

Companies That Embrace Innovation Grow "Fastest"

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Innovation combined with a laser focus on culture are two of the key common strategies employed by the CEOs of some of San Diego's fastest growing companies*. My interviews with the chief executive officers who were in the top 20 of this list indicate that fast growing, successful

companies share priorities.

In addition to having high-energy, driven and enlightened CEOs, they know that managing culture is essential. As Tony Hsieh, founder and CEO of Zappos, the \$1 billion in annual sales shoe behemoth founded in 2001 said, "At the end of the day, just remember that if you get the culture right, most of the other stuff – including building a great brand – will fall into place on its own."

These top San Diego CEOs are intentional about the environment and culture they want. Following are their seven common actions, which I also shared at The Business Journal's sixth annual Most Admired CEO event, which recognizes outstanding San Diego leaders.

Innovation is a part of everyday work and not an event.

The majority of the CEOs in this group promote innovation in what some would consider untraditional ways. From open floor plans to Ping-Pong tables, Zen rooms, and meetings where staffers bring new ideas; dust is not settling in the innovation centers of these companies. Several of the companies have made a practice of delegating projects to their staff, not just because training and coaching is a best practice, but to encourage employees to come up with better ways of working.

Brian Rott, CEO of Superior Onsite, allows

his teams to take projects on their own and to change something if it can be made better. "Trust is everything. I motivate these guys to take the projects on themselves. I do not micromanage and instead I tell them, hey, own this whole process, just do it right. I let them run their own mini-business, and I help them out if they make a mistake."

They hire for the culture they want.

These CEOs were thoughtful and strategic about hiring. Beyond the technical expertise and educational and work background, they look for people who match the company culture. And they want to see energy from a candidate, who can blend with the existing team environment. These CEOs also feel responsible for creating positive workplaces for their employees. Jason Kulpa, CEO of Underground Elephant, The Business Journal's top fastest growing private company in 2011, sums it up, "Work is more of a community and less of a place to go to get a check. It's a lot of time to hang out with somebody and you want to feel like you are having fun and being appreciated."

They are in your face (in a good way).

Most of these CEOs espouse the classic Tom Peters' management by wandering around (MBWA) philosophy. They are present for solving issues and listening to what employees have to say nearly every day. For most, regular walk-arounds, in addition to consistent meetings, are a daily priority.

Dave Dutch, CEO of PayLease is all about management by walking around. "I constantly walk the halls and pop my head into cubes, offices and break rooms," he said. "I ask questions and share what's going on. I encourage my leadership team to do the same. It takes 45 minutes to one hour to get through my office and people will share what they have heard."

Matt Garrett, CEO of TGG Accounting has a similar philosophy, "I don't want to be seen as the man behind the curtain," he said. "My personal belief is that you should always communicate face-to-face. There is a lot that you will be able to see like body language and non-verbal behavior."

They develop employees, even those who might move on.

These CEOs have a knack for understanding and appreciating the essentials of motivation, including autonomy, mastery and purpose, elements that are more important than bonus plans. All the CEOs believe that mastery of a team member's work can be achieved through continual training of employees, and most have in-house training programs for their staff. They are adamant about the importance of investing in employee development, regardless of the potential consequence that an employee may leave. Will Dryden of Coast Flight Training and Deb Hubers of La Vita Pharmaceuticals not only develop their staff when they know they will move on in a few years, they also wish them well with glowing recommendations and goodbye parties.

Clearly, these CEOs understand the concept of employee engagement, which research shows increases productivity and profits. Adam Dailey, CEO of Ludus Tours, believes that all team members should be a part of the sales process and to demonstrate this, he sends staff to the exotic locales of their tours so they will be able to share their first-hand experiences with future customers.

Accountability: More frequent reviews.

In each of the companies, the overall vision was clear, as well as the more specific goals for individual employees. Companies described a specific methodology for tracking the progress of their employees, who are reviewed on their performance, not in a typical annual review, but in monthly and weekly intervals.

Community and fun is a part of the job.

The words "family" and "community" came up many times in this research. The CEOs shared everything from the quirky (mariachi bands performing unannounced at lunch time) to the exotic (traveling abroad to better understand the customer experience) to the endearing (birthday celebrations for every employee).

Dryden is a prime example of how a CEO creates

the culture he wants. "When I started out, I asked myself how I could create an environment that's fun and I wake up excited to go there," he said. "I believe it should feel like a family and you should be friends with people you work with, even outside of work. This is a huge family."

They invite customers to join their community.

These CEOs make sure their teams go beyond sending clients the typical online newsletters. They make sure they are "touching" their clients regularly. Michael Fenison, CEO of Pure Financial ensures that customers receive 40 communication touches per year, through electronic and mail communication. He also invites them to educational and social events. The Coast Flight team brings their clients together every year for an event that allows them to network and learn from each other. Huber's La Vita Pharmaceuticals holds physician-hosted roundtables such as Wine, Women and Hormones and TGG Accounting hosts client appreciation events.

As you can see, if a CEO is open and introspective, he or she has the power to envision and create a culture that is aligned with his/her values. The decisions and actions that follow can shift the current company paradigm not only to shape who is hired and how they are developed, but to also radically shift employee motivation and productivity.

** The San Diego Business Journal's Top 100 Fastest Growing Private Companies are recognized each year at a summer event.*

The companies referenced in this article were selected in 2011.

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Dr. Nooravi was the keynote speaker at the 2012 Most Admired CEO event.

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