Jaime Masters: Welcome to Eventual Millionaire. I'm Jaime Masters and today on the show, I've been waiting to have Sam Carpenter. Now, he is one of the only people that I sought after. We actually have a waitlist for people on the show and I was like, "Is there any way?" I asked friends if they knew him. It took me a while and he finally said yes. He wrote the book *Work the System*. I highly recommend to everybody reading it. He also has an amazing business with 50 employees also. Thank you so much for coming on the show today.

Sam Carpenter: Well, sure, Jaime. I'm flattered, as I told you before.

Jaime Masters: Seriously. Seriously, thank you for saying yes because I don't take no's very well. No. I would have bombarded you until you said yes so I'm so glad you came. I think your work is extremely important and that's one of the reasons why I have you on because systems are critical for business owners. And like we were talking about before, quite unsexy. So what's tough is that they get in this rat race of chicken with their head cut off running around, and I feel like there haven't been very many resources that have solved the problem.

And the **e-myth** from a long time ago, too, and now I recommend your book because it talks a little bit more about the "how" and the little nitty-gritty of what we need. So can you just give a blanket overview of the book so everyone can take a listen?

Sam Carpenter: Yeah. There is – you can download it from free at my website, audio or video. Audio or text, I should say. So, yeah, the basic premise of the book, which was built on 50 years of failure in my life, was that, in the middle of the night one night, I got a clue as to what I was doing wrong with my business. I was working 80 to 100 hours a week, my family life had fallen apart, my health was really bad, and I was on the verge of missing a payroll, to make a long story short. And the story is in the book.

I was lying in bed late one night and I lost all hope. I had had the business for 15 years. I was gonna lose it all. I was gonna be the single, 50-year-old guy with nothing. And I just gave up and thought, "Well, at least I don't have to deal with trying to put the money together for yet another payroll." I had about 12 people is all. And what happened was I got a clue and it was either a dream or it was a vision or something, that my life was made up of systems and processes.

And so it's more than just a different way – it is a different way of looking at things. It's not some clever, little esoteric, psychological ploy to do in your own head. It's actually – I say you go a layer deeper in reality and see reality a little deeper. And here's the reality. It's that our lives are a collection of separate systems.

And so late that night, I laid in bed and I realized – and this vision I had was of a table and little incremental pieces on that table, separate pieces, like separate pieces of a machine. And what I realized was one of them was, "How do we answer the phone?" Another one was, "How do we make payroll?" Another one was, "How do we take care of a customer complaint?" I have a call center. We take a lot of calls in and deliver messages.

Well, anyway, all of these pieces were separate, I realized. It wasn't what I call a big, swirling mass of sights, sounds, and events, which is how almost everybody goes through life. I wish my struggling business; the hand of God would come down and rescue me. Or I just need another loan. Or I need to hire this person as a manager who will come in and solve all my problems. No. No, that's looking at life as a confused mess and life is not a confused mess. What life is is a collection of systems.

So what happened was the next day, I went down to the office and I'll cut this short. Again, everything is in here and you can download it for free at workthesystem.com. But I went down to work and I took my two managers and I said, "What is the biggest problem we have here? Because we're gonna go about this a different way. You know we're gonna miss payroll in a week but I think I've got an idea. I'll find the money." And I did. We made the payroll.

But what is the biggest problem? The biggest problem was this mundane, little thing that was taking up everybody's time. And so we isolated that as a separate element of the business and went after it. And through process and documentation and all three of our heads put together, found out there was a 53-step process to solve this problem forever. And it turned out these first 15 years, and this was in about 1999 – that was before you were born, Jaime.

Jaime Masters: Thank you.

Sam Carpenter: So we put our heads together. Took about eight hours. We put a 53-step process together to solve this particular problem, which I won't go into what the problem is here because we're limited for

time. But I had been spending two hours a week for 15 years handling this particular process that we had to do and it had to do with getting the money in from the mail into the accounting system and then to the bank. Two hours a week. And each of my two managers were spending two hours a week. Whoever could do it got it done. Well, we implemented this written procedure of 53 steps. I immediately gave it to a third person, and I have never done it since, and it's something like, if you put two hours a week together for 18 years or whatever it's been now, it's something like a year and a half of 40-hour work weeks that I haven't had to do. And needless to say, we isolated every problem we had in the business. Even if it wasn't what we perceived as a problem, we isolated it, we documented it, and then I moved out of it. Now, I would be embarrassed to tell you how much money I make and I spend maybe ten minutes a week. It was two hours – in the book, it talked about two hours a couple of printings ago, then it went to one hour, and now this next printing I think we changed it. I spend about ten hours a week and it's a 35 percent profit margin. It's the most successful business in its industry in the country and I don't spend any time doing it. So I've got what everybody wants, all your listeners, all your viewers.

