



Get Real Podcast Episode: 071

Finding Your Company's Core Values

Host: Ron Phillips

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Ron: Hey, everybody. Ron Phillips here. Welcome back to the Get Real podcast here with Heather Marchant.

Heather: Hey, hey. Thanks for having me.

Ron: We've got a... Today we're gonna talk about business. I mean, this is going to be for some of you guys. I think this is going to be really, really helpful. For others of you, I think this can actually pertain to well I know it can. It's going to pertain to your family, your business. I mean, you can. You can try to insert some of this for companies that you work for. You can give feedback. All of the above. Now, today, we're talking about core values.

Heather: I'm excited for this because I wasn't in the meeting when these were determined for our company. But I have benefited countless times from being able to say that doesn't align with our core values or that does line with our core values. It feels really good to have a guide. So I'm excited.

Ron: Yeah. So, I mean, these are used, as you just said. I mean, these are used all the time in our company. I think a lot of people get confused that core values and purpose and all this stuff are things you put on the wall and then you don't think about them anymore. Your core values or set of values that the entire organization not only acknowledge that they exist, but they don't just exist on the Web site and on the walls and things like that. But they actually live and breathe through the people, through the people, and it's inside and outside of the company. I find it amazing that people hire folks and these people, like they say they have the core values, but they don't live them outside. That means they're not core. Yeah. Yeah, they are. Right. That means that they're trying to be something they're not so that they can get a job or keep a job. They cannot be faked. Heather, we've had people in the company try to fake that stuff. How long do they last?

Heather: Now I feel like it's been less than three months. If they're. Well, some of them are really good fakers and they'll last longer.

Ron: That usually happens in the sales department. I don't know why, but in the sales department, sometimes they can sell really well.

Heather: Yeah, for sure. But otherwise it's pretty it's pretty obvious pretty quickly, too, you know that.

Ron: Now, in a minute, we're gonna talk about how this process works, but it's really important. We talk about these all the time. So we're get to have our quarterly meeting. We talked about them at the quarterly meeting. We define them again. I mean, people probably get sick of hearing of it. I mean, is every single meeting, every quarterly meeting, we talk about these. We created videos about these. We have them on our Web site. We literally talk about these all the time. We talk about them with our clients. These are important to us. And we will fire clients. We will fire people in our office. We will fire joint venture partners. We will fire our other partnerships that we have. We'll fire anybody that doesn't meet these and continually meet them. It's really, really important us. Like you said, core values help in the decision-making process. So all of our decisions, we weigh against this. And I mean, we could come up with examples of how this works, but we educate our clients. I mean, everybody in the company. Right.

Ron: So they clarify the identity of your company or of your family or your organization, whatever it is. OK. It's really easy to identify people who are not a fit. By using these and sometimes people self-select. Remember this? How would we be in? Yeah, we would be in. And we thought we had somebody to hire. I mean, we checked all the boxes. We've been through. And then the last thing that we do is we go through our core values. We go through a really hard core. Right. Yeah. Make them an offer and then they ghost us. I think that's self-selection that we went so hard on the core values there. They were like, man, I don't like this place.

Heather: Yeah. Exactly. You know, keep integrity and own it. That sounds hard.

Ron: Yeah. It just doesn't it doesn't work. Right. But in addition to that, this is a big, big, big retention tool because the people who believe and are and have these core values fit, they feel like they fit. And they and they love the culture.

Heather: I love that other people share those same things that are important to me. Right. You're not having to go and stand up to a manager and say, hey, I don't think it's right that we're doing X right or you do. It's what doesn't align with our core values and all of us know it and acknowledge it. So it makes it really easy for everybody to communicate better, too, because they're not afraid of kind of having a total different idea of somebody else. Yeah.

Ron: And I think it inspires people to become better as well. Because we all fall short a little bit. But having a team around you that goes no, now that doesn't match our core values and everybody going, yeah, you're right about that. It allows us to, as a group, become better human beings. Unless your core values, of course, don't move that way, if your core values the other way, then I guess, you know, well, either way they aspire you to be what they are and hopefully be better through them.

Heather: Yeah, I feel like it's created a culture in our company that in nothing's off limits with what is possible. Right. So we have people that have worked here and started at the front desk, me included, and have over the years moved through different positions. And I feel like a lot of that is the culture that comes from the core values.

Ron: Yeah. So no, core values aren't culture, but core values inform culture and it's really, really important. It's not the other way around. So let's start I'm going to go through this and Heather interrupt me as I go through this, because this is gonna be this is a guide to how to how to do this. Okay. Because I think a lot of times companies sit down to do a discovery session to do like a creative session right where you sit down, let's create these core values. Yeah, that's not how this works. We're not creating them. We're discovering them inside of ourselves. And so this is a discovery process and it's a collaborative effort.

