Fishbowl®

David Williams and Mary Scott

Northern Utah Chapter of the Association of Governmental Accountants

Thursday, November 12, 2012

The 7 Non-Negotiables of Winning — Tying Soft Traits to Hard Results

7 NNs in the Workplace

Tying Soft Traits to Hard Results

7 Non-Negotiables to Prevent a Bad Hire

5 Ways to Retain Employees Forever

End of Middle Managers

5 R's For Building Lifelong Relationships with Employees

INTERVIEWING

One Question

Please share with us how you have demonstrated the 7NNs in the past 12 months in your current or previous work or educational environment

HIRING PRACTICES

(Time to Up Your Game)

Fair, Ethical, Honest, Diversity

Fish School 101
Know Your Basics

Are your Recruiting Practices and Interview Questions Legally Compliant?

SHRM provides a wealth of free materials and resources

October 2, 2012 by Stephanie Beck-Tauscher

http://springboard.resourcefulhr.com/are-your-recruiting-practices-and-interview-questions-legally-compliant/

The employment laws that affect your company depend on several factors, including the number of employees in the organization, government contracts, and location. It is the employer's responsibility to be familiar with these laws and ensure compliance throughout the recruitment process – from defining the job, reviewing resumes, to the questions asked during the interview process.

To ensure your practices are legally compliant all employers should be familiar with three basic pieces of legislation – - Title VII of the Civil Rights Act, Age Discrimination in Employment Act (ADEA) and the Americans with Disabilities Act (ADA). These acts prohibit discrimination against race, color, national origin, age, disability, religion, gender, political affiliation or belief, sexual orientation, marital status, status in regard to public assistance, pregnancy, childbirth, or related conditions. These rules apply to most private employers who have 15 or more employees, all educational institutions, and federal, state and local governments. Even if your organization is not legally required to comply with this legislation, it is still recommended that employment practices follow these general guidelines.

When it comes to recruitment practices here are some simple guidelines:

- Resumes are considered part of the employment record. Do not take notes directly on the resume. If you are at a job fair it may seem like a good idea to jot down a few notes on the resume about what the individual looked like or what they wore so you can better remember that individual or jog your memory once you get back to the office. This could come back to haunt you later. Instead, take notes on a separate note pad and only document job related experience or information.
- Treat all applicants similarly and fairly. For instance, ask applicants similar, job related questions.
- Be especially mindful of "small talk" that may take place while greeting a candidate or during a lunch session. Asking about a candidate's personal life, even during a lunch break, could result in accusations of discrimination. To minimize your risk, keep conversations job related.
- Be careful about the way in which you ask about work verification. Rather than asking a person, "do you have a work visa?", a better phrasing of the question is, "are you authorized to work in the US?". This way you avoid getting caught in technicalities.

- Another rule of thumb is that regardless of what an applicant says to you, keep interview notes job related and do not document items that could be considered discriminatory or disparaging. For instance, if the applicant mentions that he/she must leave work every day at 4pm to pick up a child from school, this should not be documented in the notes. If it is a job requirement that employees must remain in the office between the hours of 8am to 4:30pm then simply ask a clarifying question and document the response. "This position requires employees to remain onsite between the hours of 8am and 4:30pm. Is this an acceptable schedule?"
- If your organization routinely performs background investigations on potential employees, it is important to note that evidence of a criminal record should not automatically eliminate a candidate from consideration. Further investigation may be warranted.

There are federal, state and local laws that employers should become familiar with before starting down the recruitment trail. Ensure that you are familiar with the laws that govern your company in addition to those that may apply based on the location of the position.

Harvard and Forbes Articles

We highlighted to good parts & provided a link for additional information

7 "Non-Negotiables" to Prevent a Bad Hire

http://blogs.hbr.org/cs/2012/05/7_non-negotiables_to_prevent_a.html

by David K. Williams and Mary Michelle Scott | 10:08 AM May 31, 2012

The costs of a bad hire are staggering. A recent survey by Career Builder reports more than two-thirds of employers were affected by a bad hire last year, according to AOL Jobs. Of nearly 2,700 employers surveyed, 41% estimate a single bad hire cost $25,000; a quarter estimate a bad choice cost $50,000 or more — not to mention the demoralizing effect of the issue on other employees and on the new hire. Losing a job is one of the most stressful events a human can experience.

To avoid that, when we make hires, we screen candidates using a list of personal characteristics we call the Non-Negotiables. First there were four. Ultimately, we've expanded the list to seven. These are the characteristics that have become the primary criteria for hiring decisions — things we value even more than skills and background. When we add people to our nearly 100-person company, these criteria are non-negotiable.

The seven Non-Negotiables are Respect, Belief, Loyalty, Commitment, Trust, Courage and Gratitude.

Ideal hires bring traditional and job-specific capabilities and high proficiencies in these seven core traits. However, in many cases, the Non-Negotiables have led us to make what others would consider "unusual hires." The result, for our company, has been near-zero turnover — and many employees express the desire and willingness to stay with us for life.

It took us a few years before we fully embraced the concept of the Non-Negotiables as an explicit hiring goal. We always sought individuals with high character strengths and strong work ethics. In HR parlance, we looked for "athletes," and we talked about assessing the right fit through a strong "gut feeling." Since January 2011, we've gone further: We've now articulated these traits as full and formal requirements for the people we hire. Granted, it is more difficult to identify and assess character traits than concrete skills — however, the strategy we are using thus far seems to be meeting success. We ask potential candidates to tell us about situations where they have exemplified each of the non-negotiable traits. Because each candidate is interviewed by multiple leaders, we compare assessments on each of the traits. Later on, we may also move to an actual scoring system as well.

