



A keynote conversation with John Spence on cultural transformation

"Culture equals cash!"

We flew to Gainesville, Florida, in the fall of 2019 to sit down with business coach and author John Spence to record a conversation for our biannual virtual conference, SURGE. This is a transcript of the entire conversation, only lightly edited for clarity with John and Sidecar content manager Chelsea Brasted.

We talked about why being intentional about your organizational culture is the only way to ensure success and growth. John is a consultant and coach for organizations around the world, taking them from startup to industry leader. The author of five books, his areas of expertise include leadership, high-performance teams, managing change, organizational culture, strategic planning, and the future of business. In 2017, he was one of eight finalists for Thinkers50's Breakthrough Idea Award. And he does it all by making the very complex awesomely simple.

Chelsea Brasted: John, welcome. We are so excited to have you with us for SURGE Growth. I am super excited to come to Gainesville for the first time, so thanks for the excuse.

John Spence: Oh yeah, it's a great little town.

Chelsea Brasted: I love it. And there's scooters everywhere.

John Spence: Scooters and bikes. Especially our downtown is sort of what you would call a "live, work" thing and we've gotten to where a lot of people live downtown and just walk to work, walk to the university. So we're headed in that direction a lot.

Chelsea Brasted: I was wondering, how did you end up here? Are you from the area?

John Spence: I'm a fifth-generation Floridian, which is very rare. Born and raised in Miami and I came up here to go to school. And after I graduated I went off to work, couple of different cities in South Florida, and then I just loved the town and wanted to come back here. It's big enough that you can get stuff done, but small enough that you can still sort of know everybody, so it's got a real small town feel.

Chelsea Brasted: So I'd love for you to tell us a little bit more about your background, just for our audience at SURGE Growth. Just give us some idea of your history. By the time you were 30, you were the CEO of an international Rockefeller foundation?

John Spence: Yeah.

Chelsea Brasted: That's a pretty big deal, right?

John Spence: Well, it didn't start out that way. As I said, I was born and raised in Miami and I came from a very affluent family. My father was an attorney. And I went to one of the top prep schools in the country, and when I graduated I got accepted to many different colleges and I chose the University of Miami in Miami, Florida, because it was close to my boat and my girlfriend. Not why you pick a university, which is why I failed out three semesters later with a 1.6 GPA. Yes. It was bad, though, because my father is one of the top alumni ever to graduate from the University of Miami. The year I got kicked out, he was on the Board of Directors and part of the law school was named after him. So you really got to mess up to get kicked out of a college where there's a building named after your family.

So to turn myself around, I came up here to the University of Florida. I started at a small community college. They would not let me into the University of Florida, no matter how much I begged. And I did eventually get in and I graduated in the top three in the United States in my major, and was hired by the Rockefellers directly out of school and became the CEO of one of their private foundations when I was 26. And we were doing projects in 20 countries around the world and the specialty we were focused on was fisheries management and fisheries conservation.

Chelsea Brasted: So what was it for you that really turned things around in that window, going from 1.6 to becoming one of the top in your class?

John Spence: It was actually a college professor, who's still a very close friend 33 years later, Roger Strickland. And he heard me saying that I had to get good grades in school. I had to, you know, "I've got to do this!" So he pulled me into his office and he said, "There's only three things it takes to be successful in college." And I believe these are the exact same three for your life. They still work today like they did when I was 19 or 20. He said, "No. 1, read the books." He said, "At least in college, all the answers are in the books, so pretty much everything you need to know is there." I still believe that reading the books is critical. The answers aren't there, but the information to come up with the answers are in the books.

No. 2 was, he said, "Ask for help." Ask everybody, the teachers, the TAs, the other students. Just go and ask for help everywhere. And I realized why I failed out of the University of Miami was because I didn't ask for any help. I thought I could handle it all myself. I was at a high school that had 12 people per class tops, 12, 15. My first class at the University of Miami was 350 people. It was more people than in my entire high school. And I didn't ask for help, which quickly made me fail out.

And then the last one, which is the most important thing I've ever learned, was he said, "Start study groups." And when I came to the University of Florida, I would stand up in all my classes and go, "Hi, I'm John. I really want to do well in this class. You can come to my house Tuesday and Thursday night. We're going to study together, then we'll go out and get a beer. Anyone's welcome to be in the study group as long as you have a 3.6 GPA or

higher." They never asked me my GPA because I set the group up. But that led me to realize, that I went from about 20 people down to six of us, six of us that studied together, worked together, went to class together. And we graduated from our college number one through six.

So what I learned there is that you become what you focus on and like the people you spend time with. Whatever you read, whatever you study, whatever you learn, whatever you fill your brain with, and whoever you choose to spend your time with will directly determine your future a decade from now. And it's the exact same in business. The people you surround yourself with are your staff. What you focus on are your values, your vision, your mission, where you're trying to go. And if you're constantly focused on the right things in your organization and your association and you surround yourself with the very best people, that is a strong formula for setting yourself up for success.

Chelsea Brasted: So thinking about that, in your experience as a CEO at such a young age, did you feel like you were prepared for that? Or did you walk into the door and think, "Oh my gosh, now I have to make this work"?

John Spence: Oh, I was scared. I knew I wasn't prepared. There was no question. I was in way over my head. There had been two CEOs before me. And I came in doing marketing and public relations. That's what my degree was in. And I quickly became the right-hand man to the first CEO and he couldn't handle the pressure. We had four billionaires on our board and everyone else was worth \$100 million or more. Very demanding people, used to success, not much patience.

And in one of our board meetings, they were basically driving him very hard and he couldn't handle the pressure, so he got up and walked out. And I will never forget one of the billionaires turned to me, I was 24 and a half, and said, "Can you handle the meeting?" And I said, "Yes, sir. I can." Because I was actually there feeding all the information to the CEO and they were like, "Why do you keep giving to him? Why don't you just answer it?"

