying to point out very clearly for those of you, Do Scale is not for ... It's going to yield most for people who aren't yet there and who, for the first time, really want to scale. Because it's showing you what the revelatory, binary shifts are that you need to make if you're going to succeed in that.

Carey Nieuwhof: Well I feel like I've listened to a million resources on scale because I'm pretty tuned into what's happening in the tech industry, Silicon Valley, listened to a lot of podcasts, read a lot of books. What's helpful to me, Les, about the way you think about it is I just assumed that growth and scale are two sides of the same thing. You're saying, "No, no, no, no, no, no." I think that's what's exhausting a lot of the leaders I meet, is they think, "Well, look at how big we got. We have

50% growth, 30% growth, 20% growth, whatever, 100% growth, so we're scaling," but it's a different thing. It's a very different thing.

Les McKeown: No. If you're getting 20% growth, 30% growth, even 100% growth, and it's overwhelming you then you're not scaling, you're growing but it's not scaling. Scaling is a controlled thing. And I do want to make one distinction. Again, one of the reasons I wrote the book is I think we're being terribly ill-served by people like me who commentate and write about startups, growth, that whole area. What I'm talking about is sustainable scalability. There's a different, there's another thing. I call it flipping in the book. Flipping are essentially the unicorn stories we hear about all the time that make everybody massively envious, though they refuse to say so. Everybody wants to be the next Uber of everything. I don't think there's a single industry or market where I haven't heard somebody say, "We're going to be the next Uber of this." You know what, Uber has never ever made a penny of profit.

Carey Nieuwhof: No, and as we recorded this their stock is tanking right now.

Les McKeown: Their IPO just went out and actually, and don't hold me 100% to this, but I'm 99% sure that they actually said in their transaction document and filing for the IPO that they have no plans to ever make a profit. That's artificial growth. That's buying the market. That's buying the market. You can only do that for so long. I'm talking about building a legacy, building sustainable growth, building something that you can be proud of, building something that's going to be there when you disappear, something that isn't just buying some artificial growth. I'm talking about doing something that builds on the organic growth of the early stages of your organization and you can be proud of doing.

Carey Nieuwhof: Yeah, and not exhaust your team. I run into so many leaders who are scaling, growing, starting, transitioning, and that's for all of you who are turning churches around or organizations, businesses around. They're just, "Man, I'm just dead. I'm so tired. The team's burning out. We're losing staff. High turnover." I want to go there. What are some reasons companies either don't scale or they end up scaling really poorly, Les?

Les McKeown: Well, I think you've hit on it. The last section, well let me just back up and then come to the direct answer to your question. The book's really in three parts. I talk about the mechanics first of all. That's the easiest part is, mechanically how do we make this happen. Then I talk about the mindset, and we've been dipping in and out of that. But at the end I talk about what I call building scalable people, which sounds a bit like Lego bricks. What I see over and over again in organizations is a lack of understanding on the part of the leaders as to what they need from their people for the organization to be scalable. A lot of leaders I see, particularly Visionary leaders, Operators, the same thing. They think if they just shout harder, run faster, do more that we'll scale. That scale is somehow an arithmetic formula. "If I just do more of this, we'll get there."

Les McKeown: There's actually a complete shift that needs to happen. The bit of the iceberg above the surface level, it's recognizing that you, as the Visionary leader in particular, know possibly least of all what's really happening in major parts of your organization if it's truly scaling. We got to build people who are capable of doing one thing. I'm about to tell you the most soporific thing ever. This puts me to sleep and I teach it day in, day out.

Les McKeown: At the core of organizations that scale well there is a muscle that does this. It produces high-quality team-based decisions. That's the beating heart of scalability. And I can tell it. I can see it within, give me an hour in any organization, I'll tell you whether they're going to successfully scale or not. Because at the heart of organizations that are going to successfully scale, not sitting around where the person who's at the top end of the org chart is, but in every part of the organization, there are groups and teams making and executing high-quality decisions.

Carey Nieuwhof: That is so challenging for me as a natural Visionary. When I hear you talk about this it's so convicting. But I would love for you to unpack that a little bit. If you look at an organization that is not doing high-quality team-based decision making, and you're standing behind the glass door looking in at the boardroom, what does it look like compared to a company that is doing high-quality team-based decision making? Because this is fascinating to me.

Les McKeown: Well, here's the easiest way to think about it. I want you to think about the, let's call it the senior leadership team in Fun. It may not have even got that phrase, but in Fun until later on it might just be called management or them or the founders or the bosses. Typically towards middle, certainly by late Fun, something will have evolved where we talk about, and every organization's got a different phrase for it, but there is something that is the senior leadership team.

Carey Nieuwhof: Leadership team, executive team, management team, whatever you call it.

Les McKeown: Whatever it might be. We've got a generic phrase that we call it, T1. Big letter T1 in Predictable Success because everybody else has got different words for it. T1 in Fun, here's what it is: it's the Visionary and a bunch of enablers. It's not a leadership team. It's not a leadership team. They are not leading the organization. I don't mean that in any way critically. I'm not saying anybody who's playing a con game and they use those as a phrase or whatever. It's just that that seems to be the right thing to call them, so let's call them that. It's typically a Visionary with a bunch of enablers. They may be very powerful enablers. They may be very good enablers. I don't mean enabling in the addiction sense.