We also ask the same questions of the individual's references — not the references they list on their resume, but of their former co-workers, associates and bosses that we identify independently, and who are in a position to speak open and candidly about the candidate's strengths (or weaknesses) in exhibiting these traits. Clearly, it's not an exact science — but we are finding the ways to become more precise as we grow.

At times focusing on this non-traditional hiring criteria leads us to hire people with unusual backgrounds. When Kevin Batchelor — now one of our two VP's of Engineering — came to work here, he was not a programmer at all; his degrees were in theater and anthropology. Now, eight years later, his software designs are winning awards. John David King — now our EVP of Sales and Marketing — had no prior background in leading a sales organization. He had heart, spirit, and character, coupled with a law degree and a bachelor's degree in communications.

We've filled our developer ranks largely through a partnership with Utah Valley University. We started by looking for interns — the right people with the right characteristics who wanted to learn how to code. One of them was a firefighter, one an electrician, and one was in the culinary program. Some were programmers by training, but only interested (or so they thought) in programming Internet games.

We have a strong community focus — of our near 100 employees, 40 are or have been interns working on flexible schedules to allow them to finish their degrees.

Our approach is contradictory to most conventional management wisdom, which suggests that hiring managers focus on relevant skills and experience. But it is working for us.

==Our company has no shortage of talent because we've trained the people we bring in with care.== Our employees are respectful of each other, and as a company we strive to be respectful of others as well. In a competitive $1 billion software market we are collegial — we list our competitors' offerings along with our own products on our Facebook page, and we applaud their successes along with our own.

==Our hiring strategy has built a loyal base of employees during a time when the typical career== path is to "keep the options open" and to be at least periodically shopping around. Our strategy will continue to be the right one for us. Perhaps it could work for other organizations as well. We look forward to your opinions and thoughts.

More blog posts by David K. Williams and Mary Michelle Scott

DAVID K. WILLIAMS AND MARY MICHELLE SCOTT

David K. Williams and Mary Michelle Scott are CEO and President, respectively, the paired leadership team of Fishbowl, provider of Fishbowl Inventory Software, and one of Utah's and America's fastest growing companies. Fishbowl is based in Orem, Utah.

Dealing with a Bad Hire? The Case to Teach and Adapt, Rather Than Fire

http://www.forbes.com/sites/davidkwilliams/2012/06/05/dealing-with-a-bad-hire-the-case-to-teach-and-adapt-rather-than-fire/

Last week I wrote a *Harvard [Business](#) Review* column with Mary Michelle Scott, the president of [Fishbowl](#) and the other member of my own paired leadership team ([more about that concept here](#).) We talked about the cost of a bad hire and how we use our seven Non-Negotiables to identify and sustain winning players. [You can read that article here](#).

In short, we noted that of nearly 2,700 employers surveyed, 41% estimate a single bad hire cost $25,000. A quarter of respondents estimate a bad choice has cost $50,000 or more, not to mention the demoralizing affect of the issue on other employees.

Our strategy to avoid bad hires is to look for—and adhere to–the principles we call the seven Non-Negotiables: **Respect, Belief, Loyalty, Commitment, Trust, Courage** and **Gratitude**.

A hire that is going the wrong direction is bad for everybody involved. A dismissal is bad for the morale of the entire team. It's even worse for the morale and future of the person you fire, who faces one of the most stressful events in human experience.

What should you do and when should you act? We have a radical suggestion: Consider the ways you can teach a struggling employee to grow and adapt, rather than immediately moving to fire.

In our company, when someone makes a mistake, we don't punish. Mistakes that are learning experiences should be celebrated and cherished for the benefits they create.

In the case of a seeming character lapse, we work with the individual to determine if the situation was perhaps in actuality a mistake. If so, we can move directly to support the learning involved. If not, we're still not finished – we determine if there might be an opportunity to help the individual identify a blind spot in their thinking and behavior. Is the person receptive to being coached? That growth and improvement could produce a favorable outcome as well.

However, if the situation exposed a fatal character flaw in one or more of our non-negotiable traits, we would encourage the person to leave, and to do so quickly. We'd even assist. (All of our practices are strictly legal. That priority remains first.)

In practice, however, while we've had several of these conversations in our company of approximately 100 employees, we've never fired an employee for the breach of a Non-Negotiables principle yet.

In fact, our entire turnover for any reason is negligible (less than 2 percent) since we implemented our current program at the beginning of 2011. Granted, we've gotten well ahead of the game by making the active search for these characteristics our highest priority during hiring. We consider it even more crucial than direct background and skills.

Time will tell if our own record continues. Still, we maintain—do you really need to fire? Perhaps some mentoring or coaching on your own Non-Negotiable principles could turn around that "bad hire."

Additional reporting for this article provided by Mary Michelle Scott, Fishbowl President

5 Ways to Retain Employees Forever

http://blogs.hbr.org/cs/2012/11/five_ways_to_retain_employees.html?utm_source=twitterfeed&utm_medium=linkedin

by David K. Williams and Mary Michelle Scott | 1:00 PM November 12, 2012

In a recent blog post, we cited some alarming numbers: 40% of workers are planning to look for a new job within the next six months, and 69% say they're already passively looking.