So I did. And through a couple of iterations I became the CEO. And I knew I wasn't prepared, so there was two things I did immediately. No. 1 is I started reading even more. I've kept that pace up. I still read 100 to 120 business books a year, and I have every year since 1989. And then No. 2 is I got a mentor. Mr. Rockefeller was kind enough to assign his right-hand man, a guy named Charlie Owen, to me. And Charlie did a couple of interesting things. One is he would walk in my office every Monday, put a book on my desk and say, "I will see you Friday for a book report and lunch."

So I had to read the book and we would go to Em's Home Cooking for chili day and sweet tea, and he would sit down and grill me. "What about this? What about that? Why did the author say this? What do you think about that?" And that was hard enough. But at the end he would say, "And now what are three ideas you're going to apply out of the book?" Not just what you learned, but what will you apply. He would write those down and say, "You will now be held accountable for doing that in your job." So for six years, every Monday a

book, every Friday a book report. The next Monday, which is the big difference. It's one thing to understand something, it's another thing to implement it effectively. He forced me to do that, which was one of the biggest learnings I've ever had.

Chelsea Brasted: Yeah, absolutely. That's also a lot of books.

John Spence: Well, I still keep that pace up. Because again, the answers aren't in the book but the information to get to it is. And it's not just books. It's audio books, YouTube, all kinds of ways. There's massive amounts of information available for free right now, so there's not any excuse in the world to not be a lifelong learner.

Chelsea Brasted: Absolutely, which is exactly why we do SURGE Growth, right?

John Spence: Exactly!

Chelsea Brasted: I've been reading a lot of business books recently and yours really breaks things down so simply. So I'm curious, what was it that made you want to break that down so simply? How did you know that that was the tone you wanted to set in writing *Awesomely Simple*?

John Spence: There was two things that drove that way of writing the book. Number one is I built my entire career... Well, let's back up. Years ago I read a book called the Cambridge Handbook of Expertise and Expert Performance, a 1,300 page book written by experts about how to become an expert.

I'll save you the reading. They basically said that to become among the best in the world at whatever you do, there's four Ps. And this applies very well to associations when you see the first one. The first one is passion. You've got to truly love what you're doing. You've got very excited, passionate about it. Number two is persistence. And I don't know if you've read Malcolm Gladwell's books, *Outliers*, there's a few, roughly the research says about 10 years or 10,000 hours of the third P, which is practice. But it's a special time of practice called deliberate practice. And what deliberate practice says is if you've got a coach, a mentor, a colleague, someone who's pushing you to practice harder every time.

Lots of people practice but they practice the easy stuff, you know, because they want it to be right. Experts practice the hardest stuff, the stuff where they have the most challenges, which leads to the fourth and final P, which is pattern recognition. After you've studied, you've spent a long time on something, you're passionate about it, you're deeply into it, all of a sudden you see it in a way other people don't see it. It's how a great athlete sees the entire field, it's how a great musician can look at a piece of sheet music and hear the music in their heads. What I've done in reading all those books, I'm close to 3,000 now, is people say, "Don't they get redundant? I mean, isn't it the same thing over and over again?" I go, "Yes. It's awesome. It's the pattern."

So *Awesomely Simple* was the pattern I saw in working with hundreds of companies around the world of six things that I saw over and over again. I've actually got it down to four now, with some other stuff that I saw every great company focus on. There's other

things, but these are six fundamental things you've got to do. Because I read so much and I study, I'm working in companies, I see a lot of stuff that's complex and I don't understand it. So I needed to write the book so I could understand it.

And then the other thing that's interesting is I didn't write the book; I spoke it. I write all my books by talking in the computer. I use dictation software, so it's very conversational. It's just me sitting, looking out the window going, "Well, here's what I think, blah, blah, blah." And people always say, "Wow, it sounds like I can hear your voice." Well you can because I didn't sit down and write it, I just talked it out. But I wanted it to be stuff that people could apply. There's information that can be hard and challenging and it's interesting, but it's useless if you can't apply it. I tried to write something that was simple and easy to apply.

Chelsea Brasted: I love it. So it's like the original audiobook but backwards.

John Spence: Yeah! Yes, that's exactly right. By the way, when they did the audio book on it, nobody called me. So I didn't read it and it sounds like a computer. It goes, "And now in Awesomely Simple..." I'm like, "Why did they do this?" People tell me all the time it should've been me.

Chelsea Brasted: You should've just recorded yourself and sent them the file.

John Spence: I could have done the whole thing in about three minutes.

Chelsea Brasted: So you mentioned the principles in Awesomely Simple. Can you walk us through those?

John Spence: Well I can walk you through all of them. Let me give you the shortened version because I've sort of even... I wrote Awesomely Simple about 10 years ago. I reread it for the first time about a year and a half ago because I was going to get interviewed on it, I had forgotten the six principles. "Oh, I hope it's pretty good." I read it and luckily it wasn't too bad. I hadn't changed too much stuff.

But I've boiled all that down now to what I call my Formula for Business Excellence. And this is based strongly on patterns and based off the stuff in Awesomely Simple. You've got to have good finances and all those other things. But it's talent plus culture plus extreme, and we call it customer but associations might call it member focus, extreme member focus, multiplied by disciplined execution.

So, quickly, to go through that, the talent, especially for an association, is all you have. You don't make lumpy objects. There isn't, you know, raw materials, work in progress, finished package. It's your relationship with your members and the quality of the people on your team. So everything is around, and it's most companies but especially associations, around the quality of the people you can get, grow, and keep on your team. Which means talent acquisition, talent retention, and talent development should be a major part of your strategy. Not just something that's nice, but one of your strategic initiatives. Talent is everything.

