

# The AI and Dave Way

*a handbook for founding, building, leading innovative organizations*

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***Dear Founders, Builders, Leaders,***

*Welcome to the AI and Dave Way (ADW). When we decided some twenty years ago to work at the intersection of medicine, innovation and business, we were physicians who knew nothing about business. Out of necessity we sought to develop a cogent and powerful way to found and lead companies with breakthrough concepts. These ways have been built from the timeless wisdom of others and from our own personal struggles to become effective founders and leaders. Our ways are continually evolving and we expect that they will be refined over time.*

*We've organized ADW into five chapters of multiple sections. We'll post sections throughout 2018. If you sign up below, we'll notify you when we post new sections.*

*We hope this is helpful. Let us know your thoughts.*

*Dave and Albert*

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## CHAPTER 1: PEOPLE AND TEAMS

### **1. The IVOW Tree**

Master the Ivow Tree. The Ivow Tree represents your people's reasons for working and how they relate to their place of work. The center rings are relatively difficult to achieve and lead to significant competitive advantages. The outer rings are important but easier to duplicate and less likely to generate sustained competitive advantage. It's all about the Ivow Tree. Know the tree rings.

Ring 1 (the Innermost Ring) = The Intrinsic Value of Work

Ring 2 = High Performance Workplace

Ring 3 = 3C Management

Ring 4 = Career/Community

Ring 5 = (the Outermost Ring) = Compensation

- ❑ The Intrinsic Value of Work (IVOW - (pronounced "I Vow"))
  - ❑ The single most important component of building your organization is to understand your people's Intrinsic Value of Work. For example, we've been running a healthcare company, where healthcare professionals care primarily about whether their company supports them in their personal mission to deliver effective healthcare.
- ❑ High Performance Workplace
  - ❑ Your people want to be successful. They crave a high performance workplace that gives them the best tools and teammates to do great work and that is free of friction, bureaucracy and politics.
- ❑ 3C Management
  - ❑ Your people are hungry for 3C Managers. People with 3C Managers always understand your company's Context, are Clear on exactly what is expected of them, and feel Connected.
- ❑ Career/Community
  - ❑ Your people want to know that there's something up ahead for them if they deliver results. And they prefer workplaces with meaningful community - not foosball community - but kindred spirits.
- ❑ Compensation
  - ❑ Compensation must be fair and clear, but most importantly you must design your compensation to pay for exactly what you want. Incentives must align. You'll be tempted to compete for talent by just paying more. If you find yourself on this path, you're probably doomed. Return to the Ivow and the High Performance Workplace rings before you try competing with Google on compensation.

## **2. The ABCs**

ABC #1 > Architect | Bellybutton | Candor

ABC #2 > As Forever, Bs to As, Cull your Cs

### **ABC #1 > Architect | Bellybutton | Candor**

Having observed managers for 20 years, we've come to see a distinct pattern. The most outstanding 5% zealously architect their organization and re-architect their organization to align the structure with the business plan. They are incredibly intense about making sure that there is a clear bellybutton (owner, decision-maker) for key issues. And then they bring a startling degree of candor to their communication - not a crude, blunt candor, but a wise, purposeful candor.

So few managers really focus adequately on architecture. Form drives function. Architecture is clarity on Roles, Responsibilities, Relationships. Define the achievements and work for each position and acquire the right people for each role. Be relentless about talent acquisition. Less successful managers delve right into hiring mode before defining architecture and inevitably fail. It's like picking fixtures before designing your home. Yet, it happens every hour or every day.

### **ABC #2 > As Forever, Bs to As, Cull your Cs**

Be intense about As, Bs, Cs. Successful managers are intense about As, Bs, Cs and move quickly to separate from Cs. Focus solely on the results. Everything else will fool you.

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## **3. 3C Management**

Be a 3C Manager. Your people need three things from you: Context, Clarity, Connection.

