



FOUR KEYS TO SCALING A MULTI- MILLION DOLLAR PROMO DISTRIBUTORSHIP



Table of Contents

Why Promo Makes You Feel Everything Everywhere All at Once and How to Fix It



2023 careened around the corner like a Formula One race car on fire. Everyone we talk to in this industry is insanely (insanely) busy. Which is incredible and ... slightly dangerous. Being “insanely busy” is a battle cry in this business. But, for Roger Martin, when business people tell him they are “busy,” he says it’s a signal: a signal that they have a weak, playing-to-win strategy. Or, as he put it more succinctly, [*being too busy means your strategy sucks*](#).

And Roger knows.

Last June, Roger posted a simple video to YouTube titled [*“A Plan is Not a Strategy”*](#) and it went viral: in just seven months, over 1.7 million people watched this seemingly benign topic from a Harvard Business Review clip. (No surprise that in 2017, Roger was named the #1 management thinker in the world).

But the sudden virality of his message is somewhat baffling.

After all, Roger has been writing on this topic for years, [*at least since 2013*](#). And it’s not as if you (and I) suddenly woke up to the idea that strategy and planning can work.



Which begs the question: **Why now?** Why are you (and me) and millions of other business people suddenly riveted by Roger's message?

A theory: We rocketed out of the pandemic with new ambition. Fueled by fresh zeal, renewed expectations drive us. While the market, simultaneously, unleashed a force of radical spending and overconsumption (hello, inflation) of which we now find ourselves on the receiving end, and very, very b-u-s-y.

BUT ... BUSY TOWARD WHAT? FOCUSED TOWARD WHERE?

That's the difference between entrepreneurs who are scaling their business with intention (on purpose) versus those who are "doing all they can just to keep up" (busy): ***Intentional entrepreneurs can answer that question precisely.***



They know exactly what they are busy toward, decisively what they are focused **on**. They can tell you their priorities quarter by quarter, month by month, sometimes even week by week, and day by day.

We talk to a lot of entrepreneurs.

We don't know about the rest of the 1.7 million business viewers of Roger's message, but given our perch in the promo business (our viewpoint: a \$1.4 billion segment of the market, and a unique lens having interviewed hundreds of leaders with the foremost leading brands), we've identified four essential traits that differentiate those who scale their business with intention, versus those who grow by osmosis (busyness).

Leaders who scale with intention (and more efficiently) have:

1. A clearly defined strategy.
2. A concrete, defined, forward-action plan.
3. Focus on the right things that -exponentially- move the business forward.
4. A process that brings their goals across the finish line.



Being busy often obscures that while we are frantically filling orders, are we gaining traction toward our goals? This frantic day-in-day-out, the month-by-month reality of deadline-driven busyness keeps us from seeing the forest for the trees weeds.

“MOST PEOPLE ARE SITTING ON THEIR OWN DIAMOND MINES.”

Gino Wickman, the author of ***Traction*** and founder of the EOS (entrepreneurial operating system), put it that way, you are likely sitting on your own diamond mine – and you know it.

You know you have clients who love you, a solid base from which to grow. You're smart. You know how to build a strong brand and a responsive salesforce. But you might be spinning out in the same grooves, either carving marginal year-over-year growth OR, perhaps, you're growing – but it's incredibly frustrating work. You feel lost in the weeds all the time. You know it can be smoother, more intentional,



less chaotic. And given your hard work, your passion, your knowledge, your team, and your clients, you know you should be bringing forth diamonds more easily.

WELCOME TO THE PROMO MULTIVERSE

You've seen A24's ["Everything Everywhere All At Once"](#), right? If not: The protagonist, Evelyn Wang, must save the world from destruction and does so by (uni)verse-jumping, connecting, with her multiple selves, from one universe to another, in which every choice of hers creates an alternate reality.

Does that sound a little bit like your day-to-day? Jumping from one universe of problems in promo to another?

And that's why we empathize with you. This industry and your business have changed radically from its (in hindsight) simplistic pre-pandemic days:



Our industry has gotten messier, it's an absolute clusterf*ck of variables. More options. More brands. More processes.

The promo biz is now a multiverse of infinite variety and alternate realities.

Combine the average (easily distracted) squirrel brain who is attracted to this infinite variety (someone like me and maybe you) + an increasingly complex and more demanding client + a wildly fluctuating supply chain = barely-manageable-chaos-verging-on-eruption-almost-always.

The result? A high-octane level of busyness you've never witnessed before.

So, if you're paranoid, it's true. Often, the promo multiverse conspires against you. The infinite variety and complexity keep you in a whirlwind.

But that's what this series is all about, helping you lift your head above the fray and noise to discover what's missing in your business so that you can spend the same energy –but positive energy– moving the game forward, according to plan.



In this section, we've identified four essentials missing from your plan. Next, we'll unpack the first one: strategy.

A large, stylized number '2.0' is rendered in a light orange color, serving as a background element. The '2' is thick and curved, while the '.0' is composed of a dot and a circle, also in a thick, rounded style. The background is a solid, bright yellow.

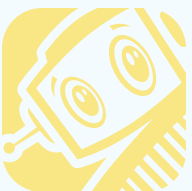
The Promotional Product Industry's 2.0 Problem

Of all the yawn-inducing business-speak in the world (“synergy,” “alignment,” “deliverables”), the word “strategy” is up there, hangin’ with the murkiest of them. Like a lot of boring business-speak, it’s an unimaginative word, wholly mystified by its dullness.

Which is a damn shame because creating an original, market-shattering strategy requires more than a feat of statistical maneuvering; it’s a —surprisingly— creative endeavor that requires imagination.

But some of us love it because we like planning. We like strategizing. We prefer strategizing over strategy because strategizing —as a verb— denotes action, doing. Plus, we loooovvve our four-hour meetings where we strategize like four-star generals.

But for some reason, for all our strategizing, very few of us can share our strategy as a differentiating, revolutionary, defining idea.



Which is why Roger Martin calls strategy making “the lost art of business.”

ART because strategy is more imaginative than analytical, LOST because we've lost the ability to do it.

But first, because "strategy" is freighted with misunderstanding, let's do a quick unpack:

WHAT STRATEGY IS NOT

Books about strategy (**good** books) abound: **Blue Ocean Strategy. Playing to Win.** Good to Great. Pumpkin Plan. There are hundreds of books, thousands of articles. To cut through the noise, let's chip away some stone to reveal what strategy is not.

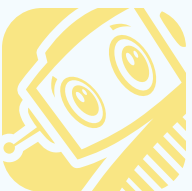
Strategy is not: Planning

Strategy is not: A math problem

Strategy is not: A mission statement

Strategy is not: A vision statement

Strategy is not: An analytic handspring



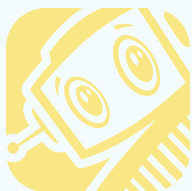
WHAT STRATEGY IS

Strategy is a **creative** act that shapes a future world that does not now exist (Roger Martin).