Carey Nieuwhof: Right, right.

Les McKeown: They're there with a positive intent, which is, "Boss, whatever you need just let us know. We'll make it happen." How do we select managers in organic growth during Fun and what are we looking for? We're looking for their ability to manage vertically, vertical management. "I will make you a manager because I need you to take away from me the need for me to talk to those six people because we have too much to do. So you manage that and enable me to achieve our vision." So if you think about it, I'm steepling my hands here for those of you who are listening, by the way. If you think about it, that's what the management team looks like. There's the person here, sometimes it's two people, very occasionally three, but usually it's one person, and a group of folks who are essentially enablers. If you look through the conference door, let's say they're in a glass conference room, you'll tell. You'll know by body language.

Carey Nieuwhof: You know that guy's the Visionary, that guy's the leader.

Les McKeown: By the way everybody's looking at whoever it is, guy or girl. By where the last word is. If you open the door when they're coming to the point where they're actually making a decision, you know who's talking last. You know who's summarizing. You know who's saying, "Okay, let's do this." It's very much this. You get into an organization that's able to scale, the managers have learned a skill that didn't exist and wasn't necessary before, and it's called lateral management.

Les McKeown: That's the ability not just to manage your people vertically, but to work laterally with the people who are with you on T1 to make what? High-quality team-based decisions. That you're actually on a leadership team, that team is making decisions. The Visionary CEO or whoever it is that's the most senior executive, sure, they're the most senior executive. Sure, they've got some things that are reserved solely to them. But if you watch that team through that conference window, you should not be able to see most of the time who the MSE, the most senior executive, again, every organization has got a different phrase, who they are in their interactions.

Les McKeown: In fact, that person should be there less and less and less because they're not riding herd on everybody. There are groups of people making high-quality team-based decisions throughout the organization. The MSE is doing what only they can do. That's one of the phrases that I use with the executives that I coach who are serious about scaling. I say, "This is what your mantra needs to be. You need to be only doing what only you can do. You get that? You need to be only doing what only you can do. Now let's start by defining that because you've got a whole mindset that says that only you can do a whole bunch of stuff, which was once the case, and is no longer the case. Or if it is the case, it shouldn't be. That means you haven't hired people who are competent enough. That means you haven't delegated out to people enough." So that's where the challenge is, is breaking this down to this and building this ability of lateral management where senior teams really, really aren't teams making high-quality decisions.

Carey Nieuwhof: That's so good and it's so convicting. That picture of looking into the boardroom, I can see different teams I've seen, and you're right. In the organizations that are really capable of scale, it's hard. "Is that the CEO? Is that the Lead Pastor? Is that the Chairman?" It's really hard to know. Whereas in a younger organization, or one that isn't going to scale, or a less mature organization the Visionary's usually driving everything. It's fascinating. What are some keys to enabling high-value team-based decision making? Because a lot of Visionaries are hearing this going, "Uh-oh. Uh-oh. Uh-oh." So what are some keys for them?

Les McKeown: We've talked already about the need to build this muscle of lateral management. It means getting to the point where you know that a group of people in a room know how to make decisions. You know the biggest low-hanging fruit that I have when I go in and start working with an organization, is we put a decision making process in place. We just simply agree how to make decisions. I would sit down with a group, it's the T1 group.

Les McKeown: The first question I ask is, "How do you actually make decisions?" "Uh, what do you mean?" "Well tell me something you've got to make a decision about." So they'll tell me something. "We were thinking of opening a second shift of our extrusion plant." "How are you going to make that decision?" "Oh, we'll have a meeting." "And what'll happen?" And everybody sort of looks at each other. Usually some version comes out of, "Well, Joanna will decide." Joanna's the most senior executive. She's the CEO or the Senior Pastor or whatever. "Well how? How does she decide?" "Gee, I don't know."

Carey Nieuwhof: I'm laughing. This is awesome.

Les McKeown: "I'm not too sure." "So how about we just put some" ... We're going to come back to this stuff in a minute. Here's why this is important. If you're going to scale, you know the one thing you're going to be doing gazillions of times and you've got to do it gazillions of times? Make and execute good decisions, and yet we leave this whole thing so vague and unthought through. What I say is, "Okay. The rule at the moment is Joanna decides, right? Let's codify that and stack hands on it. Let's accede and accept to that." Do you know what one of the first things is that begins to happen is? Begin to think, "Maybe that's not very effective."

Les McKeown: What is Joanna didn't decide anything and it's often, it's mostly usually Joanna, who I've just made our token senior executive here, who is the first to say this. "Hey, what about I don't have anything to do with a spend that's under 25,000 or 5,000 or whatever? What if I don't have anything to do with these hirings of this role or this role?" What you begin to do is you begin to push decision making out because we've just named it for what it is, which is at the moment everything comes in here. Right?

Carey Nieuwhof: Right.

