
WHY BOTHER WITH **BUSINESS** **CULTURE?**

*“Culture is the
foundation of
your business
and your life”*

By John Ruh



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John M. Ruh
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Introduction

About John Ruh

Who is John Ruh and What Does He Do?

John is a serial entrepreneur who has made a lifelong study of business culture and its impact on people and organizations. He has started, grown and sold three companies and now runs John M. Ruh and Associates. He leads a team of proven specialists who support business leaders with implementation of the right programs, processes and accountable people and making continuous improvement an integral part of their culture.



John is a degreed horticulturist and a plumber's son who never learned which end of a plungerto use. He has interests in design, history, architecture, trains, and Route 66. He turned the last two into a unique exhibit in his home that has received national publicity. It has been an official stop on the Route 66 guide. Surprisingly his lovely wife, Darlene, still puts up with him.

John's Methodology (How He Works):

John is a pragmatist. Whatever and whoever works is his credo. His methodology begins by examining a company's culture (vision, goals, mission and values). He works with leaders and their teams to discover what support is truly needed and partners with them to create it. Then the appropriate best practice tools are implemented.

John is relentless and compassionate in his pursuit of continuous improvement... and the process gets results.

Q & A on Culture



What is Corporate Culture?

There is no one answer. If you get 50 business people in a room and ask them that question, you will get 50 different answers. *That is the problem in talking about company culture.* It's clear as mud.

You don't think any company should use the term "Culture". Why?

People hearing this term put their own spin on the meaning of it and often it's not what the speaker had in mind. This may end with people thinking they're in agreement when they're not. It's confusing!

What would you call it?

I believe you should speak in terms of the vision, goals, mission, and values that your company has, and the corresponding behavior you expect. Your *modus operandi*. You can call it: “Your Way of Doing Business”, or “Your Game Plan” or the way we work together and interact with each other.

How do you figure out what “Your Way of Doing Business” is?

You need to take time to thoroughly understand what's important to your business and where you want to go. You also need someone who comprehends vision and values and knows how to put *Your Way of Doing Business* into a written format that all your employees can understand.

Why do it?

As a leader it is your job to clarify what is important (how your game is played). How can people compete in any game if they don't understand the rules, the outcome and what is important to you as the coach?

How do you make employees aware of this?

Once you define *Your Way of Doing Business*, you can put it into a formal document for both new and existing employees. Then it becomes an ongoing issue of training employees on the concept.

How do you find people who fit in to “Your Way of Doing Business”?

By interviewing people based first and foremost on vision and values alignment. If their vision, goals and values don't align with yours, their other qualifications do not matter. They won't fit into your company.

How do you do that?

You learn how to do “Culture Based Recruiting”.



Culture is the Foundation of Your Business & Life

(There are five reasons why culture is the foundation of your business and life.)

Perhaps the most difficult thing you must do as a business leader is to define your culture. Most of us are busy trying to address the multitude of daily business problems that we face like sales issues, people problems, cash flow and the like. So why, given all these other hands-on challenges, is it important to address something as nebulous and abstract as culture?



Reason No. 1:

If your culture is not clearly defined and understood by all of your stakeholders, you and your people may not be able to solve the other challenges with any systematic, long-lasting success. Often, a dysfunctional culture is actually the root cause of the issues a business faces.

Reason No. 2:

If you don't know where you have been, where you are now, where you are heading and why, you are like a kite in the wind. Teams cannot be effective if they are not clear on direction and what is expected of them. Answers to these questions are at the core of cultural communication.

Reason No. 3:

When one knows very clearly (be it your individual, department, or company game plan) the answers to the questions in No. 2, then strategy, structure and support are much easier to implement.

Think of the culture (vision, mission, values) as the foundation of the business. Then picture the disciplinary functions (sales, marketing, engineering, service, etc.) as bricks set upon that foundation. A solid and well-designed culture makes for a solid structure. When this concept is clear, you can get greater buy in if you see all your decisions into taking care of The Golden Goose.

Reason No. 4:

Right decision making across the team is made much easier when everyone understands your vision, mission, and values.

Reason No. 5:

Culture is practical, and when it is done right, it can lead to a competitive advantage.

Understanding Your Business Culture

The culture that you nurture within your business is more important than you might think. While some people feel that business culture is merely a buzzword or that time is better spent on scaling your business, you absolutely need a strong and clear business culture to reach your goals. This isn't only true for massive companies with thousands and thousands of employees – it is equally important for small and medium- sized businesses as well.

Shared Values

Why on Earth is business culture so critical to the success of your organization? First, consider that your business culture defines how your business interacts with people – both internally and externally. Not only does it act as a moral compass to help guide employees' decision-making processes in their day-to-day duties, but it also affects how members of your organization interact with partners and suppliers. As your company grows, it is imperative that your employees understand how they are expected to behave professionally. They will not have a solid idea of these expectations without shared values. And having these ideas in place will help ease growing pains as your organization matures.

Connecting with People as Human Beings

After going through all the trouble to hire top talent in your industry, it would be a real pain if your employees sought other opportunities because they weren't happy in your organization. A healthy business culture will not only help you retain the employees you have but will also attract new talent and partners. People will want to engage your organization more frequently if you share common goals, ideas, values, and beliefs. Though your product or service may not be extraordinary in its own right, you will find greater success if people believe in what you stand for. Business culture can be the "why" behind all of your plans, goals, and actions – which will make your business more personable. And, it can really help your business stand out from the crowd. By differentiating yourself from competitors that lack clearly defined values, you can make a greater impact in your industry.



