PRINCIPLED PROFITS

OUTWARD SUCCESS IS AN INSIDE JOB

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INTRODUCTION

THE BEST EMPLOYERS IN THE U.S. SAY THEIR GREATEST TOOL IS ___________.

The above headline caught my attention. It was the title of an article appearing in *Forbes* that featured the characteristics of the top one hundred places to work in the United States.¹

I’ll fill in the missing word to complete the headline in a moment, but I’d like to ask you: What word or words would you jot in that blank? You might suggest “Big Data” or “Social Media” or “High Wages.” Each of these options reflects a rational ending to the above headline—but all of them miss the mark!

OK, it’s time to fill in the blank. The headline revealed that the best employers say their greatest tool is *culture*. The article stated, “The best employers are better because more business leaders are focused on workplace culture as a competitive tool.” In fact, the authors go on to reveal, “Google’s leaders explicitly attribute the company’s financial performance to its benevolent people practices.”

You might be thinking, “It’s a dog-eat-dog world out there! I’m simply trying to stay afloat. I’m constantly dealing with interpersonal problems within my team. My competitors are lowering their prices. I’m just trying to make payroll next week! What is so special and important about culture?”

Well, the proof is in the pudding, as my mother used to say. According to a study by the Russell Investment Group, since 1998, the “100 Best Companies to Work For” have outperformed the S&P 500 Index by a ratio of nearly two to one. I don’t know about you, but when I read about a two-to-one advantage in business, I sit up and take notice!

If building a great workplace culture is so instrumental to extraordinary success, then why don’t more companies do it? One reason is that cultivating an award-winning culture is easier to discuss than to achieve.

Many leaders are comfortable focusing on such goals as increasing sales by 25 percent or decreasing overhead by 10 percent. But ask them to significantly improve their workplace culture, and they start staring out the window with a blank look on their faces. Even defining workplace culture seems like pie-in-the-sky leadership. And who has time for that?

Perhaps we should consider a related question: Who has time to double their performance as compared to the S&P 500? When the question is posed in that way, we become keenly interested in the idea of creating a dynamic, award-winning culture, don’t we?

Let’s look at some statistics related to the survival of new businesses in the United States:

*About half of all new establishments survive five years or more and about one-third survive 10 years or more. As one would expect, the probability of survival increases with a firm’s age. Survival rates have changed little over time. (US Bureau of Labor Statistics, Business Employment Dynamics)*

Only about one-third of new businesses survive ten years or more—pretty sobering, when you think about it. And we’re not talking thriving and growing; we are just referring to survival—i.e., simply unlocking the door to your
business on Monday morning and flipping over the “Sorry, We’re Closed” sign to reveal that “Yes, We’re Open” so folks know you still have a pulse!

Statistics like this underscore the importance of doing all we can, as leaders, to shepherd and grow our businesses. So, back to this idea of workplace culture. When we run across a key finding that reveals a common trait shared by the best of the best, it’s time to “go to school” and learn all we can.

My own leadership journey eventually led me to build and grow a company with a strong, inspiring workplace culture. Starting at the ripe old age of twenty, I learned and stretched and grew my leadership. The company had ups and downs, but I resolved to keep growing and learning—even (or perhaps especially) from my mistakes.

My father’s untimely death thrust the reins of his small business of five employees into my unproven young hands. Some thirty-eight years later, I sold our company of over 150 employees and effectively passed the reins along to the next generation of leadership.

Although I did not know it at the time, I had discovered some concrete, repeatable steps to building the organizational culture that most leaders strive for. I’d uncovered principles that became the foundation upon which our dynamic, engaged workplace grew.

If you desire to have a better culture, may I suggest that the pursuit of it should not be your focus? No, that is not a typo. The surest way to achieve the culture that you want is to focus on something else! And that “something else” is comprised of the principles that form the foundation of a values-driven culture.

They don’t teach these principles in business school, but when I went to the “school of business,” I discovered, refined, and lived out the power of these truths:

• The important (and different) roles of leading and managing. When you understand the differences between leading and managing and recognize which role you naturally lean toward, it becomes easier to take the next step in your journey of development.
• An understanding of process and content. This involves viewing all of our actions through the powerful filters of “what” we say and do (content) and “how” we say and do it (process).

• The differences between principled and expedient decision making. Want to experience better results? Make better decisions. Want to make better decisions? Learn the stark contrasts between principled and expedient ways of thinking and living.

• The cornerstone of core values. When you know your core values, everything changes. One of the top priorities for any leader is to identify, communicate, and live out his or her core values—personally and corporately.

• Key areas of cultural focus—a scorecard for your culture. What does a great, inspiring workplace culture really look like? It turns out that model workplaces have several key characteristics. As you develop your leadership and values, this section can serve as a map to guide you to the right improvements.

• Maintained momentum through goals and controls. Once your business and culture are headed in the right direction, there are proven methods to help you maintain and even accelerate your momentum.

It took me years of asking questions, of seeking and learning, to fully understand and implement the principles I am about to share with you. My hope and prayer is that you, fellow leader, will grow and develop yourself, your organization, and your culture far faster and with more confidence through these values-driven principles than you ever could by vainly striving for a better culture.

The results of this approach in my own company were nothing short of transformational. We assembled a unified team of professionals that served our customers, suppliers, and even ourselves with passion and excellence. This resulted in extraordinary growth—500 percent in revenue and profits—during one of our country’s toughest economic downturns.
This book represents the deepest, most fundamental, and most transformative business truths that I know. I encourage you to read it actively, with pen and highlighter in hand. Identify and emphasize passages that speak to you, and record the thoughts that bubble up as you read. True growth and transformation is a process, and your personalized marks will help you more effectively revisit these words as time goes by.

I’ve also positioned many “Pause for Reflection” prompts throughout the book, and I encourage you to pause and think deeply about your responses to the questions listed. Consider using this book as a text for your next leadership-team book review. The questions can serve as conversation starters to guide a deeper discovery process with your team.

As I imagine you reading this introduction, I’m energized with anticipation of what this book could mean to you. Learning and applying the principles that follow will most certainly set you on a path to greater performance and purpose—in both business and life!

Outward success is an inside job.