Of course people expect to be compensated fairly. But money does not move the best people. The best people are moved fundamentally by their core values e.g ivow (see tree rings).

The 3 C's - Context, Clarity and Connection - is how excellent managers help people connect the dots.

- ❑ **Context.** If people align with our vision, mission and values, they will feel a powerful connection with your company. Managers should continually teach your vision, mission and values.
- ❑ **Clarity.** People need you to be very clear – most managers mince words. Be clear about expectations for milestones, metrics, reporting, communication, feedback,

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career paths, compensation, everything.

- ❑ **Connection.** Your people want you to “get them”. They want to know that you have an interest in their well being and in their development. Many managers are uncomfortable delving. They feel like they’re prying. Look, there’s no abracadabra to Connection, but good managers are sincerely interested in their people and their people know it.

Hold Never Miss Weeklies. Conduct meaningful weeklies with each of your direct reports and have them do the same with their weeklies.

The evening before your weekly your report should post a weekly update in the following format:

- ❑ Summary of status of key Quarterly Milestones
- ❑ Key Achievements for upcoming week (where we’ll be when the week ends)
- ❑ Key Achievements for last week
- ❑ Discussions/Decisions
- ❑ Red Flags

The weekly is a vital part of ADW. We’ve found that if you hold meaningful never miss weeklies four good things happen:

- ❑ You develop a reservoir of goodwill that comes with consistency and familiarity. When problem emerge you and your report are accustomed to working things through.
- ❑ This is the vehicle for ensuring a 3Cs environment.
- ❑ You stay on track.
- ❑ You avoid high volume low value transactional communications.
- ❑ We strongly encourage you to hold all your weeklies on the same day each week. To be most effective, the manager needs to be a in weekly mindset. Your listening/coaching/teaching mode is different than your high volume transactional problem solving mode or your planning mode. You need to get into your coach zone. Best done one day a week.

### **3. Talent Acquisition**

*The importance of hiring.* Successful managers spend tons of time on hiring - to the point that you think you're spending far too much time on it. Lesser managers hire quickly because they believe they are so busy that they can't take the time. Weak managers tend to have wishful thinking about people or get lazy about hiring - they want to fill their opening and keep moving. If at all possible, hire from within. If you need a specific skill that you cannot find in the organization, then go outside and hire the best you can afford. Conversely, weak managers have a poor eye for talent, hang on to underperforming talent for too long, and tend to have wishful thinking about talent verging on laziness. They tend to say to themselves, "Well at least I have someone holding the fort down."

*Keys to effective hiring.*

- ❑ The interview.
  - ❑ Rule #1 - Get very clear about what you need now. Don't hire for the future. Hire for exactly what you need now. People often get all tied up thinking about long-term needs, growth potential, etc. Hire for success now and that begins with getting total clarity on what you need now.
  - ❑ Rules #2 - Always hire for values and smarts - sometimes hire for skills. Know when you need values and smarts and know when you need all three.
  - ❑ Rule #3 -
    - ❑ You need to do just 2 things:
      - ❑ 1. Simulate the job. Define the job per Rule #1 and then simulate job conditions in the interview.
      - ❑ 2. Assess judgment. Best way to assess judgment is walk through a person's career and life decisions step by step and make them explain their decision-making.
- ❑ Select Disciplined People. Healthy organizations are organizations full of disciplined people. Plot a graph with Tenacity on the x-axis and Humility on the y-axis. 99% of the right people will be in the upper right quadrant.

## CHAPTER 2: DAY-TO-DAY

### ON CONTINUOUS IMPROVEMENT

- Antennae-Up Management. Our best managers manage with their antennae up and continuously make small changes each week to tune up their business. Lesser managers execute their business by the rules but miss clues about performance and fail to seize opportunities to improve their business.