Ron: The other thing is I think that a lot of times business owners will go in the sitting room and they'll go, well, this is what I think. This sounds good. This one sounds good and this one sounds good. So that's what we're gonna do. And then everyone has to kind of jump on board instead of getting a collaborative effort and then looking for and discovering what's already internal in the company, in the company culture, in the leadership and then the troops, right? Yeah. So the leader, whoever the leader is, should not impose their will on the group. And as a matter of fact, the owner should remain relatively silent during this. So we had a facilitator that came in and helped us with this with this process. And he told me as the owner, he said, look, I need you to be pretty quiet until I tell you to speak and you go through the same activities anybody else is gonna go through.

Ron: But when we share, you're gonna share last. And the reason for that is we don't want everybody else because everybody's going to follow the leader. Right. Sure. I say something and I'll go ahead. Yeah. Really? Yeah. And that shuts down some of the some of the collaborative discovery that happens. And then and that's really, really powerful. So the other thing is that you don't need very many of these now. Initially when we start down this and we start listing these things out, we're going to have a lot of words. We're have a lot of different things, but you don't need very many. How

many do we have? Heather? Four. We only have four. And they're really they're simplistic. Now, we've put definitions underneath these that, as I describe how we came up with four of these would be like, oh, my gosh, how did you get four out of that?

Ron: The first thing is everybody sits down and you take five to 10 minutes, however long you need. Usually five minutes is plenty to go through each one of these. Sometimes you need a little bit more. Then what you do is everybody has a notepad or they do it on the computer, but everybody does it separately. Everybody just sits quietly and answers these questions. First question is list the negative behaviors that you don't want associated with your company, which is interesting because this gets the juices flowing. Most people have a harder time listing what they want than what they don't want. Most people know exactly what they don't want, etc.. So you start listing behaviors that you don't want. You know, I don't like backbiting in the office. I don't like, you know, boom, boom. And you just you know, you just puke them all out on the paper or the computer. Everybody does this. Then you take another five minutes or however long it takes and you list all the positive behaviors that you want in your company. Everybody does this. Now, what you do is you take does everyone share after each question?

Heather: Are they finishing all of this before discussion?

Ron: Yeah, you can discuss the negative and then you can discuss the positive. You get both of them and then discuss them. Either way, what you want is you want about fifteen things from your people. Right? So if you have four people, you have 15 things, you got them. And it's a lot of stuff rather than a lot of words. A lot of things. Now what you do is you go you put all this stuff up and then you choose a topic.

Heather: You make the negatives positive, though. Like if they don't want backbiting, do you turn that to a positive for it?

Ron: Most of the time after you do, the negative trusted ones are gonna be the opposite of the negative right to have those counting. You're gonna have some other things that are listed in there because we're giving people enough time now get to get things out. Right. Got it. And then you keep or combine. So you take all these things you put 'em on the board and you may have some things up there that sound really similar and you can combine them into one. You just keep doing this. All right. And you try to put these into groupings of three to five. And so where we get our three to three. So if we actually got four. Right, you start putting these into groups. So now you've got a bunch of cluster of words. You got a cluster of words and you've got a cluster of words. And then you keep or combine them into a solid thought.

Ron: So our first one is integrity. Well, integrity. There were a ton. There were a ton of words underneath. Like this. You can see what some of those word clauses are saying. What has the big word? The middle and then he has all those other words that mean kind of something similar. That's kind of what this looks like. And then what we do is we take the most important, the most powerful word would pull that out. We define it by the words that are left over. We pull some of those other words and we put those into the definitions that you use to define integrity. Because, Heather, we have worked with companies and they have a core values as integrity. And it's different. The meaning is different. Not right or wrong. It's just different. Yeah. The way they define integrity is different than the way we define integrity.

Heather: Yeah, that's true. Because ours is we do the right thing no matter how painful. Yeah. Yep.

Ron: No matter what the cost we tell the truth, no matter how painful.

Heather: Yeah. And other people may just say well I'm not going to screw anybody over. Right. Yes.

Ron: And that's still which means I'm going to do this so long as it's not too painful like this is. If this is going to really, really damage me financially, then I'm going to make up some reason why I can do this. Right. Yeah. But you can you can define it however you want to define it. Not that's not right or wrong. Just it. It just is. Yeah. But that's your core value and then you must live by it. And we do. And man that's cost us some money over the years. Sometimes it hurts really bad. Sometimes selling the truth is not what you really want to say because it's not. Sometimes it's not glamorous. Yeah. It really, really sucks.

Heather: Yeah. I just had to do that just yesterday and tell a client like, look, we're not gonna ask the seller to pay this bill for you because it's just not rightly the seller's fault, you know, and I hate delivering that. But I'm like, you know, it's if it was, then I'd fight for you. But I'm like, it's just not the seller's responsibility.

Ron: So in the end, the integrity doesn't just go for our clients. It goes for everybody. Right. And so that's how you get to those core values. It's really interesting that those were discovered out from out from people. Right. They came from the group. Mm hmm. And, you know, the reason that the owner goes last is because I'm the one who gets to come up with the most important word out of there. I'm the one who's helping to facilitate this conversation once everything's out there in the open.

Heather: Was it pretty clear? Was it pretty obvious or did it take a long time?