Les McKeown: Essentially the T1, that most senior group, as we're just beginning to make the transition into scalability, you know what it is? It's the mail room. They think they're the senior leadership team. You know what they are? They're the mail room. People are walking by and throwing stuff in there. "Sort that out. Fix that out." There's no mandate. There's no agreement about what it is that they have got responsibility to decide on and what needs to go on.

Les McKeown: So we say, "How do you make decisions?" "Okay. Under these circumstances Joanna will make it. Here are a couple of examples. What if the team made that decision together because the team now know all that?" "Okay. Yeah. Let's do that. The team will do that." "How are we going to do that?" "I don't know. We'll just talk until something comes." "Well what about if we have a vote?" "What? What?" "What about if we have a vote?" "Yeah, let's try that." "Okay. Do we need unanimity? Do you want everybody to" ... You see where I'm going here?

Carey Nieuwhof: Yeah, yeah. 100%.

Les McKeown: What about timing? What about when you're having this? What about what data that you need available? Do you know that in my experience 80% of every discussion a senior leadership team starts, more than two-thirds of the people around the table know within two minutes they're not going to make an effective decision, because there isn't the right amount of data. But we don't have challenge words. We don't have the vocabulary to say, "We should not continue with this. It's a waste of time." You know what, you walk into most organizations that are struggling to get to Fun, struggling to get to Predictable Success, struggling to scale, if you ask them, "Does it feel like you've talked about this before?"

Carey Nieuwhof: Oh yeah.

Les McKeown: "Don't you think you made a decision about this some time in the last three months?" "Yeah, we did." "What was it? Why did it not happen?" So just codifying all that. We have a simple process. I call it the 4D process. Data, debate, decide, or defer. Get the data, debate it, decide or defer it, and we build an infrastructure on it. There's a simple one-pagers. That one-pager, I'm not saying it's the holy grail and every organization should use it, but in a vacuum, in the absence of that, I give them this 4D Flight Plan. What it basically says is every non-trivial decision you're going to make, you just run this process. It revolutionizes their meetings, revolutionizes the decision making that they're going through.

Carey Nieuwhof: So Les, I know you've got something for listeners at the end of this podcast if they listen all the way through, a free chapter of your book. But I think you're willing to include the 4Ds, just a basic guide to that. Is that right?

Les McKeown: Sure. Absolutely. So we'll tell folks at the end of the podcast how to get the first chapter, PDF of Do Scale.

Carey Nieuwhof: Cool.

Les McKeown: Once they get that, then we'll follow up and send them out the 4D Flight Plan.

Carey Nieuwhof: That's amazing.

Carey Nieuwhof: Speaking of flight plan, I want to come to that in a moment, navigating by instruments not by sight. But I coach a lot of leaders who are stuck. In church world, I think it's the 800 to 1,000 barrier in attendance. In entrepreneur world, I keep bumping into it at about the million dollar revenue mark. Where they just seem to be, like I think 96% of all businesses never grow past a million dollars. Something like 96% of all, 98% of all churches never grow past 1,000 people, even when they have the potential to do that. Now some people don't want to grow. They want to keep it mom-and-pop. They want to keep a small church. I get that. But I'm talking to the leaders who are like, "NO, actually we want to reach more people."

Carey Nieuwhof: I had an incident where I was speaking somewhere and this guy had said to me, I knew this guy and he's just like, "Yeah, I just don't know why we can't break 1,000, 700." I'm giving a talk and literally 20 minutes before my talk he's running my Keynote, my slides. They're setting them up. I look and in the booth is a lead pastor setting everything up in ProPresenter. And I'm like, "I know exactly why your church isn't past 1,000 now. I know exactly why." The language that we use around here, and I'll call an audible on my team regularly, even as we've seen kind of explosive growth on the podcast, the blog, all this stuff that I do. Is like I've got too many decisions crossing my desk. I need to release and empower, and we're hitting those walls all the time. "I don't need to be included in."

Carey Nieuwhof: Can you talk about that tension? Like how do you know whether too many things are coming back to you? Because it sounds like when you're talking about high-quality team-based decision making that it's not Joanna, it's not the CEO, the senior leader, who is making all those decisions anymore. How do you know if you're that person and too much is crossing your desk?

Les McKeown: Well, the example that you gave of the lead pastor setting everything up in ProPresenter, I just go back to that mantra that I mentioned earlier, that if you're serious about scaling and you're asking yourself, "Am I only doing what only I can do?" That just is so far out there that you've probably got ... There are individuals, we've talked about Visionary, Operator, Processor, Synergist, and those styles can come in what I call a dominant version. Which means you can be a Visionary, which is great, we need visionaries, but if you've got too much of the Visionary jones in you, you actually become an Arsonist. That's not helpful. It's just not helpful.