Sound lofty?

It is. And that's the point. It's supposed to be.

The world's most differentiated and successful businesses have a non-conforming, unique, definable strategy. We only have to drop a few names and you'll get it: Airbnb and Uber. Uber's strategy wasn't to become a better taxi service, a best-in-class option, as if you are going out tonight with friends and must decide whether to take an Uber or a yellow cab. Uber didn't want to give you a better option, it wanted to transform transportation, **rendering any other option irrelevant**. Uber created a winning strategy and ultimately became the only option. Its strategy didn't create a better version and carve out more market share, its strategy changed the game.



Strategy is not a slightly better version of an old idea, strategy taps into aspiration, bringing forth a completely different world that exists than now, an exercise that imagines forward.

Strategy “imagines a desirable future and makes a set of choices with the best chance of bringing it about. It is fundamentally not analytical, which causes it to conflict with the analytical bent encouraged in and supported by business.”

STRATEGY + ASPIRATION = IDEAL FUTURE

Permit an example from the two worlds we know best.

FIRST, OUR BUSINESS, AND SECOND, THE PROMOTIONAL PRODUCTS INDUSTRY:

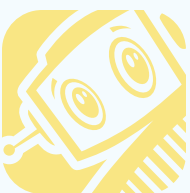
Before commonsku was created, before a single line of code was ever typed, it was built, first, on imagination. Mark and Catherine Graham imagined a world that did



not then exist. They asked the question, “What if we could create a world where a connected workflow would eradicate all noise and friction from a distributor’s daily workflow, liberating entrepreneurs from the burden of ‘processing orders’ to free them (and their teams) up to do what they do best: creative selling.”

commonsku wasn’t meant to replace someone’s ordering system with a slightly better version (an Uber over a yellow cab), it was meant to completely transform how we —as an industry— work, connecting suppliers + distributors + teams in a way that makes the process automagical and invisible, making loud and cranky systems go silent in the background, so customers could focus on the opportunity ahead of them (and not blinded by the process in front of them).

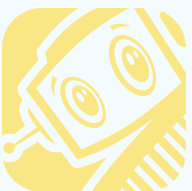
Not a slightly better version, but a revolutionary way to run a business.



SECOND, AN EXAMPLE FROM OUR INDUSTRY THAT WE CAN ALL UNDERSTAND:

When the pandemic hit, virtually every distributor was forced to get into kitting and fulfillment. But think, pre-pandemic: Very few distributors (probably less than 10%) were equipped to do “kitting and fulfillment,” it was a very narrow field. Worse: It was a field no one wanted to work in, much less transform.

As a former distributor, I loved it. We had a few clients that drove the demand for it, they challenged us, pushed our boundaries, and this created a new opportunity. Through their gradual requests, we began to see a better world. We wanted to take what was difficult, messy, and complicated for our clients and streamline it. We asked the question: What if we created a supply chain for virtually every type of branded product a company could want? What if we could completely streamline a brand’s marketing operation, thus eliminating the need for anyone else?



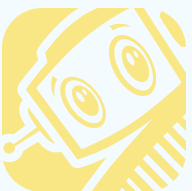
It was a vision that didn't then exist, or at least, a vision that wasn't seen, or embraced, or wanted, by most.

It was also a strategy that cut through the competitive noise like a knife. When I cold-called the Vice President of a prestigious bank, he asked me, "Why do I want to work with another swag company? I've got a dozen of your type lined up at my door."

I replied, "I'll bet you have at least four people dedicated to managing your branded products, and multiple vendors complicating your process and compromising your brand. What if you had your team's expertise freed up to actually do what they are supposed to do: market your bank?"

He said, "you've earned the right to talk to me again."

As Roger Martin wrote, aspirations are not about the here and now, but about an ideal future.



THE PROMOTIONAL PRODUCT INDUSTRY'S 2.0 PROBLEM

At the time, it was a fairly revolutionary idea, to simplify all branded materials into one cohesive operating system. Fast forward to today: everyone's in on the kitting and fulfillment game.

What was once a **strategic advantage** is now a common service offered by the best distributors in any market. Jump to five different distributor websites (good websites) and you'll see variations on the same theme: A better kitting and fulfillment option. Not a different option altogether, but a better one.

And, you'll notice, our industry has a 2.0 problem, we struggle with strategy because we think a strategy is becoming a slightly better version of an existing competitive model. A better agency. A better shop provider. A better creative merchandiser.



Which begs the question: If we're all simply competing as better versions of each other, doesn't this further

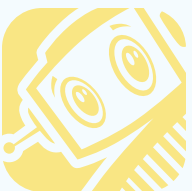
commodify our market? And if so, is this part of the reason for marginal (industry) growth?

If having a strategy is something more than Promo 2.0, how do you find the right strategy that is unique to you?

READING THE TEA LEAVES – CORRECTLY (OR, HOW TO FIND YOUR STRATEGY)

Strategy, according to Martin, is obsessively client-centric. **Planning** is resource management, it's focused on us. But **strategy** combines a hyper-focus on clients while looking for patterns. It combines customer insight with your intuition and experience.

So, to discover our own differentiated strategy, it's to clients we should go. In ancient divination, there was once a practice of "reading tea leaves." What looked like a completely superstitious practice (and it was), the practical take-away is that it was also a practice of looking for **patterns**.



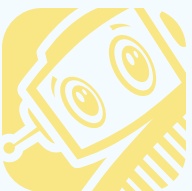
A practical exercise of imagination (how to find your strategy) in four steps:

1. WHY DO YOUR BEST CLIENTS LOVE YOU (BEYOND “SERVICE AND CREATIVITY”)?

List your five best clients. And by best clients, we mean, clients who keep giving you projects (i.e., money) over and over. BTW: You can have a tenuous relationship with any client at any time, so don't drop your emotional plumb line in on each client relationship. Shelve that plumb line and look at the numbers. List your clients in declining order by gross sales volume, what does the data reveal? What industries are they in? What types of buyers are they? (Marketing or Purchasing?) Are they B2B? Consumer? Define them as best you can by category or industry, or market.

2. FIND THE COMMON THREAD THAT BINDS THEM TO YOU.

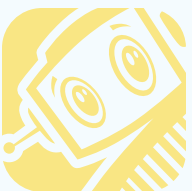
What similar patterns do you find between these clients? What is it these top clients have in common with each other? You might not map all five clients to one particular service you offer, but you might map three of your best



clients. Who are they? What is the service or product they buy from you that seems similar? Note, we didn't ask you to list your strengths. This is not about having the best team, or fulfillment capability, or in-house decoration. This is not about resource planning, it's about creating a different client experience based on future client needs.