### ON WEEKLY SCHEDULE & RHYTHM

- Never miss “Weekly Updates”. Hold a weekly status update with your key reports.
  - By 5PM the day before the weekly, the report posts an update organized as follows:
    - Milestone Status
    - Metric Status
    - Key Achievements This Week
    - Key Achievements Next Week
    - Decisions/Discussion
    - Red Flags
  - The meeting should focus on the Decision/Discussion topics not on reporting results.
  - The Annual Review is a good habit but it’s not nearly as critical as meaningful weeklies.
- When issues emerge. If an issue with your direct report pops onto your radar screen, do the following.
  - Make a binary decision: Place the issue in the Now bucket or the Weekly bucket. Most of the time it fits into the weekly bucket.
  - Post it to your weekly meeting agenda and that way your report gets to stay focused on their current weekly plan and you don’t need to stew over it. And this way your reports always knows that there is a no-drama way to work out problems week to week without blow-up for festering.
- Manage your calendar. A current, complete, shared calendar is non-negotiable. Learn how to manage yourself and others with it.
- Zoom from Clouds to Weeks and Back: The best managers zoom from 20,000 feet to the weeds and thrive at both thinking conceptually and acting on the finest detail. But here’s the key. The best managers know what to work on and whether they should be working at 20,000 feet or in the weeds.

### ON MEETINGS

- Single Purpose Meetings. Meetings should be single purpose. Don’t mix up thinking, planning and acting meetings.
- Ad Hocs. If you need to deal with an off topic, call an Ad Hoc. Don’t squeeze it in.
- Meeting Minutes. If there are not minutes, the meeting was wasted.
- On Milestone Meetings:
  - G-Y-R status reports: Demand that every attendee knows their Green-Yellow-Red Status. If they are Yellow, they should be able to tell you exactly how they’ll recover. If they are red, they should tell you their revised

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date and plan.

- Managerial Magic Minutes. Good managers can deliver pitch perfect, on-demand recitals of their business in a simple format: What-Why-When-How.
- Turn off the Gear. It's the meeting chair's job to set meeting ground rules at the meeting start. In general, make it mandatory to turn off laptops and cell phones. If someone has their laptop and phone open during the meeting, they really aren't in your meeting. If you are the chair, ask them to step out and return when they have finished. There may be a few exceptions such as Clinical Managers on duty. But in general, everyone should sign out their duties to a deputy so they can focus on the meeting at hand.
- Meeting Rules:
  - Start on time
  - State the Chair.
  - State the end time.
  - State the Goal: (What will we achieve by the end?)
  - State the minute taker | Post meeting minutes.
  - Follow guidance on number of attendees (see below)
    - Number of Attendees
      - 2 Attendees: One on One Weekly; Coaching or Two person Workgroup: *Opportunity exists for high value coaching, mentoring, learning and thinking, planning acting*
      - 3 Attendees: Workgroup. *Opportunity exists for everyone engaged and activated.*
      - 4 attendees: Informational and Update Meeting. No longer a working meeting. Productivity plummets.
      - 4+ attendees: Meetings with more than 4 attendees is a Chorus. No meaningful work gets done. Productivity plummets. If you are a senior executive who is calling for meetings of more than 4 people, you are literally burning our time and money, and wasting people's life energy.

### ON SUPPLIERS

- Like people but different. Manage vendors with the same tools you manage people: scorecards, weeklies, etc. Our people motto is A's forever, B's to A's, cull your C's. With suppliers, it's A's forever, cull your B's.
- Not Partners. When a supplier has kept every promise for 5 years, they are a partner. But not a day before.

### THINK-PLAN-ACT.

- Most people are conditioned to jump immediately to action. This is unfortunate because success comes from acting only after thinking and planning.

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- If you don't know how to "think", you're in luck. We have a framework for helping you think clearly - the PODE: Promise, Offering, Delivery, Economics.

If You Can Imagine It, You Can Do it. As humble people, we tend to underestimate our power in the world. Each of our organizations, in its own way, is a forum for our imagination to invent a fundamentally better way.

