**SPI Podcast Session #163 –
Michael Hyatt on the Secrets of
Team Building and Leadership**

Show notes: www.smartpassiveincome.com/session163

This is the Smart Passive Income podcast with Pat Flynn, Session #163.

Intro: Welcome to the Smart Passive Income podcast, where it's all about working hard now so you can sit back and reap the benefits later. And now your host, he works out to music from The Glitch Mob, Pat Flynn!

Pat: What is up, everybody? Thank you so much for joining me today in Session 163 of the SPI podcast. I'm really excited for today's episode because we're bringing a guest on the show who's been on before, way back in Episode 93. That was actually back in 2013.

This is somebody who I look up to very much and who has inspired me in so many ways, none other than Michael Hyatt from MichaelHyatt.com. Today we're going to be talking about the secrets of team building and how to be a great leader to that team so that you can together produce more and serve your audience better and, as a result, hopefully make a lot more money.

That's something that I've been experiencing a lot over the past year. I've been focusing a lot on finding the right people and building the right team, to be able to provide more to you guys, and as a result a lot of amazing things have happened in my business.

I think it was our good friend Chris Ducker from ChrisDucker.com at a 1 Day Business Breakthrough event which he and I host together who was talking about the definition of an entrepreneur. I like this definition because he says that you're not really an entrepreneur until you hire a team.

You're a solopreneur if you're just by yourself, and when you're a solopreneur you're getting to the point, especially if you've been doing it for a while, where you're either going to burn out or you're going to stay a constant.

It is only when you hire a team that you can then take a lot of those things that you're doing as a solopreneur, hand those things off to somebody else who can potentially do

them much better and faster, and that clears your mind and clears your schedule to be able to do those things that you should be doing as the business owner. Until you hire that team you're not an entrepreneur but just a solopreneur.

I like that and I've experienced that over the past year, hiring a team and just the amazing things that have happened as a result of that. For those of you who have been following me for a while, you might have noticed how many more things I've been able to get done, and it's not because I've been cloning myself – well, sort of – but really it's a result of finding other people to help me who share the same values as me, who understand what my goals are, and who can help me create and provide for you.

Today we're going to be talking with Michael Hyatt, who was the inspiration to me, and I'll talk all about that in our interview. Without further ado, let's get to the interview with Michael Hyatt from MichaelHyatt.com. Here he is.

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Pat: All right everybody, I'm so happy to welcome back Michael Hyatt to the Smart Pass Income podcast. Michael, welcome back to the show.

Michael: Thanks Pat. It's great to be with you again.

Pat: I'm so happy you're here with us because you always bring such amazing content with whatever you're doing, whether it's [Platform University](#) or the Platform conference, which I've attended a couple times. It's definitely one of my favorite conferences to attend, and I highly recommend it for everybody out there.

Some stuff has changed for you recently. I know you have a new website and you've also done some cool things with your podcast. Can you talk about those things really quick before we get into the meat here?

Michael: Absolutely. I'm constantly experimenting and reinventing. When something starts working I feel the need to break it. The truth is with my podcast, for 100 episodes I've done it all by myself, me just talking into a microphone like I am right now, except with nobody else in the room. It was a monologue and it got really, really tedious.

When I'm left to my own devices I become a perfectionist, so I would spend about a day per week editing this one podcast that went out. I said, "Something's got to change

or I can't be productive in creating content." So long story short, I hired a co-host, Michele Chusatt, who is a long-time friend and we just have amazing rapport, and we decided we're going to bash record these in a recording studio in Nashville.

I said to my team, "I don't want to do any preparation. I don't want to have to do any of the post-production. I want to walk into the studio, produce 13 episodes in a day and a half, walk out and the rest happens as if by magic," and that's exactly what's happened. It's been amazing. It's restored my love for podcasting. I love this medium.

With regard to the blog site, we did a lot of reader survey type reconnaissance with my audience and we wanted to freshen up the brand and make it more true to who I am and who I'm becoming.

One of the consistent things that we heard from my readers is almost every day people would write in and say, "You've become my virtual mentor," so my team said, "We think that ought to be kind of the positioning, is that you position yourself as a virtual mentor to a lot of people who are looking for that online."

I resisted it for like 6 months. I felt like it was kind of audacious, a little pompous, and finally they got me comfortable with it. Since we launched the site, which has been a few months ago now, the response has been overwhelming. People have just said, "This is exactly who we see you as," so it's been a real confirmation.