3. WHAT PROBLEM –EXACTLY– ARE THESE COMMON CUSTOMERS TRYING TO SOLVE?

When commonsku was first built, we imagined a world that didn't then exist, but it was solving a problem (that in time would prove to be) a similar problem facing multiple clients: helping teams work better together, eradicating friction, eliminating precious time-wasting tasks from the workflow. For those that don't know, commonsku was incubated inside a distributorship (now sold) so it was *intimately* in tune with the client-problem to be solved. This is the future forward question: What world can you create for your clients that doesn't now exist, but will ultimately make their lives infinitely better/easier/radically more effective? Is there a common problem they all face?

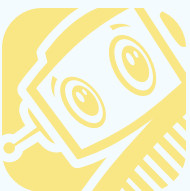


4. WHAT IF? NOW, IMAGINE A BETTER WORLD (FOR THESE CLIENTS) THAT DOESN'T NOW EXIST.

If you can imagine a different experience, in a way that will solve this problem for that specific subset of clients, you're close to defining a strategy. This part of the exercise begins with the words: What if? What if we could make invisible all the messy parts of ordering? What if our clients could _____. The "what if we" or "what if our clients could" is a key phrase to unlocking your strategy.

By going through this exercise, you've done a few things: you've defined your market (what Roger Martin calls "where to play"), whether that's for a specific customer persona, a geographic area, or an industry, and you've found the common thread (problem) your best customers face.

Now, what's missing: Your intuition and imagination: What does their world look like three years from now based on how you would solve their problem?



THINK PROMO CAN'T BE THAT CREATIVE WITH STRATEGY? JUST A FEW EXAMPLES:

Maybe the pattern you discover is that you work with financial institutions or highly regulated industries, helping manage their branded merch in ways that are completely different than any other client type. These clients all have security issues, data issues, privacy issues, and you're shipping to homes, but you've learned how to solve (some) of these security problems in multiple ways. You've solved them for one client and now need to expand on it and then cross-pollinate that idea to another client (the common thread).

Moreover, you're beginning to imagine a world where these pesky issues are eradicated in the future. You're starting to carve a solid, differentiating strategy by imagining a world that doesn't now exist. And one completely different from your competitors and laser-focused on the client.



Or, perhaps you have multiple clients who are interested in the trackability and provability of ROI related to branded merch (there are a few distributors working on this problem now). In other words, your clients want you to prove -definitively- how many times, over the course of a year, that branded t-shirt was seen and viewed by a prospective audience. You've sourced a few products that will enable tech to allow for this, and you think this might be a unique enough idea to warrant further pursuit. Your strategy would then lean into proving the ROI of branded merch for clients who demand it, creating a world in the future that doesn't now exist.

STRATEGY AIN'T EASY, IN FACT, IT SHOULD MAKE YOU ANGSTY

If you're feeling a bit angsty about this topic of strategy, you're on the right track. It's not planning. Planning is comfortable because you control the inputs **and** outcomes. Resource planning is limited to you and your ability.



Strategy is focused on your clients. An effective strategy **will** make you nervous because it's not a slightly better version of your competitor (which is more about resource planning than differentiation), and strategy is highly dependent on the market response.

Roger Martin said, "Strategy will have angst. It will make you nervous. As a manager, you're taught to do things that will **prove** you will succeed. You can't prove, in advance, that your strategy will succeed. Strategy says, 'If our theory is right about what we can do and how the market will react, this will position us in an excellent way,'" . Except that you can't know for sure.

Before almost every talk at skucon or skucamp, right before a speaker hops on stage, I often get the same question: "Do you still get nervous before speaking?" My answer: I'm always nervous because we're here together, risking something, and we don't really know the outcome, which makes it (in the words of [Michael Bungay Stanier](#)): thrilling, daunting, daring, and ... worth doing.



Pulse-check:

Do you have a clearly defined, differentiating strategy?

Does your **strategy** make you angsty? Does it involve risk?

Or is your strategy simply a 2.0 version of the current market?

Are you nervously excited about being right? About the world you imagine tomorrow?

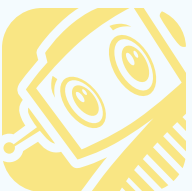
Our VP of sales, Karim Kuperhause, was playing around with ChatGPT and typed in this question: “What assumptions are keeping a promotional products business from growing?”

ChatGPT: Not understanding the needs of the customers and not having a clear value proposition, which makes it difficult to differentiate from competitors.



Roger Martin calls strategy the lost art of business because we don't take time from firefighting (order taking + problem solving), and from resource planning, to stop and study, craft, and conceptualize a distinct, market-shattering strategy.

And strategy, ultimately, is about leadership, because, in Martin's words, you're giving your organization –and you– a chance ... to do something great.



Curiosity Killed the Promo Cat



At commonsku, we're lucky to be in a unique position. After years of working with many of the brightest promo minds in the industry, we've discovered a few common threads that run through the most vibrant companies. Secrets, vital to what it takes to scale a successful distributorship, to take it from \$1 million to \$5 million, from \$10 million to \$20 million, from \$20 million to \$50 million.

In this part, we're discovering the essential distinction you need to create a solid leadership team that can scale your business.

But before we get to that distinction, we must first deal with ... your feline ways.

CURIOSITY KILLED THE PROMO CAT

From countless conversations with clients, over [a few hundred interviews](#), and through hosting multiple events featuring stories from industry pros, we've found one trait you must possess to be successful in this business.



But the shocker is, this same trait is also the quiet killer of your most ambitious efforts: Curiosity.

Curiosity is the single most valuable trait for a successful promotional product professional (with adaptability being a very close second). But we're not talking about your garden-variety curious, the kind that gets easily distracted by IG.

We're talking the deep-in-the-weeds variety that loves to get lost in new things. The squirrel-brain variety that loves to go to the shows to see new product, learn about decorating processes, meet a new client or discover a new supplier partner.

It's this same insatiable curiosity that reveals itself —right now— in the multitude of tabs open on your browser window. It's why you're currently juggling a dozen projects for a half dozen clients and also maybe why you're sipping your lunch through a straw: you just can't break away from it.



Curiosity is why so many of us play this game. It's the infinite variety, the constant learning, the myriad options that rivet us to a career we love. It's why they say you never can leave promo: once you're in, the dazzling array of alternatives mesmerizes you. Spellbound, you can never leave.

So, safe to say, curiosity is a magnetizing superpower in this business. Without it, you wouldn't stay or survive.

But the shocker is: this same trait that enables you to find new ideas, manage multiple clients, projects, and suppliers, is also the quiet killer of your most ambitious effort to scale your business.

MAYBE IT'S YOUR KLESHA THAT'S KILLING YOU?

