



PRODUCTIVITYIST

FARSIGHTED FOCUS

with Eliot

Wagonheim



Mike: I'd like to welcome Elliot Wagonheim to the Productivity Podcast. Elliot thanks for joining me today.

Eliot: Thank you so much for having me. It's a pleasure to be here.

Mike: Okay, so my wife and I, we're partners in this operation that we call Productivityist. Now, it's a very dangerous thing for me to ask how I would be able to cope with that, how would be able to put myself in the right mindset to achieve success with my partnership with my wife. I'm not going to go down that road because you know that's where marriage counselors I think come in more than what you do. Where do you help people in terms of when they're trying to build a successful operation—especially when it comes to dealing with other people because obviously you're in a partnership because someone brings something to the table that is valuable to the operation? Where's a good place to start from when people are trying to build success in that kind of venture?

Eliot: Well, I think that it comes down to—let me give you by way of background, I've been a business attorney and coach and counselor for 30 years. I've seen tremendous successes and a lot of crashes and burns. And in all that time, what I realized is



Eliot: that any contract, let alone a partnership, which is in effect a contract, it's an agreement on how we are going to do this thing, how we going to go forward, comes down to making sure you're on the same page as to four questions. That's it, just four questions. Okay? Do you want to know what they are?

Mike: I don't just want to know, I think my audience wants to know.

Eliot: Okay, so the first question is, why would I want to get out of this? Whenever a client calls me and says, "Here's the thing. We're venturing into a contract", I ask them, "What would make you want to get out of it?" Sometimes if it's a standard services contract, they'd say, "Well, not getting paid". But sometimes it's if somebody doesn't do this one time, where I expected them to do that but they do the other thing. With a partnership, what if my partner comes in 10, leaves at 2 and takes a two-hour lunch or if whatever it happens to be. But you have to really think about that. Why would I want to get out of this thing? And so, that's the first question. The second question is pretty much the polar opposite of that. And that is, what would it take to make me look back on my decision to



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Eliot:

join this partnership or sign this contract as the best professional decision I've made in the last five years? What would it take? What would it take to hit this ball out of the park? And so, you start thinking about, "Well, it's not just getting a services contract. It's not just about getting paid." But maybe it's we're able to expand, or I'm able to establish a reputation here, or they're going to be a referral source, or I'm going to realize the vision of this, or I can achieve mastery in a certain skill, or become a better person, or better craftsman, or whatever that happens to be. So those are the foundational questions, those are two. The other two question are mirror images of each other. And it's particularly true in a partnership but it also applies when you're dealing with contracting parties. And they are, what can be done over my objection? And what can I do over my partner's objection? Now you can take all the all of the legalese in the world, and you can start counting noses, and stock certificates, and you can talk about boards of directors, and you can talk about job descriptions, and scope of work, and all that stuff. But it really boils down to, on a practical level, what can I do over somebody's objection, which also translates to what can I do without having to ask permission? And what can somebody do without consulting with me or my objection? So if you take



Eliot: a partnership, can I go out and buy pencils without my partner's approval? Without getting some sort of running it by him or her. Answer's probably yes. Can I sign a new lease? Can I change banks? Can I hire a six-figure sales person? Can I bring on my daughter? As an employee, can I open up a new location? Or decide that our software development company is also going to dabble in landscape architecture. So, what is it that you decide you can do without checking with the other? Can I write myself a bonus of \$50,000? Even if I have to write you a bonus too, of \$50,000 maybe. Maybe there's disagreement on whether we can take that much cash out of the business. Can I do that or can I use the company credit card to pay for lunch? Do I have to run that by you? Those were the four questions, and most people don't ask them, believe it or not. Or they leave it to their lawyer, and they say, "What's typical?" And that's just looking for a custom fit in an off-the-rack world.

Mike: First off, those questions are incredibly detailed which I think people-- it's impressive to have those in front of them. I was just wondering about this idea, and you've really given me something deep to think about. When they can't come up with concrete answers or the answers aren't necessarily



Mike: concrete enough, what do you recommend? Or do you step in or how does that work?

