

Andrew: This section is about how to create a corporate culture. It's led by Robert Richman who launched this, 'Zappos Insights', the Zappos family company dedicated to helping businesses with their cultures. Today Robert is working with fast growing disruptive companies to co-create their cultures, he is also the author of this book 'The Culture Blueprint', a step by step guide to shift and design your company's culture. I will only be here to help facilitate.

My name is Andrew Warner; I'm the founder of Mixergy, where proven founders teach. Robert, we all think of Zappos as being this giant of a company that everyone studies but it launched back in the late 90s, what was the problem with selling shoes back in the late 90s?

Robert: You take yourself back to that time period, people were really hesitant to buy things online, even books, they put their credit cards, do this type of transaction and you take that and imagine it with shoes, something that's very, very tangible, people couldn't even imagine that and why would they do it?

To get over that hump they said okay, well what's so great about buying shoes in a shoe store, what's the experience of it that makes it so great? It was well, you get it immediately for one and two that there's great service, somebody's right there helping you.

So the idea was what if rather than spending the marketing dollars on Super Bowl ads which the company didn't even have, was if that was invested into the service experience so getting the shoes there the next day, having somebody available, an 800 number on the front of the site, which was revolutionary at the time, no call limit times, call answered in under a minute and free returns both ways.

By creating an experience, heavily based on service that was as close as possible to the shoe store buying experience, that was what was able to cross the hurdle and get people to spread word of mouth that a company was just so dedicated to being of service rather than just trying to get your transaction and money out the door really quickly.

Andrew: So, I've got all these principles that we're going to be talking about but I know that the person listening has got to be thinking, alright if service is the way to do it, why couldn't Zappos or why can't the companies that are listening to us just say, we're going to be in the customer service business, here are the five things you need to do to give good customer service, address people by name, offer them a toll free number and so on. What does culture have to do with all this?

Robert: It's a great question. The biggest misnomer with this is having the word customer in there. The word customer isn't even in the Zappos corporate values. Their value is deliver wow [??] through service, the word customer is intentionally not in there because what happens is, anybody whose focus is just on customer service, tends to be of service only in front of the customer so it ends up being like acting, we're going to put on our smiling face when we're talking to the customer but on the side whether it be the vendors or bosses or co-workers, we're not going to be of service.

The secret ends up being creating a culture of service such that everything came from that place because that's what's necessary when a call rep or whoever it is that's of service, is going to have to make a call on the spot. When you make a call on the spot, which is constantly happening at Zappos up to twenty thousand times a day with the calls, you've got to have that instilled in you which is why the value is to be of service and the company actually looks for people who love to be of service rather than training people in service, that makes sense.

Andrew: Yes, and I can see the before and after, here is the site as it was back in 1999. This is before culture became so closely identified with Zappos, it's before so much of what we know about Zappos was actually built and you can see right from the top that we got that from archive.org. Today as you say, the phone number is right on the home page.

I don't know if people can see it if I zoom out, it's right at the very top there, 800-927-7671 and it's just a part of the way they communicate their culture and we found this. I usually talk about how big companies get as a result of what they do but it's more than that, the company is regularly featured as one of the best companies to work for so their people love working for them, it built up a company that was worth over, what is it, 1.2 billion dollars they sold to Amazon and people who work there love it so it's obviously worked for them.

Alright so now the next thing I think about is, maybe because I'm just a selfish guy, and I imagine that my audience is here saying how do I apply this to my business, and that's the next thing, right great for Zappos, what do we do, how do we do it, so in your book The Culture Blueprint, you have these principles that I thought we can talk about.

Robert: Yeah.

Andrew: First is to co-create your culture. And when I take a look at... You talk about how one of the first things you did when you joined Zappos was take a class on culture. I went online, and I looked at videos like this one. This is like a video done in one of the classes by someone holding onto what seems like a phone with video capability. What I go to is the tiara on the guy's head and the wackiness in the environment, but there's something else you noticed right from the first day when you went in to learn about culture. What was that?

Robert: Yeah. Let me just preface this by saying these principles that you're talking about here, this is like the shortcut. This is the short code after years of studying this, of finding what the principles are that make it work. So this is the real high value stuff to understand culture very, very quickly without taking years to study it.