Les McKeown: Operators, we need Operators, but if you've too much of the Operator in you, you actually become a Maverick. "I'm not coming to your stupid meeting. I'm not reading your dumb emails. Leave me alone. I've got a job to do." Processors, we need Processors, but if you're too Processor-y you become a Bureaucrat. We don't need Bureaucrats. Even our Synergist, if they're too Synergy they become People Pleasers. They lose sight of the goals that we're trying to achieve and avoid conflict at all costs. Now, what I often find is that if you're style is dominant you need coaching. You need coaching. You can't do this yourself because your antennae are not seeing it. You're not picking up. That lead pastor, you could probably tell him 100 times and he's not seeing it.

Les McKeown: Let's go back practically to the answer to your question in terms of setting boundaries. The first thing, if you're serious about scaling, that you've got to do is actually formulate what that T1 is. Call it whatever you want, executive team, senior leadership team, whatever it's going to be. You've got to sit down and think through who is that. And I don't mean who in terms of their names. One of the shifts that happens in moving from organic growth to scaling is we move typically from, what I call from heads to hats. An organization in Fun, organic growth, it's all the heads. "What's Jimmy today? Hey, Julie's the answer to that. Send for Andy." Of course that's great, and it's fun, and that's never going to change, and we're humans, and we love the humanness of this.

Les McKeown: If you're scaling though, your head has got to be in, "What does the CMO think about this? What's our CIO doing here?" You might not use those titles. Maybe it's just, "What's the IT role in this?" You've got to move to the hats. You've got to sit down and say, "In a T1 for me, if we're going to scale this organization, what are the hats that need to be around the table?" Maybe there's a perfect fit between the heads and the hats, hopefully most of those cases. Some cases there won't be. That's one of the conflict things that scaling brings up, which is the recognition, "This person won't get us there. Julie's wonderful but she'll never be a CMO, never. And we're crazy to expect that of her and it's not fair."

Les McKeown: Some of those hats roles may be roles that we don't even have yet, and we'll have to think about bringing them in over time. But you've got to define what they are. Here's a dirty little secret. I'm going tell you the single thing that makes the biggest difference, is that often in organizations that have recently been in Fun, there's a secret shadow T1 inside what we call T1. Sometimes it's co-founders who, no matter how hard we try to do this, they get in the car and go home together at night, and they go out to the gym together. Sometimes it's a mom-and-pop business or a family business, where's there a secret T1 that meets at Sunday at lunch.

Les McKeown: Let me tell you something about churches that they often struggle with. We've got our Visionary lead pastor. We've got our enablers. We decide we want to move to scale. We build a T1. We start building good leaders. Guess what happens every Monday at lunchtime? Pastor and the spouse get together, chew the fat, and pastor comes back with a re-thought through answer to a solution or unpicks an answer. That means the T1 is actually the two people that meet

on Monday at lunch. You know what? Fine. Recognize it. Name it. It's easier for me to say this in a commercial context, but when I can get two co-founders to say, "No, no. Don't do that disservice to your senior leaders. Call them T2."

Carey Nieuwhof: Right. Right.

Les McKeown: They're T2. T1 are the co-founders. T2, it's one of the reasons why not having phrases like senior leadership team or management team, it's easier to see this, right?

Carey Nieuwhof: Yeah, yeah, yeah.

Les McKeown: Now here's what happens in 90% of the cases is that becomes a barrier because that T1's too small. You start to recognize, "Okay, we're going to have to shift this." Let me get to the money shot on all of this. You know you're making serious head roads in building your ability to scale when your T1 starts organically without being told to build a T2. That's when I know an organization is moving from organic growth into scalability. That T1 is so humming, it's working so well that it's beginning to realize, "We need" ... I want you to think about this as a donut. Just not to get too complicated. The T in T1, T2, T3, stands for torus, T-O-R-U-S. A torus is a donut shape. It's just Latin for torus. I realize I couldn't charge much money if I started talking about donut level one and donut level two, so I just use T1 and 2.

Les McKeown: T1 becomes the senior leadership group. You really are beginning to make some momentum when that T1 begins to realize, "We need people to do things here as T2."

Carey Nieuwhof: So it's concentric circles.

Les McKeown: Yes. It's much, much ... we're getting into a huge area here, but it's much easier and more intuitive to think about scaling your organization if, as well as thinking about the command and control org chart, which has got its use, the boxes, that's all fine. If you think about it as concentric circles, it begins to become much more obvious that we've got this inner group. Okay, it can't be the co-founders anymore, just the co-founders anymore. It can't just be pastor and spouse. It's got to be a real T1, they've worked together for a few years. That's usually how long it takes, somewhere between 12 and 24 months. At that point, while that's happening, just about everybody in T1 is pulling double duty as being T2.

Les McKeown: You've got an organization and there's somebody in T1 and they're let's say, Chief Marketing Officer, but they also happen to be the people who are running the LinkedIn account, who are making the Instagram account work. They're also the T2. They're the manager but they're also the person making it happen. When you're really beginning to get your scaling going then T2 begins to take shape. You begin to realize, "Okay, we need to start putting people in place to

do that." So one of the things that allows that to happen is to let the T1 people just think from a T1 perspective.

Carey Nieuwhof: Right. Then you've got a marketing team that makes its own decisions, and the big directional strategic decisions move to T1. The execution and the sub 50,000 or sub 5,000 decisions, they move to T2. Is that right?

