



Episode 21 - Leading Groups Effectively For Scale (Part Two: The 20/60/20 Rule)

In Part One of this series we uncovered the best team alignment hacks with 1 core truth and 5 key rules you need to follow.

In Part Two, we explore the 20/60/20 rule of leadership to keep you from falling back on the false belief that a smaller team is better. Use this guide and follow along while you listen to learn how to avoid burnout and manage larger teams with less minutes by using this time tested, tactical model.

A Trip Down Memory Lane...

Before we get into the 20/60/20 rule, I want to share a story with you.

Back in the day, I led several McDonald's restaurants with different teams. Each restaurant was measured in different categories such as speed of service, food quality ratings, cleanliness, customer service scores, internal employee satisfaction, etc.

So, we did what any other business would do in this situation. We worked on improving the areas where each establishment lacked. But I noticed a pattern. Whenever one restaurant improved in one category, another suffered.

"I remember thinking... if it weren't for the humans, leading business would be easy." – Seth Campbell

I'll admit that I almost gave up (key word – *almost!*). Thankfully, I didn't. Instead, I came to the realization that I had the wrong leadership model. I was leading a large group in the same way that I would lead a small team.

If I kept going that way, I would've burnt out sooner rather than later.

I even thought... Had I been the owner - I would have considered something crazy like keeping my business small. It's easier to manage and I'll get my life back.

But keeping it small will not last through every season nor will it help you reach your goal.

I reached out and got coaching like you're doing now and discovered the 20/60/20 rule. Over time I've used this exact methodology and refined it to scale multiple businesses over the years.

What is the 20/60/20 rule?

The 20/60/20 rule basically sections your team into three groups. It's safe to assume that everyone on your team will fall into one of these groups:

- 20% of your team will be on board with your vision for the future of the business and willing to implement the changes.
- 60% will be skeptical at first, but they'll go along with it because they know there is a need for change.
- 20% will not be on board whatsoever and will prove to be the most difficult to convince otherwise.

The 20/60/20 Rule – A Step-By-Step Guide

Step 1

Divide your group based on the performance of absolute key measurements

In a business can have thousands of measurements.

Need help identifying your key measurements? Start by looking at these 5 key pillars:

- Revenue
- Profit
- People
- Systems
- Culture

Next, find the **most important** measurement in each pillar. The ONE measurement that matters more than all others.

Here are some examples:

In People - it may be the number of people cross-trained in 3 or more positions or the percentage of leaders that have 3 or more qualified replacements for succession

In Culture - it may be your retention percent or employee satisfaction scores.

In Revenue - it may be total sales. Do not use lead indicators like calls made!

Pick the one number that is the finished product of multiple numbers and activities inside of that category.

Now that you've identified your key measurements, it's time to rank the people in your team (highest to lowest) in each category by that number.

It's okay to pick only one pillar and work with that. In fact, that's easier.

Now rank your team for that pillar so you can visually see who the top performers are.

Step 2

Calculate how many people make up 20% of your total

Yes, it's time to get the calculator out for this one.

But don't worry, it's pretty easy to figure this out.

For example...

If you have 10 people on the list, 20% is 2 people.

If you have 20 people on the list, 20% is 4 people.

If you have 100 people on the list, 20% is 20 people.

... and so on.

Once you have that figured out, draw a line underneath the top 20%. And draw another line above the bottom 20%.

You'll be left with three distinct groups of people:

- 20% at the top
- 60% in the middle
- 20% at the bottom.

“The key step in getting your time (and your sanity) back while being able to simultaneously scale your business comes down to the 20/60/20 rule because you’ve essentially gone from however many names you had on that list, down to three groups.” – Seth Campbell

A Visualization Exercise

Here's a quick visualization exercise I'd like you to try. It's super simple and effective.

Ready? Alright, here we go...

Visualize the top 20% and the bottom 20% as PULLERS.

Both the top and bottom 20% are always pulling... but they're pulling in *different* directions.

The top 20% is pulling the numbers in their category up while the bottom 20% are constantly pulling the numbers down. Whoever is pulling the hardest is going to pull the company in that direction.

But what about the middle 60% of the group?