This principle is around co-creation like you said. I really started to discover this at the culture class. This was rather than it being a class and saying, "This is what the culture is" and dictating it and saying, "This is how you're going to have it." The first conversation was actually a question; what is culture? And we sat there and discussed, not even what is Zappos' culture. What is culture? What are we really talking about? It's amazing how many conversations you'll see. People aren't really defining their terms, and people can be having different conversations about the

same thing.

Andrew: So then wouldn't it make sense for Zappos too to tell you here's what culture is, write this down and remember it?

Robert: No, no, no. A discussion, what does it mean? How do you see it? Where is it? What is it? And if you ask anybody, just ask anybody the question, especially in an office, what is culture, you'll get 30 different answers. It's a really rich conversation to be had because culture can be so many things.

That was the idea. First, we're going to define it and discuss what it means. And then we're going to say, "What is Zappos' culture and what is that like and why?" And I realized that we were co-creating this idea that rather than them dictating to us what culture is.

Andrew: Remember in Tony Hsieh's book, "Delivering Happiness", he said that when he wanted to write down what Zappos stood for, those corporate principles, he emailed everyone who worked at Zappos and said, "What makes us great." And then he got a big list from them and then he picked the ones that he thought made the most sense. I'm over-simplifying it, but it was, "What do you guys think", here's what I think and it was a back and forth, and that's what you mean.

Robert: That was the core values creation process, yes. The idea behind this is you just co-create, anything from a meeting to the entire core values process. That was definitely a vast simplification. It took a year. The process I do with clients takes about seven months, and it's a whole system though, back and forth co-creation.

Andrew: So give me an example of how if someone's watching this or reading your book and they say, "Alright. I want a culture that's meaningful here. I want a culture that I get excited about working for and that my customer and my co-workers are excited about being a part of. I was told by Robert Richman I should be co-creating. What do they do to co-create? Where do we start?

Robert: Yeah. It can start anywhere. For example, one of the things I did... People stop and say, "I'm only a company of one or two. This doesn't apply at all" For example, when I first had my assistant on, we didn't do any work the first day. The first day our meeting was, "I want you to tell me what makes for a great boss. How do you communicate well? How are we going to disagree with each other? How will I know that you're growing and doing well and happy?" And it was an entire conversation where I, as manager/owner, was just asking questions.

Andrew: I'm sorry. Were you asking questions waiting for the right answer? And then going, "Yeah. That's great" and giving positive reinforcement when you get what you want, or how do we do it without being chaotic? Otherwise, then they want one thing and I want something else.

Robert: Because this is going on you know it whether or not, and this is just bringing consciousness and shining a light on it. So all things are happening. There is a conversation going on in the back of his mind, and it's just bringing it to light. One of the great questions to ask him is, "What is your expectation? What is

your expectations of me? Now I'm going to cover my expectations of you. Let's see if we're even on the right page before we start off a whole relationship."

Andrew: I see. Alright. You say to the very first person even if it's just a two person operation. It's what do you think this company is about. What do you expect of me and so on? Alright. Let's go on to the next big idea which is to share what you want. Again, I went online and I found tons of photos from Zappos. Here is a photo by thisbrandnewcolony.wordpress.com, someone's personal site and he took this photo as he was walking through Zappos' office.

You guys allowed... You're not with Zappos anymore, right?

Robert: Right. Right.

Andrew: Zappos allows people to come in and tour the office and see this stuff. Why? What's the purpose of showing everyone else how to create a culture? Why not focus on selling shoes?

Robert: That's right, yeah. You know, people would say wow, you can do this despite sharing all this. I started to realize being there for several years that in a lot of ways it's because of. The idea with it, a lot of people say wow this is a mass distraction.

But, what happened was having that many people - when I was there it was 25,000 people a year coming through - it really holds you accountable to it. People talk about values just being on the wall. Or, people are talking about culture but not really living it.

But, people are coming in day after day interacting with any employee - and by the way, anybody from the press can interact with any employee. So, everybody is constantly in an authentic state. To do that if you've got people coming in constantly you actually have to really truly live it and breathe it.