The next one is culture, which is one of the areas that can make or break any organization. From a startup to an association to, I've worked all the way up to Apple and Microsoft and IBM, culture drives the success or failure of an organization. It's fundamental, critical. The next one is extreme member focus. Whoever knows the member, I'll call them a customer because it's what they are, whoever knows and understands a customer the best is the closest to them, understands their fears, their wishes, their desires, their hopes, and whoever owns the voice of the customer owns the marketplace.

So then you take those three, talent, culture, extreme member focus, and then you multiply it by disciplined execution which, by the way, is the single biggest problem I see in companies around the world right now. If you'd asked me maybe 10 years ago what the biggest problems I saw, it was lack of a vivid, compelling, and well-communicated vision and strategy for growth. The CEO, the senior executive team, knew where they wanted to take the company. They had a vision but they didn't communicate it, and they didn't communicate the strategy of how to get from where we are to where we want to be. So people were confused.

And I have a phrase I love: "Ambiguity breeds mediocrity." Because they didn't have clear expectations, they couldn't deliver on those. If you fast-forwarded to about 2007 when we hit the Great Recession, or as my friends overseas call it, the GFC, Global Financial Crisis, it was a lack of honest and transparent communication. I'm seeing that now with potentially another recession coming is that people know there's going to be problems. There's probably going to be layoffs, they're going to lose some customers. There's probably some negative things that are going to happen, but they're afraid to talk about it because it's painful. It's scary. So you don't have the level of candor you need to make good decisions.

Now, you move forward to today, the single biggest problem is lack of disciplined execution, or what I call "a culture of accountability." And I've been teaching a class at the Wharton School of Business on strategy for about 20 years now and every year I asked my class, it's all senior executives, it's not a undergraduate or graduate class. You basically have to be running \$1 billion company to get into the class. It's a pretty good group. I get about 100 senior executives every year, 100, 120, and every year I ask them the same question: what percentage of organizations that have a good plan, have a good strategy, they know how to go to market, they've got all that squared away, how many of them effectively execute that strategy, execute that plan? The number is consistently between 10 and 15%. So it's not a lack of good ideas or good strategies, good people, it's the inability to take those ideas and execute them. Which is why everything in my book is focused on, it's the bottom title, taking ideas and turning them into action.

Chelsea Brasted: So I want to ask about culture. How does an organization know they have a good one? How do you know that everything's working the way it should? I think it's easy to walk in from outside and be like, "Oh, man, we've got some work to do." But how do you know internally?

John Spence: Well, that's a great question. First thing I always look at is, do people smile just as much when they come to work as when they leave? It's pretty straightforward. If people are excited to get there in the morning and they're looking forward to the work they do, even if it's challenging and hard work, and at the end of the day they still look happy, then at least I've got a quick indicator that it's got some level of a good culture.

The other thing is that you've got high levels of collaboration. You've got high levels of engagement. A good culture is going to drive strong, loyal employees. You're going to have a culture of innovation where people are willing to take risks and try new things. So if you look at an organization and people are afraid to try new things, they're not sharing information and collaborating, they don't look like they're fully engaged in their work, then you've got the red flags, the warning signs, of a culture that's likely dysfunctional.

Chelsea Brasted: So in New Orleans, which is where Association Success is based, we have this, it's sort of a saying, a folk artist, he makes these signs and they say "be nice or leave." So it's like the golden rule, you know, of just treat everybody nicely. Can we not just count on adults to be the adults in the room? Or does culture really have to be intentional? Do we have to say, "You do have to be nice or you have to leave"?

John Spence: Oh yeah, adults can't be adults. We're just people. We're emotional animals. People make assumptions, they get offended. They see things in a different way. And it's not that they're not adults, it's just that they see things through a different frame of reference. And everyone always believes that "my" frame of reference is the "correct" frame of reference. So culture has to be intentional.

I have a friend that uses the phrase "culture by design." A lot of organizations hope that their culture is good. And they try to lay some stuff in place, but that can't be sustained and it can't be fully aligned. A culture has to be very clearly defined. You've got to teach to it, coach to it, hire to it, fire to it, and it permeates the entire organization. As I said earlier, it's one of the most important places that if a culture is good, you can take an organization and an association to great success. If your culture is dysfunctional, there is a good chance that it will drive the organization out of business. I hate those words.

Chelsea Brasted: So when's the right time for an organization to start thinking about culture? Is it when you're just getting off the ground before you've got your first employee? When do you think about it?

John Spence: The best is obviously before you build a team so you can build a team based on those values and that culture. Very, very rarely do you have that luxury. So the time to work on culture is the minute you realize it's not going well or you have the epiphany that an improved culture will improve our results dramatically. It's, you know, we get a little efficiency here, a little bit more effectiveness, maybe a few less defects or interactions with our members that don't go well, might be able to get... But if you really want to change an organization, the culture does it.

So the minute you realize that culture is going to be critical to the success of your association is when you start to design the culture. And it also means sometimes you have to overcome a negative culture. So if there's some big changes you need to make in the values or the purpose or the mission, which may have been there, probably should have been there all along, but needed to be tweaked or communicated better, it's hard because you're going to try to overcome ingrained habits.

And I have a lot of folks say, "Oh, we can get that fixed. No problem." And I tell them it's going to be a year to 18 months, maybe 24 months, depending on the size of the organization. If you have an association with five or six people, small, you can change a culture in six months. If you've got 40, 50 employees and you want to go out to your board or your volunteers, it's basically forever. I mean you can look up a year, you'll see some changes. 18, 24 months it should be basically set, but it's a never-ending process. You're constantly working to keep the culture aligned.

Chelsea Brasted: So can it be too late for an organization? A lot of associations, they've been around for decades, if not more than a hundred years, so if somebody wakes up one day and looks around and everything's not going so well, can it be too late?