Jaime Masters: They're bowing right now. They're like, "Please, teach me your ways."

Sam Carpenter: They want two things, Jaime. They want lots of money and they want lots of time to spend that money. And I'm sorry, I'm being a little mercenary. Yeah, we want to help our fellow man and everything but in having a successful business, you do that. so I've got actually 60 people in here now and I've got a business in Europe and I've got a non-profit in Asia. But I'm helping a lot of people by being successful and that's the beautiful part about capitalism. All you people out there that don't believe in making a profit, just stop listening now. Because when you make a profit, you help people. You buy stuff.

So, anyway, that's what happened. I realized – and the mindset difference happens in the snap of a finger and that is to see your life as a collection of systems. And I'm looking out on the street here. I'm in Bend, Oregon in one of my offices and I'm looking down at the cars going by and the ladies walking down to a store over there. All these are separate processes. Every car that goes by is a collection of separate systems and processes. The lady who's walking across the street. I could turn this around and show you but she's a whole entity unto herself and she has kidneys, she has a

heart, she has lungs. They're all separate.

And maybe at the end of this, Jaime, I can explain to people how to see that separateness because the key to freedom is to see the world the way it really is. And, I'm sorry, it's a collection of separate processes. It isn't this big mass of confusion. And a lot of your people who are watching right now is, "How do I get out of this? I'm working 80 hours a week. I'm working 60. My family life is a nightmare." Pay attention because it's a very, very simple thing. And the cool thing is this new vision, this what I call "systems mindset" – this is a book from two years ago, *The Systems Mindset*. It's kind of a –

Jaime Masters: Someone said I look like her. My friend, Ryan Moran, posted and I guess you were out completely. And someone was like, "That looks like you, Jaime." I'm like, "That's hilarious."

Sam Carpenter: Well, she's a 15-year-old Bosnian girl who's a model in Canada right now. I paid $500.00 for her image to a Bosnian photographer who specializes in redheads.

Jaime Masters: Really? Separately, we're gonna have to ask about that. Okay. I wonder – it's a really cool cover.

Sam Carpenter: So, anyway, the mindset is that you see the world, rather than a confused mass, as a very, very organized and sensible collection, starting with your body or looking at your car or your family. Everything is in – systems compose everything. And so if you can get that mindset, you'll never lose it. I never lost it since that night. It's been at the front of my head all this time. And then I went from working 80 to 100 hours a week to what I just described to you. And so, anyway, that's kind of a nutshell view of it.

And the first third of *Work the System*, the book *Work the System*, is getting the mindset. But it's a simple thing. And it'll either happen in a flash or it might take a couple weeks. Whenever it does set in, it is instant. It could happen in the next ten minutes during this interview or it could happen in three weeks after you download my book and read about it and think about it. And then one night, bam, it comes and it never goes away and it is the secret, for me, of becoming wealthy and free.

Jaime Masters: I love this. Okay. So let's dive into some of those pieces. Because that's the thing. Business owners are making the same decision over and over and over again and feeling like it's getting thrown at

their face. And instead of stopping the tennis balls from getting thrown at them, they're trying to catch them. Right? And then they're gonna die.

Sam Carpenter: That's exactly right. You fend it all off your whole life and then you die. Well, what about – some of those people that are fending off the balls are wealthy enough but they don't have any time to enjoy the money. And that's what I've discovered here and understanding reality a little better, a layer deeper, is that you can get what you want in time and money if you face reality for what it is. And the reality is our lives are collections of systems. That's the reality of it, which most people don't get, which puts you at a distinct competitive advantage in your industry or whatever you're doing.

Jaime Masters: Do you think that business owners in general – because a lot of business owners, especially a lot of the people I've interviewed, kind of have this ADD idea, sort of visualizing kind of thing, but aren't the detail systems people typically. They're like, "I just want to tell people what to do and I want them to do it. How come they don't get it?" And there's a very bad translation between a lot of those things. So do you think the people that are typically business owners can get to that switching the mindset heart? Is it easier for them because once they understand it, they go there? Or is it a problem of who they are? Right? Because they avoid systems typically.

Sam Carpenter: Well, you know, we could talk about the general dysfunction of individuals and that is one of the general dysfunctions is they don't understand that life is a collection of systems. And when you get it, and I always use the term "get it," when you get it, you will automatically go to do what you need to do. And this is totally mundane and boring. It's what I call boring but true.

