



JAMES SCHRAMKO

961 - The Huge Cost of Not Focusing on Your Vision and Super Power

Deviating from what you do best is one reason why business fails. Fractional integrator Lloyd Thompson shares a case study illustrating this.



James Schramko and Lloyd Thompson

James: James Schramko here. Welcome back to my podcast. This is episode 961. Today, we're going to be talking about the huge cost of not focusing on your vision and superpower. I've brought along my friend, [Lloyd Thompson](#), to have a chat about that. Hello, Lloyd.

Lloyd: Hi, James. Thanks for having me back.

James: You have been around the world since I spoke to you last time. We did an episode in a previous episode about [hanging on to staff members too long](#). That got a great reaction. I really appreciate all the insights you shared on that one. So we've invited you back to talk about this particular problem that you've encountered in your journeys, but whereabouts have you been since I spoke to you last?

Lloyd: Well, since last, it's been the Maldives, San Diego and Hawaii. I think that's about it.

James: Singapore as well.

Lloyd: Oh, and Singapore, yes.

James: Yeah, I'm keeping tabs on you. It's great, this world we live in, this online world where we can travel and work. And what I like about it too, is you're going around, you're meeting different business owners, talking about their challenges, helping them solve their problems, getting new insights that people just cannot get sitting at their desk or in an office, you know, you have to get out and about.



I've often said this, the secret to an online business is to get offline. And you come back re-energized, but also with brand-new knowledge. So, well done. Now, you're running a business, virtualdoo.com. And you're helping people to organize their people and their systems.

The COO who was spread too thin

Today, we've got sort of a case study of something that you've been involved with. The situation, from what I understand, was there was a COO, and you might explain what that means, leaving a company, and they called you up. Is that right?

Lloyd: That's right. So a COO is Chief of Operations. The COO reports to the CEO. In this position, there's many different titles for this, it can be a Chief of Operations, a Director of Operations, Chief of Staff, I could go on.

James: Chief Operating Officer.

Lloyd: So yeah, Chief Operating Officer, it goes on, it goes on. So there's a lot of positions with this name. And so we've been called in because there was an outgoing COO. And I'm going to call him Slim, because Slim was spread super thin. He was actually doing delivery himself. So he was delivering work for the business. And he was the COO.

James: So this is kind of like a mislabeling of the role, perhaps, or it was a typical small business where you have to wear a lot of hats?

Lloyd: Yeah, small business where you wear a lot of hats, but I think the business was certainly big enough to warrant, like, it was very hard for someone to be both driving and overseeing what everyone else is doing, and also being in delivering.

I think Jocko Willink gave this example of where he was in some kind of combat zone. And when someone told him to put down the gun, he was no longer in it, he could see everything unfold in front of him, and he could coordinate it. And I think that's what was happening to Slim. He was in it, and he couldn't get above it. And it was just, I think he was set up to fail, in my opinion.

James: If you're spread too thin, it's like you're prone to making errors, it impairs your judgment, you lack the visibility and the focus of when you have a smaller set of tasks to be responsible for. It didn't work for whatever reason, the COO's leaving, and then you've come in there, you've arrived at the scene, what have you found?

Lloyd: So yeah, the COO couldn't see the wood for the trees. That was the first thing.

A focus on the wrong thing

And then when we arrived on the scene, one of the first things we observed is that the company was really good at one thing. They did have a special superpower, one thing that's really good, their niche, the thing that makes the money. But instead of focusing on that, they were spreading themselves into other areas, and the founder had somewhat of a passion project or a hobby.

And they were just focusing on that and spending business time and business resources focusing on this other thing, and just taking time away from what they're really good at. And so it was just a common theme there, like resources are no longer focusing on this niche area. They're all spread out, and time and money is being wasted.

James: And do you think that the person leaving is saying, Hang on, enough of that, we should be focused on this, and their opinion was unpopular? Or do you think they'd just gone along with the founder and said, Oh, well, whatever you want us to do, but gee, we're doing a lot. Just blowing me up, right?

Lloyd: I think it was more of the latter, it was more of a surprise for us to see that was going on. It was a polite bow out from Slim. I'm sure he knew a lot of what was going on and...

James: So it was too late for Slim, right? It's like, okay...

Lloyd: Slim was gone.

What a fresh perspective can do

James: He's burned. He's out. But how do you then address that with the founder? Like, do you come in with a different level of authority or perspective from an employee? Because you're a contract service, like you sell your service to multiple clients, and you have your own team, right? So you're able to scale up and down, and customize around the customer. Do they just listen to what you say? Or did you have to fight the founder on what you discovered?

Lloyd: I think it's the latter. We really had to fight the founder and say, Look, this is what I'm seeing. I'm brand new, I'm not biased at all. I've come in. I'm telling you what I'm seeing. There is another thing, being a newbie, when you come into a business, I'm trying to remember the quote, someone said, and this is probably broken English, but it's a South African guy.

