

Speaker 1:

Leadership is more important now than ever before. The entrepreneurs are natural leaders. It's time to step out, take control of your business, and decide to be your very best as a leader right now.

Mike Paton:

Hello. This is Mike Paton with today's installment of the Lead Now Podcast. I'm really excited to be speaking with Adam Radulovic, the CEO of XL.net, a Chicago-based service and support firm that provides strategic IT solutions for small and mid-sized businesses. Adam is a member of the Vistage CEO Group, and in September 2020, he was invited to join the Forbes Business Council. His top priorities are enabling small and medium-sized business' productivity and discovering new ways to help his clients. Adam, welcome to the show. Thanks so much for taking time to speak with us today.

Adam Radulovic:

Thank you, Paton. Thank you for the warm introduction. I'm looking forward to spending some time with you.

Mike Paton:

Yeah, great, me too. Let's just start by giving us a little more flavor about XL.net. Tell us about your company, maybe a little two minute history.

Adam Radulovic:

No, you got it. So, in my past, I've worked for Fortune 500 companies and I learned how they operate and their competencies, and then transitioned to working for small businesses. What I noticed was large companies are fantastic at standardizing, getting efficient, but what they seem to lack is passion. And that passion I saw in small businesses, yet in small businesses, that passion kept being tripped up by the obstacles in the way. All the passion they had that was how they did HR, how they did finance, how they did IT, that really kept them from reaching what their dream was. And I wanted to go and help entrepreneurs be able to reach their dreams by removing at least some of the obstacles out of the way. And so, that's how the IT portion our business is born. In 2018, we then started focusing on engagement, as well. We saw that the level of engagement and culture morale in the company also held that organization back, and that's why we've gone after those two different service lines.

Mike Paton:

Yeah. Awesome. Explain what small and mid-size business means to your organization.

Adam Radulovic:

It's different to everybody, so for me, it's organizations that are under 250 employees.

Mike Paton:

Got it. Got it. Very similar sweet spot to the EOS sweet spot, for sure. What role do you, or roles, do you fill in your organization

Adam Radulovic:

And thank you for saying roles. [inaudible 00:02:33] employees, so am I fortunate to have a couple of hats that I sit in. Today is that of an integrator, as well as head of sales.

Mike Paton:

Got it. Got it. And do you feel like you're a natural born integrator, the person who runs the day-to-day, or do you trend more to the visionary side?

Adam Radulovic:

So, I've sat in the visionary seat. I've sat in the integrator seat. I am more naturally integrator. I love numbers, I love efficiency. I like integrating different people and departments. Even though I also like the visionary aspects to it, but I think more naturally I gravitate to an integrator.

Mike Paton:

Yeah. Well, an integrator with vision is a powerful combination, and that sounds like the right spot for you. So, I want to focus on leadership today, and so I'm going to just ask you a series of questions and we're going to go where we go with this conversation. So, the first question is just, if you can go back in history to the earliest point in your life where you recognized someone as a leader or leadership being displayed, who was it? What were they doing? And what were you thinking?

Adam Radulovic:

So, it's going to sound a cliché, but my parents, and I'll tell you why. It was around the annual family vacation. So, I grew up in Communist Yugoslavia. Both my parents, accomplished mechanical engineers, but even with that, they had to save literally all year long for a single vacation for my brother and I to get really what turned out to be experiences of a lifetime. And I swear, my dad would go decades without buying new clothes just so we can have this beautiful life experience and the level of planning they went and really had to invest to get that to happen. I didn't understand til later in life when I asked them like, "Hey, tell me more of those vacations. How do you actually do that?" And the planning was just impressive. It was literally a year worth of planning to get us to have a four to six weeks vacation. Wow.

Mike Paton:

Wow. That's cool. What were some of the vacations you remember most vividly?