As employers, those figures are frightening. We're careful to hire only the best workers, and once we have them, we want to keep them. We've previously argued why employees benefit by staying with the same company for at least 10 years. Now we want to supplement that advice with tips for companies on how to make workers want to stick around for decades.

Clearly, for employees to safely make a long-term commitment to an organization, the employer will need to give them good reason to stay. We advocate proactive efforts by employers to establish a culture that builds strong relationships with their employees — the kind that speak to a lengthy commitment, and perhaps even a commitment for life.

What can an employer do? We'd like to suggest the following "5 R's" of employee relationships:

1. Responsibility. Show your employees you trust them by giving them responsibilities that allow them to grow. Encourage them to gain new skills. Provide ample continuing education opportunities. Hire from within wherever possible, and give generous promotions at appropriate times.

2. Respect. Employees want to know they are respected and appreciated. As the saying goes, people may readily forget the things that you said, but they will always remember the way you made them feel. Many workplace legends are built around the horrific things weary and stressed-out managers said or did. But if managers make it a priority to show outward respect for employees on a regular basis, it will lead to a strong and enduring workplace culture as well as positive experiences and memories that they will never forget.

3. Revenue-sharing. Tie a part of your employees' wages to the company's performance. This will align their interests with the company's revenue and profit goals and will serve as an inherent incentive to stay with the company as it grows. By making the fixed cost of payroll inherently more variable under differing business conditions, you can make your company more resilient and agile, while also treating your employees exceptionally well.

4. Reward. The rewards you give your employees should speak to their emotional needs and should go beyond their monetary compensation. Recognition in front of the company, company

and department parties, service projects, lunches with the boss, logo clothing, handwritten notes, etc., can all contribute to the positive culture of the company and can be good morale builders as well.

5. Relaxation Time. Be generous with time off. Despite the hard economy, provide sufficient time for sick days, family vacations, new babies, etc. Pacing workflow can be highly beneficial to enduring employee relationships. You should expect and even demand high-quality performance, but it is unreasonable to expect a continual level of pressure at 100 percent. Allow employees the chance to catch their breath from one assignment to the next with the help of team-building activities or mini break periods over the course of the day.

It is important to remember that a long-term commitment requires effort in both directions. While it's fully understandable that most organizations look askance at perpetual "hoppers," remember that if you expect and hope that employees will make and keep long-term commitment to your company, it will be equally vital that you give them good reasons to stay.

The End of Middle Managers

(And Why They'll Never Be Missed)

http://www.forbes.com/sites/davidkwilliams/2012/07/10/the-end-of-middle-managers-and-

why-theyll-never-be-missed/

Last week I talked about eliminating managers. What is it like to run a company with no managers at all? I promised to cover the subject this week in more depth.

<mark>The end of middle managers - everyone leads</mark>

In my opinion, a company needs *leaders*—not *managers*. From the top down, every employee has the opportunity to lead, starting with the organization of one within the larger organization that we call "Me, Inc." <mark>Every individual is responsible for shaping and creating their own future</mark> (with collaboration and a little assistance, of course.)

What does that look like? We start with two of our 7 Non Negotiables of leadership—we **Trust** and then we **Empower**. You know how leaders will typically say "I empower my people"—and then they don't? The tendency is all too common. The minute there's a mistake it's like a rope around your neck that snatches back—you either get your head taken off, or you get yanked back so hard the natural reaction is to hunker down and become "less" instead of growing to "more."

With my own paired leadership partner, Fishbowl president Mary Michelle Scott, we start at the top of the company with a holistic, high altitude view of what we want to achieve. Then we

bring in the department captains (there are 3 pairs) and say, "This is what we're thinking. We think it's time to open up Canada, the UK and South Africa."

We give that big piece of meat to the captains. They chew on it for awhile and come back with either 1) they don't like it (generally coupled with a counter proposal), or 2) the multiple ways they see to go about achieving the goal. The captains are leaders who play a core role in the strategy's formation. Then they run the day-to-day deployment of the strategy that's been jointly created and set.

Yes, there's a fine line between leadership and management—but there's a massive difference as well, I maintain. Our approach makes the groups and leaders autonomous, but also interdependent. They are bright. All voices are heard. We decide on the "best" idea, no matter who originates it, and most of the time, we actually forget who brings the idea forward. Nobody worries about "the glory" because all will benefit as a team (my compensation strategy is here.) They come up with better answers than we could ever hope to achieve on our own.

The captains don't "manage" every day. They have just one meeting as captains per week. That meeting determines the deployment of strategy. We hand off to the captains—then they hand off to the teams, who hand off to the individuals who deploy day to day, and then they get out of the way (as they resume their own production roles, side by side with their teams.)

At this point, our entire company is flat. With no hierarchy, everyone leads within their areas of stewardship and responsibility. Many will have excess capacity and offer to help another teammate or even go to another department to ask how they can help. (Yes, this really happens—in some cases, it happens every day.)

While my door is always open, my policy is simple: "Don't come to me with a problem." In traditional settings, it's all too tempting for anyone to drop their problems in the leader's or manager's lap. I tell them, "Don't come to me with your problem until you're ready to come forward with your best solution, or your best set of possible solutions, as well. And did you take it to your teammates? What did they say?"