And he said, A new broom sweeps nice. Like you've come in, and you just see everything for what it is, and you can come in with fresh energy. So we came in with that fresh energy, and we said, Okay, I can see what's going on here. So we can see this passion project. But one of the first things we saw was that the company credit card was maxed out, and it was maxed out on a passion project.

And so when we spoke to finance about it, they said, Oh, we've already raised this with the founder. And like, he knows this is the situation. So we were like, Well, okay, we knew, we should raise the alarm again. So we raised the alarm, like, Hey, it's looking red alert here. We need to do something. But the founder was just reluctant to let go.

James: It sounds like an F1 team, you know, like, all these rich guys want an F1 team or a football team or whatever. It can really unsettle the team, if they can see this wanton lack of discipline and total addiction just stealing from the company's potential. And for you to have to address that with the founder, I imagine, it was too late for the COO.

Some of the other team members were probably already one foot out the door by the time you get there. I've seen this happen before where you have to let them know the tide has changed, there will be a different way of doing things. Were you able to save anyone else? Or did some others go?

Lloyd: Oh, we arrived at rock bottom. It's like, I think the COO saw the signs of like, okay, that's it.

James: Feel like the business ambulance.

Lloyd: I'm out of here.

James: Come and clean up.



The tough job of letting people go

Lloyd: And it was too late. By the time the company credit card's maxed out, and the finance and us have raised the alert, it's too late. And it got to the position where it was very clear that there was just not enough money to pay all the staff. So the worst situation that you want to be in is having to let staff go.

James: So hi, I'm new here, by the way, we can't afford you anymore.

Lloyd: Yeah. Great situation. Yeah, that's so much fun.

James: Isn't that a thing though? Like, as a founder, we've got a responsibility to our team. I felt the weight of that when I had 65 team members. The moment it was real for me was when I went over to the Philippines, we booked out an entire restaurant, and I looked around. And I think most of the people could make it, not everyone could make it, you know, family, kids or whatever, or too far to travel. But I think there was at least 50-something people in the room. They all worked for me.

My ability to create a survivable business is important because they're relying on me to fund their future. And it's a huge responsibility. And I think it's very hard for founders to have to let people go. But it must have been extra hard for a founder who's been - sounds like they've been kind of negligent in a way to - I wonder if they wear that responsibility and say, You know what, I've been an idiot. I've wasted funds on useless projects that just satisfied my own ego. I wonder if they had the balls to absorb that.

Lloyd: I remember the conversation well, like when the realization was there that letting people go, like if we got to that point, that's when the lesson was really learned, like, okay, now we need to change direction, now something has to change.

James: So what did you do?

Lloyd: The conversation, I mean, first of all, the poor guy was like a rabbit in the headlights, like, he realized what had happened, and what needed to happen, and people needed to be let go. I supported him through the conversation with the staff, while we were there. It's actually best - he hired those people, it was best for him to say to those people what needed to be said and just tell them the truth about it.

James: And what modality is that happening? It's not an SMS or a webinar, right?

Lloyd: Oh, face to face. Like, if you're going to give people moves like that, you have to say, Here it is, this is what it is, and just be absolutely honest about it. And I remember him saying, They're going to hate me for this. And I'm like, They're not going to like you. But at least they can respect you for telling them the truth. Like, this is how it is, this is what needed to happen.

When the only way left to go is up

So we were there for rock bottom. But when you're at rock bottom, the only way is up, right?

James: What does that look like?

Lloyd: Yeah. So next we had a very lean team. And the founder had realized, right, well, something needs to change. And they knew what their superpower was, they already knew what part of the business was profitable. And the founder also had a clear vision. The problem was, that vision just wasn't written down anywhere. So how do people know what good looks like? They don't know what's in this guy's mind?