Adam Radulovic:

It was always the same spot, the Adriatic Sea, so we'd go to a little island there. We would drive through mountainous regions. I still remember rainy and foggy clouds. We drive through these mountains and the ravines that we'd hit, and we'd get to this beach. And I was so excited because we'd get to the boat to take us to the island. And when we get in the island, I can still picture being on the beach playing in the sand. So much of it is still just burned in my memory, and I'll never be able to repay him for that.

Mike Paton:

Awesome. And so, you've mentioned planning. What are the other things you saw your parents doing that you still remember to this day that smack of leadership to you?

Adam Radulovic:

Painting a vision, having us understand what we're going to experience ahead of time so we can get excited about it ahead. They would put together checklists. I remember from time to time, I'd see, what are they doing in this paper? And they'd do these checklists, make sure the car was taken care of, they check the oil, they check the tires, and they go through this amazing checklist and I thought it was just normal. Later on, I found out that it's a little obsessive, how much detail they went into.

Mike Paton:

Well, you can either call it obsessive or being a mechanical engineer.

Adam Radulovic:

They're mechanical engineers. Yes. That definitely echoed in how they acted.

Mike Paton:

Awesome. That's awesome. But very methodical, very careful, very mindful about the responsibilities. I would imagine in Communist Yugoslavia, that was critical because the resources, that waste was not an option.

Adam Radulovic:

It wasn't, but for me, I didn't really understand it because it was the only life that I knew. It was after I moved to America and started seeing a different way of living, but I started seeing... Well, I remember we would have Coke once a week.

Mike Paton:

That was a-

Adam Radulovic:

And I was jealous of the kids that had it every day, and I knew only one kid that did.

Mike Paton:

And that was post your move to America?

Adam Radulovic:

That was strange how different it is here. You can drink pop all day long if you want. You might not want to, but you could.

Mike Paton:

Well, and I think those who have those options their entire lives have a tendency to take those things for granted. Those who don't, savor it for the rest of their lives. Tell us about the transition from Yugoslavia to America. How old were you? Walk us through that story. We don't need to spend a lot of time there, but high level.

Adam Radulovic:

Sure. So, I moved right before turning 11 to Provo, Utah, which culturally, from going from a socialist or communist country to Provo, Utah, was about as big of a shell shock as you can get.

Mike Paton:

No kidding.

Adam Radulovic:

No. We went into an environment where drinking anything with... like having caffeine was not accepted. And I couldn't understand like why can't we have tea? Well, it has caffeine. And it just didn't make sense, so I had that shock, I didn't speak the language, I didn't have any friends. It was a pretty rough first six months for me, but it allowed me to see completely different cultures and how they operated and correlate and figure out, there are positives in both. Like the level of bond and connection we had in Yugoslavia where you can go to the neighbor, just knock on the door, and say, "I need an ag. I need sugar. I need something," they welcome you in. Everyone just gave. Right? Even though they didn't have much. That sense of community, I really haven't been able to see anywhere else.

Mike Paton:

Wow. Interesting. How did that transition and that shock of a completely different culture change you or mold you as a young man?

Adam Radulovic:

I think it just allowed me to accept people more, how they operated, and just understand that everyone has a different background experience and that's why they're the way that they are today. It's this culmination of experiences that they had that created them. And to not judge them for not having experiences that gave them a different perspective.

Mike Paton:

Interesting. At what point in your life did you, and maybe you never decided this, did you know you were going to be a leader?

Adam Radulovic:

So, probably I didn't think of it that way. I probably more focused on being an entrepreneur. Probably, again, when I was 11, just recently in America, we got one of those pieces of mail that said you won a million dollars, and I grabbed it and I ramped my parents and I said, "Look, look, we got a million dollars." My dad chuckled and explained what was happening, that that this was really just a marketing ploy. But I started getting interested in how marketing works and entrepreneurship works, and I ordered this create a business program when I was 12. And so, I've been really interested in creating companies and how entrepreneurship works since I was 12.

Mike Paton:

And what was the first business that you created?