John Spence: Yeah, I guess it could be. But I really think that when it gets to that point, what has to happen is people that don't agree with the culture have to be removed. It's people that are afraid of change and refuse to change. Those are the ones that if they don't get in line, you know, get on the train or you're off their bus, whatever analogy you want to use, you typically have to remove people that are going to fight the culture too much.

Chelsea Brasted: So it can be tough.

John Spence: It could be. It can be incredibly hard. I don't know if it's impossible. You could fire everybody but yourself, start the whole thing again, but if you've had a negative culture for a long time it's going to take a long time to turn it around. And there may be people that just cannot make that adjustment.

Chelsea Brasted: So with SURGE Growth, we're trying to talk about issues and foundational developments for organizations to really build the space to grow their organizations. Why is culture so important for that?

John Spence: Well culture is one of the main things that keeps and attracts top talent. If you want to grow your organization, we said it earlier, you have to have the very best people. And one of the main things that top talent looks for, actually there's six things that talent looks for, so let's go through those. This is based on a research study I did of 10,000 high-potential employees at organizations around the world from associations, several associations, to government organizations to the Fortune 10. And there are six things.

No. 1 is fair pay. And fair is defined as 10% above or below what they would make to do the same job any place else. As long as you give parity, pay sort of goes away. The next one is challenging, meaningful work, another thing that associations have an upper hand on. The

next one is cool colleagues. We're going right toward talent there. The A players want to play with other A players. The next one is winning culture. So you've got those two right there. You already have to have top talent to attract top talent, and one of the major things that attracts them is your culture.

And the last two are fascinating and, again, especially important in an association where you're not going to be making 2.7 zillion dollars a year, is I've got personal and professional growth. "I'm growing, I'm getting smarter. I've got a coach, a mentor, a trainer. My boss is sending me to seminars," things like that. Like people that, you know, for many associations that hold big conferences and companies send their people there, that's an investment in their folks. Everybody looks for that. Professional growth says, "Do I see a place for myself in this association five years from today? Can I see a place where I can go and I can stay here and be successful?" And then the last one, which is actually the single most important thing, was "I work for a leader I trust, respect, and admire."

So when you talk about culture, two of the major things that attracts and keeps top talent is who works there already and the culture you have. And that also can expel good people quickly because if they get into an organization and the culture is dysfunctional they quickly become disillusioned and don't like it there and will leave as quickly as they can.

Chelsea Brasted: So as we're getting into this conversation about culture, are there any differences we should be thinking about between a nonprofit or a for-profit organization?

John Spence: A little bit. A lot of people are driven in a for-profit organization of a culture of trying to maximize revenues, maximize shareholder value. A lot of the strategies and the values are on 10-X-ing in the company. "How can we make as much money as we possibly can?" And that creates a different kind of a culture, a highly competitive culture, a culture that is numbers-driven all the time, whereas in most associations people that join have a lot more passion for the cause, for who they're serving, for their members. They're going to have a little bit more of a laid-back, relaxed culture, and a culture that's much more focused on purpose over profit. A lot of the elements are the same around engagement and honesty and values and trust, those are pretty much everywhere. But you're going to see a difference in the overall drive of the culture for money or for, we'll say, members and cause.

Chelsea Brasted: When we're thinking about, you know, let's just say an organization is really starting to think about their culture for the first time. They're recognizing this is a space that they can really start working on. What are the first steps to get started in being purposeful about going forward in that conversation?

John Spence: The first thing is to back up and assess your current culture. What are the weaknesses? What are the areas that are causing problems? Where do you see it creating friction? Why are you losing people? Because of the culture? So first we've got to sort of create a gap analysis of where are we today, and then where do we hope to be with the culture one day.

And then the second stage, then, is to talk about that future vision of the culture. It's going to be based on your values. There's two ways to set culture just like there's two ways, basically, to set vision, is the senior executive or the CEO could just say, "This is what I want." We see that at a lot of private companies where it's the owner, "I own the company, I built it, my company. Here's what I want." Some CEOs do that, or executive directors.

What I see mostly is a CEO or executive director setting a general framework and then getting feedback from everybody in their organization about what they're most passionate, what's important, so we identify why the culture is dysfunctional now. We create based on values, usually feedback, the dream of what you want the organization to be, the kind of culture that will get you there. And then you back up and start to put into place what are the attitudes, behaviors, training, hiring practices, all the things that go into fostering and growing that culture. And again, it takes a long time; it doesn't happen overnight.

Chelsea Brasted: So you mentioned how to find that direction in the culture, either feedback-based or the CEO says, "This is what I want." Are there costs or benefits to going one direction over another?

John Spence: Yeah. And I'll actually... since I do a lot of work with associations and nonprofits, that's also the way many nonprofits interact, or associations, with their board of directors. You've either got a CEO that drives all the decisions and the board rubber-stamps or approves it, or you have a board that drives all the decisions and tells the CEO what to do.

What happens with both of those is resistance. If you've got a CEO that says, "This is my, you know, this is the culture we'll have. I'm putting down my foot, this is the way it's going to be," people... here's what I say, if people don't have a say in the outcome, they don't have a stake in the outcome. So if I have no input whatsoever in the culture and the values, things like that, somebody just tells me what to do, if I'm not in agreement with one and my voice isn't heard, I'm not very excited about being committed to that part of the culture.

Same thing when a board of directors tells the CEO what to do, whether they believe it or not. It's hard to get a CEO or an executive director on board with a vision and a strategy they don't believe it. So it's a tough balance and it's a difficult decision to decide how am I going to go forward creating that culture. I happen to be a big fan of getting as many people involved. It doesn't mean you have to do everything they say, but you at least need to listen to everything they say and take that under advisement when you start to create the culture.