Pat: I love that. The blog redesign and the new tagline and everything with the Virtual Mentor, I think it fits you perfectly. It's interesting because even Michael Hyatt battles with himself sometimes, everybody. You had your audience telling you exactly what they thought of you, yet here you are kind of with the restraint of that next step. What made you finally decide, "Yes, virtual mentor is the way to go."?

Michael: I'll tell you, it was actually a late night conversation at my home. Ray Edwards was in town and he was staying with us and I said to Ray, "Look, you're somebody I really trust and somebody who's really mature and about my age. Let me just show you these mockups for my site and I would just love to get your opinion. I'm not going to prejudice you one way or another, but I just would love your input."

He looked at it and he's very thoughtful. He kind of nodded a little bit, then he just looked at me and he said, "It's perfect."

Pat: I love Ray. Ray and I are in a mastermind group together and he always has the best advice, so if he says nothing but "It's perfect," then you know that what you have is great.

Michael: He was so encouraging and he's just such a great guy. I love his podcast, too.

Pat: And your podcast, I love the new direction. It's sort of batch processed, like you said, and put out into seasons, which is kind of cool because then you have the option of either stopping it or keeping going with it if you like, which I think is really smart.

You said you fell in love with it again. That means you kind of hated it for a while, is that true?

Michael: Yeah, that would actually be an understatement. I got to the place where I just dreaded it. When I would finish editing and uploading and doing all that stuff on site – and I was doing it all myself – so when I would upload that podcast episode I would feel about 2 minutes of elation that finally this is done for the week and I can come up with the rest of the stuff for this week.

Then I would just kind of have this cloud. The storm clouds would gather as I would begin to prepare, and that's just a signal to me that there's something wrong in the mix. Life is too short to do all the stuff you don't love. I'm not above paying my dues, but come on, it's got to be easier than that.

At first what I did was I said, "Let me just outsource some of the pieces, so I'll have somebody handle the post-production." Again, I did everything from show prep to doing the editing to doing the uploading to doing the WordPress post, so I started just carving that up. Then I just got to the place where I said, "I really think I would thrive in an environment where I'm being interviewed," and that's what we did.

Pat: It's great and you're amazing on it, and it's also a video show. I believe you put it on YouTube and as an iTunes podcast, is that correct?

Michael: Yeah. This is kind of a fun thing, too. Because we're in a recording studio, my daughter Megan, who works with me in the business, said to me, "Dad, why don't we just bring in the video crew while you're doing the podcast, and then we'll be able to create a video podcast at the same time and get some juice into YouTube," and I said, "Great," so we've done that every time as well.

Pat: And what have been the results from putting it into video format as well?

Michael: Great. I can't quote to you the numbers here, but it's probably about our 2nd-highest referral site to the blog, right behind Facebook.

Pat: Wow, that's huge!

Michael: Ahead of Twitter.

Pat: That's huge. So with the podcast you had this sort of hate for the way you were doing it, and you changed it and that's great. To the blog, however, things weren't necessarily broken but you decided to go with it anyway, and you said yourself the reason why you liked doing that is because you love to experiment and stuff.

What advice can we give to people out there listening who might be satisfied with what they have, but do need to keep going and push further?

Michael: I think it may be related to temperament, but I think you always have to be checking. It's kind a gut check thing. Is there a congruence between what I'm about and what I'm trying to communicate to my audience and what my audience wants? I'm looking for that kind of alignment between all those things.

When it starts getting out of alignment, as I felt it was because it was really aligned around the idea of intentional leadership, which is really the idea of my company and still a very central framework for how I think about my life and work, but I thought, "There's got to be something that connects more from the audience's perspective." Plus I just felt like the design was a little bit long in the tooth.

I've had a designer I've worked with for a couple years who does an amazing job, and I just wanted to give him a crack at it so that all of our graphics begin to line up and feel like they were coming out of the same brand.

Pat: The interesting question that came to mind is you have a theme called Get Noticed, which was sort of a copy of your other theme. Now that you've moved onto this new theme, were there any implications there or something you were thinking about in terms of the people who had your previous version, that maybe you'd be leaving them behind and thinking something was better? Or was there another theme that potentially was going to come out?