Well, they will tend to move towards the direction where most of the energy flows. It'll come down to you as the leader to make sure the middle 60% are moving up towards the top 20% and not sinking to the bottom 20% by talking up the upper 20% and highlighting their achievements.

“Your goal is to reduce the negative pull as much as possible while increasing the pull of the top 20%.” – Seth Campbell

If the leader is absent or passive about either group, the middle 60% will naturally move towards the bottom. Any organization that treats the bottom 20% the same as the top 20% will see a decline in performance.

Your goal in scaling a company is to keep the entire group sliding up and up and up. There will always be a bottom 20 mathematically so the goal is to reduce the negative pull of the bottom while increasing the positive pull of the top 20%.

Step 3

Schedule meetings with your three groups

Grab a pen or open your calendar on your phone or desktop and schedule one-to-one meetings with the top 20% and the bottom 20%. Then, schedule a group meeting with the middle 60%. This is the 20/60/20 model.

You can still meet members of the 60% one-to-one but it's not something to prioritize regularly.

Here's what you can do to make the most of the scheduled time with the three groups:

Top 20%

Switch up the conversation and ask them what *their* goals are and how big they want to go. Ask them how you can clear some of the friction for them. Don't focus on their standards and expectations for their role.

Ask them, "How can I help you?"

As a leader, you must challenge your top 20% to think bigger. Not move faster and help them remove friction.

This is how new leaders are discovered - the ones wanting more and removing their own friction all while pulling themselves and the organization.

"These people are moving fast. And how you get them to move faster is not by pushing them, it's by removing friction for them so they can move at the speed that they really want to move at." – Seth Campbell

Middle 60%

Let's be honest. Nobody wants to be in the middle 60%. They all want to be in the top 20%, and *you* can help them get there.

In a group meeting with your middle 60%, it's your top 20% who deliver most of the speaking and teaching.

A good way to approach this is to interview one of your top performers. Ask questions to help break down their strategies and processes so that your middle 60% can learn to do the same.

This will also help the upper 20% reinforce their own processes and cause the bottom 20% to decide if they're going to quit or get better and adopt.

“Any organization that treats poor performers the same as best performers will have a decline in performance.” – Seth Campbell

Bottom 20%

One of my top tips to deal with the one-to-one meetings with the bottom 20% is to talk about the numbers first.

Give them a reality check and prepare for some backlash. They might try to push the blame over to you but hold your ground!

“This group tends to avoid the numbers convo because they don't want to talk about problems with the team.” – Seth Campbell

This group might even try to divert your attention to a different topic but don't let it happen. First, look at the numbers and start an open dialogue about it.

After that, dig a little deeper. Focus the conversation on facts and evidence, not people and problems.

“I'm going to stay in coach mode, I'm not going to take on their problems, what I'm going to do is empower them.” – Seth Campbell

Be their biggest cheerleader and encourage them to take actionable steps towards progress, but don't carry them through it! Let them carry their problems and limiting beliefs while offering solutions.

Be a connector and get them in contact with one of the top 20% that can help guide them.

I hope you enjoyed this episode of The Seth Campbell Podcast! Make sure to come back for Part Three, where I complete the series with the final three most critical ingredients on leading a group of people to scale while cutting your work hours in half – trust me, it will be a game changer!

Discussion Guide:

Here are a few simple questions and tasks to help you use the 20/60/20 rule to help direct your team and scale your business.

1. What are the key measurements of your business? Choose the most important measurement for each of the 5 key pillars of your business.

Write your answers in the table below:

5 PILLARS	KEY MEASUREMENT
Revenue	
Profit	
People	
Systems	
Culture	

2. Next, rank your team members in each pillar from highest to lowest. Now you can clearly see the top performers in each category.

Here is an example. You will need to create a list for each pillar.

EXAMPLE

Pillar: Revenue

Key Measurement: _____

Ranking	Team Members
1	
2	
3	
4	
5	

3. Calculate the top 20% of the people listed. Draw a line under the top 20% and a line above the bottom 20%. You should be left with three clear groups – Your top 20%, the middle 60%, and the bottom 20%.

4. It's scheduling time! Look at your calendar and book regular one-to-one meetings with your top and bottom 20% and schedule group sessions with the middle 60%.

You can start planning these meetings below:

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