Adam Radulovic:

I didn't do it, but I got the plans for it. This newspaper-based dating service, where you'd connect people that are looking to date. It was probably the early version of Tinder.

Mike Paton:

Well, there are numerous entrepreneurs who have made millions of dollars on that idea, Adam. I think you've lost a great opportunity there.

Adam Radulovic:

I did. I miss that boat. Yeah.

Mike Paton:

And your strategic IT business couldn't be further afield from that. Unless, of course, you specialize in helping those kinds of companies with their IT needs.

Adam Radulovic:

Not yet.

Mike Paton:

All right. Sounds good. If I asked you, as you formulated your own leadership style over the years, who's the best leader you've ever observed leading?

Adam Radulovic:

David Zera. So, he recruited me to work for Swiss Bank right out of college. In fact, while I was in middle of college. And I remember the first sit down I had with him as my manager, and he said, "Adam, my goal for you is for you to take my job." Which was shocking. I kind of thought, "Well, that's strange. Then, what would he have? If I'm taking this job, then he wouldn't have a job." And he explained to me the concept of abundance. It's not, "Hey, we have one size of a pizza and then we can only split it, and every time we split it, you get less. We're creating something together, and if I have you take my role, I'll probably take a different role." So, he took the time to explain that to me and then painted this picture where we're going to head for the whole team. And we're 100% bought in to his vision, and we were going the direction that he really painted for us.

Adam Radulovic:

And ultimately, we spun out with the blessing Swiss Bank, formed our own company, and later in 2007, got acquired by Microsoft into what you today know as Microsoft Teams. And that was really all from his vision, how it started, this way that people should collaborate, the Slack teams. This is how we do it today. In fact, COVID is what propelled it even further. It's technologies that we were developing late '90s.

Mike Paton:

I'll be darned. That's a great story. And so, you touched on it, but let's spend a little more time here. Describe David and the attributes or characteristics he displayed that you think made him a great leader.

Adam Radulovic:

Painting that vision of what we need to be, not just... He wasn't limited by how things were done today. He said, "There's a different way that we can all collaborate." And we were deploying technologies for 50,000 concurrent users and how they should communicate, and he just had this persistence of the perfect execution of his vision.

Mike Paton:

Yeah. When a team member raised, "We can't do that because of X, Y, or Z," when obstacles presented themselves, what was his approach to leading your team through those obstacles?

Adam Radulovic:

"We can't" was not afraid we ever used, and it was David always saying that there's a better and different way to do it. But when we hit a roadblock, we would re-engineer it from scratch.

Mike Paton:

Yeah. Well, and as you say, if ever there was proof of that being true, COVID-19 hastened us understanding all of that.

Adam Radulovic:

It's all possible.

Mike Paton:

Really interesting. Have you ever had, or observed, or noticed somebody who's not a particularly good leader?

Adam Radulovic:

I will not name him.

Mike Paton:

Yeah. Yeah.

Adam Radulovic:

I will not name him, but it was... I'll not name him and I wouldn't necessarily blame him, but he came in to manage an existing team. Within 30 days, he made every eighth player feel like a C player. Before even understanding what it is that we did and the job that we're trying to accomplish, he told us he was disappointed in our performance. Within six months, everyone but one person left that team, and it's a shame because the team was fantastic. We just happened to need a new leader, new manager, and went in the wrong direction really fast.

Mike Paton:

What are the characteristics or behaviors that... I mean, obviously, he focused almost exclusively on constructive feedback, but other things you noticed that made the team feel not valued.

Adam Radulovic:

He didn't have empathy. Right? It was, "Hey, the results need to be better," and that was the only... "The results are not good enough. You're not doing a good enough job." It wasn't that, "Hey, let me sit down and coach you how we can do things differently and lift our performance and be even better than where it was." It was this... You said constructive criticism. I didn't say constructive criticism.

Mike Paton:

No, no. I was being too kind is what you're saying.