Bear with us one moment, but In Buddhism, there's a principle called Klesha. ***Hang tight, it's less woo-woo than you think, in fact, it's so hardline practical, it's kinda mind-blowing.***



Klesha is the idea of opposite energies.

Klesha's are the breeding ground for our natural tendencies that give rise to action (and thus create consequences). A klesha is the negative side of a positive trait and can often be our biggest obstacle to growth.

If curiosity is the primary ingredient for success in this business, its mirror opposite trait (it's klesha, if you will) is distractedness.

And we don't mean the mild, run-of-the-mill sort of distractedness that makes you reach for a TikTok hit, we mean the kind of distractedness that keeps you blindly "busy," without advancing your goals. The kind of distractedness that makes you hustle all week and wonder on Friday what the hell you even accomplished (much less whether it advanced your mission).

This form of distractedness doesn't prevent you from working (you wouldn't be reading this if you weren't passionate about hard work), this type of distraction



is **worse** because it prevents you from working **on the right parts of your business**.

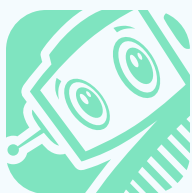
And here's the mind-blowing secret: Distractedness is not your enemy. In fact, if curiosity and distractedness are two sides of the same coin, you can't entirely destroy distractedness, or you would kill creativity.

The klesha energy (curiosity/distractedness) is a limitless source of your creative power, like an electric current, it's not something you want to obliterate, it's something you want to channel.

So, how to channel this energy into the right goals that advance the business forward?

YOUR PERSONAL FOCUS

We have been trying to answer this question: Why do some smart, creative people in the promo business grow at outsized rates of 20%, 30% (or more), while others



grow marginally? Or, another type of growth: Why are some industry people happy in their work while others are miserable?

A key answer (and a pathway to channeling endless distraction) is learning **where** you should put your focus of curiosity based on the unique strengths you bring to your business.

In virtually every successful distributor business, we've noticed that there are two primary roles essential for scaling. Many of the most successful teams have leaders who fit each of these roles or team members who fit these roles. Gino Wickman calls these roles the **Integrator** and the **Visionary**. In Wickman's book ***Rocket Fuel, (The One Essential Combination That Will Get You More of What You Want From Your Business)***, he writes that successful businesses are led by two types:



The Integrator:

One who harmoniously unites the major functions of a

business, keeps the trains running on time, one who creates focus, accountability, and alignment. The integrator loves people, process, systems, priorities, strategy, organizational clarity. They love figuring out the complexity of the day-to-day. Who are they? The steady force.

The Visionary:

One who creates clear ideas about the future of the business, who possesses unusual foresight, a powerful imagination that seizes market opportunities, dreams big. They are a continuous source of new ideas, and they notice problems in the world and find ways to solve them. The never-ending visionary.

Example?

On our marketing team, Mark Graham, Chief Brand Officer, is our visionary; Kate Masewich, VP of Marketing, is our Integrator. It's because they both clearly understand their roles that we have been able to scale our content, events, and marketing efforts with a very small team, superceding (at times) even our own



expectations. They'd both admit it's not always perfect, but because they are operating in their strengths, they are advancing the business at a pace beyond which each could have done on their own, and moreover, doing so with far less friction. And not because there are two of them, but because there are two of them operating in ***opposite strengths***. Not merely different strengths, ***opposite*** strengths.

We've seen this play out in many other distributorships as well. At skucon in Las Vegas, the Imprint Engine co-founders [*talked about their opposite roles*](#) as Integrators and Visionaries. Stephanie Leader at skucon 2022 also [*talked about the impact*](#) of Wickman's principles of Traction on their growth in a session "How to Create a Strategy for Epic Growth," and [*in a recent skucast*](#), episode, Tom Rauen said that when he finally understood the difference in these roles, his businesses skyrocketed. (For a bonus, at the end of this ebook, we've included the transcript of our entire chat with Tom, an ultra runner and entrepreneur, who talks about how to break down big goals and turn them into 90-day springs).



This simple differentiation is a critical key to understanding why some distributors grow while others languish, or why some are absolutely frustrated by their work and others are liberated.

Jim Collins, in his book ***Good to Great***, put it this way, “You have to figure out what you’re genetically encoded to do.” And if you are genetically encoded to be an integrator but you are trying to build your business as both an integrator and a visionary, you will be driven to distraction in so many ways that you’ll find yourself burned-out and demoralized.

“The combination of your talents and passions combined with your leadership creates something unique that no other company has, and that something is your core focus.” (Wickman).

Core Focus = Conative Strength



Understanding and creating the Integrator/Visionary roles in your business gives your leadership team FOCUS. It allows each person (or each team member) to

center on the right priorities and objectives that fit within their role to execute a grand vision.

And back to curiosity/distractedness: If defining roles is part of the solution, and focus is the channel, then the energy (or power) that drives you, the energy that flows through you, is still your insatiable curiosity. But now, you are able to channel that curiosity towards activities that line up with your conative strengths.

What's a conative strength? A conative strength is ***the instinctive way you take action when you strive*** (Kolbe).

If the integrator knows her role, and the visionary knows her role, when curiosity seizes them or distractedness hits, they can either swat away the distractedness or embrace the curious idea, depending on whether it fits their role and their mission moving forward.

But most importantly, because they understand their conative strength —the instinctive way they take action— they can put that curiosity or distraction to use, like a force. In Star Wars, the force grants Jedis powerful



abilities but it also directs their actions. Rather than fighting distraction or being distracted by everything, integrators and visionaries can channel the ideas that come, based on their role. It's a Jedi way of using the force of curiosity/distraction that channels everything toward your personal mission.

Focus, through your conative strength, creates propulsive energy at scale and promotes harmony in teams. It's more than concentration, it's targeting your unique talent, energy, and skill ***on the right things that move the business forward.***

It's Luke Skywalker, Rey Skywalker, Obi-Wan-sized force.

Most of us want to grow, whether that's growing the top line, boosting the bottom line, or simply growing in our enjoyment of running our business. But without clearly defined roles of focus, our scaling efforts will be thwarted by every conceivable distraction, and our vision for a better life will always remain simply that, a vision.



And as Wickman put it: Vision without execution is a hallucination (more on this next).



**Why Digital
Transformation Solves
Promo's Scaling Problem.
The Distributor's
Dilemma.**

Something radical is happening in the promo industry.

This week, the largest gathering of technologists that have ever assembled in our industry met at Tech Summit.

Why the largest? What's all the momentum about?

Two words: "Digital transformation" (boring words, but here we are). Definitions aside, digital transformation is buzzy.

