



## **Culture Counts ... for GROWTH & PROFITABILITY**

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When one thinks of culture in a corporate sense, one will usually think in positive terms and such words as morale, values, customer service, and quality are among them.

According to published accounts Home Deposit's culture turned for the worst when Robert Nardelli became CEO, but has improved dramatically since Frank Blake took over in 2007. Another example of the positive effect of culture change is JPMorgan Chase when James (Jamie) Dimon took over as CEO in mid-2004. Chase is emerging from the current financial crisis as a premier institution.

These two examples are important for they hi-light the fact that culture change (good or bad) begins at the top (You can add your own examples to the list).

Now ask the question; "What is my business' culture and how is it measured?"

If your business is suffering from such symptoms as;

- Poor customer service (increased customer complaints or loss of customers),
- Poor attendance (high absenteeism, tardiness, etc),
- Lack of enthusiasm or motivation,
- Lack of expense controls and awareness,

The cause just might be CULTURE related and culture starts and changes from the top...

Permit me to share a personal story about the affect of both culture and leadership.

Early in my career with a major U.S. multi-national bank, I was transferred to Frankfurt, Germany to manage the operation. Head office enjoyed a strong positive corporate culture that had every employee motivated and proud to be part of the organization. They were cost conscientious and looked for ways to contribute to the bottom line. However, shortly after arriving in Frankfurt I encountered many of the symptoms mentioned above. It turned out that being over 4,000 miles and seven time zones away from the head office,

that the head office corporate culture hadn't traveled that far. Fortunately, I soon recognize that even though it was not written in my "job description", it was MY job to implement that culture!

Once I realized it was up to me to motivate and direct the cultural transformation, things began to change, but it was an emotional challenge. I was the "spark plug" that created the change, and unlike in head office, there was no supplemental support. There were setbacks and it was often discouraging and draining, but it had to be done. Within a year that office became one of the "flagship" operations in the International Department.

The obvious message is that YOU, as the business owner, are 1) alone and 2) have little alternative but to make the culture positive.

Unfortunately, for some business owners they, themselves might be the cause of a negative culture and fail to recognize or accept that as a fact. In such cases it is recommended that an independent group be engaged to review the organization and make recommendations that will bring about such change. But in the end, it is the business owner who has to be the "spark plug" and it will be demanding!

**Culture Counts ... if a business is to GROW and be PROFITABLE!**