Plan quarterly not semi-annually (or, heaven forbid, annually). It takes more effort but it's worth it. To run an up-tempo operation in a changing world, assess and update your plan quarterly.

Master the Planning Phases: Concept Paper to Operating Plan + Financial Model to Implementation Project Plan

- What's a Concept Paper? It answers in less than 2 pages the question: 'Should we do this?' and galvanizes alignment around the decision. It answers the question by succinctly stating: What | Why | When | How Much (will it cost and earn) | Who | How. It contains a financial model sketch.
- What's an Operating Plan? It answers the question: 'How exactly will I run this thing?' and it includes a complete Department Folder including financial model and a medium level project plan since final dates cannot be set until the project, budget and timing are approved.
- What's an Implementation Project Plan? It answers the question: What will each member of the implementation team do each day of the project working backwards from the milestone end state and date. Upon approval of the Operating Plan, develop a detailed implementation project plan that reflects the actual project dates.

Understand Milestones versus Metrics.

- A milestone has a finite end date. When it's done, it's done.
- A metric is a way to measure a function in perpetuity.
- Here's an example. Manage milestones with Project Plans and Metrics with KPIs. A Milestone is launching of a new version of your App on December 9, whereas a Metric is App up-time, say 99.99%.
- Milestone Trackers. Write out a milestone tracker or a detailed project plan for all projects. Work backward from the end to beginning, not from beginning to end. To plan from beginning to end is near-certain failure.
- Sole Accountability. There can only be one bellybutton per project. Two is too many. There can only be one person running a project.

You are What You Spend.

**ON VELOCITY - "MAKE, DON'T MEET"**

- Few behaviors are as critical to our success as Velocity - velocity to make decisions, velocity to market, velocity to innovate, just sheer velocity is good for people, teams, organizations. What's the key? Sure, we value Think-Plan-Act, we value PODE, but the key is get out of thinking mode, out of meeting mode, out of brainstorming mode, out of document mode, up and out of your cube, and start playing, start making, start prototyping.
- Summarily, reduce standard meetings to 30 minutes. There should be very, very few 60 minute meetings.

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- Summarily, limit meeting size.
  - 2 attendees is a one-on-one - highly effective.
  - 3-4 is a legitimate meeting
  - More than 4 is a time-waste and money-burner. Meetings of more than 4 should be very, very rare.

## ON MEASUREMENT

- Lead v Lag Metrics | Operation v Performance Metrics. Understand the difference between measuring performance (lag) and measuring the operational indicators of performance (lead). Clinic Revenue is a Lag Metric and Website Traffic is a Lead Metric.
- Crunch and Pivot. Your job description may not say "number cruncher" or "pivot table maestro" but the reality is that good managers know their numbers.

## ON CUSTOMER SERVICE

- You
    - Never separate yourself from the company.
    - Practice C-U-E. Courtesy-Urgency-Empathy.
    - Know how/when to G-G-G: Greet-Guide-Gratitude.
      - Welcome to Zoom. How may I help you?
      - Tell people what to expect - Zoom is different than their usual doctor's office.
      - Express your appreciation for entrusting Zoom with their health.
    - Listen 95% of the time. Talk 5% of the time.
    - Make it shine.
  - Your Customer
    - Never turn anyone away. Never. Not because it's too late or too early, or you're too busy, too tired, too hungry, too whatever. Never, ever, ever do this.
    - Warm Professionalism x (Online Schedule + On-Time Visit + Dispensed Prescription) = Customer Satisfaction
    - "Multiple choice is not good customer service." In other words, people don't want options. They want specific solutions. Choice is old school. Beautiful, complete, specific answers is the way to go.
- Your language
- Never say "I don't know" or "I have no idea." Patients prefer omnipotence.
  - Never contradict the care or recommendations of a colleague, inside or outside your organization. (Unless it is an outright mistake.)