In your business, you need to do documentation and processes. Because you can't tell somebody – Yvette, my HR person. Hey, Yvette. She's in the next office. I could tell her what to do but she'd get 10 percent of it because she's thinkgin about what she's gonna do next Thursday when she goes on vacation or whatever. And so you have to write things down and you get your people to write the processes and the systems down.

Now, this is key and our viewers will find this very interesting. On my management staff, and I have about seven managers here – we have about 6,000 square feet here in the building, on the second

floor of this building we have. They don't do the work. The work they do is working on systems. So there's always a system that can be improved. And every time we have an error somewhere or something didn't go just right, we go back and tweak a system. Everything is systemized and processed and it's on paper. Okay, it's on the hard drive. Alright. People don't walk around reading Step 13, you know?

Everything is written down and they spend eight hours a day working the systems and improving the systems. Other people do the work. I can go to the back half of my building here and there's TSRs, Telephone Service Representatives, who answer the calls who are also working the systems too. But my managers work the processes. All they do is creative stuff all day long. The dream of any entrepreneur would be – but you've got to write it down.

And if there's listeners out there who get the mindset and don't want to write it down, they will be very rare because once you get it, once you get this systems mindset, you understand the importance of writing things down. And all of a sudden something that seems mundane and boring and "I'll get to it next week if I can" becomes mandatory.

And if I go back to my little story where I spent eight hours with my staff putting together this first 53-step process – and no kidding. It was: 1) this, 2) this, 3) this. Open the envelopes, take the check out. I mean, it was totally boring and mundane but it was in a systematic process. Right? They all understand that that's the secret of our success, is that. Is the willingness to sit down and create a process and then understanding that process will never be complete. It's always gonna be improved day by day by day. And I could take this computer and turn it around and introduce you to everybody in my office right now and they're all working on processes. That's the secret.

Entrepreneurs out there, if you are doing the work, you're never gonna break free. You can't be doing the work, unless you're a novelist and all that. But if you're running a regular business, bricks and mortar or online, if you are doing all the work and you think that's a heroic gesture and that's gonna win you freedom someday, you're wrong. And you can talk to Bill Gates. You can go back in time and talk to Steve Jobs. You could talk to Richard Branson. You could talk to Oprah Winfrey. I don't care. None of those people graduated college, by the way. And I could list you Ray Kroc with McDonald's.

They will all tell you, and they get it inherently, the systems mindset, that other people have to do the work and it's your job to lay that work out for them so they can do it. But if you're doing the work and you think you're gonna get free by working 60 hours a week, you're wrong. It's never gonna happen. What you said earlier, Jaime, was you work all your life and the hard balls are coming in and then you die. That's your life.

You've got to be able to write things down and work with a staff who also gets the systems mindset. And I have people who have worked for me for almost 30 years here. My management staff, 15, 20 years. And they got the systems mindset after they read my book and understood the validity of it and they're happy to work on systems all day. It is the most creative thing because, as you mentioned again at the beginning, you talked about – kind of inferred people do the same things over and over and over. If you're doing the same thing over and over and over again, you're not gonna get anywhere.

You're like – and I don't mean to diminish people who sell cars and dealerships but it's one sales process after another. And if you miss a day, you don't sell your two cars that day, your income suffers and that's your life. You really need to own the dealership. Okay. Or start your own dealership and have other people doing that. And that just came to me as a good analogy and I think it is. Anyway, sorry.

Jaime Masters: No, I love it. So what if you are the owner and you're wearing 17 different hats in the business? Especially if they're mid-six figures and they don't have that big of a team, how do we prioritize this stuff too? Because most likely, many of the people listening know how important they are and documentation and they're like, writing out 53 steps will take a very long period of time. Getting my people to implement it will take a very long – right? They have all these things that come up. So what do you have for advice for them?

Sam Carpenter: Well, let's go backwards in your question. So I spent eight hours back in 1999 creating a system that has now saved me a year and a half of 40-hour work weeks personally. So you've got to get over this thing, "I don't have time." You have to make time. Now, once they start in on this, it will be no problem. What happened was, if you think about it, back in 1999, I saved two hours a week immediately. The next week I saved two hours. The next week after that I saved.

You will get it, and you have to get the mindset, that you're dealing with separate systems. You will instantly start saving time and you will instantly want to spend even more time doing what I'm talking about, to the point where you have a crew of – I've got seven or eight managers here now. That they will do nothing but work on systems because that's what works. That's why we've got a 35 percent profit margin here. Do you know what the average profit margin in the telephone service is?