Rarely does anyone need to come forward, but when they do, it's in a context of collaboration and sharing—not the waging of a complaint or an effort to bring their situation forward for me to step in and resolve.

Yes, there are some management components. But we try to stay away from the temptation to micromanage, which makes people so fearful of making a mistake, they feel they don't dare to create something courageous.

As a point of reference on managing through fear, note Frederick Allen's article last week, discussing the Vanity Fair article by Kurt Eichenwald about the all-too-common practice of the

"stack review". In this strategy, for a group of 10, for example, 2 individuals would receive an outstanding review—7 would receive mediocre reviews—and 1 would receive a terrible review.

Erika Anderson talked about the danger of this strategy in her July 6 column as well: "*Human beings, like most every other living thing on the planet, thrive in response to consistent support and the removal of obstacles. Forcing them into artificial and arbitrary constraints is generally doomed to fail.*"

Erika correctly notes that "stack ranking" is just one example of "wrong-headed management"—she also cites the practice of having every department cut a prescribed percentage out of their spending, as well as the oddly traditional practice of refusing to consider job candidates who don't have a particular scholastic or experiential pedigree (or assuming that those who do will be excellent hires). I've written about that concept myself, in my most popular *Forbes* article to date, *The Case for Hiring "Under Qualified" employees.*

Could a company of our size – or larger – really survive with no managerial positions at all?

We're all working and living in rough times, there's no doubt. But here's what the concept is looking like for us: Our software company (we sell inventory management solutions) is achieving 60-plus percent growth for the fifth consecutive year. In the month of June, just completed, we accomplished the best business day, best week and best month in our company's history. For us – and perhaps for you – the concept of middle managers — or any managers at all, for that matter—will never be missed.

Perhaps a good tag line would be "Open for Leaders Only." Could that description apply to your company too?

Additional reporting for this article was provided by Mary Michelle Scott, Fishbowl President

Intuit CEO: 'How to Be a Great Leader: Get Out of the Way'

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forward with your best solution, or your best set of possible solutions, as well. And did you take it to your teammates? What did they say?"

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No More Managers. Everyone Leads

http://www.forbes.com/sites/davidkwilliams/2012/07/05/no-more-managers-everyone-

leads/

Editor's Note: Since this article's original posting, there has been so much interest in the stories of Carson and Chad – "Who is Carson? Who is Chad? Are they real?" – that we updated the story with an embedded video clip of Mary Michelle Scott interviewing our employee Carson earlier today. So for all of you who wondered – say hello to Carson:

Fishbowl President Mary Michelle Scott interviews Carson, Fishbowl Customer Support Employee

An engineering researcher was clairvoyant when he said in 1994 that subordinates often make the best leaders:

In a company with no managers, everybody can lead

"Often with small groups, it is not the manager who emerges as the leader. In many cases it is a subordinate member with specific talents who leads the group in a certain direction. *Leaders must let vision, strategies, goals, and values be the guide-post for action and behavior, rather than attempting to control others.*" –Daniel F. Predpall

As my leadership partner Mary Michelle Scott and I work to facilitate new records for our company's growth, we couldn't agree more. Listen to what D. Predpall said next:

"When a natural leader emerges in a group containing a manager, conflict may arise if they have different views. When a manager sees the group looking towards someone else for leadership he may feel his authority is being questioned."

Fast forward to 2012. What if a company simply dispensed with traditional managers? What if every employee had the opportunity and potential to lead? What if everyone was given the freedom to consider "Am I doing the right things?" instead of just "Am I doing things 'right'?"

For example in our inventory control software company, Fishbowl, one of the newest trainers on the team, Chad, is the person who discovered a new way to do some of our training more efficiently, while providing on-site training with one of our customers.

In another case, someone quite new to the company, Carson, was one of the first to figure out how to use Fishbowl Inventory most effectively on an iPad. She's quickly become an expert at loading and integrating the software onto the mobile screen and getting it to work for customers through the world.

Job security? You bet!

But how does a company with no managers (none at all) actually work? I'll talk about the concept in more depth in my next column—but in short, we rely on two of the 7 Non Negotiables we've declared as our foundation and watchwords—Trust and Commitment—to empower every member of the company. We encourage them at every level to freely expand the organization within themselves we refer to as "Me, Inc." That is the organization with no limits that every individual can lead.

The results for our company, recently, have been the results I hope would happen for any company that genuinely tries this approach: Record sales, innovation and increased customer satisfaction. Perhaps this is a lesson for others?

I have strong opinions on this topic, which I will post in more depth in my column next week. I welcome your thoughts.

Additional reporting provided by Mary Michelle Scott, Fishbowl President

RETENTION

The 5 R's For Building Lifelong Relationships With Employees

http://www.forbes.com/sites/davidkwilliams/2012/11/03/the-5-rs-for-building-lifelong-

relationships-with-employees/

Employees are willing to commit to a company that is also willing to make and keep its commitments to them.

In response to my article "10 Reasons To Stay At A Job For 10 Or More Years," some people expressed fear that if they work hard and stay at a company faithfully through good times and bad, when it comes right down to it, they still might be expendable at the first sign of revenue

stress. Some worry they'll never be as valued or as well-compensated as newer employees. They believe the only way to significantly increase their wage is to "job hop" and hope for the best someplace else.