Les McKeown: Correct. That is absolutely correct. Here's why that's so important, because when you think about it before T2 has been developed to the point and we've got to the size and shape where we can begin to appoint people, because there's a financial, obviously, overhead cost on that. Before that, we've got people at T1 just learning to move away from that level of the Fun leadership stage when they were just empowering the key leader. They're moving towards becoming a group of people making decisions on their own.

Les McKeown: But they're all walking into those meetings with a T1 and a T2 hat, and maybe somebody even a T3 hat. Guess what happens as a result. T1 is strategic, big, important stuff, and then T2 the urgent, "This customer's shouting. We've got two meetings to have," and so on. Which of them dominates? The urgent always beats out the important. So the T1 in the early days find it really hard to get traction as a senior decision making body because every time we get in a room together we've got this cruddy T2 stuff-

Carey Nieuwhof: Fighting fires.

Les McKeown: ... that's screaming at us. It's firefighting. And so we never build a senior leadership muscle because we can't get to it because the urgent always outweighs the important. We end up having to go off on a strategic retreat or do something that's sort of slightly false or separate. We come up with some great ideas, and we bring them back to the ranch. Then all the T2, T3 needs hit us, and we never get to implement.

Les McKeown: It's a little bit of a cause and effect thing there because you don't have the resources to just go build a T2 immediately. You've got to build and grow to be able to afford this. But in the meantime you've got to acknowledge the fact that what that's going to do is it's going to mean that your horizons of focus on this high-quality team-based decision making is always going to be being pulled down to the operation level.

Carey Nieuwhof: Now, that is so good. That's so rich. I just want to say one more thing about sort the secret T1 or the unspoken T1, because I think that's a very big issue where even if you met with who you think your senior leadership team is, and then you undo the decision when they're not in the room. That can happen at the board level, that can happen at the staff level.

Carey Nieuwhof: I would imagine that would make it really difficult to cultivate high-capacity leaders at a senior level of your organization. Is it true that top leaders don't like

to stick around when they're told, "Hey, you're in charge of all operations," or, "You're in charge of all marketing," but really you're not going to make any decisions? That seems to be a very disempowering environment. Is it?

Les McKeown: It's very much so. You think about it in the Fun stage where the senior folks are essentially enablers, as we talked about before. That all just comes with the territory. Oh, Joanna meets with her husband who also happens to be one of the founders and an investor. We all know that every decision is provisional until Harry and Joanna have spoken, to give that as an example. Everybody just knows it comes with the territory, this is fine. But as you start to scale and you say, "Oh, I really need a high-quality CMO in here. I need a good, just a world-class music pastor in here," whatever it is.

Les McKeown: You get those people, either you develop them internally or you attract them in there, and they see that they don't have any real autonomy. They've got expressed autonomy, but which can be whipped back at any time when a couple of people go talk. They're not going to hang around. They'll either just give up on their discretionary effort level and stop trying to make good high-quality decisions, because why would I if at the end of the day I just got to wait and see what you say, or they move on and go elsewhere. In a commercial organization they typically will just up and go. That's not going to keep them hanging around. What I see a lot in cause-based, faith-based organizations is people just quietly withdraw their discretionary effort.

Carey Nieuwhof: That's so well said. That's exactly what they do. It's exactly what they do.

Les McKeown: You will never have seen that, Carey. You will have never have seen that but I've seen that.

Carey Nieuwhof: No, I've never seen that. But they quietly, say that again. They quietly withdraw-

Les McKeown: They quietly withdraw-

Carey Nieuwhof: ... their discretionary-

Les McKeown: ... their discretionary effort. The stuff that makes you who you are, makes you different, makes you succeed, all of it. Except if you luck into something for a short period of time, like you make a technological breakthrough. Over the longterm, everything that makes you succeed comes from the discretionary effort of your people.

Carey Nieuwhof: It's true of staff. It's true of non-staff. It's true of volunteers. It's like, "I'm just going to show up. I'll give you my 40 hours, my 37.5, my 45, whatever you want from me, but you're not getting more than that." Oh, that's so well said. That's a disempowering environment. I want to talk a little bit, Les, before we wrap up about flying by gut and flying by instruments. I heard this in a scale talk once and you and I have chatted about this before, but one of the big changes for me,

because I think a lot of leaders who listen to this, we're very heavily entrepreneurial, a lot of our leaders listening. You just kind of have a gut. It's like, "Whoa, something's off," or, "This isn't right."

Carey Nieuwhof: Pilots, you learn to fly by sight, and so you have to go up on a sunny day, that kind of thing. But you have to get your instrument rating, and you've got to learn to fly by instrument. I remember there was a flight recently, I fly all the time, but there was a flight recently where I was sitting by a window looking out going, "Well, I hope this guy did well in that class because I know we're about 100 feet off the ground and we're at the minimum level that you can actually land a plane, but I hope we show up somewhere on the runway." Leadership is like that, where you eventually at a certain size lose the ability to read accurately what's happening. It comes down to dashboards and metrics and lead and lag indicators and all that. Can you talk about that as a key to scale?