Ron: It was very clear. He was very clear. And this process was similar for our purpose. So not to jump track. But let me give you a couple of questions on purpose that I think are really, really good as well, because you need to be a purpose driven company as well. I feel in some of these are really, really cool because the purpose comes from the leader. So it actually comes from the leader. But the collaborative effort still is important because you can ask everybody in the room. You can ask the business owner, hey, why did you create this business? I can write that down, but I can also ask everybody else, why do you think so-and-so started this business? And they can write that down. Why do they think. Right. It'll be interesting to hear what everybody else thinks. Why you started the business. And then what about the company or the owner makes you want to stay here? That's a powerful question. You get a lot.

Ron: Interesting thing is when you ask these two questions, what comes up are statements. And in those statements, you can pluck the actual purpose for this business. And if you are a good leader, you're going to find that your people are putting up there what's really important to you. It'll be on your paper. What they're putting up. And that's how it went for us. And it was so clear. We had a bunch of different statements and we took pieces of each one of those statements to come up with our purpose, which is through service. We build people. That was several different statements. One of the one of the statements I specifically remember was that and it was one of the ones about what about the company or the owner makes you want to stay here. And that is that. That I like to build people up. It is one of the things that I like to do. I actually get a lot of enjoyment out of that. That's one of the statements. But that by itself wasn't the total purpose of the company because service was a big piece of it. Right. So that's where that's where our purpose statement came from was from those questions. So these questions that I'm talking to you guys about, these are really, really powerful. And so the next thing is, is that once you get the word, then you define them in your way. And that's usually one or one to three statements of definition of each one of these. And then really, really important.

Heather: I think it helps when to offer some clarification, because like you said, one word can mean different things to different people, but they definitely do.

Ron: So loyalty is one of ours, right? Loyalty means allegiance to company and clients and that we protect our own. That's what it means to us. Now, that's not what it means to everybody else. You know, one of the definitions of integrity is that we are personally responsible for our own success. Now, we believe that our clients are personally responsible for their own success. Going back to your question, going back to the question that you just talked about. Right. Well, your client is personally responsible for that property. They just bought two. Yeah. And if there's something that the seller did. Well, then we will go and make sure that it's right. But if it's just

something that happens with property. Yeah, well, then you're personally responsible for that and for your success through that, we'll help you. But we believe that you're personally responsible, just like we believe that we're personally responsible. Yeah.

Heather: I mean, we've done that with we have only one of our sellers who's really wanted to offer a rent assurance, which is similar to a guarantee. And we've really kind of discouraged it because there's it takes away some of that personal responsibility. There's several reasons why. But I feel like people don't have as much ownership in their business when they feel like someone else is responsible for their success. You know, taking ownership is good in so many ways.

Ron: So a hundred percent, I couldn't agree more. Now, after you've defined these and I love our core values, I'll just share the last to own it where we own the problem and the solution that we are doers and that we're personally responsible for our own success. Those that is so cool. And our last one is fun. And we define that as we work hard. We play hard sometimes we play hard when we should be working hard and we borrow that one from the office. That's a Michael Scott quote, We love Mondays and fun as a choice, just like us letting you work here. So that's how we define our core values. And once you get these.

Ron: The next step, which you also didn't see, Heather, is that we graded everyone in the company on these. Now, this is this is eye opening. So in each one of these, we went through the entire company and individually we graded every single person in the company, including ourselves, on all of these core values. That's really cool. Yeah, crazy. And the results that came out of that is when I talk about I think I've talked about it in the past. But this core values things. It's saved my company literally saved the company because we were able to eliminate partnerships and people who did not fit our core values and we're literally doing harm to the company. Yeah, it was painful. Some of them were some of them were incredibly painful and very expensive as well. Yeah. You know, we lost some of the partnerships were worth, you know, a quarter of a million dollars each. And I mean, that's expensive. Those are hard things to do.

Heather: But we enjoy our job more.

Ron: Not only that, but financially, it turned out better anyway. Sure. Good point. Because those things were I mean, literally, I think we were about six months away had we not done this, but I think we were about six months away from really being in trouble. Just because the people who were some of the people who were involved were doing things they should have done when we didn't know. Until we went through this process. Right. And there was very clear. It was stingingly clear who fit and who didn't fit.

Heather: Very interesting. All from one meeting. That's pretty impressive.

Ron: Very, very important. Now, I would encourage everybody listening to go through this. So if you're driving, which right now, you're probably not unless, you know, your state opened up or whatever. But if you're driving, come back to this when you have some time to sit and be. Because it's that important. I mean, core values mean more. Hopefully now everybody can see they mean more than just something you put up on the wall. Right. So these are really, really critical. We hired by them. We fire by them. Really, we reward by them. So I encourage everybody again to make sure you sit down and do this. So if you don't have time right now, come back to this. Go back through this. Push, pause. Do whatever you need to do, but go through these. It's really, really important. It was a game changer in our business, for sure. And so anyway, with that, we'll wrap. If you guys like this, please give us a like. Please give us a share. Subscribe. All that good stuff. Leave us some comments. And if you have anything that you want us to talk about, please let us know, especially like on this particular topic, if there's more that you need to hear. Just let us know. And with that, we'll call it an episode. We'll see you next time.

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