CULTURE COUNTS:
LESSONS FROM THE CULTURE LEADER OF THE YEAR FINALISTS

By **Richard Citrin** and **Michael Couch**

CONGRATULATIONS TO AUTOSOFT, CONFLUENCE, EXCEL4APPS, SUMMA AND TIER1 PERFORMANCE SOLUTIONS FOR BEING SELECTED AS TECH 50 CULTURE LEADER OF THE YEAR FINALISTS (CLOTY)!

As part of the team that reviewed the CLOTY applications, we had a chance to peruse the finalists' applications to see if we could uncover some themes that could be lessons for us all. The first factoid that jumped off the pages was that, over the last five years, these firms' Revenue Growth, Market Share, Profitability and Employee Retention were significantly better or at an all-time high.

Is that performance a coincidence? The research we've seen on organizational culture's impact on business performance would confirm otherwise. It was clear to us that the finalists intentionally focused on factors of their culture to generate meaningful business results; culture drove performance. Leveraging culture was not just a nice thing to do or the latest fad. The finalists described their focus on different facets of culture as core to their success.

We saw that culture for these high-performers was not solely about perks and unique workspaces. Instead, the finalists identified and deployed practices that clearly reflected the organizations' underlying values, beliefs and assumptions. Culture was manifested in how they got things done every day. They were able to describe specific practices in four key culture domains.

Mission: How they defined strategic direction, shared a clear vision of the future with all employees, and set and tracked progress against clear goals.

Consistency: How they built effective working relationships, engaged in problem-solving and decision-making and aligned what they did behind a defined set of core values.

Involvement: How they shared information so that all employees knew how to make a difference, developed and utilized effective teams and developed their talent to meet current and future needs.

Adaptability: How they understood and responded to customer needs, created and encouraged continuous improvement and promoted continuous learning and innovation.

Here are highlights of some of the high-impact practices the finalists described in each of these areas.

Mission. Confluence had identified six strategies key to achieving the firm's vision of instantaneously converting asset managers' data into knowledge and distributing it to the world. Each quarter, progress toward achieving the vision and strategic drivers was shared during a company-wide meeting. Each employee was asked to tie their own goals to one of the strategic drivers.

Autosoft emphasized transparency in its approach to involving employees in charting the direction and goals for the business. At biannual company-wide meetings, employees were engaged in setting company goals, reviewing progress and celebrating achievements. Owner and CEO Bryce Veon, also took time to answer all questions submitted anonymously in advance of the meeting. They also conducted monthly leadership and department meetings where they focused on corporate goals and strategy and employee welfare. Autosoft eliminated employee performance reviews and moved to monthly employee-manager feedback sessions.

Consistency. Summa extended the agile practices it used with its clients to the approach it used to build effective working relationships among its employees – or Summanoids – and to engage in effective problem-solving and decision-making. Leaders collaborated with employees to set goals that linked to overall Summa goals to allow for continuous alignment and ongoing feedback. Over the past two years, Summa restructured its organization into small coach-led teams with broad responsibilities to be more efficient. Summa moved its headquarters in 2016 and designed an agile, team-friendly environment conducive to collaboration.

Six core values were at the heart of all planning, decision-making, communication and problem solving at Tier1 Performance Solutions. Tier1 employs Communities of Practice teams focused on sharing ideas and lessons learned to anticipate and address market needs. In addition, they deployed cross-functional Special Interest Groups to consolidate ideas to address client challenges and targeted Strategic Development Initiatives to provide development experiences in support of a key business goal.

Involvement. All of the finalists described a number of team-based approaches that are core to the way they operate. Excel4apps used LEAN methodology to constantly improve products and processes, to eliminate waste and to reduce lead times. The team-based LEAN process empowered employees to make decisions and take action. Confluence deployed self-sufficient, cross-functional "pods" to drive product development efforts. Autosoft used teams that were given budgets and tasked with developing a series of events that reflected

Autosoft's core values and employees' needs. Tier1 had a Yammer page for employees to form special interest groups, communicate and share ideas.

Each of the finalists also described a wide range of tools that engage and develop employees. For example, in 2014 Summa rolled out Career Ladders to help employees understand how to advance their careers and Summa University to provide training and development experiences. Excel4apps underwrote a career mapping and development program that allows employees to take charge of their own careers.

Adaptability. We were impressed with the laser-like focus that the finalists have on their customers, markets and innovation. Tier1 Labs was like Shark Tank, where employees were encouraged to pitch ideas to be funded by the company. The Innovation Center at Excel4apps promoted innovation through user advisory boards that provided feedback that was incorporated into product plans. Several of the finalists completed formal after-action reviews to learn from projects, employed third-party client satisfaction surveys or conducted industry assessments to understand trends and customer needs.

Picking a winner among these impressive finalists will not be an easy task. They employed an impressive array of culture-based practices that drove their current success and created a foundation for their future growth.

(Editor's Note: If you are interested in learning more about how the Tech Council can help you assess and leverage your organization's culture, contact our Senior Director of People & Culture Initiatives, Justin Driscoll (jdriscoll@pghtech.org), and ask him about the Tech Council's Culture Collaborative.)

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INTRODUCING THE CORPORATE ENTREPRENEURSHIP CANVAS

By **Sean Ammirati**, *Birchmere Ventures*

A FEW ISSUES AGO IN TEQ, I WROTE ABOUT SOME NEW RESEARCH

I was kicking off with a group of graduate students at Carnegie Mellon. The focus was on how large companies could avoid being disrupted by creating new products and services themselves, instead of being put out of business by new high-growth startups. In other words, we wanted to change the economic theory and expectation for an established company from one of "creative destruction" to "creative restoration."

I wanted to take a moment in this column to update you on our progress. This summer we officially formalized the project launching a new initiative at CMU's Swartz Center for Entrepreneurship called the Corporate Startup Lab.

One of the things that we've observed is that, while many of the tools designed for more traditional startups have translated well into corporate startups, others don't work as well given very real differences between an established company and a new company.

So we've started designing tools we believe will be helpful for corporate entrepreneurs. These tools range from frameworks to help think through and articulate the value of your given idea to Excel models to help you communicate the investment and potential upside to the finance department.

Today I wanted to highlight one specific tool that has been received really well in early

beta-tests: The Corporate Entrepreneurship Canvas, inspired by the power we've seen tools like the customer empathy map and business model canvas have for innovators working inside both established and new companies.

Specifically, the Corporate Entrepreneurship Canvas is a tool to help corporate entrepreneurs think through innovative ideas and identify where and how they could fit within an organization. It poses fundamental questions that will help a person or team evaluate ideas, communicate essential information about them and identify strengths and needs.

The goal when answering the questions should not just be to find correct answers with certainty, but to find multiple potential correct answers where there is uncertainty. It contains eight broad categories or big questions a corporate entrepreneur should focus on when trying to explore an idea. For each of these eight buckets, there are multiple prompts to help him or her get to the heart of the issue being focused on.

If you're interested in trying out the Corporate Entrepreneurship Canvas or any of the other tools, you can download them from our website at CorporateStartupLab. com. They are all released under the creative commons license, so you're free to use them in your organization at no cost at all. However, we'd love an update on how they are working out within your group.