

## The 3 Covenants

The goal of these covenants - or operating agreements - is to create a high-performing culture of accountability and fast execution. *Accountability* is created by accepting ownership for the roles we play. *Fast execution* is created by seeking out perspective from those who will be impacted downstream *before* we make decisions and by supporting one another towards our collective vision.

Covenant #1: The Leadership Team is the cross-functional decision-making body
This covenant is for major, Type 1 decisions. The goal is to funnel all major, cross-functional decisions into the weekly Leadership Team meeting. A "big" decision is not a decision until it is brought to the Leadership Team as a proposal in writing and is accepted by the implementer.
Anyone in the company, not just Leadership Team members, can be invited into a Leadership

Team meeting to make a proposal. This process leads to better strategic decisions, faster implementation, and less time spent in meetings overall.

Covenant #2: Everyone seeks perspective and accepts accountability for their role(s)

This covenant is for everyday operating and <u>Type 2 decisions</u>. The goal is to create an organization-wide culture where, before making a decision, we gather data and seek out perspective both upstream and downstream, as appropriate. Seeking out perspective is not the same as seeking permission. This practice leads to better decision making and faster execution of everyday operations.

Covenant #3: We commit to listen, understand, provide perspective, decide, and act The goal is frank and honest discussion of the facts before a decision is made, followed by total commitment to implementing the solution after a decision is made. Therefore, if you are being asked for advice or perspective, you need to ask questions until you are clear about the proposal and provide honest feedback to the proposal up front. Put another way, it's OK to question a decision up front but it's not OK to fight it or ignore it during implementation. When you're presented with a proposal, remember that your spirit of helpfulness and cooperation towards others brings about more helpfulness and cooperation later towards you. If you are presented with a proposal that you fully understand but still don't agree with, a perfectly acceptable response is "I disagree and commit!," meaning that the implementer can count on you for your aid and support.

Adopting these covenants means that any individual who makes a habit of violating them shall be dismissed. That is, it's OK to make an honest mistake and learn from it. It's also necessary to put out fires when there's a fire. It's also OK to occasionally have to ask for forgiveness rather than permission. However, it's unacceptable to not abide by these covenants as our general way of operating.