More than that, it's **the buzz**. Everyone is talking about it. All the business research firms like Gartner and Forester are talking about it. Headlines from Forbes (["Digital Transformation: How To Future-Proof Your Business"](#)) to Inc. Magazine (["The Pandemic Turbocharged Digital Transformation. Make Sure You Don't Get Left Behind"](#)) to Wall Street Journal, feature digital transformation almost as if they now have journalists covering the topic like an old school reporter would their beat (sports, fashion, food). It's that important.

What is digital transformation? At a base level, it's about modernizing legacy systems, but that's just skimming the surface.



Beneath the surface, it's about unifying workflows. Creating cross-functional collaboration. Building harmonious, **simple** ecosystems for your team – **and clients**– which removes the friction from work, creating the opportunity to scale.

And for a far more human-centric answer: It's about streamlining the complex, frustrating, and burdensome work that aggravates you and your team down, slowing you down. Digital transformation, for the human in us, creates an easier, more enjoyable work-life.

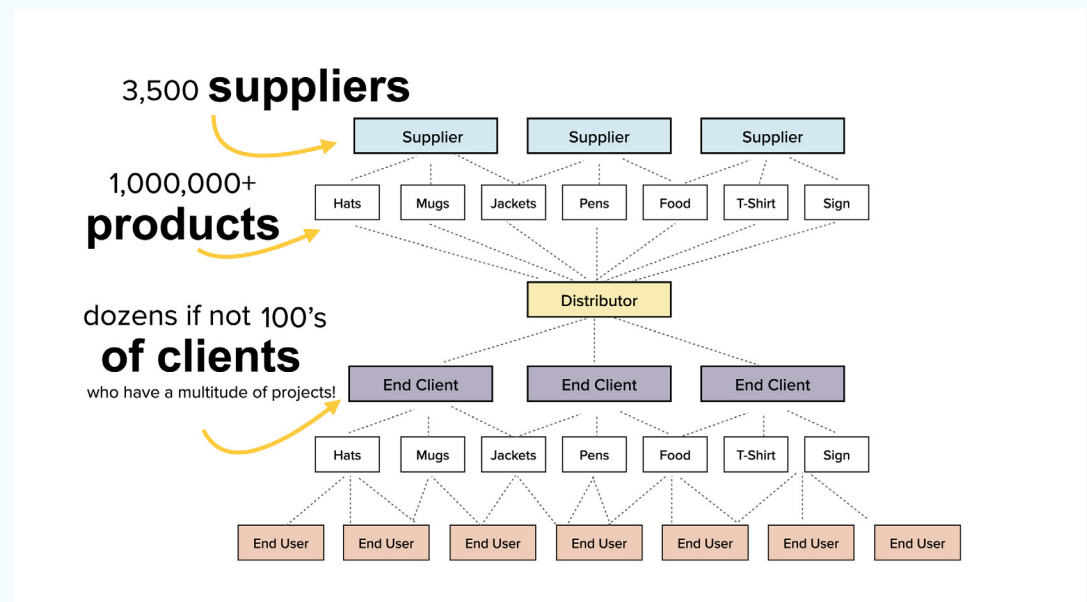
BUT WHY SHOULD A DISTRIBUTOR CARE?

Most distributors think this is just a supplier's game (and there is epic truth to that, see [“The New Catalyst”](#) episode here), but if distributors exempt themselves from their own digital transformation journey, they'll risk, as Inc Magazine put it, being left behind.

Since a picture is worth a thousand words, here's why digital transformation is critical for any distributor, in five images.



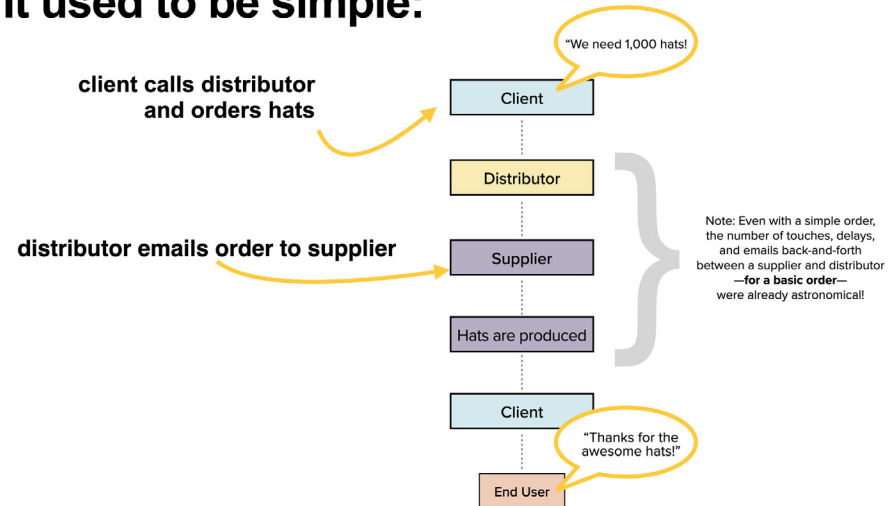
For those fairly new to the industry, here's a simple chart I like to start with to show –in a snapshot– what the game field looks like from a bird's-eye-view:



Now, in the old days, projects from clients were rather simple. Client called to place an order for 1,000 hats. It's the same logo you've used a hundred times on shirts, mugs, and pens and you found the hat and placed the order with your client. There still was a ridiculous amount of back-and-forth between suppliers and distributors, but it was –in hindsight– a simpler time:



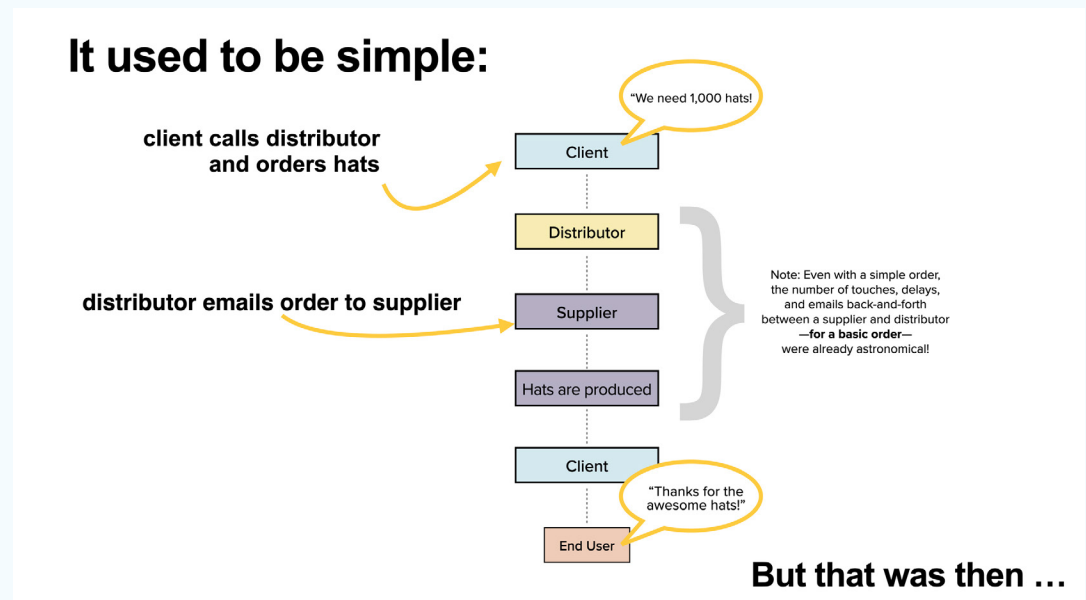
It used to be simple:



But that was then ...