## **CHAPTER 3: INVENTING AND MAKING**

## CHAPTER 4: MONEY

### ON NUMBERS

- Gross Margin (GM) / Gross Profit (GP). These are the most important numbers in business. Master GM/GP. Understand how to spin sawdust into gold.
- Green Zone. Gain an intuitive feel for how GP begets EBITDA and CF (cash flow).
- Unit Economics. Master the unit economics of whatever you are managing.
- Connect the Dots between units, operating metrics, strategies and actions.
- Do NOT Stare at Financial Statements. Get a System: Learn the Zoom System.

### ON FINANCE

- Profit is the best Investor.
- Control your own destiny.

### ON NEGOTIATION

- Learn to play a weak hand.
- Negotiate everything, every time, on every point. It works.
- Tell your negotiation counterpart exactly what you want no matter how audacious.
- Never nibble. Take only big bites. What does this mean? At each round of negotiation, allow your counterpart to present their complete counter. Then, once you've digested their complete counter, present your counter that considers all the cards on the table. Never trade off line by line.

### ON THE LAW

- Make the law work for you. Every manager who manages people needs to know the basics of business labor law. Don't make assumptions.

## CHAPTER 5: YOU

### ON YOURSELF

- Be in it. Be all in. If you're not in it, everyone will know and your career is doomed here. You just can't fake it.
- Don't lose track of who you are. All are looking to you and your conduct.
- All your problems are self-inflicted. If you honestly evaluate it, all your problems can be traced back to things in your control.
- Performance begets Happiness, not vice versa.
- Respect is never given, it's only taken. Look, we live in a culture where people are trained to "respect" others. But this is fake respect. In reality, no one respects you because you are you. They should tolerate you, but they will not respect you and should not respect you because you are you. People respect you when you do what you say you'll do with passion and pursuit of perfection and you deliver great results.
- Dominate your business.

### COMMUNICATION

- LISTEN!
- Be like Columbo. Probe, and probe and probe until you get to the bottom of it. Ok, perhaps you don't know who Columbo is. No problem. He was a pesky TV detective who just kept humbly asking disarming question after disarming question until he cracked the case.
- Be clear. Be clear. Be Clear. No matter how clear you are, get clearer.
  - Say exactly what you mean. Say exactly what you want. Say exactly what you expect. For example, "Complete this by 5PM on July 1."
- Communicate your Think-Plan-Act status: State whether you are thinking, planning or acting, or else people will act when you are just thinking.
- Conflict. Embrace conflict. Love conflict. Seek it out. And then resolve it by finding an even better way. But let nothing fester in the middle. Push it all one way or all the other.
- Alignment: Work very hard to make sure the stakeholders are aligned. Well, that's the polite way of saying it. What we really mean is FORCE ALIGNMENT - YES, FORCE ALIGNMENT. How?
  - Review plans with each stakeholder and ask the probing questions that force them to lock onto the impact of your plans.
  - Think of each stakeholder as an expert who can help you uncover the weaknesses in your plan.
  - Don't let them be lazy - ask probing questions and then confirm what you heard.
  - The process of alignment never ends. The final plan, including all of the adjustments made through the alignment process, MUST be reviewed again with stakeholders for a final check, and all real-time adjustments must be aligned.

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- Email Rules:
  - Email should only be used for sharing documents, facts, dates, etc.
  - Email must never be used for a discussion.
  - When was the last time you were in a meeting and some problem arose and you said, let's get up and walk over and resolve this right now with her/him/them? If you didn't do this last week, you probably mismanaged something.
- "Corporate Says" is death to organizations
  - Do you ever find yourself saying or writing "corporate says"? When you say this or write this you sow seeds of anxiety-- or worse. Just write and speak about all the new things we are doing, the improvements we make, and the changes we implement with an authentic sense of enthusiasm and genuine excitement for what this means for the people we serve and for our collective future.