Chelsea Brasted: So I want to talk for a moment about generational differences in an organization. I think especially as my generation, as millennials are growing up and entering the workforce, we're hearing a lot about people thinking in a more purpose-driven way about their employment. There's a study recently that came out that essentially says, "You know, I don't have to think that much about money as long as I'm doing something purpose-driven," or, you know, money is less of an issue when you're doing something that

you truly believe in. Is that sort of idea something that really impacts culture, that purpose, having everybody swimming in the same direction, is that something that's really important to culture? And is that something that affects the generational differences in an organization when they're thinking about culture?

John Spence: Absolutely. We're in a unique situation here, first time in history, that in many organizations we have five generations working together. And I happen to be the last of the baby boomers. I'm 55. So when I entered the workforce, when my boss said "jump" it was "how high, sir, and how many times?" It was command and control. You just did what they told you to do.

Now you move through Xers and everything else. Now, millennials, which, within a few years, will be over 70% of the workforce, so most people will probably be working for a millennial. And the millennials and then the Gen Z that are coming after you, or the iGen as in iPhone, purpose is a very strong driver, more than pay or position in many cases.

And there's a new research study I just looked at that said there's three things people look for in their work right now: S, D, and P. Stability: "I don't need to make a ton of money; I just need to know that I'm going to be paid and my job is not going to go away. I just want some financial stability." The D stands for dignity. And the interesting thing is you can't give dignity. What you give is you give empowerment and trust and respect and autonomy, and because of that people feel dignity. And when they feel that way, they treat other people with respect and all those factors.

And then the last one is purpose. And we're seeing right now that also consumers are deciding what companies to buy from, what organizations to join, because they're very similar, cost the same, you can pretty much get anything anywhere you need and you could probably go in most industries to three or four different associations. So, which is the one that aligns with my values and my purpose the most and treats their employees well? This is now two major decision-making factors. It's also a major decision-making factor in employees choosing who to work for. Do they treat their employees well? Do they have a purpose? Do they walk lightly upon the earth and they're green? These are huge decision-making processes where people aren't going to negotiate salary or title nearly as much as feeling connected to the cause, the purpose, of the organization.

Chelsea Brasted: So, in an organization, does the culture have to come from the top down? We talked about how to start being more purposeful about building that culture, whether the CEO does it or you do it with feedback. Does all of that still have to come from the top? Does the CEO have to say, "Hey, we're all getting in a room and we're going to start talking about culture"? Or can it come from the bottom up?"

John Spence: Well, it's interesting. It can come from the bottom up, the top down, the sides in. But from a top-down thing, here's the critical thing: it must be lived everyday by the

senior management team. They've got to be a living role model of the values and the purpose and the culture. If they are not that from top down, that ruins everything.

But a lot of cultures bubble up from the bottom. And you know, some go, "I've got too large of an organization." IBM has 330,000 employees. Every year they do a thing called Culture Jam where everybody anywhere in the world can send an email in with ideas on how to improve the culture, things that they think are going wrong. They can ask questions directly to the CEO and they get answers. So for a whole week, it is, I believe, the Culture Jam, everybody in the organization has input into what's going well in the culture, what could be improved, what questions they have, what concerns they have. So if you can do it with 330,000 employees, there's really not an excuse to allow everyone in the organization to have some sort of input and say on how the culture is going, what they might like to see different.

Chelsea Brasted: That's awesome. I love that example. Obviously, not most organizations are going to have 330,000 people, right?

John Spence: Very few.

Chelsea Brasted: So what's a creative example of how to get some of that feedback in a smaller organization?

John Spence: That's a great question. Let's think. well, a lot of it is based around the stories people tell about the organization, sort of the organizational lore. So getting people to talk about some of the best things that ever happened in the company, a time that we went over and above for a member, when we did a great conference where we got standing ovations for everything. Why did that happen? How did that happen? And those stories start to tell, to uncover, the values and the ideas and the beliefs that drove those great outcomes. So if we're trying to consistently have great outcomes, we want people to describe what gets there.

A great example, this is the Ritz Carlton, every morning — I love their employee handbook, it's basically "we are ladies and gentlemen serving ladies and gentlemen." That's all. They train to it, they hire to it, they fire to it. But also every morning they have what's called lineup. And everybody that's going to be working that day, they get together quickly, basically a huddle, they talk about is there a big group coming in, is there a conference, or this, that, and the other. But then they also take time to tell a story about someone at a Ritz Carlton somewhere in the world that did something that epitomizes serving ladies and gentlemen, and that becomes that lore. And every day there's a story about maybe somebody in our location, maybe somebody in Hawaii or Bali, who did something spectacular. And the reason is they're trying to set examples, but they're doing it through stories and emotion, not "this is on a memo. You have to do this."

So that's one of the ways. You get around and talk about it. You could definitely do surveys, do feedback, talk to managers and leaders about what they think. But the more input you get, the better job you can do of crafting a great culture that everyone will be committed to.

Chelsea Brasted: So how can an individual person impact the culture, either negatively or positively, but how can someone, I mean in the positive sense, think, you know, "I'm going to be purposeful about this. I'm going to be driven to make a difference in my workplace culture"? How can somebody make a difference there?

John Spence: So there's two ways, in my opinion. One is being a role model, living the culture, talking about it often, why you're doing this. "I'm doing it because this matches our value here" or "I'm doing this because this aligns with our purpose." So sharing with your coworkers why you're focused on something, why a priority is, but one to see if it's stronger is when you see one of your coworkers living the culture to go celebrate that. To say thank you, to pat them on the back, to give them a thumbs-up to say, "Hey, I saw the way you just dealt with that angry member. Part of our culture is being loving and understanding, and you just did a wonderful job with empathy dealing with that unhappy member. That was so in alignment with what we all believe here. I just want to thank you for showing us how it's done."