And now, something's changed. The clients' needs today are far more complex. Today's buyer is savvier about trends. Today's buyer is needier for details. Today's buyer wants more customization, custom shipping specifications, details beyond product (such as sourcing), and all done at the same speed (or less) as a simple order. It's mind-boggling what the average distributor handles on any given day with just one project:





Now, multiply that client times 12, and multiply their projects times 100, and you begin to see why your job —and the entire promo industry— has evolved from a simple sourcing expedition to a complex, multilayered clusterf*ck of unimaginable details!

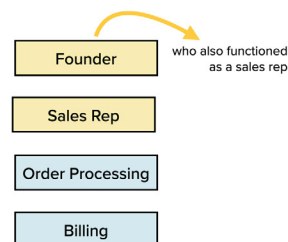
“BURDENSOME CROSS-FUNCTIONAL COLLABORATION YIELDS WORSE ORGANIZATIONAL OUTCOMES.”



Well, that’s a dreary headline.

But true. Burdensome. Bloated. Duplicative. Triplicative (if we may). Cross-functional collaboration bogs your team down. That phrase above is a headline from a top trends report produced by Gartner that reveals the biggest impact CMOs will experience in 2023. And it's an eerily familiar story for promo. It's also why the average distributor's organization has evolved from its simplified era of sourcing merch, to complexity as a project management organism. From this:

The average distributor org chart used to be simple:

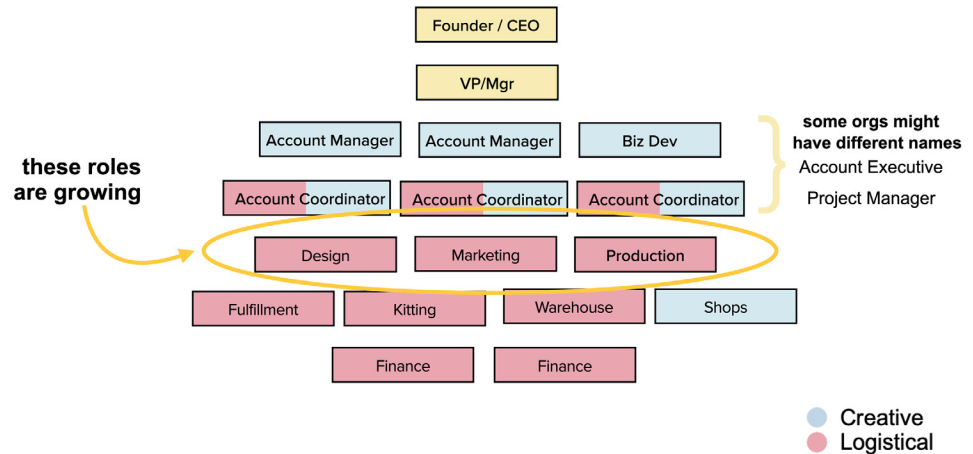


But that was then ...

To a full-blown sourcing, creation, distribution, and marketing agency tasked with delivering higher objectives. Couple the project above with the org chart below and you can easily see why “burdensome cross-functional collaboration yields worse organizational outcomes”:



... this is now:



It's also why distributorships from small to large are embracing digital transformation. In the words of Brett Boake, General Manager at Score, one of the leading distributors in North America, it's about giving cross-functional CLARITY to high-functioning teams:

<https://www.youtube.com/watch?v=vYzoc5jhWec&t=1s>

Now, if I were to mash together all those charts above and create one massive chart with all the flows from product inception to the supplier (which we haven't even covered yet) to completion We wouldn't have enough of a page to make all of the steps and variables legible!



BUT IT'S MORE THAN JUST YOU: IT'S YOUR CLIENT

Digital transformation will ultimately upend the traditional promo does business, but it's even deeper than distributor-supplier collaboration; in the end, it's about clients.

According to Adobe's research report featuring 814 B2B executives, 71% are experiencing a surge in their existing customers using digital channels for the first time. And **65% are gaining new customers through digital channels**. An example from our industry, Tom Rector, CEO at Screenbroidery, landed a new client because of [commonsku's portals](#). In this interview with, [we asked Tom](#), why he thought the portals helped land new business:

"Communication is so important, especially in today's world. The portals allow us to better communicate with our customers because we can centralize all the information and the projects that our customers are working on. A competitive marketplace means that



all of your customers were working with someone else before they started working with you. A [prospect, now client], came to us. They were working with someone else and said this about their previous relationship, ‘We didn’t communicate very well, it was hard for us to get previous orders, and we were missing invoices, we just didn’t have a solution.’ We now have portals [for this client] where we can centralize all that information, and our marketing team can add commonsku shops and marketing materials. They didn’t even ask for things like that, we’re adding such value to our customer base that they haven’t experienced. But they [today’s customers] are now looking for those types of solutions.”

Sean Mooney, Partner at Showpony, also put it this way, the more streamlined you and your team can be working together, the more creative you can be for your customer:

<https://www.youtube.com/watch?v=eHbjPTPeX4Y>



Digital transformation is the biggest catalyst for growth our industry has seen since e-commerce. Those who recognize

that they are not the agency they once were, and those who recognize the client has also evolved as a far more demanding entity in our business, will reap the rewards if they make their own digital transformation a priority.

HOW WOULD YOU RATE THE WAY YOU AND YOUR TEAM CURRENTLY COLLABORATE?

Would it be, in the words of Gartner, burdensome or liberating? Is your team freed up to focus on client growth?

A few ideas to help kick-start your digital transformation plan:

1. Make digital transformation a priority. We know what happens in a deadline-driven business: the urgent always bumps the important.
2. Create a digital transformation team that involves a cross-section of your colleagues from each department.



3. Task your team with (first) sourcing areas where there needs to be improvement.
4. Be sure your digital transformation plan includes the three areas most impactful to your company: your team, your supplier partners, and your clients.
5. Meet with your top suppliers to talk about where they are at on their digital transformation journey. It does you little good if your linked partners are not also striving towards their own digital transformation goals.
6. Set a goal with a deadline. Example: By the end of _____, we will have determined our priorities and mapped our digital transformation.