Les McKeown: Sure.

Carey Nieuwhof: Because that's another transition I've had to make, and it's not an easy one always.

Les McKeown: Yeah. It's one of the key elements in that What Got You Here, Won't Get You There equation, which is that an absolutely essential part of early growth is having a Visionary with great judgment, what I call in the book a golden gut. That they just sniff it. I actually break down in the book, we don't have time to go into it today, but I break that intuition, that golden gut, that visceral management style, visceral leadership style into five specific things that contribute to it. What happens as the organization becomes complex is that three of those five begin to get overwhelmed. The most obvious one is just the availability of the relevant information.

Les McKeown: When you had four people working with or for you, you could see everything. You just had to look around. Even if you were running a virtual business, if you're using Slack, or Flow, or Asana, or whatever, it's all there. Everything is there. You've got to make a decision, yes you're using your intuition and your judgment, which are the two things that you continue to have no matter what, but as the organization becomes more complex you don't have all of the available information. But nobody tells us that, and we don't admit it to ourselves until we make some decision that just falls flat.

Les McKeown: I like to say that in Fun, a board meeting's a ride up in the elevator. You get in, you hit the button, you get out at the 11th floor, you've decided to open an office in Chicago. By Tuesday of the next week you're looking at offices because you've met some guy and he's going to do a great job. All of that stuff, all that visceral stuff, that works. It not only works, it's vital. But then we have this transition point at which the stuff that's important is moving, it initially gets into your peripheral vision and then it goes behind your peripheral vision. At that time you've got to be flying by instrument. You've got to have decided what's the information that I need, how am I getting it, and how do I know that I can

trust it. That's part of what we talk about in Do Scale is how do you put that in place.

Carey Nieuwhof: There may, I know it's different for every industry, for every sector, profit, not-for-profit, et cetera, but are there certain metrics that just should be on every leader's radar? That you're like, "Hey, across all these industries," and you've run 42, 43 businesses so you've had some sampling in that. That it's like obviously PNL, you got to pay attention to that, you're tracking growth, but what are some that just like, "Hey, if you don't know this, this tells you more than you think it would"?

Les McKeown: I would say the one that stands the test more than anything else, because a million bucks a year in one industry is very different than 50 million in another industry and so forth. The easiest way to get a sense of this are the number of FTEs, the number of full-time employees that you're working with. Up to about 20, no matter what industry, sector you're in, 20 people, and I'm counting everybody, you can probably be confident that you'll get most things right. It starts to really come under pressure at 20, and by the time you're at 75 it's shot. I've never seen a leader with more than 75 people who didn't need to start using instrument navigation.

Les McKeown: Now it doesn't mean to say that it instantly becomes we shift from one to the other. It becomes let's do both. Let's track both of these. Then what really good leaders begin to do is they begin to say, "I'm not going to even think about what I think about these things anymore. We're going to go by what the data tells us. I'm going to restrict my golden gut intervention to these areas because these are areas that I still know I've got some ability of judgment that we need as an organization." But most leaders, particularly Visionaries, think that that footprint is much bigger than it actually is. They think that they need to continue to be involved in things, like setting up PresenterPro, that they absolutely shouldn't.

Carey Nieuwhof: Right. No, 100%. I hear what you're saying. I think it's a question of doing less and less and less, which a lot of leaders feel guilty of. Right?

Les McKeown: They feel guilty and also feel threatened and nervous. A lot of the leaders I work with, when I say, "Only do what only you can do." I look at them and say, "I can tell what you're thinking. You're thinking, 'Well, what'll I do? Doesn't that mean I'm only going to do one thing a day?'" I say, "No. You're going to do all of that so much better."

Les McKeown: Let's think, for example, of one of the things that only you can do. Only you can build succession in this organization. Only you can do that. But you're never going to do it the way things are at the moment because you're too busy running like crazy. One of the things you're going to get to do is you're going to get to, if you start delegating properly, you start defining what it is that you are doing, get yourself a high-quality T1, guess what you're going to have time to do. You're going to have time to mentor people. You're going to have time to

coach people. You're going to have time to drive the vision of the organization deep into the organization.

Les McKeown: The number one goal, this isn't necessarily only for Do Scale, it's for any organization in Predictable Success whether they want to just grow or scale. The number one goal a Visionary leader has is to institutionalize the vision. Institutionalize the vision, de-personify it. Think of Apple. Think of what's happening now. Think of Starbucks, Schultz is gone. Think of Dell, where Michael Dell has had to go back four times. You've got to institutionalize the vision. And you cannot do that if you're making every operational decision.

Carey Nieuwhof: That's so good. We've talked about this a little bit on this podcast, and on my blog too, but succession is a massive crisis that's brewing in the church. It's also, very personally, my parents ran a business and I was their succession plan. They did all right, but after 20 years they kind of wound it up. They did all right and all their employees got other jobs. But yeah, that's a really big thing. For me, to see our church firmly in the hands of the next generation 20 years after I started it, has been amazing to see. But that's really hard work. I don't think the church is doing it particularly well, and most businesses, most businesses are first generation businesses. Do you know how many businesses actually make it to successful succession? I think in the church it's not very good.