That's why it really sustains the culture, and it keeps it in people's minds. When everybody's on the tour and they're talking about it, and people are asking about it, and you're saying the answer, it reminds you. So, it's like this actual free refresher that comes in reminding you why you started the company and why you're doing what you're doing.

Andrew: I see. One of the things we here at Mixergy believe in is systemizing. You write down what you do. Then, you keep thinking about how you can get it better and better and better. If I tell everyone else this is what we stand for, then it's a dictatorship. If we all decide why we stand for it and how we do it, then we're co-creating. Great.

Robert: Exactly.

Andrew: The next step you're saying is maybe invite people who are struggling to document and keep their team together. And, to come into our office and see how we document. And, to allow anyone on the team to just open up our documents

and say here's how we screen guests, here's how we read books so that we really absorb what we're learning, and so on.

Even though that's going to take an hour, maybe a precious hour, from one other team member's time, you're saying it's worthwhile. Because it's going to reinforce the way that she does it, and it's going to reinforce the message of systemization in her when she teaches it.

Robert: Yeah. There's that. There's that you don't know what to expect when it comes back. Some people might have more new ideas on systemizing that you didn't know about.

Andrew: I see.

Robert: The other thing is it's for your own guests. Your own super fans, they want to know what's behind the scenes and what does it take to make this show. They feel like they're a part of that process by seeing it happen.

Andrew: I see. All right, I get it. Okay. And, you're talking about even simple things like that. If I'm running a small operation where I don't have this kind of interesting background and all this, even if all I do is I love to systemize, even if all I do is I love to read books and turn them into programs like this, that's something that I stand for and I believe, and someone would want to watch and come in and learn from that.

Robert: Oh yeah, absolutely. I'm sure so many of your viewers are asking how do you get through a book so quickly, what's your tip on how to read it, how do you ramp that up, and what are the programs you use. I'm sure a ton of your audience is curious about all of that.

Andrew: You know what? I've wanted the team here to do that, to share how they do it, for the same reason that you've just talked about. I think maybe I punked out of doing it. Because I thought, well, it's going to take too long. Maybe I thought too much like we should make a formal program out of it.

You're saying no, just invite them in. Maybe I'm thinking, too, if it's not in the office we could just do a screen share where someone who reads the books here... We have a couple of people who read your book, believe me, at least a couple. Maybe Alex Champagne who read it can, say, do a GoToMeeting with someone and say here's how I do it.

Robert: Yeah.

Andrew: Here's what I'm looking for. This is how I find the good stuff. All right. I like it.

Let's go onto the next point. I've started highlighting this point so people can see where we are and follow along. The next one is to let culture feed culture. Here's what I saw. By the way, we go and we hunt so much to see is this true, is this something the company really does, and how do they do it.

Here's what I found that I think you'll understand. Right now Zappos has a help wanted ad on some site for an audio visual college intern. I looked at it to understand what's going on here. I don't know if people can see it. I'll just read it. There's a little line there that I've highlighted with a red box. It says shooting and editing videos to magnify the Zappos family culture to the world.

So, there's a team of people who do this, and an intern now who's going to be hired on to shoot video of the culture.

Robert: Yeah.

Andrew: And, this is something that you talk about in your book. What's going on here? Help us see behind the scenes what they're doing.

Robert: Yeah. In a way it's like a much more extensive example of when you hang out with your friends and you all recount a really funny story that you just loved. You get to retell it again and re-experience it that way.

That's what happens when a culture decides to actually take the time to document in whatever ways, video is one of the best, and say this was a moment in our time and we get to relive that because that was something that can't just be passed down orally if you've got generations and generations coming through and you can show them these examples of the company, another one is the Zappos Family music video that was done that was really incredible.

We even did that on my own team where we did like a reality TV show style introduction that highlights each of our personalities and we would just love watching it every now and then because it reminded us of each other's personalities, why we liked each other, why we like working together and so it's this idea that culture really feeds on itself so do what you can to document it and make it fun so that you can use what to re-invigorate the culture.