Jaime Masters: Yeah, they're not good. What are they?

Sam Carpenter: 3 percent. 3 percent. And so nobody knows what we do here. I wrote a book about it. I mean, this is the book for any answers.

Jaime Masters: Yeah, why? That's exactly what I was gonna say. They all need to listen to this interview. My goodness.

Sam Carpenter: It's crazy but people have to get the mindset. And, see, the problem is that most answering service owners work 80 to 100 hours a week. A lot of times it's a family business. They don't have time to sit down, take a deep breath, and understand that they have to document and they have to be able to delegate. And this goes back to the core of your question. So our mantra is this: automate, delegate, delete. Automate, delegate, delete. Automation would be, if a computer can do it – and we're constantly on working on new software platforms here.

Jaime Masters: Are you? I want to ask about that after. Okay.

Sam Carpenter: Yeah. Yeah. You'd be amazed. Automate. Delegate. Have somebody else do it. And so you have to give them the platform to work from, the processes and systems. And a lot of time, if you've got somebody working for you now, you say, "Look it, Frank." There's no more Franks, are there? But, "Look it, John. Sit down and write down what you do. One, two, three." What do you mean, write down what I do? "When you come in the door, I want you to write down what you do. One, two, three, four. This is gonna go somewhere. Trust me."

And then you get them involved **[inaudible] [00:19:04]** they get real excited about it. And so that's the second thing is delegate. And then delete is our favorite. That's where we take a process and just get rid of it all together because it didn't amount to anything. For instance, we used to save on paper every conversation we had with every client. I'm sorry, we've got 1,500 clients and they're all

different. And so the storage was building and building and building.

And, finally, one day – well, this was back in 1999. We had 400 accounts then. I said to my manager, "Have you ever gone back to our files to double-check what we covered with a client?" Well, actually, no. Never. And in 15 years, we've never gone back to verify, "Well, you said this on this date." Never happened. I said, "It stops. Take everything you've got and throw it in the trash." And it was huge. It was huge trash. And we haven't done it since. So delegating is very, very important to what we do.

Jaime Masters: Alright. So you just went down – yeah, hi.

Sam Carpenter: That's Diana, my wife.

Jaime Masters: Oh, you're wife. How lovely.

Sam Carpenter: She's from Kentucky. Talk southern.

Jaime Masters: Talk southern. You guys are awesome. I love this.

Sam Carpenter: Highly unusual for a podcast.

Jaime Masters: I love that.

Sam Carpenter: So, anyway, that's what you do. The resistance will go away once they get the systems mindset.

Jaime Masters: Okay. So in a second, I want to talk about software and I'm a super geek. But before we get into that, how did you know that it was that two-hour process? Do they write all their systems down and then rank them? Or are you like, "What is the biggest pain that I have?" Because I want people to be able to go, "If I'm starting this week, besides getting the book, how do I make it manageable?" Because it does feel so big.

Sam Carpenter: Yeah. I didn't really answer fully your question before so I'm glad that you followed up. You take the biggest problem first. And this had to do with losing deposits that went to the bank. And I won't go into the details but somebody lost – $3,000.00 was a lot of money in those days. And it went under the seat of her car. She was late picking up her kid at daycare. The deposit was never made. Now, $3,000.00 was a lot of money back then. And it's a lot of money now but back then it was even more money.

So we attacked the biggest problem first. And that was the biggest problem. We were actually not getting money in the bank properly to make the next payroll. So that was the biggest. The next one had nothing to do with it. It had to do with how the TSRs answered the phones. And the next one had nothing to do with that.

So you rank your problems. You sit down with your managers, "What is your biggest problem?" Well, what do you mean? What do you mean? "What is your biggest problem?" Well, I don't know what you mean. And you explain to them, "I want to know what's taking the most time and frustrating you the most." It's this over here or it's this employee over here. And maybe the problem with the employee is that employee needs to go away. Well, that's a solution to a lot of problems sometimes. Or it's we don't have a protocol for doing this or we don't have a protocol for doing that.

What is your biggest problem that you'd like to go away forever? Let's work on that first. And then you've got the 80/20 rule going for you. So you get 20 of these nightmare processes out of the way, all of a sudden 80 percent of your life is much, much improved. That's the simple thing. Every business is different. So what you'd say, as the owner of the business, you'd go to your managers and say, "What is causing us the most trouble here?" And that's what you work on first. And the second one won't have anything to do with it. I guarantee it'll be something else over here.