The Bottom Line

Tony Hsieh, once the CEO of Zappos, had an intimate understanding of the importance of business culture. Essentially, he believed that hiring someone who didn't fit into his organizational culture could poison his bottom line by harming productivity, crushing morale, and causing all sorts of other problems. When Zappos was experiencing growth in its infancy, he made some hiring decisions that he believed cost the company \$100 million dollars. Though you may not run an organization anywhere near as large as Zappos, one thing remains clear: lacking a well-defined organizational culture can cause massive setbacks down the road. They say that a smart man can learn from his own mistakes, but a wise man can learn from the mistakes of others. As such, it would be wise to learn from Tony Hsieh's mistakes to help your business reach its goals for the coming year.



The Golden Goose is Your Company

**Sixth Century BC Business Wisdom –
The Goose with the Golden Egg**
Aesop (Sixth Century B.C.) Fables
The Harvard Classics, 1909–14

ONE day a countryman going to the nest of his Goose found there an egg all yellow and glittering. When he picked it up, it was as heavy as lead and he was going to throw it away, because he thought a trick had been played upon him. But he took it home on second thoughts, and soon found to his delight that it was an egg of pure gold. Every morning the same thing occurred, and he soon became rich by selling his eggs. As he grew rich he grew greedy; and thinking to get at once all the gold the Goose could give, he killed it and opened it only to find—nothing.

“GREED OFT O’ER REACHES ITSELF.”

The Golden Goose

What is the Point?

The Golden Goose is your company and, if you nurture it, it will take care of you and your employees for a long time. However, for all of us, our egos are like the farmer’s...greedy. They want what they want. So, it is up to you to subordinate your ego and support the business. Why? If you don’t, it may kill the Goose.

As for the Goose...



The company (your Golden Goose) must be focused on one thing...taking care of your customers by producing both results *and* communication that wows them. (Most of us miss the second point.) When this concept is clear, you can grow greater, if all your decisions involve taking care of The Golden Goose.

The Power of a Declaration

*1776: A group of Independent Leaders **DECLARED US TO BE A FREE INDEPENDENT NATION***

*What does that have to do with you and your business?
Three Key Points*



Point 1: Your Declaration

Somewhere along the way you or someone in your company **DECLARED** that you were a new business entity. You saw an opportunity and you committed yourself to it and took ownership. Or maybe, you just saw a better way to provide a product or service. Either way, you created a vision and a direction. Then, you created some rules or a code of conduct that you expected everyone associated with you to operate under. This “declaration”, however tacit it may have been, was (and remains), a key component of the lifeblood of your business.

Point 2: You Created a New Game

You called the game *Your Way of Doing Business*, but no one else knows your game. And this is why it is so hard to hire into your culture. Your culture must be communicated in a way that people can see, feel and experience, in order for them to participate in the success of it. How can anyone win a game that they simply do not understand?

Point3: Communicating “Your Way of Doing Business”

If you are having trouble positioning your company, finding people that align with your culture, or getting current employees to align themselves with your game plan, you have to ask yourself: "Have I properly defined and communicated my Way of Doing Business?" It can solve many of your other issues.

Business and Charity

Does it have to be Business *or* Charity?

I don't think so. In fact, I believe that they belong together. Here's why:

Every one of our businesses was built with a mission-based approach. All of the services that we provide share the mission of getting our clients to a better place. Isn't there an act of charity in this, regardless of whether we earn a fee afterwards? Service, at its core, is all about giving. From my perspective, charity and earnings can perhaps be the MOST compatible aspects of being an entrepreneur.

A Superior Example: Tom's Shoes

Blake Mykoskie, a young entrepreneur was on vacation in Argentina. He was introduced to a small humanitarian effort providing shoes to the children in the slums outside the capital.



Deeply moved, he sold his company and started Tom's Shoes (www.toms.com) around the dominant mission of profit FOR charity (business and charity). When a pair of shoes is purchased, Tom's donates a pair of shoes to a child in need. In turn, this motivates shoe shoppers to buy their shoes through Tom's Shoes, thereby participating in the charity.

How You Can Apply This?

Good citizenship is practiced by both large and small companies. It does not have to be business or charity. Creating a heartfelt mission, one that you and your employees can honestly and deeply feel, allows you to lead and work in a happier, more positive, business model. You may find mission-based leadership is not only very effective, but also very profitable (so you can "give" more to your staff and others).

The 5 Understandings of the Power of Culture

“Culture, and only culture, provides a foundation on which to build a unique, empowering game plan for yourself, your team and/or company” John M. Ruh

When working with our clients to design their culture right, we need to know and understand:

History

First and foremost, we need to identify why and where you started, your current situation, and the journey to where you are now.

Vision and Goals

Vision: The aspirational “Big Picture”. The long-term outcome being pursued (Our process can support this if needed)

Goals: More practical and tangible for the team with timelines that make sense for your business.

Mission

Your mission should answer the “why” question and, on a deeper level, the company’s reason for being (why do we do this every day?). Applied to everyday life, Mission/Purpose can provide a more profound meaning to even daily tasks and empower the team to new heights.

Values

Values are your “Code of Conduct”, what is expected of all involved without exception. How “we as a team play our game”. Think of your values as your non-negotiables.

People

To implement your culture-based game plan we need to know the behavior profiles of your players and receive detailed information rather than speculation or guesswork. This can allow us to implement your new culture-driven game plan effectively, to ensure your messages are “heard” and truly enhance understanding by all involved and how to best engage each other.

About John M. Ruh and Associates.

John M. Ruh and Associates are Chicago based business advisors that partner with growth-oriented leaders and entrepreneurs at creating an empowering culture and the Right People, Right Structure, and Right Tools.

For More Information

You can reach John M. Ruh and Associates at 773-775-6636 or email John@JohnRuh.com.

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