Eliot: Yes. What I do is I can tell them what a lot of businesses do, and then we start telling stories. Because stories-- bullet points are very concrete. Like you said, there-- this statement: You can't hire somebody at work. But sometimes you tell stories, and that's where experience comes in. I can say, "Okay, this happened. Would you be comfortable with a partner making unilateral decision to do this?" Or, "That happened. How do you think this should work? How do you envision your partnership working if this situation comes up?" And in telling the stories, my clients often bring a wealth of lifetime experience to whatever endeavor brings them into my conference room or certainly my experience.

We talk about, "Okay. Well, let's forget about this contract. Contracts are intimidating and looking at a white piece of paper can be overwhelming at times. Why don't we just talk about the best partnership you ever had, the worst partnership you ever had, things that you wish you had differently in some other business situation or even in some other relationship. Let's talk about your own stories. And what



Eliot: kind of rubbed you the wrong way or what made you feel ecstatic that you decided to embark on this initiative.” And if we take the time to do that, to really flesh out the stories, then you can make a custom tailored agreement that actually fits people as opposed to some basic contract off your attorney’s hard drive.

Mike: These questions, are they just applied to, obviously operations partnership, but you've got management. They can be evolved, I would imagine, or they can be adjusted but it gets to the point where you start questioning. And I think that's one of the things that you're focusing on is, they need to be, in order to think further ahead. I see this with time management all the time too. I actually coached a client yesterday who doesn't like to plan too far ahead because they want to make sure that the opportunities that present themselves they may have the ability to take advantage of them. I think the danger there is that if five opportunities come to you all at once in the same time period, then you're faced with a whole other choice. This is kind of future proofing, right, really in a lot of ways.



Eliot: It is. All a contract is a crystal ball gazer. We are not creating a contract to figure out how you should handle the thing that happened two years ago. We're trying to create a contract to figure out what should happen in the next five months, five years, five decades. And you're right. These questions can be tailored and I'll give you an example. One of the questions is, how do I get out of this or what would make me want to get out of this?

Let's say you're hiring somebody. And hiring is fun, I have to tell you. You have a need, you've got a person in front of you to watch the job, but before you extend your hand across the table, if you ask a variant of that question or make a statement based on the why would I want to get out of this question. You look at that person and say, "Hey, you should know this is why I'm going to fire you. I'm going to fire you if your Cust Sat is below 92 percent, I'm going to fire you if you lose the McCormick contract, I'm going to fire you if you're late. I'm going to fire you if you're behind schedule, whatever it happens to be. Now that's not a warm and fuzzy conversation, and you don't have to phrase it in quite those terms. But nobody leaves that conversation unclear as to what the minimum requirements are. And if you have to sit



- Eliot:** that person down in to your office in eight months, you're not going to blindside them if you say, "Look, I have to let you go because your customer satisfaction rating is below 92 percent, you lost the McCormick contract, and you're behind schedule, right? You can tailor the questions to the situation, but you absolutely have to anticipate the future and start with the end in mind.
- Mike:** How do you help people get past the discomfort of all of this? Because it can get really uncomfortable – because you've been burned before – but you don't want to color your decision by that experience? How do you help people get past this discomfort? Because there's certainty and uncertainty-- I mean, it's well-known we need both certainty and uncertainty. But that can be a real stumbling block.
- Eliot:** It can, you're absolutely right. And there's no neat package, one master answer to handle all of these people. I mean, look at your practice. You consult, you coach a variety of clients. Some of them comment their issues like the client you just described. He doesn't like planning much in advance and he wants to see himself as open to new opportunities and eminently flexible. And that's a mindset that you as a coach,



Eliot: knowing best practices, you have to deal with. And you can't look at your client, I don't think you do, and just say, "Hey, yes. You're wrong. You do it my way."

Mike: Right. In fact, it's interesting. I was just having the conversation on a podcast with Tock Mcrae, one of our past episodes. One of the things that I don't like about a lot of productivity practice out there is that they're too rigid. It's like if you don't do all of it, then you're not doing it right. And that's something I vehemently disagree with because productivity is a personal thing, and there's a lot of personal components to it. But continue, because you're right. You can't just say this is how it is and if you don't like it, tough. You know what I mean?