Andrew: Ah, I see, okay. So if one of the things we stand for is having fun on the job, it's not enough to just have fun on the job, you're suggesting also document it so you know that it's precious, document it so that a year from now you can go back and look at it, that twenty years from now people who still continue this culture of fun can go back and look and say here, we've always been like this. Culture feeds culture meaning document it, save it, and keep sharing it within the organization.

Robert: Exactly.

Andrew: Alright, so what about a smaller organization? You work with companies that are smaller, that are just getting started with their culture. What do you do for a company of say five people, small funding, a few hundred thousand dollars, and they say we're on the verge of doing something great, we want to implement this, is it just a matter of taking iPhones and taking photos?

Robert: It really can be that simple. You wouldn't believe how long at Zappos we were doing it just with Flip Cams, before there was even an A/B team. It's that whole idea that, yeah with an iPhone everybody's got an incredible camera now, if you

want to you can even edit it on there but [??] it has the software as well, you throw in music, it's even got movie preview stuff things you can do, it's just so incredibly simple to do it that anybody can.

Andrew: I'm imagining of course it's not just photos of what's going on day to day but it's photos of what you stand for or what you want the culture to represent, right?

Robert: Yeah.

Andrew: Okay, so it's not just here's me on the job today, here's me with my brand new computer, we don't stand for [??] new computers and what we stand for it's those areas that signify that show and expression of what you stand for.

Robert: Yeah. Like it would be great if somebody on your team, after you got on the phone with like a fantastic interview and you're like feeling great, they just popped out the phone, they said Andrew what's up, well what was great about that interview, and in that moment when you have all that energy, you're just showing it and sharing it.

Andrew: You know what, we've had those situations and we haven't captured it, and you know what, and I always think that the parts that are really serious to us, that are important, I don't want to document because I want to be more in the moment but I always regret it later on.

Like last night some people from Mixergy audience came over to my house and we talked and we had this really great discussion, and at the time I thought I shouldn't be taking photos, now I'm really regretting not doing it, that personal conversation is one of the things that I want to preserve and I want to remember later on when hopefully we'll do more and more of it.

Robert: Exactly.

Andrew: On to the big board again, this is one of my favorites, make culture game like. The reason this is one of my favorites is because first of all, I love games like, I love games like this one, this is my favorite game. And second because there is a guide, a table in your book that helps me understand where I've screwed up in the past. Right, there is it. Can I actually give this screenshot to the audience from the book because I don't think they can see it on the screen as clearly? Are you okay with that?

Robert: So, I'm going to take them through it, is that what you said?

Andrew: Well yeah there is, first of all what I'm asking is can I give this to the audience this[??] screenshot?

Robert: Yeah.

Andrew: Help me understand how culture should be game like and then we can talk about this box.

Robert: Sure. I think the key distinction here is, this is not gamification[sp], gamification is like adding badges and scores and points and things like that which does have its place absolutely. This is about game dynamics and a lot of this comes out of Jane McGonigal's work from "Reality is Broken", she studied gaming and it has these core four elements that if you see it you can see it anywhere in culture and if the culture breakdown is happening it's usually in one of these four areas.

So the idea is that every game, and not all games are fun, again it's about the dynamics of the game because if you have the dynamics then you know how to play and you know how to win. If you don't know how to play and you don't know how to win the game that's where it becomes really frustrating. So, in order to have a good game, it requires that one, a clear goal, what does a win even look like, you wouldn't believe how many employees are just thinking, how do I know if I've done my job well, how do I know if I'm succeeding here? Many people don't.

Andrew: Okay.

Robert: So, a clear goal both for an individual as well as the team and as well as the company.

Andrew: Did you always know what your goal was when you were working on Zappos Insights?

Robert: It kept changing. It kept changing. It didn't change every day, and we would talk about how it would change. For example, when I got in there the verse was just approve the business model. We weren't even sure this was going to take. Doing the first event and seeing if people would pay for it, that was the first win.

Andrew: Okay. And, Zappos Insights is where you taught the Zappos way to other companies, right?

Robert: Exactly. It wasn't only Zappos way. We really were studying culture entirely.

Andrew: I see.