How can employers resolve these concerns? How can we, as employers, demonstrate that we are as dedicated to our employees as we hope they'll be to us? Today I present to you a list of five "R's" to cover the *Requirements* (sorry, I couldn't resist) you can fulfill to give your employees a greater level of assurance about their commitment to stay. Here they are:

Responsibility

Show your employees you trust them by giving them responsibilities that truly empower them and that allow them to grow and feel like an important part of the company. Encourage them to gain new skills, competencies and capacities by hiring from within wherever possible and by giving promotions at appropriate times.

Respect

Employees want to know they are respected as people and that their contributions are appreciated. If you treat their work lightly or fail to acknowledge them because you're too busy or distracted with your own concerns, they'll likely start to feel dissatisfied and will start to look elsewhere for the respect they're hoping to find. Every single employee should be treated with

respect. This doesn't mean that their behaviors or output is always respected—but the respect you hold for that individual and their unique talents should always be clear.

For example, one regional CEO made a practice of berating his employees in front of clients without warning in an attempt to impress clients with his disdain for the slightest slip in performance. In conversations with other executives, he regularly referred to his employees as "the worker bees." Not surprisingly, turnover became rampant for his company and many have fled.

In contrast, another CEO, while walking past an elevator with his board of directors, noticed an employee in the elevator who had come to work, but was clearly feeling bereaved about a family concern. He stopped the conversation, left his directors, and took the employee's hand in both of his while he expressed his sincere compassion for the individual, and then made sure the employee was fully taken care of before moving on. That company, not coincidentally, has extremely low turnover and is one of the top revenue-producing firms in our state.

Revenue-sharing

Tie a part of your employees' wages to the company's performance. Offer a base pay and then add a part of the company's revenue and/or profit on top as a performance bonus. This will not only motivate the employees to work hard, but will align their interests with the company's revenue and profit goals and will serve as an incentive to stay with the company as it grows. The employees feel much more engaged and part of the company in this model, which is not far behind ownership of the company itself.

For small businesses with high growth potential, this is an effective way to attract top talent without breaking the bank. It's also a good way to weather financial storms and to reward employees generously when times are good. By making the fixed cost of payroll inherently more variable under differing business conditions, you can make your company more resilient and agile while also treating your employees exceptionally well.

Reward

Reward is similar to Respect and Revenue-sharing, but it goes beyond monetary rewards. Those elements are definitely important as ways to show gratitude for employees' hard work. However, other kinds of rewards, such as recognition in front of the company, company parties, department parties, family events, employee of the month awards, free lunches with the boss, gift cards, company logo clothing, thank you cards, flowers and support as employees have babies, adopt children, or do something good in the community, etc., help to contribute to the positive culture of the company and can be good morale builders, as well.

Relaxation Time

Be generous with time off. Don't go overboard, but make sure your employees have sufficient time for sick days, family vacations, new babies, etc. Remember that it's their jobs that enable the company to grow, but also remember to allow your employees to enjoy their lives during the time they're outside office walls. There are many more important roles for your employees than their work-related positions, and they need to know that you honor and value those priorities as well.

It's good to demand high-quality work from your employees, but don't demand a continual level of pressure at 100 percent. Give employees a chance to catch their breath from one assignment to the next. You can accomplish this by encouraging team-building activities and building break periods into the day. Keep objectives firmly in hand, but don't eliminate workday fun altogether.

In short, the objective of long-term company commitment works both ways. It's understandable that employers look at least a bit askance at perpetual "job hoppers." However, if you'd like your employees to make and keep a long-term commitment to your company, it is equally vital that you give them sufficient reason to stay.

Fishbowl Secret Sauce

For Building a Success Organization

4 Essential Ingredients

1. **We are all in the PEOPLE BUSINESS**
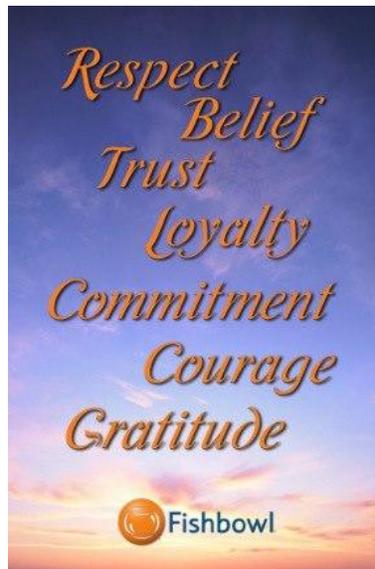   - **People do business with people not companies**

2. **Product**
   - **David: Develop product/service today and that will endure all economic conditions macro/micro**
   - **Mary: Agile Methodology**

3. **Prosper**
   - **Strong financial backbone and processes to support the backbone**

4. **Promote**
   - **Develop and communicate your marketing message, SEO, Marketplace Strategy**

Our Fishbowl Prime Directive

You cannot "talk" yourself out of that which you behaved yourself into; you must to "behave" your way out.

Actions speak louder than words

Our Story

How we came together and unified as a team – we took a ride in the starship 100 years in to the future!

David and Mary asked each captain to close their eyes and travel to the future and create the attributes for the Non Negotiables so that we can ensure the company lives beyond us.

The original cards were framed and placed in the kitchen so that they employees how have place to go when they lose their way.

We are human – we all lost our way and detour from time to time. At Fishbowl – we make early deposits and ask for forgiveness in to the future

Fishbowl Time Capsule

Fishbowl Non-Negotiables and Defining Attributes

What is a Non-Negotiable? It is our Fishbowl Foundation. Not able to be bought, sold, exchanged, or transferred

Dictionary: Not able to be bought, sold, exchanged, or transferred. This term can be applied to documents or other instruments. See also non-negotiable instrument.