Chelsea Brasted: So one of the things you talked about was whether or not the culture comes from top down, bottom up, or from the sides, as you said. What if you're in an organization and it feels like there's a negative impact on the culture coming from the top, what can an individual do? What can a group of people do? How do you deal with, you know, if there's something not so fun coming from the top of the company? Or, in an organization's case, maybe it's the board.

John Spence: Yeah. I get this a lot because everybody likes to blame their boss. So there's multi-levels to this, and I consider multi-levels basically a regression of how aggressive do you want to be in fighting this. Level one is you just live it yourself and don't worry about it. "I'm going to get in in my own little cocoon. I'm not going to worry about goes on around me. I'm just going to do my stuff and live the values." That's really hard.

Number two, then, is to go have a discussion with one of your senior people or your peers and maybe... Well, next step would be go to talk to one of the leaders and say, "I have a concern about this. I think that we have a culture mismatch. This person's acting this way or this policy..." to talk directly to them. If you don't have a good enough relationship you can talk directly with them, then you get some peers. And you go as a group, not in a threatening way, but say, "Hey, we've got concerns. We want to talk to you. Can you help us?"

If that doesn't work, then what I did in organizations I've worked in is I basically act as a shield for everybody below me. The folks above me were dysfunctional but I just said, "I'll protect my group," my 20 or 30, 40 people that I oversee. Very hard on the leader because it creates a lot of stress for me or that person, but then you're taking care of that group

underneath you. And then hopefully you'll do it in such way that other people in an organization go, "Whoa! Look what they're doing over there. Why are they doing so good?" And they'll come and learn from you.

After that, if you can't do that, then you go up and escalate it to where you go to the peers of the senior executive or the CEO that's going to talk to the board. Just say, "I've got a big problem here" or "We have a big problem. We need it to get fixed." And if that doesn't fix it, it's called resigning and going someplace else that has a better culture. Because if you're working someplace where it's not a good values match, where the culture isn't where you want it to be, every day you stay there is a day you're stealing from your own life and it's just not worth it.

Chelsea Brasted: So you're voting essentially with your exit?

John Spence: Yes.

Chelsea Brasted: And saying, "Thank you very much."

John Spence: And it would be nice if you left a resignation letter that was polite and not accusatory but said, "The reason I'm leaving is..." "These are the issues I see and this has caused me to pursue employment someplace else because I'm not happy here." And hopefully that would be heard or read by someone above. Typically, it will be shredded and no one will look at it but, you know.

Chelsea Brasted: Like, "Nobody wants to know about that."

John Spence: Well I've asked, though, like, "Did you do an exit interview?" "Why? I'd just find out why they didn't like it." "Do you do an employee survey?" "Why? They'd just tell me stuff they want me to change. I don't want to change anything." Oh, I've had plenty of times where a senior executive like, "I don't want to know. I don't want a survey. I don't want an employee engagement survey." And it's the reverse. Those are the people that make your organization successful.

John Spence: If your folks are... well, I've got another phrase. I know, I've got all these little phrases, "The customer's experience never exceeds the employees' experience." So from an association standpoint, the members' experience will never be better than your staff and team's experience. If they're not having fun, they're not engaged, they're not excited, they don't live the culture, there is no way in the world they'll take great care of your members, period.

Chelsea Brasted: And that's the most important thing. So let's say you've done all the work. Your culture is amazing, people are happy, smiling on the way in the door, smiling on the way out the door. How do you maintain it? How do you make sure that you don't fall back into some old habits?

John Spence: Well, first of all, it's got to be communicated constantly by the senior management team living it, by talking about it, by telling the stories. You'll see a lot of folks

that have the posters and everything on the walls and screensavers, all those little things are nice. Having the posters and the screensavers without the senior executive team living it, that doesn't work. They got to do that.

And then it's celebrating the culture. Finding reasons to talk about it, have a party, give awards out, constantly reinforcing it in everywhere you see it. Making sure it's part of your onboarding process, that it's part of the review process, that how people interact with other people, how they live the values and the culture, actually is part of what they're reviewed on. So it's basically got to be every single day finding different ways to reinforce it, support it, communicate it, celebrate it all the time. It never goes away. The minute you stop, it's going to fall back real quick and then you've got all that ground to make back up.

Chelsea Brasted: So I'm going to make fun of my generation a little bit here.

John Spence: That will be great. Go ahead. I can help.

Chelsea Brasted: Thank you. Apparently most people can with millennials. So you mentioned celebration and it makes me think about, you know, like these typical fun, Uber, millennial workplaces that we see where you walk in and there's a ping pong table and there's sparkling water on tap, and you've got like all these perks. How much of that is part of culture? You mentioned a fun place to work being part of culture. How much does an organization, like, should they be thinking about, you know, getting some sparkling water on tap or something? Does that even make a difference? Or is it more about the human connections?

John Spence: Great, great question. And the answer is it depends on the people on your team and the kind of organization you have. If you have a real innovative organization that's freewheeling, that's out on the cutting edge, you're probably going to attract people that are a little bit more ping-pong-y and want to do that stuff, and want the sparkling water and sushi and a rock climbing wall and a keg party. I could keep going. And a lot of it's just listening to the employees. I think what works bad is when you throw a ping pong table in and you expect it's going to fix the culture. I've seen organizations that have a room with a foosball table, and a this, and some, you know, what do they call those things, the little games, I'm trying to think — see I'm so old I can't even remember.

Chelsea Brasted: Like air hockey?

John Spence: Yeah, air hockey and the electric ones, I can't even remember what they're called when you have like Pac-Man but that's really old. But all kinds of things like that and they go unused. It doesn't fit in the culture. Somebody just thought, "Oh, we'll have a fun room!" So part of it is just looking at the people you've hired and the kind of culture you want to engender.