And it might be that it's a family business and you're talking to the husband and you say, "Look, what's your biggest problem?" Well, my sister-in-law. Well, then she needs to go.

Jaime Masters: I've heard that one before. Yep.

Sam Carpenter: My brother would have a problem with that. Well, deal with it. Because if that's your biggest problem, you need to take care of it. And then you slowly get rid of all the problems, systematic problems that are in your business and pretty soon you're making good profit and you've got a lot of time.

Jaime Masters: I love this. A lot of times, it can be small things. Like I've worked with people on communications and they're like, "I get texts all the time." Well, why are you allowing people to text you in the middle of the night? Stop that. Right?

Sam Carpenter: Text me if it's an urgency. Okay.

Jaime Masters:	Yes. Yes. And what defines an urgency please? Let's write that down. A password problem ain't an urgency. Let's just say that. And you can get in the nitty-gritty but it's amazing what relief – and a reminder of all the people that are listening right now, there is relief coming because of this.
	So let's talk about the software side because I come from that world and sometimes it is a wonderful thing. I want to be a futurist when I grow up. Right? So I care so much about the future of technology and AI and all that fun stuff. And in the current capacity, all these new softwares are causing people more problems because they dabble, I feel like. Because they don't know if it's the right thing, they don't know what to do. What's your stance on technology and do you have any softwares that you recommend or that work well or what do you guys do?
Sam Carpenter:	You know what we do? We have a proprietary system here for how we –
Jaime Masters:	I knew you were gonna say that. Okay. Darn.
Sam Carpenter:	Well, for how we answer the phones. But I'm talking to you on an Apple. Okay? A Mac Pro. Our phones are AT&T. I don't want any trouble. I figure a phone, there's a billion of these phones out there, if there's any software problem, it will be fixed immediately. I don't want to dabble. I'm sorry, Droid users. I don't want to dabble with your various hardware problems. I don't want to fool with that. I want a phone that works. So we switched from all Droids over to that and we went from PCs to Apples. Sorry, PC people. But that's what we did and it has been the best move ever.
Jaime Masters:	I've done that too. Yeah, sorry, go ahead.
Sam Carpenter:	Diana, did I introduce you properly to Jaime.
Diana Carpenter:	That's okay. Hi, Jaime. How are you?
Jaime Masters:	Hi. Nice to meet you from Kentucky?
Diana Carpenter:	I'm just sitting here quietly.
Sam Carpenter:	She's trying to sit. We're going to lunch. Anyway, I apologize for not properly introducing you before. So what we do is we standardize everything. We use Google. Everything is on the cloud. We go standard because we don't have time to reinvent the

wheel so we find the very best, or close to the very best without gilding the lily, so to speak, and then we deal with that. And so everything we have is standard. You know? The Apple. And we don't have any real esoteric software. The esoteric software we have, we've written ourselves for our sales department, for our operations, and we don't fool with off-the-shelf because it never works right for us. We always wish it would be this –

Jaime Masters: See, because everybody – I'm very excited over this. Because everybody is going crazy on Process Street and SweetProcess and what we need for this and pulling new things in and it's supposed to help us. Do you just use Google Docs for your documents? What are you guys using?

Sam Carpenter: We do.

Jaime Masters: Really? So no videos or do you embed videos in your Google? Because that's the other piece.

Sam Carpenter: Yeah, we occasionally do that. Yeah. I've got a guy who writes code. He's full-time. He's in Romania. He's a wonderful friend; I've been there many times. And part of our other software team is in Italy. And part of our team is here. These guys are world-class alien intelligence and they write up the special software. But let me tell you how I run my day. Would you like to know how the guy –

Jaime Masters: I would love it.

Sam Carpenter: You know what my task list is? I love talking about this because people don't believe me. My task list is this. So I've got Gmail. If I've got a task to do, I either put it on the calendar or more than likely I send myself a message that says, "Do this." So everything is in my inbox. My tasks are there. My correspondence, everything is in my inbox. It's ultimate simplicity.

Because one of the other important things about the systems mindset is – and there's this acronym called POS. Well, it's also – it was kind of hijacked. The original acronym is Point of Sale. So we try to take care of everything as it comes across the threshold. We're not constantly interrupted but in that day we try to take care of things. And I could show you my inbox right now and I have about ten things in it and that includes my tasks. So we knock things off as they come in, come in, come in.

So what is the ultimate simplicity for Sam to keep track of things?