Michael: The cool thing about it is the Get Noticed theme is really a framework more than anything. Even my previous theme was a child theme that sat on top of that, and we made that child theme available to everybody, but we created this new child theme and put this on top of the Get Noticed theme. So this is still the Get Noticed theme, it's just a different child theme. The best themes that are designed on top of Get Noticed theme are where people have done that. They've created a child theme.

We probably will not make this one available to the public only because what we started seeing was – and this is a tough one and I may be wrong in this – but we started seeing a lot of blogs that looked like mine. I didn't feel that was good for creating a distinctive look for myself. I want to empower people to create their own look, but not just to mimic me because that's not the path to success. You've got to find your own way.

Pat: I fully agree with that. Now, on this notion of you're not really sure if you should go to the next step, today we're going to be talking about building a team.

Michael, I don't know if you remember but I did an episode where it was sort of very much in an NPR-style with music and stories, and I actually played a segment of my talk at Platform Conference 2012, with me playing the trumpet. This was Episode 138 of the Smart Passive Income podcast, and thank you guys for that audio to put in there.

That was a life-changing conference for me for several reasons, just because the content was great and it was great to meet everybody there, but also because I saw what your team allowed you to do to put on that show, to be able to do that on top of everything else you were doing. It was really inspiring to me to get me to think about, "How can I build a team now too, to help me just better serve my audience?" like you were doing to us.

Thank you for that and thank you for your team. Your team is amazing. Every time I've worked with them they've been great, and they've been very much an inspiration for me on how I've built my team, but it took me a long time to figure out that a team was exactly what I needed at the time in my business.

Not everybody needs a team when they're starting out, but eventually I feel like everybody gets to a point where they need a team or else they're just going to stay the same. How would you comment on the fact that a lot of people probably need a team but aren't really quite up to the task of putting one together?

Michael: This is the challenge. I left Thomas Nelson as the CEO, a large publishing company with 650 people in my company. I had 10 direct reports, an amazing executive team, and I left that to pursue my dream of writing and speaking full-time.

Initially I thought, "You know, I just want something super minimalist, me and a virtual executive assistant and that's enough." But what I realized is that I couldn't really create the impact in the world I wanted to have if it was just me, because the truth is I don't do everything well.

In fact, to even say it more strongly, I only do a few things well. There's a lot of things I can do, but I'm out of my strength zone when I'm doing those things, and they either deplete me or I'm not as competent as someone else if I would hire them.

It's tough because I was also committed in this business to bootstrapping this business. I didn't want outside investor money. I didn't want to borrow money. I wanted to pay for it as I generated the money.

The challenge in building a team is the investment always comes before you reap the harvest, and it always feels like you're a little bit out of your comfort zone. It always feels like that for me when I hire somebody. We just hired a Chief Marketing Officer, not cheap, frankly. It was somebody who was a VP of Marketing at Thomas Nelson that we just brought into the company, so that was a stretch.

I'm going, "Wow, so what's the payback going to be on this?" and there's some risk involved because you're making some revenue assumptions and all the rest, and you're hopeful that happens, but that's how it always feels. Every time I do it my income goes up, my capability expands, and my impact on the world increases.

That's the perspective you've got to have. You've got to be willing as an entrepreneur, I think, to be able to get out of your comfort zone, to be willing to stretch for the sake of the people that you're trying to have an impact on.

Pat: I know what a lot of people in the audience are thinking right now. They're thinking, "Whoa, you're Michael Hyatt. You're experienced. You've found people that you've already worked with before to come and help you and build your team. What about me? I'm just starting out. I don't have much money. I do want to hire somebody because I know I need to make a bigger impact on the world, and I know I can with some help, but I don't know if it's going to work or not."

Michael: This is really cool, Pat. What you have to do – and I've used this formula time and time again – is you can't think about the resources first. Most people think, "I don't have the money. I don't have the experience," so they get focused on the resource conversation first. Wrong conversation, wrong thought process. The first thing you've got to think about is, "What do I want?" When you get crystal-clear on that and you really get connected with the 'why,' then the resources have a way of showing up.

Here's what I do. I think, "If I could offload some of the stuff that I'm doing now, what's the stuff I either hate or I'm not particularly good at?" Those are the two categories, and just begin to jot those down. "What are the things I would get rid of first?"

When I left Thomas Nelson and got on my own I knew I was going to need an assistant but I said, "For what? I need somebody to manage my calendar, book my travel, manage email for me, that type of thing," so I made a very clear list. That morphed into a job description.