There's also one where, you know, if there's a great culture where people go out and volunteer together or they go to a homeless shelter together. And it's a different kind of culture where they get excited about doing something for the children's hospital, or

everybody getting together to run or walk in the breast cancer walk. And it doesn't have to be as fun-fun like that, it's more fun of a purpose and giving back to the community. Both of them are engaging cultures, but they're driven by the people who work in the organization and the kind of culture they are most comfortable in and they want to create.

Chelsea Brasted: So I want to hear some examples from you about successful cultural transformations. Thinking about some of the organizations you've worked with, going from really not so great to really super great, what were some of the driving factors that created that transformation and what made them so successful?

John Spence: I'll give you a really good example. We talked earlier about purpose being so important. A really close friend of mine, my favorite CEO in the world, no offense to any other CEOs that know me, runs an organization that makes gearboxes, this is not particularly sexy, for oil wells and nuclear submarines and to put on top of buildings. And they bought another company that made gear boxes for helicopters and the workforce was pretty disengaged. I mean, you're just sitting there building gearboxes all day long, you know? It's not particularly exciting. And when they bought the company, the culture was pretty flat.

So he came in and the very first time he was there he brought all 400 employees together in a big hangar, talked about how he wanted to change the organization in all the positive ways and how he's going to take care of them. But instead of him trying to instill a sense of purpose in making gearboxes, they had one of their top customers come in who was one of the top military leaders, I think either the joint Chiefs of Staff and who was their number one customer, they made gearboxes for Black Hawk helicopters. And he stood up at the podium and he looked at everybody in the room and he said, "Both of my sons are in Iraq. They both fly Black Hawk helicopters. Don't kill my sons." And he walked away. And then from every day there forward, it was, "We don't make gearboxes. We save American lives. We bring troops home safe."

Another organization that does this well is Medtronic's that makes pacemakers. Every year they bring in someone that got a pacemaker or their kids and they say, "My dad wouldn't be here if it wasn't for you," or "I wouldn't be here with my family." Now, gearboxes is tough, pacemakers is easy, but I'll give you another one. I served on a nonprofit organization that served people with severe mental and physical disabilities. And what we would do for every board meeting is we would bring someone in that we helped or their family that we'd built a ramp for their house or we'd built wheelchair swings for a playground or something like that, and we would have someone come in and talk to us about how we had changed their lives.

And I think it's when you can help people, even though it might be obscure and hard to understand, connect with a bigger purpose of somebody's life they're touching or an industry they're changing or how they're putting a dent in the universe, that is how you take a culture that's sort of mediocre and supercharge it because now people are really

excited about the impact they're having and the people they're helping and the things that they're doing that surround a greater purpose.

Chelsea Brasted: Yeah. So showing that impact of an organization can basically just kick everybody into hyper drive.

John Spence: Exactly.

Chelsea Brasted: That's awesome. I mean, and especially with a lot of the nonprofit organizations, which most associations are, they're able to bring somebody in, show exactly what they're doing, how they're making an impact on the world, and then just really start running with that.

John Spence: Yeah. Another thing you can do in an association is bring all your board members in to talk to your staff and talk about why they joined the board, how long they've been involved in the association, what they think about the industry, the impact the association is making on the industry. And I work in a lot of associations where some of the people have been in there 10, 15, 20, 30 years, they've served on the board, they've done this. Those folks are highly, highly dedicated to the association. Why not have one of them come in and talk to your staff about why this person has felt so strongly about the association they've dedicated 30 years of their life to volunteering? Because I don't think people, you know, you see someone who has won every award and they've named their award after them in the association, but not very often do you get someone like that to actually tell you why they're so involved.

Chelsea Brasted: So I do want to ask about hiring. How should a leader in an organization think about hiring when it comes to maintaining their organizational culture? What sort of questions should they be thinking about? How do you sit down and do an interview differently once you know that your culture is something that you really need to focus on?

John Spence: You have to expose them to culture early in the interviewing process, meet other people, tell them about the culture. And I'm a big fan for basically threatening people. And here's what I mean: let them know what the culture stands for, what the organization stands for, and say, "If this doesn't sound great to you, do not take this job. Because we expect you to live this culture. This is how we live here. This is how we operate. If anything here makes you uncomfortable, you won't be happy here."

John Spence: I used to do this when I would hire senior executives when I was running companies. I would say, "If this is just about pay and benefits and vacation, do not take this job. I will figure it out and I will terminate you immediately. However, if you love our culture, you love what we do, you are aligned with our purpose, you like who we serve, if that stuff is cool, please take this job. You may retire here." So I'm a big fan of the culture of basically setting expectations very clearly. If this doesn't look great to you and you aren't excited about the people you work with and the culture and how we do things here, then

please don't take the job because you'll likely be gone in 60 to 90 days because it just won't be a cultural fit.

There's a lot of people that hire only for culture. What I would say is they've got to have some basic skills. Not all of them, there's stuff you can train. If they've got the fundamental skills and they are a great culture fit, that's great. If they have all the skills and they're not a great culture fit, doesn't work, and if they're a great culture fit with no skills. So you've got to balance both of those out because if you don't have both it's not going to work out in the end.

Chelsea Brasted: Yeah, absolutely. And when you're thinking about attracting people just to even get them in the door, is there something that you can do on the front end when you're putting a job notice out? I think we see a lot of silly ones these days where you're like, "We're just looking for marketing ninjas" or something like that. What is something you can do to, even in that very beginning step, make a statement that says, "This is our culture. This is who we are. If you're into that, please apply"?

John Spence: Well two or three things. One is that's what you do, personality surveys, things like that, create a questionnaire around your culture, ask them how they've lived the culture in other examples. So, "This is one of our values, one of the key parts of our culture. How have you exhibited that in other jobs?"