It's in my inbox. And whether I look at it on my phone or my PC, it's in my inbox. And you can do Process Street and we fooled around with coming up with a software and we have a software and you can find it and you can use it if you want.

But my ultimate go-to is my inbox. And wherever I am, whatever platform I'm on, I go to my inbox and everything is there. I don't have a task list over here because when you have a task list over here, an inbox over here, you tend to forget your task list. And suddenly what suddenly was critical and should have happened two days ago didn't happen at all. And so everything is looking at you right now. Right now. It's the ultimate simplicity.

Jaime Masters: I was joking with one of my friends about it because he does the same thing and he's about ten years older than me. And I was like, "That is hilarious." So that is hilarious that you just said that. I will have to show him this interview so thank you. What about the people that don't have the luxury at the moment to only have one – because I have – probably now, I get to Inbox Zero every single week. But I can't use it for a task management software.

So for the people, either that work for you or the people that are at six figures and still have too many hats, what can we do to pull – because a lot of times – and I came from the software world. Proprietary software is expensive. Right? And I know this isn't your total wheelhouse but how do we – I find a lot of people get stuck on the systems side because they're like, "I don't know where to put it on the tactical, little nitty-gritty." And it really shouldn't be that complicated but they make it even more complicated than it needs to be.

Sam Carpenter: Well, you've got to spend your time on the most important thing. And now we get into the book *Seven Habits* – you get into the real philosophical stuff. But it is really true. You have to isolate what's most important. And spending two hours over here and getting some little software thing just right when you're missing a sale over here is ludicrous. It's insane actually. And so what we do is we try to eliminate any of these little nuanced, bothersome details that are getting in front of the most important thing.

And the most important thing is to create processes that are either automated or delegated. And the very best thing is to delete processes and I think that's what we're talking about now is deleting the things that don't add up to anything or are just wasting your time. Because all you got – and I tell my people here. My

people are very highly paid here. I tell them, "All I've got is your time. Don't be spending it on stuff that doesn't matter." Well, it matters a little bit. No, it doesn't matter enough. It has to matter a lot or just let it go and then you get into the delete thing.

So what I'd say to our viewers is, if you're just bogged down with all these details out there, ask if they can be automated, delegated, or deleted. And I'm telling you, the delete will come in a lot, especially at the beginning of this process as you shed these things that don't matter. And, of course, we're talking to all kinds of business owners, online, bricks and mortar. I don't know what your specific system is or what you're specific situation is but I'll tell you what I do know for sure. You're probably spending a lot of time on things that don't matter.

Jaime Masters: Times a million. You've deleted so many things that you just have a Gmail inbox. So, again, we bow down to you on that. Right? Because when you do get better, when you are spending this much time on it, that's when it starts to decrease and you don't have to have a bazillion different pieces to manage.

Sam Carpenter: Yeah. And what happens is you start the process and you get the systems mindset, you start and say, "Oh my God, I just saved two hours a week." For instance. Well, how else can I save another two hours? What's your next biggest problem that's taking up all your time? Go there and fix that. And you've got to document it. I'm sorry. And you might have to put some other heads on it too. But ultimately where you'll get to is you work with your managers. Let's take a 30 person company and there are five managers. You go to your managers and you get them to write the documentation. You, as the owner, should not write the documentation because nobody will listen to you. But if you get your people to write the documentation, they're bought into it. Can I give you a quick story?

Jaime Masters: Yeah.

Sam Carpenter: So we had a job up in Canada and it was in a warehouse and these guys had a way to run the forklift. They'd get all their stuff arranged. They'd take – it was a fertilizer company. And take the fertilizer from one side of the huge warehouse to the other. And there were certain safety precautions you have to take, of course, but there was a protocol of doing it in a safe and efficient way. And they all bought into it. It was about eight guys and the head guy wrote the procedure. One, two, three, we're gonna do it like

this.

So they hired this new guy, who'd been in warehousing for a long, long time, and he came in and he looked at it and said, "No, I'm gonna do it my way." And do you know what they said to him? "No, you're not. You're gonna do it this way." And he said, "Well." And they said, "That's your job description. However, we know that you're experienced so take this written procedure for running this forklift," and there were 40-some steps in it, "and punch holes in it." And this term "punch holes in it" is great. Take this procedure and help us make it better.

And you know what? He came back and he said, I don't know, Steps 6 and 7, you need a Step 8 and 9 between there, and that'll make it better. And you know what? He was correct. And guess what? He was bought into it. So the next guy that comes in with an idea, he says, "No, this is the process that we all put together. We all know it works. It's had input from all of us. Let's do it this way. But if you can punch holes in it, do so." And then that person buys into it.

