



Viewpoints

January 19, 2010

Volume 1, Number 201001

Purpose

To provide unique views, concepts and ideas that challenge you to think differently about business and life

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Company Culture as a Key Differentiator

Do you think of culture as a key component to your success as an organization or do you only think of it when having your morning yogurt?

Those of you who know me well know that one of my favorite quotes is:

“Culture eats strategy for breakfast!”

A poor culture left unaddressed will destroy or sabotage the best laid plans. Most leaders will say company culture is a key to success but then spend very little time or resources in developing and improving it. Organizations that spend significant amounts of time defining, developing and maintaining their desired culture tend to be highly successful and they view their culture as a huge competitive advantage.

One such executive is Nick Sarillo, CEO of **Nick’s Pizza & Pub** in suburban Chicago, who was featured in the February 2010 edition of **Inc. Magazine**. The 14 year old company has a cult-like focus on culture which delivers incredible results:

- Average Industry Turnover **200%**: Nick’s Turnover **20%**
- Average Industry Operating Profit **6.6%**: Nick’s Operating Profit **14%**

Nick is a blue collar guy who set out to change the way pizza places are run by developing a unique culture that focuses on these nine concepts:

1. **Feel your community’s pain: share its joy** – Nick’s has 1/2 price Mondays & Tuesdays to ease the pain of the recession as well as hosting fund raisers weekly for needy local causes. Employees are encouraged to develop and implement things that help the community.
2. **Hire only A+ players** – the recruitment process is very thorough (multiple interviews and testing) and only people who exhibit the behavioral traits consistent with the culture have a chance to get hired. This is unique for a workforce that is 41% 16-18 year olds. 96% hired stay at least one year.
3. **Learn, grow, compensate** – multiple certification opportunities give you the opportunity to learn more and make more money. Certifications beyond the core training are up to you so you control your ability to advance & make more money.
4. **Systems are for building trust** – detailed systems are in place to ensure consistency and quality. With training and trust, the system does not require micro-managing.
5. **Coach in the moment, not after the fact** – no formal performance reviews. Coaching and feedback is given immediately to correct behaviors and ensure consistency. Formal, infrequent feedback is too late!

6. **Turn negatives into positives by making talk safe** – uses a system called “safe space” which allows employees and managers to have difficult conversations by following well-defined rules. For example, statements must be based on data, not feelings or speculation.
7. **“Why” is more important than “what” or “how”** – Nick believes if employees know why something is important, they will figure out what to do and how to do it. Trust is key to this concept.
8. **“Trust” without “track” is an invitation to trouble** – part of the culture is being results focused. Tracking results determines who is doing a good job. You have to be real about how people are doing by holding them accountable.
9. **Beware of growing before you and the company are ready** – growth before you have your systems and culture under control can cause things to crumble fairly quickly. Only grow when you are ready.

If you would like to know more details about these concepts, please contact us. There’s nothing we love more than challenging you to think in different ways about improving your business.

Let us know if you enjoyed this newsletter or what we can do better. Also, if you have ideas or topics you’d like to see in future editions, send those thoughts to:

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Feel free to forward this to anyone who is interested in thinking differently about business and life. Have them contact me and I’ll put them on the “List”

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