At this point I was hardly generating any income. I didn't have any money out of the business to be able to fund that, but I wanted to get really crystal-clear. My deal with myself was I wasn't going to fund this out of money I had in investments or sitting in the bank. This was all going to have to come out of the business. I wanted to be able to prove something, be able to build something that was self-funding, so I just started.

I got crystal-clear on what I needed and I started with an assistant 5 hours a week. I said, "What would happen if I could liberate 5 hours a week to do more of the stuff that generates revenue, that really moves the needle in terms of the results I'm trying to create?" Literally within a month that went up to 10 hours a week because I was doing so much more.

My income was rising the whole time because now, rather than futzing around – that's a technical term – with all this administrative stuff, I was freed up to do what only I could do, create product, connect with customers and clients and all the rest, and my income went up.

I've just followed that same pattern over and over again. Even before I was confident that I could hire a Chief Marketing Officer I said, "What would that make possible in my business if I could?"

Pat: I love that, and I love that you said you started out small. I think that's really important .That's something I mention all the time because we think we need to hire somebody that's 40 hours a week. "What am I going to have them do?" But even an hour saved a week, imagine that extra hour over 52 weeks, that's an extra 52 hours. That's so much time for you to do something else that only you can do.

I'll tell you, Michael, when I finally realized the power of hiring somebody to edit my podcast, which I first experienced through hiring Mindy to edit Ask Pat, then I was like, "Wow, this is great. Let me hire somebody to edit Smart Passive Income." It's opened up at least 5 hours a week for me.

Since then I think a lot of people have been noticing just how productive I've been, and that is a result of two things. One the Miracle Morning and being very productive in the morning and getting in tune with my creativity and when I'm creative and just focusing on that part of productivity, but also it's these 5 hours that I'm opening up for myself every week now through having somebody else do the podcast.

The thing is, it was so hard for me because I did it for years myself, like you did, and I was good at it. I felt like also that I had to do it in my own special way that I didn't think anybody else could do.

Michael: Here's the crazy thing about it. Talk about a false economy. This happened just recently in my mastermind group. One of the guys was struggling with hiring a developer, and he was kind of a coder. He's really in the business to market information, but he can do some coding like I can and like you can.

One of the guys in the mastermind said, "How much do you think you make an hour?" so the guy did a computation and he said, "Well, probably $250-300 an hour." So he said, "Okay, great. Let me ask you a question. Would you pay a web developer $300 an hour?" and the guy just snapped. He said, "Absolutely not! That's crazy." Then he said, "Well, you already are and, by your own admission, he's not a very good one."

That's the kind of false economy we get into. We creative a very expensive solution, which is us doing all the work.

Pat: That's a great way to think about it. I think that might have clicked for a lot of people in their heads right when you said that.

Now, as we're building our team we might be hiring people to do certain things. The one thing Chris Ducker always says – and he wrote *Virtual Freedom* and I love that book, it's changed my life – he says, "There's no such thing as a super VA or super assistant, one who can do everything." You might have one person do your calendar and your appointments and things like that, but then you've since hired a lot more people to do other things, right?

Michael: Absolutely. For example, I mentioned the Chief Marketing Officer. My daughter was in that role, and this has freed her up to do what we call the Chief Brand Officer, but she also does business development and pursues new opportunities.

Running the business with Platform University, 5 Days to Your Best Year Ever, books I've gotten processed and everything, that's like a full-time thing and there's nobody looking at the new stuff. Now Megan is looking at all that full-time.

I now have a guy who I'll refer to as my Chief Content Officer. The way I used to do blog posts, as an example, is I would come up with the ideas and I would do the research and I would sit down and write those and format them and put them into WordPress and everything else. I did the same thing with that that I did with podcasting, so I started cutting that up and saying, "Where's the place where I add the value?" It's really coming up with the concept and then fine-tuning the writing.

He actually does the initial draft, presents it to me, and he's really done a lot of analysis on my voice and has got my voice. Now, it's still my content but – and you'll appreciate this metaphor – I'm the architect, not the contractor.

Pat: I do appreciate that metaphor.

Michael: A bookkeeper is another person on my team. We've got two executive assistants. We've got somebody that manages Platform University and manages the whole community. These are all employees. Then we have a small group of about 10 contractors that do most of their work for me, but not exclusively.