Adam Radulovic:

Very kind.

Mike Paton:

Yeah. So, was able to see the cloud in every silver lining. Is that-

Adam Radulovic:

Yes. Perfect way to phrase it.

Mike Paton:

Just a negative person.

Adam Radulovic:

It was unfortunate. I don't know if he was given a charge to get performance to double, and this is the approach that he thought would work, which is take a stick out and just start swinging until it works. Right? Beating still continue until morale improves. Maybe this was his operating model.

Mike Paton:

Yes. Now you're reminding me of a couple of my famous non-great leader stories. Might've been me guilty of that from time to time. So, if I asked your teammates to describe you as a leader, what are the characteristics or attributes they'd share with me?

Adam Radulovic:

Passionately persistent, aggressive, caring, and on occasion, a lovable jerk.

Mike Paton:

Tell me more about lovable jerk. That appeals to me for obvious reasons.

Adam Radulovic:

I pushed people past their comfort zones. I'm very comfortable with change. I recognize that other people aren't, and I push past that point, sometimes right to the line where people get closer to breaking. And I come off as a jerk because I can see they're not comfortable passing it, but I push push it along.

Mike Paton:

Yeah. If you can share an example of that type of leadership behavior without revealing names or circumstance, I'd love you to do it. Give me an example of when somebody's reacted maybe negatively to you pushing them beyond their comfort zone, but in the end, they're grateful and you're grateful that a new level of performance has been achieved.

Adam Radulovic:

So, when you asked, I knew exactly the story in my head. From the beginning, the way we structured our strategic IT service is to understand where the business is trying to go and apply technology like a tool to help them get there faster, more efficiently. Now, initially, we used exclusively ask the integrator or the president, "Where's your business heading?" and we'd struggled because they didn't understand exactly what we were asking and they couldn't really tell us what their department's direct needs were. And so, we were relatively blind. And late 2017, we had an aha moment. Really, and it was an accident. We started interviewing every member of the leadership team, every department head, and asking very structured questions about where they're heading, the obstacles, risks they have along the way. And it was like a light just turned on for us. We were able to create one page technology plans, which are basically departmental VTOs, took that from EOS, that guide them on, "Here's the annual goals. Here's the metrics. Here's the next quarter. Here's the open issues list." And I saw that this is the way that we needed to operate now.

Adam Radulovic:

One of the folks on my team, and his personality is he's a fantastic executer, but change, he needs to see a lot of evidence before change. So, it's hard when you have a new concept and somebody requires a lot of evidence, so you got a little bit of a chicken and the egg problem. And I kept pushing and getting more and more evidence, and finally, I just said, "You got to do this. This is what you're doing." And that's where the phrase, I think initially, was born of a lovable jerk. I went past his need of having more evidence and pushed past that and just said, "Just you got to do it. It's not an option." It took a year, but now he looks back and he's like, "Thank you. This is exactly what I needed to help get our clients to where they need to go with technology."

Mike Paton:

And I'm thinking about that story, and what I love is that you gave him the space to arrive at that conclusion on his own. And it was only after repeated attempts to allow his process to work that you insisted he trust you. Right?

Adam Radulovic:

The amount of time that passed between those two, I didn't disclose, but yes.

Mike Paton:

Okay. All right. Fair. Fair enough. Was it-

Adam Radulovic:

It was months.

Mike Paton:

I would say people tend to describe me as impatient. I know that comes as a shock to all my friends who are listening. Just for the listener that may not understand what a VTO or a departmental plan is, I'm going to clarify something. A VTO is the vision traction organizer, which is a two-page strategic planning document accompany running on EOS uses to clarify where it's going and how it plans to get there. And a departmental plan is the second page of that document for a department within that organization, that identifies goals for the year, goals for the quarter, what we call rocks, and a long-term issues list.



And Adam, your company, like a lot of my clients, use that tool not only internally, but to get on the same page with your customers.