Eliot: Right. It's eminently personal, and what I would imagine you have to do with your own practice. You have to get a sense of the person sitting in front of you. What are their fears, what are their emotional issues, and everybody brings emotional issues to business. The person that says "It's not personal, it's just business," was an idiot. Of course, it's personal. You bring your own experience – good, bad and indifferent. Sometimes, I've actually role played. I said, "Say the words. Say the words,



Eliot: this is why I'm going to fire you. Or say the words, I don't want you to do this." A lot of times I'll bring in the partners together, and a lot of times I'll get on conference calls, even on contracts with the other party. I did that just this morning. And I said, "Look, we're dealing with this particularly onerous contract. There's a lot of money involved. I got your comments. I got your redline, there's a lot of red in there. I can send back a draft. We can send back 19 different drafts. We'll all get frustrated, the lawyers will get paid, and nothing will get done. What I want to do is get on a conference call, and let's talk about the framework. Before we talk about the words, let's talk about the framework. This is what I'm scared of, this is what's keeping me up at night when I'm advising my client. And a lot of times the other side says, "Oh, well. We'd never do that. The reason that we included this clause is because of our fear of X." And I said, "Well, okay. I understand that fear. Now, why don't we figure out how we can address kind of both of our fears as supposed to just going back and forth on contracts with I'm going to add in clause A. No, I'm going to delete clause A or nothing gets accomplished." It's really a method of communication - and believe it or not - that is one of the keys to that communication comes from improv comedy.



Mike: Excellent. I have a background there.

Eliot: Okay.

Mike: Yes. I did improv for many years. In fact, those listening to the podcasts know that I started out doing a productivity parody, is where I started. I was doing a Stephen Colbert-esque kind of take on productivity and that led me to where I am now. Obviously, I don't do that anymore because I've become the very thing I'm parodying. I've always said like improv is one of those skills that is so valuable. But most people get it in their head that it's just a "Whose Line Is It Anyway?" kind of thing. It's not that at all.

Eliot: No, it's not. But see, now I'm going to violate a litigator's number one rule. I'm going to ask you a question, and I don't know what you're going to say. What do you think is one of the key rules of improv comedy? If you're giving instruction to somebody on how to do improve, what's one of the key rules to being a player in a scene?

Mike: Always say yes.



Eliot: Always say yes. That's exactly right. So you have-- and you hear it described as guess end, right?

Mike: Yes.

Eliot: Well, that's the best way to negotiate a contract. If I tell you that, "This is my position. It's absolutely this," and we want to make a deal. If you say no, you can't have that, so we're guess no. The scene ends an improv, the contract ends in business, it does.

Mike: Or if the offer is just-- to use an improv example it's like, we've seen this many times happen on stage like, "Oh look at that pretty cat." Then someone else says, "That's not a cat." Okay, well, great. You've just killed the offer.

Eliot: Right. Exactly. But if I say that, "Yes, not only the cat, look at the rhino standing next to him." If I can - in business and negotiation - say yes, and if I can say, "Yes, I understand your point, you need this. And what I need in order to protect it from going south on me is this." Now we have a conversation. We don't just have people glaring at each other and pointing fingers and lawyers going back and forth. We can actually



Eliot: figure out a way to maneuver together past the rocks that are in each other's way.

Mike: Hey, it opens up opportunities too. Like you said like there's a rhino standing next to it. That's one possibility. But the other is, "Oh, you like my cat," Like all of a sudden, it's like, okay, the cat has an owner. It allows for development, and growth and all of that whereas "No" kills it. Now, I do want to touch on "No" really quickly as we dive into this. What role does "No" have in all of this? Because I'm a big believer in it's a word that we don't use often enough because we tend to-- saying yes to everything is saying no to something. And saying no to everything is saying yes to something. Like it's a real dichotomy. A lot of people struggle with this. A lot of people love to say yes because they don't want to tick anybody off, and they want to be accepting. But what role does "No" play in all of this? Because it must and not necessarily always in a negative way.