Pat: That's amazing what you've built. Even just hearing you talk about all those different people it's like how do you keep everybody organized? How do you keep everybody doing the job that they're supposed to be doing so you can all keep moving forward, because you're paying these people money obviously, and you don't want that money to go to waste. How are you able to be a good leader for these people?

Michael: The single most important thing to do in leadership, in my view and in my experience, is to demonstrate or model the behavior you want to see in other people. If you want people with a great work ethic, you've got to have a great work ethic. If you want to have people who are considerate of one another, that are positive, that are encouraging, you've got to be that to your team.

You and I have talked about this tool called Slack, and you recommended it to me. We started using that on our team, and here's how we did it. I can't remember, Pat, you can tell me if you recommended this or not, but what we did is one Friday morning I said, "I'm about to pull my hair out with all the internal email going back and forth. I lose track of conversations, there's conversations I'm part of that I don't need to be part of, and we've got to do something else."

You said, "Try Slack," so I said to my team, and this was a little over a year ago, "We're going to try Slack. Nobody can send an email to anybody else on the team. That's the rule for today. Every conversation, every communication that you need to have with another team member needs to happen inside of Slack."

We only had a couple of channels and we didn't even know how that was going to be organized. We said, "We'll just kind of let it grow organically." I said, "At the end of today we're going to all get together and we're going to vote on whether we're going to go back to email or we're going to stay with Slack."

Everybody was great about it. Everybody dug in and just got really involved with Slack, and by the end of the day I called for the vote and it was unanimous. Everybody said, "We hate email. We love Slack."

What's happened to us, and this is the amazing part of Slack and why I think this company has grown like crazy, is it creates culture. Culture is the most powerful driving force in your business. The kind of culture you create will either deliver predictably positive results or predictably negative results.

The thing that I love about Slack is that everybody's conversation is visible to everybody else, so we feed on one another. As we're recording this we're right in the middle of a launch, our spring enrollment for Platform University, and it's crazy the ideas that are flying around in there.

We've got a couple new team members. Another person we hired was an Infusionsoft expert, so that's all he does is Infusionsoft. We had lunch with him last week, Megan

and I, and he said, "I'm blown away by the team, just the ideas," because what happens is you get these very short iterative cycles inside of Slack.

Instead of going back and forth in email and the pop loses its fizz, inside of Slack all that stuff just builds – the enthusiasm, the speed with which you can do business. We get a lot of comments from people saying, "I can't believe how fast you guys iterate, how much content you produce, and how soon you can deliver it to the market," but it's really because of Slack. That's become our secret weapon.

Pat: Slack has definitely become a secret weapon internally for us too, for the same exact reasons. I didn't even pinpoint the culture aspect of it, but it's easy to share our personalities on there. It's easy to be us. It's sort of like instant messaging on steroids with categories and @ tagging and Twitter. Everything great in terms of communication online is put into this one product.

If you want to check it out you can go to www.slack.com/spi and any new teams that are formed will get $100 in credits from the team at Slack since they're sponsoring this episode, so a big shout-out to Slack. Michael and I both love them, and I know I've turned a lot of people on to them as well. Just cutting out the email alone is huge, and it's very easy to go back to older conversations.

I want to go back to something that you mentioned. You said that your team loves to give the rest of the team ideas. I know that in a lot of places, especially in the corporate world, a lot of people when they have ideas they just keep them to themselves because they're afraid of what other people might say, or they might get slammed for it being a not-so-good idea.

How do you get your team so excited about sharing these things, without making them feel like there might be a dumb idea in their head?

Michael: I think this is kind of what happens when you have a culture that's driving all that. If you're in a culture where people are cynical, they don't feel like they're respected or regarded or their opinions aren't really valued, then people shut down and that's a cultural thing.

Again, I think it has to start with you as a leader encouraging people and – this is really important – creating an environment that's safe for dissent so that if somebody doesn't like your idea and you're the CEO of the business, you're the head of the company and they don't like your idea, you make it safe for them to voice that and push back on it.

People here do that all the time. The thing I love about Slack for our organization is it's flattened the organization. There's no apparent hierarchy. I'm in there rumbling and tumbling with everybody. I'm sure people in the back of their mind know, "Oh yeah, this is his company," but they push back on me. I push back on them.

Mostly it's an attitude. It's a positive encouragement. We've got some great people. Have you done StrengthsFinders?

Pat: No, I haven't.