Les McKeown: The percentage has got to be below 20. I wouldn't be able to tell you what it is but...

Carey Nieuwhof: But it's not automatic, right Les? I think is what I was driving at.

Les McKeown: It's far from automatic, far, far from it. In fact, it's the opposite. It's rare for a succession transition to happen in any environment, church, cause-based, faith-based, commercial. Just to say a painful truth, I've seen it over and over again, senior pastors, particularly if they were the founding pastor, find it very hard to let go. They just can't let go. It's for great reasons, their heart is good, but we've got to coach founding pastors into understanding that succession means handing over the vision. Not maintaining some sort of super-vote, super-veto, not hovering around like Banquo's ghost.

Les McKeown: Part of the problem is you get a senior pastor who's led a church, particularly if they founded it, and done so for some decades, everybody loves him, loves her. Everybody loves Pastor Mike. Pastor Mike probably has got a, I hate to say it, a reasonable amount of his identity tied up in that.

Carey Nieuwhof: 100%.

Les McKeown: And it's hard to let go. It's hard to let go. I understand it. I understand it. What I fear, I'd say one other thing about succession in the church, it's too often presumed, particularly in fast-growing evangelical churches, to be also a family matter. I have to say that.

Carey Nieuwhof: Yep.

Les McKeown: I have to say that.

Carey Nieuwhof: Yeah.

Les McKeown: Often it is, and rightly so, but sometimes it isn't and shouldn't be. There are a lot of great church leaders there who are either dissatisfied or going to leave because what's happening is, in an organizational sense, in a commercial organization would be just the lucky seed club. You happen to be the son of the founder of this plastic extrusion business so of course you get to be the new CEO.

Carey Nieuwhof: You get to run it.

Les McKeown: Of course you do. Fine. That's all right. But that happens in churches too, Carey, unfortunately.

Carey Nieuwhof: So one of the best pieces of advice that I got from a mentor, and this happened maybe seven or eight years ago, but he asked me. He said, "Carey," he says, "Are you and Connexus," my church that I started, "Are you so entangled that you can't, like your whole identity is wrapped up in that or can you extrude yourself from that? Do you have a life independent of your church?" It was a really challenging question. I kind of said, "Yes." But I'm so glad, Dave McDaniel, thank you so much for that question, because now seven years later the church firmly has its own life that's independent of my existence and I have one that's independent. I still love our church. I go there every Sunday I'm in town, and preach there a lot too. But we are not one and the same. I'm working on that with this podcast, working on it with the blog, working on it with this little communication thing that I've started. But that's a very tough journey, a very emotional journey, but I think it's one worth pursuing for sure.

Carey Nieuwhof: Les, I want to get to the special you've got. You've got an offer, some free stuff for our listeners. Then I'd also love, is there anything else you want to share about scale before we're done, and then tell us about the book, and tell us about the free offer.

Les McKeown: Just in terms of sharing about scale, I just want to underline what you just said. That sort of cathartic choice is at the core of really understanding whether you're serious about wanting to scale. What I would say is there is absolutely nothing wrong with saying, "You know what, I am this business. I am this church. It is me. We are the same. That's how I want it to be," and admitting it. Then you stay in Fun and you do that with integrity. What doesn't work is to do everything to try to get the organization to scale but to retain the mindset and the behaviors that say, "I am this entity, and this entity is me." Because the two don't jib. Even if you manage to somehow be successful in achieving some degree of scale with that, it disappears when you leave because you've got so

much of that success baked into you. You haven't institutionalized the vision, as we talk about.

Carey Nieuwhof: Oh, that's so good, Les. One way, I guess, to think of it, and I'm increasingly thinking of it, is if you don't separate the two identities then when you're done, it's done, whatever that is. Whether that's your company, whether that's the church you started, whether that's the legacy you're leaving. A lot of people talk about their legacy. I don't think I have a legacy. Well then your legacy's done. It's just great.

Les McKeown: Correct.

Carey Nieuwhof: You left something weak and whatever for the next generation. I think with the church, number one, you're not supposed to do that. Number two, what are you actually building? If you're building a company, if you're building a not-for-profit, are you building something that you hope will outlive you and will impact more people than you are capable of impacting? Then you gotta scale it and you've got to disentangle your identity from what you're doing. This is good. This is free therapy, guys. All free therapy today here on the podcast. Okay, so tell us a little bit more about the book and then the offer.

Les McKeown: Do Scale, which is my fourth book, comes out on June 4th. I'd be delighted for all of the listeners, to send them a free PDF of chapter one-

Carey Nieuwhof: Awesome.

Les McKeown: ... all of the first chapter. All they have to do is text the word "do" D-O, just text the word "do" to 72000. Seven, two, triple zero. The word "do" to 72000 and you'll get the free PDF. Then I'll make sure based on our conversation today that everybody that gets the PDF, we'll follow up and make sure you get the 4D Flight Plan as well.