2. Not open to negotiation. "The terms of this contract are absolutely non-negotiable; the company will not budge."

What is an Attribute? Our Fishbowl Values: An attribute are basic actions describing the Non-Negotiables

Dictionary: An attribute is an element that takes a value and is associated with an object, such as an item, a region, a page

Respect

(David and Mary)

Every day is a new day and a new opportunity to grow respect. We receive what we give and put out in to the world. Every day we are gifted with an opportunity "walk off our arrogance and tame our egos which opens up a wellspring of abundance in work and our personal lives. The first step is offering unconditional respective. The agile prime directive states that we become happier, more confident and productive when we believe that every individual on your team is doing the best that they can with the resources that were available to him or her at that particular moment.

> ➢ Treat one another with compassion, understanding and kindness *(Kirk)*

- Respect others ideas, time and priorities *(Heber)*

- Be thoughtful. Consider your actions. Think of others. Seek out opinions about your ideas. Gather data. Listen. Be methodical when taking action. Be careful in your job. Think of customers. Think of co-workers. *(Kevin)*

- Show high regard in both attitude and behavior toward co-workers, customers, products, and the space we work in. *(John)*

- Someone who treats others kindly for who they are today but also by who they will become in the future. *(Dusty)*

- Listen. Wisdom and innovation can come from anywhere. Silence your own opinion long enough to truly hear what others are saying. *(John David)*

Trust

(David and Mary)

At Fishbowl everyone begins with a full bank account of trust. We go the distance for one another. We are gentle and kind when trust is vulnerable. We seek first to understand, support and uplift in challenging situations.

- Innovation creates an environment where failures are accepted as an important part of the innovative process, where people work without fear and look forward to discovery. (*Kevin*)

- Start with self and extend freely to others to create reliance within the team, department, company, customers and all. *(John)*

- We must be quick to forgive and begin the process of enabling others to rebuild trust. *(Dusty)*

- Provide people with the opportunity to solve problems, for their own personal growth, as well as the success of the company. *(Kirk)*

- Trust that the actions and decisions of those around us are the results of in-depth thought and a consideration of possible consequences. *(John David)*

- Trust others are doing the best they can with the knowledge, power, and resources they have been given. *(Heber)*

Commitment
(David and Mary)

We lean in, remain open and understand toward one another, our partners and customers. Fishbowlers hang in there for the long haul.

➢ In and out of our professional lives, Fishbowl is our number one priority and we are in it for the long haul. *(John David)*

➢ Commit to growth for yourself and others *(Heber)*

➢ Someone is truly committed to Fishbowl when they accept first, and then improve, the fishbowl culture *(Dusty)*

➢ Build Relationships. Know people's names. Make friends. Serve others. Say hello. Value people above all. Do something to make your team happy. Create positive and feelings that people can take home and share with their families. *(Kevin)*

➢ Work like this is the last job you will ever have. *(Kirk)*

➢ Transcend the exchange of time for money for autonomy, for accountability, adopt and improve the vision and culture and see it carefully through to the next generation *(John)*

Loyalty
(David and Mary)

Loyalty means we have one another backs. If we hear someone undermining or planting seeds of doubt, we help this individual understand that we appreciate the contributions of every Fishbowler.

➢ Like a family, sacrificing and serving united with heart and love toward our mutual success. *(John)*

➢ Hard work - Arrive early, complete tasks, do more, follow through, help others, always try to say yes... and be happy :) (Kevin)

➢ Don't complain by stirring up underground currents. Address things properly. (Dusty)

- Do your job. *(Heber)*

- Stick with it, especially when times get tough. *(Kirk)*

- Always be an active proponent of Fishbowl and be willing to support and defend our company and our people at all times. *(John David)*

Courage *(Our Fishbowl Backbone)*
(David and Mary)

We have the high courage to protect and preserve all things Fishbowl. We stand for and with one another.

- Courage is the ability to remain true to the Non-Negotiables if the face of challenge when "Courage Above Mountains" is required. (David and Mary)

- Facing and pushing through our challenges, especially when we do this together. (John E.)

- Do what you know needs to be done at all times whether you want to do it or not. (Dusty)

- Accepting tasks that are above you. (Heber)

- Realizing that each day we will face tasks that are not always pleasant but knowing that our actions are for the best and always doing what is right. (John David)

- Have courage to stand alone when something is right and humility to admit when you are wrong. (Kevin)

- Moving forward, even when there isn't enough data to guarantee your choices are best. (Kirk)

Gratitude *(Goodwill, Kindness and Humility)*

(David and Mary)

There is never a good reason to be unkind. Humility means that we are open to learn and grow.

- A grateful heart is a strong heart. Gratitude is medley of humility, grace and delight in the everyday life that is Fishbowl. It the simply appreciation of the gift of being able to work, learn and create with one another in the bowl.

- Readily showing appreciation and returning the kindness of others. (John E.)