Robert: All companies would come through, and we would learn from them as well, so not just the Zappos culture.

Andrew: Okay. So, the first one is here, and I'll zoom in on just that top one. There it is. The first one is have a clear goal. Unhealthy companies, unhealthy games, have fuzzy goals. If you want to have healthy culture everyone needs to have a clear goal.

Robert: Yeah. When people say we're going to be the best blah, blah, blah, what does that mean? How do we know if we've achieved it? And, even defining that, if it's fuzzy, or if some people know the goal and some don't, or some people have one goal but another group or department or team has a competing goal, that's, again, another area where culture goes wrong.

Andrew: Okay. The next one is clear rules versus vague rules.

Robert: Yeah. One of the rules, for example, if you're playing soccer and somebody decides to pick up the ball, then it becomes a really bad game. Suddenly, it's not a lot of fun when people are just making up their own rules. This is what can happen if they're not clearly defined or if they are defined but they're not enforced.

Some companies have core values as rules, but they're more like guidelines. They just say this is what we recommend, but if you happen to be a high performer who's making us a lot of money and you break one of these rules, that's okay. We're going to overlook that. But, in case we need to enforce them we will.

That's where things get really vague. It's where some people have some rules, other people have others. Some are enforced. Some are not. That's when people start to check out or say, you know what, I'm going to make up my own rules. They start to play politics and realize, oh, Andrew really plays by these rules, but John over here plays by these other rules.

That's when they start having to navigate the corporation to understand what rules people are playing by rather than everybody just having clear rules, and playing by those, and there being consequences for not following them.

Andrew: You know what? It is hard. So, one of the rules here at Mixergy is whatever you do you document so that you teach other people on the team how you do it. I'm tempted sometimes to just say if this is too hard don't document it. Or, if you're too important and you're too bored with documenting then don't do it. You've got to stick with those rules. It's so tough, because I don't want to be a rule master. I want to just create.

Robert: Well, there may be another rule there to explore, like in which case is it absolutely a must. And, maybe there are certain things that need to be documented that don't, and you establish a clearer rule about that. So, it's just more clarity on the rule rather than everything gets documented.

Andrew: Got you. Okay. On to the next one which I'll bring up here in a second. I've just been pulling them out and copying and pasting as you can see. Accessible feedback. Healthy companies, healthy games, have accessible feedback. Unhealthy companies have no feedback. What kind of feedback do you have in a game, by the way? What do you mean?

Robert: In a game it's just the score. It's how many goals do you have. It's a very easy process. You understand. Everybody is on the same page of if we're winning or if we're not by that feedback mechanism of the score.

Andrew: Okay.

Robert: In a company it becomes a little more tricky and complex where it's, again, on an individual level, a team level, and a company level. Many employees complain in surveys that they don't know how well they're doing. I've had star employees say to me, well, I'm not even sure if I'm doing that well. I said, are you

kidding. Because there wasn't an institutionalized way of giving them feedback so that they know that they're doing well.

On a team and especially company level, the more visual that can be the better. So, if you can actually see on walls how we are doing economically in terms of our customer score, in terms of just anything that you want important, make it visual and in front where you're keeping that score. That's going to keep it front of mind, whereas if it's not available people really start to freak out. Because they don't understand how well the company's doing and they don't understand how well they're doing as employees.

Andrew: I get that. Okay. Then, the final one is, oh, I'm grabbing the wrong image here. There it is. The final one right there is healthy companies and healthy games have opt in. Unhealthy companies, unhealthy games are mandatory enforced.

Robert: Absolutely. The idea with games is you get to choose whether you play them or not. What companies tend to do is force people to do things. This is happening at every level from assigning projects without even saying, hey, do you agree to do this. Agreement is just assumed. They don't actually get that agreement.

One of the best examples or stories of this that I've seen of why this is so powerful and how it breaks down of actually opting in consciously is what happens with restaurants. A study was done that showed when a maitre d' or somebody on the phone says, "Hey, Mr. Johnson, we've got you down for four people at 7:30 p.m., call us if anything changes, a high percentage of the time they would not call. The table goes unused and they lose money.