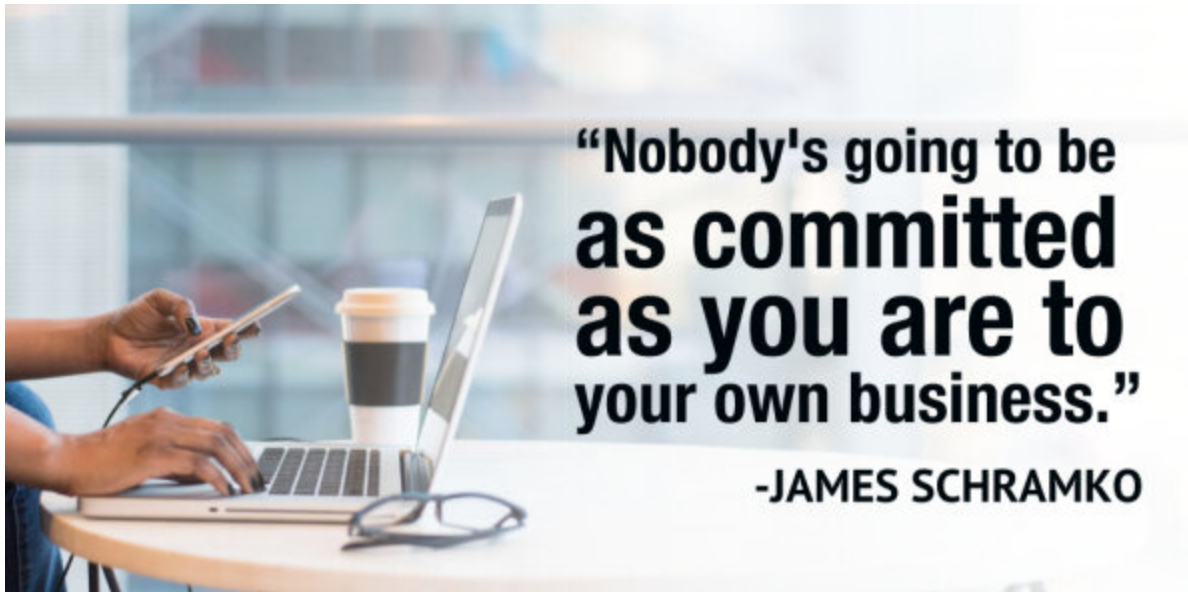
James: So it was a secret vision.

Lloyd: You're not psychic. So we got this vision distilled. You know, this is where we want to be. Where do we want to be in three years? What does that look like? Work back, where do we want to be in one year? Where do we want to be each quarter to achieve the one year? And then chop up those quarterly objectives into the weekly rhythm so we can actually do them.

And so at a high level that might be, we're going to make X amount of million revenue in three years, and the founder is not going to be involved in the daily operations of X amount of sales calls. And all of these things can cascade down into the daily activities of what people do through three years, one year, quarterly goals. So goals, vision and values.

So we work with the team to get that all in place so that people had a clear expectation of what their job should be, and what good looks like. And so with everybody rowing in the same direction, and everybody focusing on the superpower of the business, things started to turn around and things started to turn around really quickly.

James: I imagine this is missing in almost every business really. It's just like, you got crazy founders out there, high-visionary creatives. They know what they're trying to do, they always get frustrated, they say things like, Why doesn't my team think about this? Or surely they know this. Or why aren't they as committed as I am?



Nobody's going to be as committed as you are to your own business, bottom line, but you can at least share with them what you're trying to do and see if they want to be on board that. This is like a miracle for this business. I'm curious to know what kind of results they experienced as a result of this.

The results of Lloyd's intervention

Lloyd: I mean, given that they had such a lean team, and then they were focusing on that just core area they were good at, in three months' time, they had their best month in 10 years. It's a huge culture change. Also, to top it off, some of the folks that were let go were able to come back in on contracts. So that was an absolute win.

And I think another win was the culture, just how everyone's like, Okay, there's something working now, we're rowing in the right direction, the business is working, the founder's realized what had happened and what needed to change. So the result was positive in the end. It's just, they needed to go through some really dark time to get there.

James: I love it. You've given some great advice in this particular episode. So if your founder is pulling themselves into different directions that aren't consistent with the business, someone needs to call it out. If you're particularly good at something, if you have a superpower, it's ideal if you can have that documented and total clarity around what that looks like and where you're going with it and how everyone's going to contribute to that, so that you can metaphorically row in the same direction.

Of course, if you need some help with this, if any of what we talked about sounds way too scary and a little bit close to home, get in touch with Lloyd at VirtualDOO, virtualdoo.com. What's the easiest way to get in touch with you, Lloyd?

Lloyd: Yeah, just email me at lloyd@virtualdoo.com.

James: That's it, and say, Lloyd, we need to chat. And hopefully, do it before you get to rock bottom, because Lloyd is a miracle worker. Everyone I speak to, he's been helping. They're like, This guy is like the single best investment I've ever made as a business. That's the feedback I get. It's awesome. I know you've got a [book](#) coming out soon. I'm hoping we can talk about that on a future episode as well, Lloyd, where you're going to break it down for businesses. Yeah?

Lloyd: Yeah, that's the nine ways to escape the daily operations.

James: Oh my god, that is the absolute perfect outcome.

All right, well, to be continued. This is episode 961. I've been chatting to [Lloyd Thompson](#) from virtualdoo.com. He's just a top guy, he's a business partner of mine. I met him in the surf. He's a miracle worker for these small to medium and even large enterprises. He's got oodles of experience. People and systems, problems solved. Thanks so much, Lloyd.

Lloyd: Thanks again, James.



JAMES SCHRAMKO

Discover your
ideal business
model with
James's help

[CLICK HERE](#)