Carey Nieuwhof: That's extremely generous because I know normally you do not give that away. That is something you do when you personally consult with people, so that's extremely generous. Make sure you guys check that out. Also, tell us a little bit about ScaleCon. This is something you're doing for the first time, right?

Les McKeown: It is. ScaleCon's my first annual conference. I do a lot of public workshops, I do private consulting and coaching, of course. But this is the first time I'm bringing a group of people together and all we're doing is looking at the key principles in Do Scale. That's on June 5th through the 7th here in Washington, D.C. We start with a little reception on the evening of the 5th, and teaching all day Thursday and Friday morning. Got some great speakers, people that I respect, who have really helped me on my journey.

Les McKeown: We're talking about the whole 360 degree approach to scaling. Not only what does it mean inside your organization, which I'm handling mostly and I'm

releasing a fantastic new product called Your Scalability Index. Don't have time to go into that today, but everybody who comes to ScaleCon gets a year's access to that free. Then I've got a couple of great guest speakers who are going to come and talk about other aspects of scaling. I've got Rita McGrath, wonderful professor from Columbia University who writes incredible stuff. She's going to talk about seeing around corners, seeing around the future.

Carey Nieuwhof: Oh, wow.

Les McKeown: We've got somebody you know, a chap called Jeff Brodie, who was at the other end of the equation whenever you were confronted with-

Carey Nieuwhof: Yeah, my successor.

Les McKeown: ... where your involvement was. Those of you, I'm sure just about everybody on the podcast knows about Jeff, actually runs Connexus Church. Then we've got Jen Gerasimas who's a master trainer. She's my Chief Wellness Officer. She's going to share what the whole physical and mental mindset is if you're going to be at your best as a leader and lead your own team. So really looking forward to it. Everything is at ScaleCon2019.com. Just ScaleCon, two, zero, one, nine, .com.

Carey Nieuwhof: Well I feel like you have become, for me in my life, like a leadership insanity IV drip. So whatever you put out, I just want that refilled because it's been so helpful, so clarifying. Literally the Seven Stages of Predictable Success, the Visionary/Operator/Processor/Synergist, and now your new teaching, your new material on scale, I know has become part of the leadership fabric for me. Les, you're a gift to just so many people. Thank you so much, again, for being on the podcast. I'm so grateful for you, Les.

Les McKeown: Thank you. Thanks, Carey. Thanks, everybody. Really appreciate it.

Carey Nieuwhof: Man, Les is so generous, isn't he? That was really, really nice. That stuff that he usually keeps behind the paywall, you can get it for free. So make sure you send that text. All the links, everything we talked about, including the links to his previous appearances on this podcast, are available in the show notes today, so you can find that at CareyNieuwhof.com/episode265. Hey, don't forget, Church Growth Masterclass is closing tomorrow at this pricing, so if you want to position your church for growth, head on over to ChurchGrowthMasterclass.com, and make sure you check out Pro Media Fire as well. Media, video, all that stuff, graphic design, that is the game online these days. You can go to ProMediaFire.com/Carey and get 10% off your plans for life.

Carey Nieuwhof: Well, we have a bunch of episodes coming up soon. The very next one happens, are you ready for this? Tomorrow. Yeah. I sit down with Jeremy MacDonald, who serves on our church team at Connexus Church. He basically unpacks my brain when it comes to church growth. So if you're interested in that, we will

talk about church growth and everything I've learned. Well, here's an excerpt from that episode.

Carey Nieuwhof: At first I said to my podcast producer, I said, "Hey. You handle that one. I'm fine with it." Then I had an appointment. I forgot that I said she was going to handle it and I'm like, "Oh, I don't know whether I like this or not," and I jump back in. Then I'm like, "Wait a minute, wait a minute. You want this thing to grow. You want it to scale." I said, "You know what, you make the call. I trust you." That is a really hard move for a lot of leaders to make, but it's one of those really hard things you have to do where you release and you delegate.

Carey Nieuwhof: The challenge, I think, in the early years when you're growing and you're scaling is that sometimes, particularly if you have some gifts in the area, you might be better at it than the people that you're releasing it to. But you've still got to release it if you want the cause to grow. Because otherwise, at 200 if you're the person who does everything, you're either going to burn out if you grow to 300, or your church will shrink back down to 170, 180, or even 120, the level at which you can personally service it. Then when you go to the thousand barrier, the thousand barrier, I was just on a call with leaders the other day on this. They're like, "We've been stuck at 7, 800 for a longtime." Well, one of the key barriers for people trying to pass 1,000 is simply this: How many decisions still cross your desk?

Carey Nieuwhof: So that's tomorrow. We will talk about jump-starting the growth of dying and stagnant churches, how to scale church growth barriers, and how to get beyond 1,000 attenders, and a whole lot more. If you subscribe you get it absolutely free, and you can do that wherever you get your podcasts. Apple Podcasts and Spotify are two of the premium venues these days. I also use the Overcast app, I love that one. Guys, thank you so much for listening. I really do hope our time together today has helped you lead like never before.

Announcer: You've been listening to the Carey Nieuwhof Leadership Podcast. Join us next time for more insights on leadership, change, and personal growth to help you lead like never before.