Whereas when it was changed to an opt in style conversation the person said, "Hey, we've got you down for 7:30 p.m., will you call us if anything changes, and actually waiting to see if there's agreement. They'd wait, and the person would say yes. Now that they've actually opted in, the percentage shot up of people actually calling to do it. Because they actually agreed.

That opt in is happening in everything from levels of assignments to who's going to be in on a meeting to even coming in for the job. That's why Zappos has the famous offer \$4,000 sometimes to quit so that people could say okay, I'm completely here by choice, rather than I have to be here for money. If they got in the door and said oh my God this is way overwhelming, I didn't know it would be this crazy here, but this is my job and I have my bills to pay and I've got my family.

No. Let's take that off the table and say do you really, fully want to be here, are you fully opting in.

Andrew: Okay. On to the big board. The next one is build your culture on systems. I'm going back to this image that I showed earlier. This does not look like a company that's systemized. It looks like a company that's just having fun. There are streamers. Do you mean the same thing by systems as I would? What do you mean by that?

Robert: Yeah. A system is an institutionalized habit. So, when we create habits it means we don't have to think about it anymore and we do what we need to do. For example, if you have a habit of going to the gym every day, every morning...

Andrew: ...Yeah...

Robert: ...and you do that, you don't have to think about getting in shape. You are just simply doing it as habit. So, what systems do are institutionalize habits.

For example, when Zappos as a company decides, you know what we're going to do, we need to meet four times a year and check in. Everybody gets together. We're going to have fun. We're going to go over the company numbers. We're going to get educated.

That's done four times a year no matter what. That's just one system example. The entire recruiting process, the entire training process, each of these there was a long while before determining the core values, and then really creating processes that make the core values a part of everyday living rather than everybody having to think constantly how am I living the values.

Andrew: You say the three parts of a system are elements, interconnections, and purposes. What do you mean?

Robert: The idea with this is the elements are like, for example, people. The interconnectedness is what's the relationship there. Then, the purposes is why.

Like any system, you want to have a purpose to it. For example, a system would be onboarding and recruiting. So, onboarding, you're getting people within there. For example, what's being paid attention to are the people there, but what are the connections to them?

So, rather than just onboarding where people are coming in and learning what they have to do, a lot of time is spent building the connections between people and building the connections between teams. Because this is the system that's going to get it done. So, when people kind of come in assuming okay, I'll just train people to do what they do, that's all going to happen.

But, it's the interconnectedness of the elements and to which purpose so to which value create fun, a little weirdness, deliver [Inaudible 0:03:48] service whatever those values are. Each of those values is a purpose. So, this kind of gets to high level systems thinking. But, you know, if you really...

Andrew: ...Can you give me an example of how a smaller company would use this.

Robert: That's a good question. Let me think about that. The idea with it is just to start rather than getting overwhelmed with it. That's why I use the example of somebody's first day.

Andrew: I see.

Robert: What are you going to use, no matter what position it is, no matter when they're coming in, and say okay this is what we need to do to bring them in? Even something I think that's important is how you start off the day.

What I used to do with my team was we'd have 15 minutes of just saying what it is that we're really excited to be working on, what's the thing we're going to focus on, and any updates. We would do this every morning as a ritual, as a system, to get people connected to what each other are doing and to build excitement and energy for the day.

Andrew: Got you, okay. So, we're talking about much simpler systems than I imagined. Especially when we were talking about the Zappos system I started to feel, oh, this is overwhelming, it's going to take a long time to build it and I should spend that time building my company. But, when you bring it down to the level of a system for how you start your day, a system for how your day. A system for how you on-board a new employee.

Then I'd really understand the importance of it, first of all for us, and also I can see that you can start simply. In my mind I'm thinking alright; just make sure that we give them their GMail account or the internal Google app account with our domain. Let's make sure that we give them access to Google docs and show them how that works. Alright. So we start simple, we go from there. But it's a system that reinforces this culture and makes it easier for people to work with us.

Robert: Exactly.

Andrew: Okay. Let's go on to the Pen Ultimate. It's one of my favorite words apparently. Pen Ultimate point here, which is to use the currency of culture. What is that currency? What I've come to realize is there's actually set [??] petal. Culture currencies that are going on. So one that actually isn't so much focused on the book, but I've seen as just one of the most important is energy. Energy. Energy is hugely important.