- It's ok to over thank somebody. It's never ok to under thank somebody. (Dusty)

- Telling someone, face to face, while using their name, "thank you". (Heber)

- Not only taking the time to express thanks but continuously giving your all in appreciation for the opportunities offered. (John David)

- Have a genuine sentiment of appreciation for what others have done for you. Gratitude doesn't require grand gestures, just simply humility. (Kevin)

- Spending energy focusing on what we have, rather than what we don't. (Kirk)

NN Commitment to Fishbowl

The 7NNs form the foundation that keeps Fishbowl centered and focused on creating a hundred year legacy and beyond that we can be proud of.

Perhaps most important, the NNs help us navigate our way back when we feel out of sync. Life is complicated, complex, over engineered and architected. 7 simple threads help us find our way back to the bowl.

Are we perfect in our walk? No, but every day we try to do a little bit better for ourselves, our company and our community. (Community includes our families, neighbors close and across the globe)

The 7NNs ensure a worthwhile and meaningful journey. The Fishbowl vision is not about reaching the top of the "me first" summit or building another corporation. Its about building products and services that help other people and businesses to grow strong and prosper. The DNA of offerings are held together by the 7NNs.

7 NNs

We respect all people inside and outside of the bowl. We demonstrate respect by seeking to understand and serve first.

We believe in and support one another. We demonstrate belief by working each day to discover the champion within everyone we encounter.

We trust and search out common threads to weave extraordinary solutions that benefit the global community. We demonstrate trust by creating strong partnerships.

We are loyal and consistent. We demonstrate loyalty by having one another's backs at all times. "I got your back" at Fishbowl says and means everything. It is our opportunity to demonstrate our true character, integrity and support of all things Fishbowl.

Commitment: We are an all or nothing tribe. 100 percent in or out. We demonstrate commitment best when challenges arise: we do not give in or give up, we do not fight, we remain steadfast and work in a spirit of collaboration and cooperation and we always discover "gold".

Courage is what keeps us going, committed to one another and the journey. Courage humbles and strengthens us on the learning path.

Gratitude ties it all together. We are grateful to know and learn from one another. To have a great bowl to call home. To help people, businesses and communities by sharing freely what we have learned along the way.

Respect Exercise:

5 Tips For Employers To Earn Respect From Employees

In addition to employees earning the respect of their managers and bosses, it's important for employers to earn the respect of employees. Photo credit: Microsoft Free Clip Art

In a previous blog (R-E-S-P-E-C-T: How To Earn Respect At Work), I discussed ways employees can earn respect at work. But earning respect shouldn't be a one-way street – it should also be embraced by employers. Respect isn't just something subordinates are forced to give managers. It's a valuable asset for employers to show and earn in the workplace. Earning employee respect isn't always easy, but when employers find ways to build respect at work, positive benefits ensue. How do you build employee respect at work?

According to Bruce J. Avolio, Ph.D., executive director at the Center for Leadership and Strategic Thinking in the University of Washington's Foster School of Business, five tips for employers/managers to earn the respect of employees include:

1. **Be authentic:** Be an authentic reflection of your organization's espoused values and principles while promoting transparency and justice.
2. **Promote 'ownership':** Make all employees feel like 'owners' versus 'renters', that their voice matters, and that people in positions of power listen to learn and engage with their employees.
3. **Develop potential:** Help each individual feel like they are reaching their full potential and achieving their performance goals by investing in development.
4. **Create an energized culture:** Create a positive climate where your followers' energy is directed towards winning against competitors versus defending against internal detractors from what you're trying to accomplish.
5. **Sacrifice when necessary:** Be willing to sacrifice for the greater good of the organization when such sacrifices contribute to everyone's success.

Bill Mixon, president of Universal Hospital Services, Inc., believes the key to earning employee respect is to empower employees and model the leadership behavior you desire by treating employees with dignity and respect. *"If employees respect a person's leadership, they are more prone to put those same leadership qualities into practice. Empowering employees to make decisions also builds trust. When you show employees you trust their knowledge and skills, you allow them to make smart decisions that benefit the company."*

Developing employee potential is also important. Notes Mixon, *"When employees feel valued and appreciated, they take stronger ownership of their work and seek new opportunities to grow in their roles. This not only benefits the employee, but also the company and its customers."*

Howard Behar, retired president of Starbucks Coffee Company, used this same tactic of showing employees they are appreciated to help establish the Starbucks culture, which stresses the importance of people over profits. For example, Starbucks made sure there were no special perks for executives. *"All employees are called 'partners' and there is no separation in any way of partners and the management team. Outside of pay and stock, every partner gets the same, even the same health insurance. We did this because it was the right thing to do, not because we thought it would help us build respect,"* Behar explained.

In addition, the Starbucks management team held 'open forum' meetings where any partner could ask anything and they would address it. *"It was open dialogue, and I mean really open dialogue during these meetings. If they wanted to debate what I was paid as the president of the company then they could,"* said Behar. *"No topic was off-limits."*

The management team also included a feedback card in every partner's paycheck asking for comments on anything that seemed in contradiction to the company's values and morals – with Behar reading every feedback card submitted. If an executive didn't live up to the values and morals of the company, the organization would eject that individual. Behar added, *"You could get fired a lot faster for not living the values than not achieving the financial numbers."*

Bottom Line: Are you a manager/employer looking to earn the respect of your employees? Then focus on relationships and trust. The foundation for earning respect is establishing good relationships with employees by building trust within the organization. Explains Behar, *"If people are feeling trust, they will be more productive, are more willing to take risks, be creative, and solve difficult problems. It doesn't mean issues won't arise, but it means you can withstand just about anything because you can talk things through."*

For additional information about employers and employees earning respect at work check out this article, "Earning Respect At Work", in The Work Style Magazine, September 2012 issue #10.