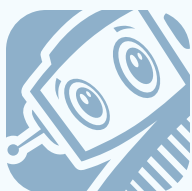


Bonus!
**Our chat with Tom
Rauen. “How to Break
Down Big Goals to
90-Day Sprints”**

(Tips from a 100-Mile Runner)

How do we break down big audacious goals? Well, if there's anyone who would know, it's Tom Rauen. Tom's an ultra runner who runs 100-mile races just for the challenge of it. Tom is the founder and CEO of 1800 T-shirts and Envision custom screen printing and embroidery, an Ink 5,000 company. He is also the co-founder of Dimensional Brewing Company, a microbrewery in Dubuque. Tom has served on many notable boards and nonprofits, including a foundation. Along with his wife Amanda, Tom started the Rowan Family Foundation with a mission to give back to the community.

This coming September, Tom is competing in the World Series of Ultrarunning in Italy. It's the biggest, most competitive race in the world at Mont Blanc, the highest mountain in the Alps in Western Europe, located on the French-Italian border. The race, known as the UTMB, is 106 miles long and includes a total ascent of 33,000 feet. Created in 2003, it is the most mythical and prestigious trail running race in the world. So if anyone would know about how to take big audacious goals and break them down into manageable tasks that help you overcome Herculean feats, it's Tom. Here's our chat:



Bobby Lehew: When did you first start reading and decide to implement that (Gino Wickman's Traction principles) for your business?

Tom Rauen: "Probably four years ago. It's been an evolution, that's for sure. So we started off using a spreadsheet to measure our rocks and keep track of everything."

Bobby Lehew: And when you say measure our rocks, what do you mean?

Tom Rauen: Basically, there are three things that you need to set up. First, you have an issues list, where you jot down all the problems that need to be addressed. Then, there's the to-do list, where you identify tasks that need to be done. Some of these issues and tasks are small and can be completed quickly, so we call them "dos." But there are bigger tasks, which we refer to as "rocks." These are the significant goals that require more time and effort to accomplish, and they can't be completed in just one afternoon.

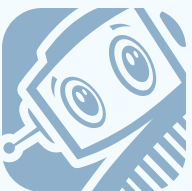


We apply this approach to every department in our company, including sales, creative, screen printing, and embroidery. Additionally, we have a general admin list to cover any other areas.

We also have a company-wide approach, where we break down our goals into 90-day segments. We ask ourselves, “What are the big things that we need to focus on in the next 90 days?” We identify these as our big dominoes or rocks because they will significantly move the needle forward in our business.

We recognize that the day-to-day tasks that we do with our customers are transactional. These tasks involve getting orders done, approving artwork, and other routine tasks. However, the significant tasks that we do when we’re working on the business are transformational. They push the business forward and create change.

I like to refer to these tasks as big dominoes because when we complete one, it has a ripple effect on



everything else. To ensure that we stay on track, we break down our 90-day goals into smaller tasks, such as issues, to-dos, and rocks. We assign deadlines and determine who will be responsible for completing each task.

Sometimes, we realize that we don't have the time or resources to complete a task internally. In such cases, we explore outsourcing options, such as hiring an agency or external help. Ultimately, our approach involves creating a comprehensive list of tasks, setting deadlines, assigning responsibilities, and deciding whether to handle the task internally or outsource it.

Bobby Lehew: So the rocks are your big projects? Are there a finite number of rocks?

Tom Rauen: Yeah, typically three to five.

Bobby Lehew: Okay, three to five. And since you're an ultra runner, by the way, do you have something on your horizon that you're going to be doing in the upcoming year or so? I'm curious to know. I'm always fascinated by your ultra-running lifestyle and how it meshes with business.



Tom Rauen: So I entered the lottery and I got accepted into UTMB, which is Ultra Trail Mont Blanc, and that is the World Series of ultra running, which is the biggest and most competitive ultra race in the world.

Bobby Lehew: Congratulations my friend. Wow.

Tom Rauen: Yeah, I qualified last year at Western States and entered the lottery, but I was not expecting it. So when I got the email saying accepted, I was totally blown away. I was surprised, but then also I had that “oh shit” moment. Now the work begins. You get that email the week after Christmas when you know you’ve been eating junk food.

Bobby Lehew: So when is it?

Tom Rauen: It’s September 1st. So I’ve got plenty of time to train in its absolutely beautiful area. So it starts in Chamonix. We’ll run probably the first 15 miles and then enter into Italy and it goes through Courmayeur, Italy. And then once we get through Italy, it’ll circle up into Switzerland a little bit, and then around the Mont Blanc massive and back into France to finish in the same spot.



Bobby Lehew: How many miles?

Tom Rauen: 106 miles and 33,000 feet. Gonna get to know a StairMaster really well because we obviously don't have mountains or areas to climb that big in Iowa.

Bobby Lehew: So, this is actually a perfect setup for my question about EOS for you, because you mentioned that you're creating 90-day sprints with your three to five big rocks. I'm curious how, as an ultra runner, you have this 106-mile race, and for many of us facing the year, whether we're entrepreneurs, business leaders, or sales directors, a year can feel like a marathon.

So, you're breaking it down into these 90-day sprints. How has that helped you capitalize on your goals, and how does it equate to you running 106 miles?

Tom Rauen: They correlate very well side by side. In business, I can't just look at what we want to get done this year. I have to look at what we have to do this week, this month, or in the next 90 days, and let those



compound and stack up to achieve the ultimate goal, whether it's on a one-year, three-year, or five-year plan.

The same goes for training. I know that on September 1st, I need to be ready and prepared to run the 106 miles. But I can't think that I'm just going to go out and run a marathon or even a hundred miles tomorrow. The training starts with five to eight miles at a time, and every week I add a little bit more to it. It's broken down into different training blocks, where the first block is just building up my base fitness, and then it gets into another training block where I'm increasing my VO2 max and endurance.

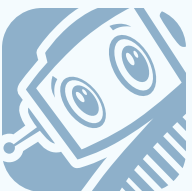
The next training block will get a little bit more technical, where I start running with the gear that I'll be using and start doing smaller races that are maybe 30 or 50 miles, which are similar to the big one as a lead-up. I practice everything I'm going to do on the big race day on similar types of trails, with all the nutrition that I need and everything else. So, it's just piecing all those parts together until we get to the finish line.



Whether it's running the 106 miles or in business, it's just putting all those small pieces together, knocking over those big dominoes, because that has a ripple effect on everything else. Then, in the race itself, the starting line gun goes off, and I know I'm going to be in this thing for a while. It's unpredictable, and I can't look at it from the start and say, "I've got 106 miles to go." Instead, I say, "I've got five miles to the next aid station. I need to make it the next mile. I need to make it the next step."