And, I mean, just think about it on the simplest level. You know, if you come to work, and you're energized you can take on the world. If you come to work and you've got no energy, I could give you your favorite book, your favorite project and you would just say, I just want to go home and watch a movie.

Robert: Okay.

Andrew: How many business schools are really focused on energy? I don't hear of any, really. I mean, some work like Tony Schwartz's, but they're not really drawn into the same way nutrition isn't taught to doctors. But it's really the core of it. So, what, you know, one of the things that we would do is that, of course, is have a three minute dance party. We'd throw on a song. Everybody dancing for three minutes and then going back to work. Because energy's the currency. Energy is what's really running things.

Robert: I see. What other currencies are there? Actually, I think I've got one. One of them is one of my favorites that I keep trying to empathize to interviewees.

Andrew: Mm-hmm.

Robert: Which is storytelling. And I love that this article did so well on Life Hacker. The power of storytelling. Why is story telling such a power currency?

Andrew: It's so powerful because it's essentially, it's a currency that carries values without telling people what to do. And, so people can actually see themselves in the story. See the company in the story. When you should see like. When you hear a story, for example, about how the company had to sacrifice everything for a core value.

Robert: Uh-huh.

Andrew: And then it's not . . . Well, there's an incredibly story about that. That at Zappos where 25% of profits were let go of in a day. And over into dedicate itself to service. And when you do that, you don't have to actually say to employees, we value service here. And you should too.

Robert: What is that? What is that story?

Andrew: That story is when during the early days when it was expanding to become one of the biggest, to become the biggest shoe store. Every brand would allow Zappos to ship shoes out. So some would drop ship on Zappos' behalf. But if they would do it right, there was no way that the company could do anything. They'd say, hey, I got my shoes two weeks late. Why not? And you really couldn't throw the vendor under the bus.

So the choice was, does the company would work with every single brand and say, hey you know what, some people may get their shoes two weeks late, but we're using every brand. Or cut off the brands that will not directly give the shoes to the warehouse and have a top level service experience.

And in one day, 25 percent of brands were cut. Huge percentage of revenue, just dropped off the table, to say, you know what, we are more about service than we are about revenue and becoming the biggest shoe store in the world. And that play ended up being a move, that not only got it to be the biggest shoe store in the world, but also #1 in customer service according to American Express' customers.

So those [??] were achieved by really committing to value. So when you have a story like that, you don't have to say to people, hey values are important and we value them and we value service and tell people what to think. That's that whole mandatory, non opt-in kind of style. If you tell a story that's really inspiring, people immediately get that it's important and they get all the emotion and energy that comes with it.

Robert: But isn't it just faster to say, we value service over money? Versus saying, there was a time where we lopped off 25 percent of our revenue because that came from companies that didn't deliver to our customers fast enough. And, you know, them tell them the story they way that you told it. Shouldn't we just go for the

faster, more efficient way than the story telling?

This is, by the way, what becomes just like the devil's advocate. Obviously I don't believe it. But, I should keep challenging this way because I don't want to keep reinforcing what I believe. I want to challenge what I believe. And in this case . . .

Andrew: My whole thing whenever I speak to any audience is I say don't believe anything I'm saying. Don't believe any of it. Try it. And see what happens. And try those two techniques. And you'll see, if that works for you great. I really seriously doubt it will. If you have the access to a story. If you don't have access to a story, that says something, too. Because it usually means there wasn't that full commitment that it became tested. If you have both, I would try it. If it works for you just to tell people and [??] all-star service. Great.

Robert: Alright.

Andrew: Finally embrace the secret to innovation. I did a search for Tony Hsieh. I came up with this. Tony Hsieh, of course, the founder of Zappos. I shouldn't even have to say it even in a whisper. The audience should know. Right there on the bottom it says learn from failure advises Zappos' Tony Hsieh. What does this have to do with the secret of innovation?