Michael: Buddy, you've got to do this. Here's the book, *Strength Finders 2.0*. It comes with the test built into the book where you can find your 5 top strengths. There's 34 strengths overall, and this is work that the Gallup organization has done over hundreds of thousands of people so it's finely tuned. We used it at Thomas Nelson.

The whole goal is to build a strengths-based culture so you get people working on their strengths, not on their weaknesses, and when you do that you produce a strong organization.

By the way, if you take the full test at Gallup – and I have no vested interest in this, other than I'm just telling you what we do – we make everybody get their full results for $80. They get all 34 results so we find out not only what their top 5 are, but what their 5 bottom ones are or their 5 weaknesses are. We try to keep people out of their weaknesses and in their strengths.

You've got to recruit people on your team that have these various strengths. That's part of your role as a symphony leader. We've particularly recruited people that have the Positivity strength. My wife, that's her #1 strength. Stu McLaren, that's his #1 strength. Those guys just keep it all positive and encouraging and keep the ideas flowing, and they are a huge value to the team because of that.

Pat: I love that, so you would recommend me taking the StrengthsFinders test, but also all my team members as well.

Michael: Yeah, and you're geeky like this so you're going to love this. You're going to get all their strengths, so you're going to have all 34 strengths, and you're going to put them on an Excel spreadsheet. Ping me after this and I'll send you ours so you won't have to create it from scratch.

So you take an Excel spreadsheet and you get a map of your whole organization, what strengths you probably have too many of – like we have a lot of people with Achiever in our organization, and we don't need anybody else with that particular strength – but there's some that we're missing, so we're actively trying to recruit so that we've got the strengths that we feel we need in our organization to move it forward and really perform. It's a much more intelligent way to build an organization.

You've probably been in those annual review meetings with employees, probably when you were one, and there's always that predictable part of the annual review that I euphemistically call "opportunities for improvement," and the opportunities for improvement are always focused on your weaknesses.

When I was at Thomas Nelson we totally eliminated that. We said, "Forget that. We don't want people working on their weaknesses, because for the effort that goes into working on their weaknesses they really can't move the needle that much."

Marcus Buckingham and Gallup have done all the research on this. Again, the science is all in there. That effort to improve your weaknesses is much better spent on improving your strengths. You move the needle far faster and further and you have a much bigger impact if you do that.

You can build your whole organization on this. You can recruit using it, like now when we put together a job description we say, "Okay, what are the particular strengths that we want to recruit in this job?" We literally map those out in the job description. We don't reveal those to the candidates, but the final candidates we get tested and we find out what their strengths are.

Pat: I love that. Michael, I'm going to commit live on the air here – even though this is pre-recorded – but when this goes out everybody is going to hear me say this. I will take the StrengthsFinders test. I will post it on the blog, and everybody else out there who wants to do this too, you can do this as well. I'll post it on the blog eventually at some point. And I'm going to require my whole team to do it, too.

Michael: Fantastic! I can't wait to see the results of that. I think you'll be over the moon.

Pat: I'm excited. I know all my team members, obviously, and I know there are strengths and weaknesses. It'll be nice to pinpoint those. I really, really am thankful

that you talked about working on what you're good at, optimizing those things that you already have a head start with, and not really necessarily focusing on the weaknesses. I think a lot of us feel like we have to be this all-around "good at everything" type of person.

I've always called myself the Pat of all trades because I've always tried to be good at everything, and as a result of doing that in the past I know it has held me back. When I first started out I tried to teach myself how to become a Javascript CSS expert by spending hours on YouTube and taking all these different things to try to figure out how to do web coding, when I could really just find somebody to do that for me who would probably do it much better and faster than me.

Michael: Yeah, absolutely. When you work on those weaknesses, too, I think it's real easy to make people feel bad and make them feel weak and make them feel like they're missing something. When you can, focus on their strengths. My wife, Gail, I said she has Positivity. I have 5 daughters and it used to drive them crazy when they were teenagers because Mom used to always be so positive. She's always trying to find the silver lining.

Now they really appreciate it. Now they say, "Mom, we love it when you're positive like that because we get discouraged and we need some encouragement," so it's great to make her feel good about having that kind of strength and really using it to kind of give her unique impact on the world.

Pat: That's cool. Is there also a StrengthsFinder category for artists, because Gail is a great artist, I hear.