### MAKING DECISIONS

- Here's the basic formula. 1) Don't make the right decision about the wrong thing. Be clear about the question on the table 2) Develop criteria for a successful solution 3) Propose potential solutions that might meet those criteria 4) Rate and rank the potential solutions against the criteria. 5) Decide
- Bust your chops to get alignment. Really work at it.
- By the way, sometimes you make the right decision by just making the decision and then working your behind off to make it the right decision.
- Never ever disown the team's decision. You may disagree -- and you will disagree at times. But once the decision has been made, get behind it with all your energy and make it successful.
  - P.S. If you've got someone who fails to do this, clarify your expectation once and then, if they fail to get behind the team twice, find a way to get rid of them.



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NOTES

ON CONFIDENTIALITY

Take confidentiality seriously. We're all working so hard to develop and perfect better ways to do what we do. To do this, we are making investments that others lack the talent and/or courage to make, so we don't give away our hard-earned intellectual property.

Here's your confidentiality Rule of Thumb: If it's on our website, you can discuss it. If it's not you cannot discuss it. If you need to discuss something not on the website execute a nondisclosure agreement.

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Culture - 3 things.

Focus on results all else will fail you

ESP

60 days sprints

I-V-R

when the showdown comes

customers, consumer, employees,

SD version + a zoom module.

incorporate executive athlete elements

study program

GSD

orders

acknowledge

commit

accountability

excuse free environment

4 kinds of people

avoid work

work

results

success

squanderers

- Let's not squander this opportunity of a lifetime.

exceln

grant's order book

take the hill

how to write

digital free meetings

on investors, capital

P.s. I hate you..peets story

all my problems in life are self-inflicted

financial section needs to be improved

one big idea

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## ON WHAT YOU CAN EXPECT FROM DAVE AND ALBERT

- We Believe in Creativity, Cohesiveness & Constancy of Purpose. We've come to believe that a creative, cohesive team with constancy of purpose over a sustained period of time is far more likely to do enormous good and create tremendous value than a good idea backed by a burst of cash. This is why we've architected Zoom to be sustainable over the very long term and we've sacrificed to do so.
- We'll Always Have A Customer Focused North Star. Count on us to stay focused on Sarah, through thick and thin, through good times and tough times.
- We'll Serve our Customer Directly. We will relentlessly, year in and year out make tough decisions that enable us to serve our customer directly and to move out of the way intermediaries that stand between us and our customer.
- We are Proud Control Freaks. We are proudly control freaks. We believe that it's best to provide a comprehensive and seamless interoperable solution for our customer than to stitch together a quilt of vendors, suppliers, contractors. That's why we operate our own laboratory and have worked so hard to enter pharmacy.
- We'll Take Large Risks for Innovation. We continually take large risks in pursuit of breakthrough products and benefits for customers.
- We'll Cultivate Our Own People. We look to our own people to become staff, managers, executives and leaders. We purposefully promote from within and develop systematic approaches to teaching and developing our own people.
- We Believe that Health Is a Both a Core Value and a Strategic Advantage. We are a health company and health is our promise to our customers but it's also a strategic advantage insofar as the work we are doing demands mental and physical fitness. We invest in the health of our own people and our customer.

## ON ORGANIZATIONS

- ❑
- ❑ Maintain current dept folders. Department folders include organization charts, headcount tables, dashboards, scorecards, weeklies, milestone trackers/project plans, budgets, and department plans.
- ❑ Promote from within. Hire from within unless you can't find the talent or need a specific skill, and in that case hire from outside. Our best managers have an eye for talent and know how to cultivate talent and take pride in spotting talented people and developing them.

## **Talent Development**

- ❑ The Importance of Talent Development?
  - ❑ What's your first priority? Talent Development
  - ❑ What's your second priority? Talent Development
  - ❑ What's your third priority? Talent Development
- ❑ Personal Development Phases: Manage yourself; manage task(s), manage a process, manage project(s), manage a person, manage people, hire people, manage a team, learn business domain (e.g. operations, marketing, finance, etc), manage a business function and budget, manage a business unit with P&L accountability, manage a business.
- ❑ Doer, Builder, Innovator Capabilities
  - ❑ We all have Doer, Builder, Innovator Capabilities to varying degrees.