Adam Radulovic:

100%. That was a fantastic discovery for us. It made everything so much simpler and clearer for us and our clients. One document to guide both of us.

Mike Paton:

Great story. Can you think of a situation in your leadership career where you feel you failed or made a big mistake as a leader? And if so, share with us what that situation was.

Adam Radulovic:

Yes. I can think of it. I will share, but I don't want to.

Mike Paton:

Okay. Fair enough.

Adam Radulovic:

It was in 2016. Initially, it started relatively benignly. Now, there was people in the company that when they're out in breaks, I would overhear that they're saying something sarcastically negative towards another XLNetter. A slight version of gossip, but I thought nothing of it, because it was humorous. And that continued for a few months, and before I knew it, a fourth of my company had this, I call it cancer that grew. We were creating an animosity between people. And I tried to correct it, but eye was off the ball for too long and we turned over a fourth of our company. It was unfortunate. It didn't need to happen. I wish I could rewind it back in time and make it not happen because there was a moment it was just one person, I know exactly who it was, and I could have done something different.

Mike Paton:

Yeah. One of the observations I make working with leadership teams on a quarterly basis is the big problems are caused by the things you don't talk about, not the things you choose to talk about. And so, we talk about the power of providing feedback early and often. "Hey, what was that all about? That felt icky." In hindsight, you would have behaved that way, pulled that person aside and said, "What's going on here?" And then you could be party to a solution rather than an observer of the outcome. Right?

Adam Radulovic:

And I wish that that was a scenario that could have played. We lost quite a bit of time and fantastic people through the process that it just didn't need to happen like that. It was disruptive for them, as well. And it's hard when you say like... when you notice something, talk about it. To this day, I still notice happening for months where I go, "Wait, we need to talk about this. There's no hiding. You're not hurting people's feelings. We just got to talk about the uncomfortable."

Mike Paton:

Yeah. And we're busy, and those conversations are scary. Right? And you're opening the proverbial can of worms or Pandora's box when you go there, and so it's human to avoid those conversations, but doing it well quickly is essential. You've begun introducing some EOS terminology into the conversation,

and so let's just go there. I'm curious to know what about EOS has helped you lead and maybe your leadership team lead better having been working with the tools for the last seven years or so.

Adam Radulovic:

Life before EOS was everyone accountable for everything. We're a 24/7 company, so it was... We were all 24/7. We weren't a 24/7 company. Everyone was individually 24/7, and we had clients that we'd focus on differently. We had two presidents, and our implementer, Clark Neuhoff, came in and spent four and a half hours with us on our accountability chart. It was the most brutal experience that I had to date. It wasn't the 80 hour weeks. This four and a half hours were really had a [inaudible 00:22:41] break some bones to let them form in a healthy way. That put us, at least an accountability standpoint, in a structure and foundation that we could succeed with. And I think most probably US companies love the level tens or IDS process. That was how we organize the issues that we talked about, where before, I remember we had these boards of lists on there. And it was just overwhelming. It got bigger and bigger, and you don't want to talk about any [inaudible 00:23:10].

Mike Paton:

Each of you had your own list, too, right? Instead of it all being one list.

Adam Radulovic:

We were afraid to add things to the list because it was just overwhelming. We were like [crosstalk 00:23:18].

Mike Paton:

Well, when you run out of space on the whiteboard, you're not allowed to have any more issues. I've been there. Yeah.

Adam Radulovic:

That was us. That was absolutely us. And I think what EOS really did for us is simplify all these concepts of how to run a company and go to the essential. If you do this, 80% of what you have going on in your business will be taken care of. We didn't need perfection, we just needed to give us a model that we can follow that's not really complex. We didn't come with MBAs from universities that gave us the structure. We had nothing coming in. We had passion. Just like my description why we got in business, we got hit with the same thing. We had just infinite passion. We could work 80 hour weeks. It needed to be molded and guided in the right direction.

