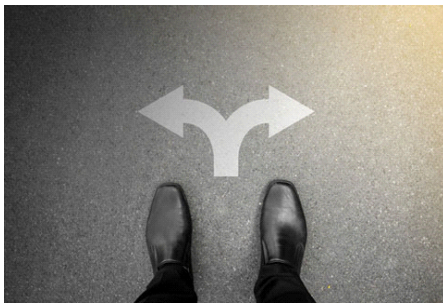


Features

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Corporate Culture = Success or Failure

Bill McCurry



Around 2001, one Stanford University department successfully adopted a “No A**hole Rule” when filling faculty appointments. Professor Robert Sutton published a piece using that once-shocking term as part of Harvard Business Review’s Breakthrough Ideas. Not sure Harvard would print the crude word, the professor knew it would create a shock awareness of certain employees’ toxicity. By 2007, he’d written a whole book on the subject.

Sutton describes how that type of person (we’ll refer to them as jerks for the rest of this family friendly article) not only affect their victims, but also bystanders and others who witness the abuse. Jerks can harm/lessen the productivity of both their victims and everyone else in the workplace. Sutton states that these unpleasant people, even when doing their jobs well, can suffer “career setbacks and, at times, humiliation.” Sutton cites Indiana Hoosiers coach Bobby Knight who, despite incredible achievements, was fired for repeatedly losing his temper in public.

Real World Experience

A relatively new garden center manager doesn’t want to be identified, but provides a valuable lesson from which others can learn. This is in the manager’s words:

“I was given this job almost a year ago to improve our atrocious customer service. The owner didn’t establish a culture of ‘Hold People Accountable.’ After two weeks, I sat down and presented the owner with two options: 1) I would leave because, given the owner’s unintended actions, the desired level of customer service would never be attained; or 2) we would allocate a budget for ‘customer satisfaction,’ holding employees accountable for their customer interactions. This included terminating any employee, regardless of tenure or kinship, who didn’t consistently demonstrate optimum customer service. I figured this was my farewell speech. Instead, the owner asked me lots of questions, then chose option two.

“We prepared for an all-hands meeting. We announced a \$600-per-month budget that could be written off by any garden center employee without needing further approvals. Everyone would learn when we hit \$600. Until then, each employee was to use their good judgment in situations warranting a customer credit or replacement product. The owner apologized, saying past inquiries about customer refunds or accommodations weren’t intended to be critical or rebukes. The owner wasn’t cheap, but had simply wanted to avoid similar future situations.

“The team learned customers were getting accustomed to friction-free experiences at big box stores. It had to be

easy to do business with us in all aspects of every transaction. Today's retail environment requires everyone to be positive and upbeat 100% of the time. The owner personally committed to that standard and expected each employee to do the same.

"At this point, one longer-term employee, known for a somewhat toxic personality, announced, 'Some things just can't be changed!' There was dead silence. The owner, now red-faced, replied, 'We've loved having you on the team all these years. I hope you can adjust to the new world. If not, I will write you the best reference letter I can.'

"That statement had more impact than anything the owner had ever done. A week later the toxic employee swore at another employee in front of a customer. The owner saw it, called the corporate attorney, then confronted the errant employee, saying, 'Your behavior was unacceptable. Effective immediately, you're suspended for 72 hours. During that time, consider if you really want to work here—and I'll determine if we can work together going forward. Be in my office at 2:00 Thursday afternoon.'" On Thursday this abashed employee committed to building a more positive culture if he could stay at the garden center."

Buying In to a Culture Change

Tom Courtright, owner of Orchard Nursery in Lafayette, California, told me, "Life is better when you're not losing money. We'd been a florist since 1954. It was in our DNA. Funerals and weddings were huge for us, but times changed and that segment shrunk dramatically. Cut flowers can be purchased cheaply at hundreds of locations near us. Likely, your highest paid person is someone who makes phenomenal arrangements. We couldn't generate enough work to make a designer's job financially feasible. We postponed closing the florist section for too long. Fortunately, my daughter, Kathy Rondine, kept reminding me of the cash drain.

"Closing was emotionally painful, but necessary. We had to change our culture to refocus our resources and passions in areas that would financially sustain us for the future. We had blunt, candid conversations with our people. We shared the economic reasons we had to separate from this part of our heritage. We were honest with everyone that we'd been unable to make needed changes and improvements because of the financial constraints caused by feeding this cash drain."

Not everything worked out exactly to the plan. Tom knew many florist shop customers would buy a living plant instead. He didn't know how many plant sales he would lose by closing down the florist shop. Indeed, he underestimated. Regardless, the decision to close the florist operation at Orchard Nursery was a good one. Readjustments of inventory and displays were made immediately. The company has made substantial profit gains.

Today, the florist section is The Atrium, a more productive selling area for those "just getting into plant parenthood or looking for a new and unusual houseplant." Homeowners and apartment dwellers enjoy wandering through and seeing what potentially can flourish in their homes.

The focus on sustaining profitable operations also created a cultural shift. The sales team wasn't supportive initially when retail prices needed to be raised to reflect increased costs. Some team members were uncomfortable, saying, "The price is now \$19.99." This provoked customers to ask, "What was the price before?" initiating negative discussions about increasing prices. Now the team says, "It's only \$19.99." In the vast majority of cases, customers had no idea what the prior price was and didn't care, but it was an emotional issue for the employees. By replacing "now" with "only" in the sentence, more sales are made more quickly and greater joy abounds. Tom works continually with his team, helping them understand how to best assist customers in finding new gardening joys.

Consider possible improvements to your culture and what they'll do for your operations. Once you're fully committed to making cultural change, take the effective bold steps. **GP**

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—Tom Courtright, owner of Orchard Nursery, on changing over the florist department to indoor houseplants