Michael: Well, thank you. No, but there's some other tests that reveal that. We use a lot of tests here, but that one is not revealed in StrengthsFinders.

Pat: That's really cool. In terms of being a leader, what are some of the biggest mistakes that leaders make? I want to make sure that I don't make big mistakes obviously for my team as well, where they would either get upset at me or angry or just feel anxiety whenever I talk to them. I want to avoid that. Obviously you were the CEO at Thomas Nelson, so what are things to avoid and that we truly want to stay away from when we are building our team?

Michael: I've alluded to this, but not walking your talk is a killer one because what that does is it undermines your credibility and it makes people cynical. Cynicism is a

poison that if it infects your culture will destroy it, so you've got to keep that from happening.

I think another key is be willing to listen, really listen to what people are saying, and make sure that you don't hire people that are all like you, and Strengths Finders will help you do that, and don't hire people that always agree with you. Then basically everybody ends up with the same kind of blind eye and you miss stuff.

I'm trying to teach some of our team members this now, that when one team member disagrees I'm saying, "That's awesome," and we need to draw that out and become fascinated by why they're disagreeing with this direction, to be able to pull it out and find out what they're seeing that we're missing. Now, that doesn't mean that you always have to go in the direction of what that person sees, but they need to be heard out.

I like to distinguish in an organization between agreement and alignment. What you're after is not agreement, but you're after alignment, and the difference is this. Agreement is when everybody says yes, but you know they don't really support it. Alignment is when they're willing to support it even though they may not agree with it.

To be able to have a vigorous discussion about maybe a change in strategic direction, and we're not talking about some kind of moral thing here, but like a change in strategic direction or implementation of a software package or whatever, when people feel heard, even though the decision may not go in their favor or go in the direction they'd like to see it go, they can generally support it.

What I do after those vigorous debates is I will call for the question. I'll just say, "Okay, I've heard what you guys have to say," and maybe I'll go away for a couple days and consider it and come back and say, "Look, I heard everything that was said, including Bob's objection to this, and here's why I think he objected to it. I've considered all that, but here's the direction I think we should go." Then I want to know, so I ask each person, "Can you align with this direction?" and I wait until everybody can align.

I used to have a guy on my team at Thomas Nelson, Jim, who might say, "Well, I don't agree with it but I'm totally on-board. I'm aligned with it." What happens then is when they walk out of that meeting room and they meet with the direct reports, you don't have to wonder about whether your team's going to roll their eyes when they talk to other people about it, or whether they're going to be trying to sabotage you behind

your back. They've already agreed that they're going to stand together and they're going to be aligned on it.

This is huge. Organizational alignment is huge because when you don't have it you create a lot of sideways energy and a lot of factions and political stuff that just doesn't need to be there and gets in the way.

Pat: I love that, Michael, thank you. How do you guys celebrate your wins? I know this is important because we do this on my team, too. Once we finish a project or a launch or something we celebrate, and we do a number of different things to do that. How do you and your team do that?

Michael: If it was left to me we would never celebrate wins. I am terrible at this. The only thing I can figure is that my #1 strength is Achievement, so when I achieve something, when I've checked the box off, I'm looking for the next box to check. That's already done. This is a case where again I had to recruit people that were better at celebrating.

My daughter is a great example. She's fantastic at this. We just did this big launch this last winter of 5 Days to Your Best Year Ever. It was our second year and we ended up putting 7,000 people into that program, more than doubled, almost tripled our results from the previous year.

So what we decided we were going to do is we were going to take our team and our 5 top affiliates to a place in East Tennessee called Blackberry Farm. It's a 5-star resort, an unbelievable, amazing experience. It costs us an arm and a leg but it was totally worth it.

Pat: I saw pictures of that on Instagram actually. It was beautiful.

Michael: We had some people that you know that were affiliates for us, and we just had the most amazing time. There was no agenda. It wasn't a mastermind. We weren't trying to get information from people. We just wanted to celebrate and thank these people.

We've got a lot of those things that we're doing now whenever we have a big win together as a team that we celebrate. It includes letting people participate financially in the results, as well as taking time on our calendars to have a special dinner or go

someplace special. We've got a big one planned when we hit this goal for this Platform University spring enrollment, so we're doing better.

Pat: That's exciting. Celebration is important.

Michael: So important.

Pat: When you said, "I wouldn't do that," I was like, "Whoa, really?" but it's just that you personally wouldn't figure out what to do.