So, it's one step at a time, one mile at a time, one aid station at a time. And once I break those down and just try to get to that next mile or the next aid station, eventually I look down at my watch and realize I'm more than halfway to the finish. When I start a race, I focus on the immediate task at hand and keep going from there.

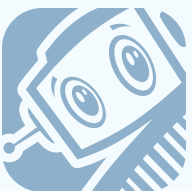
Tom Rauen: When I begin a race, I focus solely on the task at hand and move forward from there. Even when I reach mile 80 or 90, I don't dwell on the miles I've already completed or how many more I have left to go. Instead, I concentrate on what I need to do next, what I



need to eat, and how my body feels for the next mile or five miles until I reach the next aid station. This approach also applies to our production schedule or the jobs in our queue. I always advise our staff to focus on the next order, the next hour, or the next task at hand, rather than worrying about the stack of 25 cards or 20,000 t-shirts waiting to be printed.

After finishing these races, I share with our staff what I have learned and the mental and physical challenges I have overcome. I then apply my experiences to our business and put myself in situations where I have to push myself mentally and emotionally to my breaking point. By doing this, things become easier and more streamlined in business because I know that we can always push a little harder, go a little deeper, and find another gear.

Bobby Lehew: This approach really resonates with me, and I think it applies to a lot of us in business. In the past, I made the mistake of setting a goal like growing by 30 or 40% without breaking it down into smaller goals or micro-goals, which is exactly what Tom is talking about.



Another thing that struck me about ultra running is how incredibly complex it is. There are so many variables to consider, like diet and nutrition, altitude, and other environmental conditions. These complexities are similar to what we face in business. Why do you think that is the case? I guess what I'm trying to ask is, why is the run you're doing so intricate and demanding?

Tom Rauen: I agree, Bobby. A lot of people think ultra running is simple, but it's actually incredibly complex when you factor in nutrition and everything else. It's similar to business, which has also become more complex as I've grown as an entrepreneur.

Regarding why EOS is important, I think it's because it provides a framework for businesses to operate with clarity and focus. It helps break down big goals into smaller, more manageable tasks and creates a culture of accountability within the organization. I've seen firsthand how it's helped many entrepreneurs accelerate their businesses and achieve their goals.



Tom Rauen: To add to what I was saying earlier, for us, implementing the EOS system helped us get focused. As a visionary, I tend to have a lot of ideas and projects going on at once, and I enjoy the challenge of rush orders and deadlines. However, I found myself trying to force myself into the integrator role and doing things outside of my comfort zone.

Once I read the EOS book and understood the difference between a visionary and an integrator, I realized that I was trying to do too much and needed to focus on my strengths. Setting up an accountability chart for our team helped us define each position and what they should be focused on. This created structure and accountability within our organization.

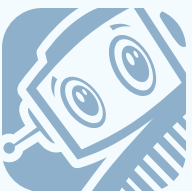
The to-do list and issue tracking system within EOS also helped us stay on track and prioritize tasks. We were able to assign responsibilities and make sure that things didn't fall through the cracks. Even with the system, there is still a need to focus and work hard to implement it effectively.



At first, we used a spreadsheet to implement the EOS system, but we later found software that helps track metrics and has a dashboard to manage tasks. We are just starting to implement this software, and I believe it will make things even easier for us in the future.

Bobby Lehew: Okay, thank you for answering that question about why it's been so important. I think a big part of that is the integrator piece. When you recognized your role as the visionary, that had to be somewhat liberating. Did it mean that you now realized, "Oh, I have to either find an integrator or ascribe or have those kinds of integrated roles around me?" How did you reconcile the fact that, "Oh, I'm a visionary, not an integrator. But I need an integrator." And forgive my greenness, but this is why I like that. I'm dumb on this topic 'cause I get to ask dumb questions.

Is the integrator the ops person who keeps the structure and everything going, and the visionary is the one who sees where you're going and where you're gonna grow to, correct?



Tom Rauen: Yeah, the integrator is the COO, general manager, the operations manager, or whatever you want to call it. That's the person who takes the vision, the ideas, everything, and puts it into action, getting it done, dialing in. They are two very different personalities in the way they work. And I didn't know that for a long time. I just thought you go through it, and you don't know any different. I really realized it when I started the brewery, and my partner in the brewery is an integrator. It was amazing how I would take my vision, share it with him, and he would put it into play.

For the first year, it was awkward for me because I didn't even know that existed. That correlation is when you can get that All-Star team together. So, the other thing is like Walt Disney and Roy Disney. Walt Disney is the visionary, Roy Disney is actually doing all the work. And most people don't realize that. There are a lot of tandem duals like that throughout time that have had a visionary. But I think at Apple, you could say Steve Jobs is a visionary. Steve Wozniak was the integrator actually getting it done.



Once you learn that dynamic, it's pretty eye-opening. You realize, "Whoa, I need this, or I need to find that. Who's my Charlie Munger? I need my side guy here." Learning that was just like, "Alright, we got that's number one."

Bobby Lehew: It also takes a lot of maturity on the integrator's part to understand that. And typically, they probably come to the table with this understanding, maybe even more so than the visionary because they realize a lot of us who are integrators are not visionaries. We may even realize we're not technically entrepreneurs, but we're really good at processes, operations, and figuring things out.

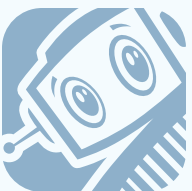
The funny thing, talking with you, Tom, is that I've been in the seat now talking to so many successful entrepreneurs, and after two or three hundred conversations like this, without using those terms, you can always find those roles within the most successful businesses. And so, you affirmed this, but it seems to me because our industry is so complex because there are so many moving parts, because there's so much



opportunity and variety, this is why we need an interior leadership structure to help take all these role-thinking entrepreneurs that see so many different ideas and channel those into something that would actually produce work.

Tom Rauen: Yeah, 100%. Another great partnership I have is with Marshall at Shirt Lab. I had the idea, and we both collaborated on creating Shirt Lab. I'm always throwing out ideas to him, and within a day, Marshall's back on the phone or email me, saying "Boom, I got this done and this done."

Our dynamic is great because I'm the visionary, and he's the integrator. I throw out ideas, and we talk about them, and he makes them happen. With Shirt Lab, we've had to adjust our system a bit because it was too focused on fixing problems and documenting issues. We had a lot of to-dos, issues, and rocks, which can all be negative things. We realized we needed to add a positive component as well.



Other people who have used this system have found that if you focus too much on problems and negativity, it can become overwhelming. You start feeling like you're always fixing things and dealing with problems. So, it's important to add positive elements as well. For example, focus on achieving a 99% completion rate for meeting deadlines or other positive metrics.

Bobby Lehew: Such great advice, Tom. Thank you, buddy. We always appreciate your advice.