Eliot: Well, no. You're absolutely right. "No" is extremely valuable and extremely positive for a business to be able to say it. Because you've got to-- and this is real estate, but it goes into productivity, it goes into a lot of things. You got to know your



Eliot: highest and best use. So that-- I love public speaking, for example, but I know the audience that relates to what I have to say best. I know the audience that fires me up. If I get, for example, an invitation to go speak to a group of first-year financial planners who are looking to become associates in that business. I'd say no, not because I disrespect that audience but because I know my highest and best use. That's not going to be the best use of their time or of my time. It's not where my message is best spread. And so, in the business, in a contract or in a partnership, you have to know who you are. You have to know what you're comfortable with to be able to say no. And so many businesses, particularly when they're early on, in a startup or just couple years under their belt, they'll take on any client because they're so concerned about keeping the lights on. And I get that, I really do. But the rule is, the fact of the matter is, that bad clients push out good clients. Because you work so hard to make a bad fit work. And you devote so much of your resources, and time, and emotional energy to making a bad fit work within whatever you want to do. But time is finite, right? Resources are finite--

Mike: It's the 80/20 rule.



Eliot: Yes. And so when you don't say no, you wind up accepting things and then pushing out the things that you really should have left yourself open for. So “No” is incredibly valuable.

Mike: How important is stepping back when you're doing all this? You've got these four questions, you've got-- with the mindset of finishing with the end in mind, how important is pausing and stepping back? Because, again, we live in a culture especially with what I talk about where speed, quantity, forward progress at all costs seems to be the currency of progress. But there's not enough value seen in the pause or even the stepping back to gain perspective. What are your thoughts on that?

Eliot: You know, I believe it's incredibly valuable and sometimes I've been guilty of overlooking it, particularly when things get frantic. But I think you have to have a number of devices to do that. Some people meditate, I started meditating about a year ago. And I don't want to sound all new age or whatever, but sometimes, just surprising your day with the quiet, just kind of being now, not thinking about payroll in the next 3 days or what's coming with the next project. Just kind of settling down for quiet helps, just for 10 minutes. I think it's valuable



Eliot: your competitors, they're not in your organization. But they're people that you just think are just amazing people. I'll tell you —I'll give you an example.

Mike: Sure.

Eliot: Imagine if you're giving a party for, like, a 100 people. Okay? And you send out all of these invitations and their RSVPs. And sometimes you get RSVPs in your life and you're like, you open it up and you're like, "Oh. Cool. She's coming. That's great." And sometimes, you get the RSVP and you just pump your fist, you're like, "Yes. That person's coming." Those are what I call the fist pump people. We all have them. We've got friends, we've got people we like talking to, but there are a couple of fist pump people that you're like, "Yes." I think it's incredibly valuable to identify those fist pump people, for whatever reason.

They don't have to be prospective client, they don't have to be partners, they don't have to be in your industry. They're just people you get a charge out of. And schedule coffee with them, regularly. Once a month, once a quarter, whatever it is. But keep your spark burning. A lot of times just a



Eliot: conversation, a no agenda conversation, allows you to step back, think and approach things differently. Same thing with cool podcasts like yours, where I'm not thinking about my business, I'm just going to tune into what Mike has to say and what his guest has to say. That's a form of stepping back, it's a great service. Or reading a book that has nothing to do with your business, "20 Ways You Can Boost Your Architecture." Just read a book, and that's something you always want to do. Take an improv class, for God's sake. Those are great. But the spark will die if you don't step back, I firmly believe that.

Mike: Elliot, this has been a great conversation, I know we're going to have more for our members with the bonus episode. But where can people find you and learn more about what you do online?

Eliot: If they go to foresightatbusiness.com. I also have a book that's on Amazon. I just started to make it free because I didn't care if I got \$2 or not. So it's free. You look up just Wagonheim on Amazon, you'll see "Fire, Aim...Ready: Management." It talks about these things. And also on twitter @Wagonheim, which is W-A-G-O-N-H-E-I-M.



Mike: Great. Thanks so much for joining me, Eliot. I had a great time talking with you. And it's always good to talk improv, right?

Eliot: Yes, absolutely. I really enjoyed it. Thank you for the opportunity.

Mike: See that was you, you accepted the offer. You said “Yes”. And so, there you go.

Eliot: There you go. [laughs]

Mike: Take care.



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