Mike Paton:

Yeah. Cool. How has your development as a leader in your business affected your life outside the business?

Adam Radulovic:

Yeah. And it's not just for me, I think others have excelled and adopted the same thing, but personal core values of family, how you do planning with family, how you process issues. This is going to sound weird, but at our last family vacation, at the end of it, we went around and processed the issue, "How do we like this family vacation?" And anything that got brought up, we would address. We would first identify the core issue. Then we discuss it. And we solved it for the next time. And initially, my family

was like, "This is a little strange. What are you doing? Because you're following some process here." When we were done, they love that because it's impacted how we do vacations.

Mike Paton:

So, tell us about your family. How many kids? How old? Give us a sense of how this conversation might've played out.

Adam Radulovic:

Sure. I have three kids, and for the last couple of vacations, because if you remember when I said my parent's vacations really last in my memory, I wanted to continue that. My parents come on vacation with us, as well, so it's this large family unit from eight years old with Ella, to my parents who are in their late 70s. So, you get the whole cultural and age variance from all of them and the different things that they need. How do you get the needs met from eight-year-olds to the late 70s?

Mike Paton:

And was the feedback you got from your parents more checklists, we need more checklists? Is that...

Adam Radulovic:

I mean, I think they gave up on the checklist.

Mike Paton:

Okay.

Adam Radulovic:

But their memory is flawless. They will not forget something. So, I don't know if they're secretly keeping checklists because I tease them about how OCD they are with that, but their issues were more around, "Hey, here's what we want the temperature like. Here's the events that I think would make sense to get all of us to incorporate together." But everyone called me out for... "What are you doing here? This is a little different."

Mike Paton:

Awesome. How do you sharpen your saw as a leader? What are the resources you rely on to always be getting better?

Adam Radulovic:

Sure. I read two business or psychology books a month. I'm part of Vistage, it's a CEO organization. In fact, that was where I learned about EOS, and the book EOS Traction is where I was recommended for my Vistage chair. I'm part of another industry specific organization, so I've got a coach, Gary Pika, and I run one of his peer groups as well. So, I get to practice leading a group and being part of groups. And then, recently, the Forbes Business Council is more given me a global access to the network, where now I can talk to people around the whole world, where I think before it was more locally centered.

Mike Paton:

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Neat. Awesome. Thank you. Last question. There are lots of young leaders out there, and this year has been tough for all of us. Some are shaken to the core, some are resolutely confident, but for those people who are finding their footing as a leader, what's the advice you'd give them with all the history you've got and the development you've done?

Adam Radulovic:

Now is the best time to grow your business. You will not experience a level of change that's happening today. None of us have in our lifetimes. Take advantage of it. And please make the road easier for yourself by following another path, and EOS has giving you a path. Just follow that and make your life easier and allow your passion to be reached sooner.

Mike Paton:

Terrific. Thank you, Adam. I can't tell you how much I've enjoyed the conversation. I wish we could keep going, but given that you're in Chicago, I'll have to drive down and we'll do that over a beer.

Adam Radulovic:

I'll wear my mask.

Mike Paton:

Perfect. So, before I let you go, where can the listener learn more about you and XL.net?

Adam Radulovic:

Thank you. And our name makes it really easy. So, XL.net, that's like extra large, so just two letters. XL.net. Come on over. We have a lot of content for people to review. Even if it has nothing to do with XL.net, our purpose is helping small businesses and their staff reach their goals faster and more efficiently, even if you don't pay us a dime.

Mike Paton:

Great. Thank you very much for your time today. Really enjoyed it, Adam. Have a great week, a great weekend, and our listeners all thank you as well.

Adam Radulovic:

Thank you, Paton. Thank you for having me.

Mike Paton:

If you're running your business on EOS, you know we value open and honest feedback, so please open up your podcasting app and leave us a review. Let us know if there's anything we can do to make the podcast better or help you along on your own entrepreneurial leadership journey.