~ Lisa Quast

Brad Smith, Intuit CEO: 'How to Be a Great Leader: Get Out of the Way'

In honor of Entrepreneur Month, I've been writing here and at *Harvard Business Review* with my paired leadership partner Mary Michelle Scott, Fishbowl president, about launching and scaling a company in a high growth phase. We've been hitting some hot buttons, particularly in our *Forbes* article "The Case for Hiring 'Under Qualified' Employees," June 14. The responses have been phenomenal. (216 comments and some 144,000 views. Keep them coming, folks—I'm loving the dialogue.)

Brad Smith, CEO of Intuit--on leading and managing as a perpetual entrepreneur

In that same vein, I'd like to continue discussing the entrepreneurial skills required to run a great company. We're talking today with Brad Smith, president and CEO of Intuit, one of the world's largest and most successful financial software companies. Intuit, of course, is maker of the QuickBooks accounting software we have fully-integrated with our Fishbowl Inventory software, that we offer to midsize companies as a complete business management solution through Fishbowl Enterprise (FBE) software, and that we use to run our own growth company as well.

Intuit is a public company with nearly $4B in total revenue, currently, and a market cap of approximately $16.5B. Even more importantly (in my opinion), Intuit has been consistently ranked one of *Fortune's* "Best 100 Companies to Work For" and one of *Fortune's* "Most Admired Software Companies" over the past several years. Here's what Brad says about the importance of entrepreneurialism from the helm of Intuit (which I'll compare and contrast to the task of running a 100-person growth company such as our own).

David: What entrepreneurial traits of your own and of your company's have most influenced your company's path?

Brad: I've always valued and encouraged teamwork, and that collaborative spirit of "we" versus "I" is core to Intuit's success. Innovation has been part of Intuit's DNA for nearly 30 years. We pride ourselves on two core capabilities that differentiate us and allow us to deliver solutions that truly change people's financial lives. The first is customer driven innovation, a mindset and methodology that helps us uncover important, unsolved problems. Customers are at the heart of everything we do. We conduct nearly 10,000 hours of follow me homes a year where we observe customers where they live, work and do business – from home offices and coffee shops to rural farms in India. Customer driven innovation was at the core of Intuit's first product, Quicken, and it continues to guide us as we look to solve new problems in areas like mobile payments. Products like Intuit GoPayment and the IntuitPayment Network are helping small businesses get paid faster, keeping cash flow strong and their business healthy.

The second process, Design for Delight, enables us to create better ways to deliver what's most important for customers. Design for Delight is grounded in deep customer empathy, going broad

with ideas then narrowing with possible solutions and finally, rapid experimentation with customers. These principles were integral in a product we recently launched called Snap Payroll, a free, mobile application that allows small businesses on the go to calculate paychecks in minutes and determine how much to set aside for taxes.

Collaboration, customer driven innovation and Design for Delight, allow us to continually reinvent ourselves to deliver for the future and provide our customers anytime, anywhere access.

David: How does being an entrepreneur at the helm of a very large enterprise differ from entrepreneurial leadership of a small startup or growth company?

Brad: Regardless of whether you are leading a large enterprise or a small team, you need to remove barriers to innovation and get out of the way. At Intuit, we operate like a company of startups. We create and foster a culture where our nearly 8,000 employees worldwide have the courage to take risks and grow by learning from success and failure. Idea Jams and unstructured time give passionate employees opportunities to collaborate on new ideas to solve customer problems. To keep ideas moving and teams nimble, we embrace the "Two-Pizza rule," making sure product development teams are no larger than two pizzas can feed.

At the end of the day, it's about empowering individuals to contribute ideas and make an impact, as well as setting goals that challenge employees to step outside their comfort zone. We realize the importance of recognizing employees for their innovative work. Recognition comes in the form of Intuit co-founder [Scott Cook](#)'s annual Innovation Awards, patent rewards and the opportunity for employees to showcase their work at Innovation Gallery Walks held throughout the year. The best reward for employees is seeing the profound impact of their work on the lives of our more than 50 million customers.

David: It's interesting that at a much smaller scale, the approaches you are taking are what we've been trying to accomplish at [Fishbowl](#) as well. As each new hire begins, as with all employees, we expect them to assume the role of their own business within our business. I call it "Me, Inc." That perspective accelerates everything they do –from the questions they ask to the programs they propose. The creativity goes through the roof. They are in a position to be creative, to be more efficient, and to find ways to increase revenue and reduce the bottom line. We have no managers; we have leaders who are resources and examples of what we espouse. While I have an open door, I expect individuals to come to me or any leader with several proposed answers to the questions they have. Nine out of ten times, they have the answer and my role is to support them.

We train them not to come and ask me to answer the question, or what I think they should to do. Our "Me, Inc." approach flavors their experience from the very beginning – and quite frankly, without this approach, our company wouldn't be where it is today.

It's very heartening to hear those same messages resonate within a company as large and as successful as Intuit.

So—in conclusion—I would say that a company is never too large or too successful to continue to behave and think 100% as an entrepreneur. Innovation is as critical as ever. It's safe to say that

making a company a great place to work is essential for a successful global company, too. Thank you, Brad, for sharing your insights with us!

Additional reporting provided by Mary Michelle Scott, Fishbowl president.