Michael: I hugely value it because when you celebrate those things you reinforce them in the organization's nervous system. People feel acknowledged. They feel like their contributions were meaningful.

The truth is, and you know this from your time in the corporate world and just working in your own organization, compensation is like the 3rd thing on the list of priorities for why people work. You can look at just about any survey you want to look at.

#1 is people want to be acknowledged. They want to be noticed. That's why celebration is so important, because in any good win people are doing things that are beyond their job description and beyond what's really expected. They're pushing beyond that, and if you don't acknowledge that you don't get more of it. What you acknowledge and celebrate you're going to get more of.

Now, I know all that, which is why I hire people that are good at it. I'm just not very good at it myself.

Pat: I see. So let's fill in the gaps. You said acknowledgement was #1 and #3 was compensation. #2 is what?

Michael: I don't remember.

Pat: Maybe status or something.

Michael: I think it's autonomy, the ability to work without constantly being supervised and harassed.

Pat: Yes, I think that would be it. I was going to go to title, because that was a huge deal when I was in the architecture deal, just what our title is. People would rather have a higher title often than higher pay sometimes.

Michael: I know. I saw that in the corporate world, too. It doesn't mean much to my team. They're like, "Leave me alone and give me some money and acknowledgement."

Pat: Michael, this has been an amazing conversation and very helpful for me personally, and I know a lot of the other listeners out there, so thank you so much for your time. We've talked about a lot of things. Obviously the show notes will have all the links.

Any other final tips in terms of team building that maybe we missed? And I know you have a launch coming up, so anything that you want to shout out and give a push for let me know.

Michael: Just as a final thought, I really believe that everyone can be an effective leader. Your leadership may look way different from mine, and ours may look way different from somebody else's, but once you tap into your unique ability and the contribution that you can make in the world, just use that.

Being a leader is something that can be learned. The most important thing is to have the heart for it and have the intention for it and just learn it and study it. I'm constantly improving. I'm constantly blowing it. I just want to be a better leader because I want a more effective team and because I want a bigger impact.

Pat: Thank you, Michael. Thank you for your honesty and everything you've done for us today. We really appreciate it.

Michael: Thanks Pat.

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Pat: Wow, I hope you enjoyed that interview with Michael Hyatt from MichaelHyatt.com. It just seems like everything he says is tweetable, like everything is a quote card that is just something worth being viral on Twitter. He's so wise, he has a lot of experience, and I'm so happy to have welcomed him and featured him here in this episode for you and also for me. I'm going to be sharing this with my team as well.

All of the links and the resources mentioned in this particular episode can be found at SmartPassiveIncome.com/session163.

I also want to thank today's sponsor, which is Slack. We talked about Slack in the episode already, but it is a game changer for communication within your team. It cuts out all the email. It brings together your work communications into one place and makes them instantly searchable and available on any device.

Slack's mission is to make people's working life simpler, more pleasant, and more productive, and it will do that. Over 500,000 people and more than 60,000 teams use Slack every single day. My team uses it, Michael's team uses it, and I've talked about Slack several times in the past.

Check this out. Slack is free to use as long as you want, with as many users as you want. They have a lot of paid plans with additional features and more powerful functionality, but it is free to use.

However, anyone who visits this URL – slack.com/spi – will get $100 in credit when you choose to upgrade to any paid plan, so go ahead and check it out right now at slack.com/spi. That's how you let them know that you came from this episode. Again that's slack.com/spi. You will love it!

I also want to thank the other sponsor for today's episode, 99Designs.com, helping you with all your images and design needs. When you're designing something it can be difficult, especially to find that one designer that we all desire for our business. That is often hard to find and, if you do, it's a little bit expensive and there's a lot of back and forth.

If you can't do that or you can't find that golden designer in your business, 99Designs.com is the place to get design work done. You just put your description of what you want, and then within days you're going to get several different designs from several different people. You can choose the one that you like best. You can have your friends, family, or audience vote on their favorites, and you can choose that.

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Thank you so much for listening in to this episode. I appreciate it, and I look forward to serving you in next week's episode. Until then, thank you so much. Keep crushing it and I will see you next week. Cheers.

Outro: Thanks for listening to the Smart Passive Income podcast at www.SmartPassiveIncome.com.

Links and Resources Mentioned in This Episode:

MichaelHyatt.com
Platform University
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