But if you go top-down, military – you know why the military works? Because if you don't follow instructions, you go to jail or you're shot. And that doesn't work in private enterprise. You have to get your people to buy into what you're doing. And the way to do that is to have them do all the work. So you, as the leader, are reviewing processes, making sure they're doing it right, but don't bother writing them.

We had a guy in California with an accounting company – no, it was an appraisal company. And he spent a year writing processes **[inaudible] [00:33:50]** and there were binders on the wall. Binder, binder, binder, all handwritten by him. I mean, typed in. We got down there and he said, "It's just not working. It's just not working." And we said, "How many times do your people use that?" He said, "They never used it."

Jaime Masters: That was my other thing. Yes. Okay.

Sam Carpenter: Oh my God. What an incredible – I would want to put a bullet in my head if I were him. And so what he got was finally that he needs his people to write these. And there was some salvage he was able to do with what he had written but you can't write them yourself. That's the beautiful part of it is, if you don't take this burden onto yourself, you just saved some more time. But your

people will never buy into it unless they helped create it.

Jaime Masters: Do you think – because this is a big question of mine. I know this documentation and SOPs are sort of the secret sauce of a lot of businesses anyway, right? Do you think that there will ever be open source or crowdsource? Because you only have the people in your employee subset right now but what about all the rest? I've been collecting SOPs from millionaires. And I'm going, "These are amazing." Especially for the different types of business, you can use more data to be able to try and make processes better. Do you think that'll ever happen?

Sam Carpenter: Yeah. And we have chat lines. We belong to a trade group here and they trade software back and forth. Every business is so different. And my type of business is run completely different by the next guy who's got my type of business. And so it really needs to be mostly internal. But when I started talking to you, Jaime, I talked about the hand of God, this manager coming in. I should have added the special new software will solve all my problems. It's not going to. It's not going to. It really has to come with simplicity and internal for most companies.

And you can be searching and searching and searching. Meanwhile, you could be working with your people to refine your processes to where you don't have problems anymore. We don't have problems here. We very, very rarely have a problem. For instance, we've got drug testing we do here. Some of our viewers will disagree that that's okay or not. But we had a guy about a month ago who failed a drug test. And we handle emergencies, medical emergencies, here. So we can't have somebody who's smoking marijuana coming in and answering calls. He was fired. The first time.

So the clever part of our drug policy is that you don't get a second chance. And guess what? We very rarely let anybody go. It's really hard to find people anymore that don't have some kind of drug in their system but it works for us because our people have almost flawless performance in here. One of the other systems along these lines that we have is a bonus program where they can earn up to 35 percent bonus of their previous month's wage by doing a really, really good job on every single message. And it goes down to 25 percent and 15 percent.

This is where people need to be spending their time. Refining the systems within their business, not looking for this magical software

out there to come and solve all your problems. It never will happen. You have to look at your own processes and systems and refine them to perfection.

Jaime Masters: How do you – so I know we have to start wrapping up in a little bit too. So, yes, I agree that business owners need grit on systems specifically. It's easy when we have a reward of cash but the grit of not getting hit by tennis balls is really important too. But in the example of the bonus, a lot of business owners don't know what they don't know. So they'll sit and they'll be like, "Okay, this process is great but how do I fix it?" So it's not just staying in the bubble and trying to fix the process within this. How do you solve the problem better outside? Do you know what I mean?

Sam Carpenter: Yeah, I do. I think I know what you're asking. So this 53-step process that I talked about at the beginning of our discussion here, when we implemented it, we knew there was gonna be a lot of changes, especially in the first few weeks. But you actually take the process, you put it on paper, you hand it to the person, you say, "This is the best we could come up with. Run through the process and, especially if something doesn't make sense, write it down. And then we'll interview you afterwards." And that 53-step process went down and then went up. I think it's 30-some steps now. But it is never finished.

Remember, we talked about this at the beginning. You're processes are never done. And if you're using them every day, and you need to use them every day, they get better and better and better and better and better every day that goes by. It's unlike a car, where every day goes by, it gets a little more used and a little less new, a little more toward the used car. These processes get better and better over time. Their evolution is to get better, simpler, more efficient.

Jaime Masters: Update them. Yes, exactly. If they don't, they collect dust. How do you get your people to use – because that's the other thing. I'll go into a business and we'll see lots of documentation, which is great, except it was from last year. And getting the employees to actually go through a 27-page Google Doc is like the bane of people's existence. Right? Or, if they even do video or trainings or something, they go based on that one and, if it gets updated three days later or however often you guys update them, there's so many nuances.