Robert: Sure. The big secret to it that I was surprised to learn - because I thought that I had a great team that was fantastic and there weren't any issues going on there - but, when we really looked underneath we found that people were actually kind of scared, scared to try something new, scared to do something different.

We can say all day to people hey you're empowered, do it differently, try new things. But, if people don't actually feel safe to do it they will not. They'll find any kind of reason not to, all kinds, even good ones. Hey, I'm way too busy with this other stuff. I'm not going to do it. All kinds of issues if they don't feel safe.

But, when that happened... For example, at Zappos somebody made literally a million dollar mistake. Tony said we just had a million dollars' worth of learning. There are all kinds of things that could've happened if we didn't learn it this way. That said to the company and the world hey we value learning, we value innovation, and if you screw up but learn and have great intentions it is okay.

Andrew: I see. So, the way to encourage innovation is to allow for failure. And, of course, the way to communicate that we allow for failure within the organization is to tell stories like the one that you heard about the person who lost a million dollars.

Robert: Exactly.

Andrew: All right. The book is "The Culture Blueprint." If people want to check it out, is the best place for me to suggest that they go cultureblueprint.com?

Robert: It's going to be coming up there. They can go to robertrichman.com and find information there. Right now I'm offering 10 culture hacks for free. The book hasn't come out yet. I decided what I'm going to do is launch it early next year in a crowd

funding campaign...

Andrew: ...Okay...

Robert: ...as well as by Kindle. Because my big thing with this is I don't really care so much about best seller list. I want people who are really excited about this, and want to use it, and are going to share stories back about how they used it.

So, I'm going to launch it to a very limited audience first. If you want to find out about how to be a part of that you can go to robertrichman.com and download the culture hacks there. I'll be sure to keep you updated.

Andrew: So, we're talking about this page right here. Where do I click to get that?

Robert: That's under, I've got to look myself here.

Andrew: I know where to find the culture hacks, but I don't remember where it is over here.

Robert: If you go to engage, and then go to culture blueprint.

Andrew: Engage, and then culture blueprint. Where is that?

Robert: Oh my gosh. Sorry, folks. I think we put it under speaking...

Andrew: ...Oh I see, engage, and then culture blueprint...

Robert: ...Yeah, I did...

Andrew: ...at the top right up here. You know what? I'm going to just link people directly to that so that they can get these culture hacks.

Robert: Great.

Andrew: Alright, I'm going to put it right here. Boom, I have it now in the notes. What are the culture hacks?

Robert: The culture hacks are things that I realize that people can make a change very, very quickly. What happened was people would come in and say you know what, I don't have a year to work on a big culture change, especially from big companies. To do a real core values process that I guide people through, it does take seven months or so to really, really get it, understand it, and develop it through the company.

But, I didn't want that to be a limiting factor for people not to create shifts in their culture. So, what I did was I said if somebody was to just read this, go to the office immediately, and make a big impact or change on the culture, then what would that be. That's what I put those tips together for.

Andrew: Alright. And if people want to hire you? How about if they say you know

what, screw it. I don't want to read the book. I don't want to wait for the book to come out. I just want you to do it for me. Is there a place? I'm looking on your site. Let me see if I can find that.

Robert: Yeah, you can just contact, I think there's a contact button there...

Andrew: ...Just contact you. Are you doing that now that you're not with Insights?

Robert: Yeah. Basically, I'm doing keynote speeches and then culture assessments which is like a due diligence of culture.

But, the real excitement now is in the core values work. Because when companies do that it lasts for essentially decades, potentially a lifetime, when you have the core values implemented through the whole company. That's what we're doing now is actually going into companies, excavating those core values, and then getting them implemented throughout the organization.

Andrew: I like the way you say it - excavating. They're there.

All right. Thank you so much for doing this. Thank you all for being a part of it. If you got anything of value from this or any other program that I've put on, or any other program you see online, find a way to tell the person that you learned from.

In this case, it's Robert. I would actually suggest if you got anything of value just go ahead and email him. The contact form is right there on his site. His email address is on his site, the same one that I always use for him. Robert, thank you so much for teaching.

Robert: My pleasure. Thank you, Andrew.

Andrew: You bet. Thank you all for being a part of it. Bye, guys.