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- ❑ You absolutely must know three things about each of your positions and people:
  - ❑ Do you need a doer, builder or innovator or some blend?
  - ❑ Is your team member a doer, builder or innovator or some blend?
  - ❑ And what does the team member think they are?
- ❑ Once you understand this, things become more clear.
- ❑ Skills, Expertise and Behaviors
  - ❑ Each of your people can be defined by their skills, expertise and behaviors.
  - ❑ You must think clearly about their skills, expertise and behaviors.
  - ❑ Each of your people have their own view of their skills, expertise and behaviors. Few will have a realistic view.
  - ❑ You must know the skills, expertise and behaviors required for each step of the career paths available to your people.
  - ❑ It's your job to help your people connect the dots.....

### **Culture**

We learned long ago that our culture is not what we say it is, it's what our teammates say it is. Therefore, we're not going to tell you what our culture is - that's for you to decide. But it is our absolute responsibility to know what we want our culture to be and to work at it every day. We believe deeply in a culture marked by radical ownership, startling candor, and a shared system of play where we subordinate our own egos to help our customer realize her potential and for us to deliver on our promise if twice, half ten.

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Pearl

- ❑ Be Candid. If you cannot be flat out, eye-to-eye, unemotionally candid with your reports, peers and supervisors, you cannot be a manager and you will ultimately fail.
- ❑ Foster radical ownership - But don't confuse ownership with independence. No one is independent – we're all supremely interdependent. How do you foster radical ownership? Be quiet. Let others figure it out. Let others learn to trust their own judgment. But validate the judgment and step in and course correct immediately if necessary.
- ❑ Business are built week by week, brick by brick. The week is the unit of business building, not days, not hours. Teach your team to develop a weekly cycle.
- ❑ No projects. Managers are too busy to devote disproportionate time to getting a consistent under-performer up to par. No projects. Give the person a fair shake and then move on. You don't have time for projects.
- ❑ No Politics. When we manage the Albert and Dave Way there is little room for destructive political behavior - which means focusing on personal interests over company interests. But even the healthiest organizations are at risk of politics creeping in. People are people and some insist on politics. Don't hire them. Don't promote them. Get rid of them. Said another way, professionally and lawfully, transition them out of your company.
- ❑ On Fake Fairness. Managers, in the name of "fairness", often let underperformers and violators of basic rules remain employed because they want to give people a fair shot. Big mistake! This is unfair to your A players doing everything asked of them and more.
- ❑ Unforced Errors. We're not tennis players, but it's known that great tennis players make far fewer unforced errors than lesser players. Business is the same way. Good business people don't make "unforced errors". An unforced error in tennis is when you whack the ball out of bounds for no good reason. An unforced error in business is when you make a dumb mistake, a thoughtless error, a careless error, an avoidable error. Over the years, we've worked with quite a few very talented people with penchants for unforced errors. If they are early in their career, coach them and support them because many will grow out of it. Senior managers with penchants for unforced errors need to go immediately.
- ❑ Don't Manage Morale: It's incredibly unpopular to say this out loud. But here's what we means by this: Manage Well! 1) Make sure people are totally clear on what's being asked of them - and how they're being measured and rewarded. 2) Make sure that people know where the company is going. 3) Make sure that people know that you care about them - that you know them and have a plan for them. When you do these things, morale is good. When you don't, it's not good. And no amount of listening to frustrations, reassuring staff, or handing out stacks of gift cards will fix this kind of morale problem.
  
- ❑ How about Compensation? Great people don't work for money but they expect to be compensated fairly. Compensation has four basic layers: wages, benefits, short-term incentives/rewards, long-term incentives/rewards. The best plans blend all four layers.