Sam Carpenter: You have to do it point of sale. You've got to make your

procedures instantly available so somebody can go in and tweak it if it needs to be changed. That has to be kept up. Yeah. You have to live your systems and processes. So people in here, like I said before, they're not walking around with a piece of paper saying what to do next but they do know when a process is changed, where to go to fix it. Because they know the processes.

Jaime Masters: How do we get – especially for you. You've been in this for a really long time. So imagine people just starting – and I know you work with companies that are like this. When you're just starting to get the employees on board of the beginning parts of the system – I totally get getting their buy-in. Right? But then as we start getting massive amounts of documentation and this one person in this one job has 17,000 manuals – see, I have a lot of clients that are like – and then they're like this, "Please don't make me go through them when I know them."

Sam Carpenter: No, no, no. You never want to go to that. You never want to have 17 manuals. Everybody's got their processes and their systems on a hard drive and we keep them as simple as we possibly can. That's what we do. And everybody – they need to be in a central place where anybody can find them. And one of the other things we do for systems – so I'm a system. I run the company. But I've got Andi over here who can run the company in my absence. Every manager here has a backup protégé who does the work. So they could go on vacation, much less get run over by a truck.

Sheryl, my accountant in here, rides Harleys. Okay? She's going for two weeks back to Colorado pretty soon. I said, "I would hate anything to happen to you but motorcycles can be dangerous. And if you die, I'll go to your funeral." But the mercenary part of me says, "What do I do now?" Because she's running six different companies and all this. And we were laughing about it. And the thing is, what happens if so-and-so gets run over by a truck? And it's kind of a laughing matter because of the analogy of it but Robin in here, who's been training for a year, can run the company. And she can go for two weeks without having to be on the phone every five minutes.

So systems, systems, systems. When you look at the world with a systems mindset, you understand that everything is a system and you start dealing with it in that way, even with people who work for you. They are systems. And I run the risk of sounding like an uncaring human.

Jaime Masters: You're a robot. It's fine. No, I'm kidding.

Sam Carpenter: And that's not at all. I come into the office and we sit around and mock each other and have fun most of the time.

Jaime Masters: That's awesome.

Sam Carpenter: But the truth is they all understand that. And to get back to kind of a thread that we had going here, it's very important that your people understand that it works. And the way they understand that it works is they implement it in their own department, whether it's sales or accounting or whatever, and they see the beauty of it and how it does work and they will never go back to doing it the other way because this works so well. If you face reality, and reality is our lives are collections of systems, and so you work on the systems. You don't do the work. Right?

Jaime Masters: I love this. I know I have to start wrapping up. So I'm gonna ask the last question. Besides getting the book – it is free. You can go to workthesystem.com. I got that in for you so everyone has no excuse not to get it. So besides that, what is one action listeners can take this week to help move them forward towards their goal of a million?

Sam Carpenter: Right now, as they're listening, look around and see the separate systems. If you're listening to this on audio and you're driving down a street, look at the separate cars. There's a separate human in each car. Look at the tree. Look at that tree. They're all separate from each other. If you're in your living room or in your office, look around. You can go to the bathroom and turn the water on in the sink. That has nothing to do with the power that's running the AC. Nothing. Zero, zilch, nada, nothing. They're connected, like your kidney is connected to your heart is connected to your knee. They're all connected but they're isolated, separate systems.

That's why, if you fall off your bike and break your leg, you're not rushed immediately to a general practitioner. You're run to a specialist that has to do with broken bones. You know? An orthopedic guy. Everything is a separate system. And as soon as you can break your life down into those separate systems and see those on a moment to moment basis – like right now, our viewers can do that. There's a telephone over here. There's a phone here. There's this book. There's my sunglasses. They're all separate. And so are the elements of your business.

Jaime Masters: I love this. Thank you so much. I really, really appreciate you taking the time. Thank you for saying yes after I tracked you down. Everybody, make sure you check out *Work the System* and have an amazing, amazing lunch with your wonderful wife. I appreciate you being here, Sam.

Sam Carpenter: I kind of surprised her. She didn't know I was doing this this morning. But we're gonna go to lunch. Thank you, Jaime.

Jaime Masters: Well, she made the show. What was that?

Sam Carpenter: You're a delight. And thank you for being so knowledgeable about my book and asking the right questions.

Jaime Masters: I love it. Thank you.

[End of Audio]

Duration: 44 minutes