But I'll do another really quick story. There's a company in Malaysia that sells tiles. They don't make tiles, they just sell tiles like for your bathroom. They call them Tilearistas. And to get a job there, you first have to come and do a tour of the facility, meet all the employees, have lunch, spend time with people. Before your first interview, you got to do that. They have them set up like once a month, you can come and tour the facility, it'll be 8 or 10 people there.

Then they do something really interesting. They send you two big 16 x 20 pieces of paper with a tree drawn on it and they say, "Piece of paper number one, we want you to draw the tree of your past, where you came from, your history, your family, your personal values, all the things that make up who you are today. On the other one, we want you to write the tree of your future, what do you hope for, what do you aspire to, what's the painted picture you want to create?" Then they hang those up after you fill them out in the cafeteria on a piece of string with little paperclips, all the people that have applied, and everybody at the company comes by and votes for the ones they like the best based on the values and the life, not the skillset. Because they've assumed that either they have the skillset or we'll train it.

So this is an interesting way to have the entire organization polling people that they believe will fit in the culture. I'm not suggesting you have to do that, but that's a way to say, "We're going to explain the culture to you deeply, we're going to interview you, and we're going to check and survey you specifically for the elements we're looking for around culture."

Chelsea Brasted: So with that in mind it sort of sounds like maybe, maybe not, that drawing your tree is the method for everyone.

John Spence: Right.

Chelsea Brasted: But what about, during the interview process, having a couple of employees that this person would be working with doing part of the interview?

John Spence: Oh, absolutely. I'm a huge fan for having someone they'll work for, a couple of people they'll work with, a couple of people that will report to them, I'm big on group interviewing. The key is you have to have the people that are going to be doing the interviewing trained in interviewing. Most people, when you go to an interview, the interviewer talks about their company for 35 minutes and says, "Does it sound like you want to work here?" It's exactly the opposite. There's questions you can't ask, it's illegal, and the person should be asking the right questions and lots of them. Most people don't know what the right questions are and how to ask those, so they need to go to training. I'll recommend a book here. There's one called Who by Geoff Smart and it's the best book I've ever read on the interviewing process and making sure that you're asking the same questions, you're getting lots of feedback, you're getting multiple people to give you input on whether to hire this person or not. I think that's absolutely a must.

Chelsea Brasted: John, I want to ask you about leadership, specifically. One of the things that we talked about was in the building blocks of talent is that an employee needs to have trust in their leader. How does a leader know they're trusted?

John Spence: Oh, wow. This is one of my favorite areas of leadership in here. There's two things. People often ask me what is my definition of leadership and mine's pretty straightforward: when you're a living example of what you hope your followers will one day become. So there's a lot of pressure on the leader to demonstrate the things that would make someone want to trust you. And I use a quadrant to teach this and the two factors are competence and concern.

So if you've got someone that's highly competent but has low concern, they're really good at what they do but they don't care about their people, I respect them but I don't trust them. I know that they're bright and brilliant, but I know they don't care about me. Respect, not trust. If you have someone with low competence and low concern, this is not going to lead anybody. "I'm incompetent and I don't care about you."

The next one is someone with high concern and low competence. And I see this a lot in organizations. I tend to see it more in nonprofits and things like that because, see, people are so passionate about the cause, but they may not have the business acumen or the strategic background to be able to run a great organization. So if they're deeply passionate but they're not highly competent, the word I use there is affection. I love that person, I like them, but I don't want them to lead me because I know they can't lead the organization successfully. So what we're looking for is someone with high competence and high concern,

someone who's really good at what they do, getting better every day, and who truly cares about their people.

I wrote a book on leadership, I'll boil the whole thing down to one phrase here: a great leader is someone who says, "I'm good at what I do and I do it because I care about you." "I see this as my craft, my passion, my life. I'm trying to get better at it every day. I'm constantly studying, learning, growing, and I'm doing it all in service to you. To you, my employees, my staff, my team, to our members, to our industry. I'm good at what I do and I do it because I care about you." To me, that's the foundation of building trust.

Chelsea Brasted: When we're talking about leaders, what are the things, rather, that a leader can be thinking about as we move into the future, as we have more generations coming into the workplace, as we're looking at a changing world?

John Spence: Yeah. I just did a TED Talk on this. So there's three areas that I focused on. The first one... well, it's three quotients, if you will, the first one was IQ. I'll call it your intelligence quotient, but it's really more about competence. A lot of people say your IQ is set at birth. That is not true. We have learned about brain plasticity and that means your brain can improve. You can increase your IQ. It also can go down, too, so we got to watch that on both sides. But competence. There, we'll call IQ competence. And you don't have to be brilliant; you just have to be competent enough to do your job well and to be a great leader. There's two competence areas a leader has to have: my job, and as a leader.

The EQ is emotional quotient and I think a lot of us have heard about that. And through my research and working with companies, it's easy to see that EQ is now more important than IQ. As long as I have a baseline of competence, it's really my ability to get along with other people, to create genuine connections, to have empathy. And especially with the machine age coming, deep learning, robotics, AI, one thing robots and computers can't do is show genuine empathy and make genuine connections with people. So EQ is very important.

The third one that I focused on is something that not many have heard of and that's AQ, which stands for your adaptability quotient or your agility quotient. And that's your ability as a leader to take in all these technological changes, the changes in industry, changes in demographics and generational things, take it all quickly, discard old ideas, get rid of things that don't work, create a new frame of reference, embrace new challenges, drive change, at a very fast, nimble pace.

To give you an example, I'm giving a speech on the future of business later this week to about 700 CEOs. So I have to research to the very last minute because things change all the way up to the last minute. The fastest computer in the world does 200,000,000,000,000,000 per second. That's a two with 17 zeroes behind it per second. And that is likely to double every other year for about the next 10 years, which means roughly by about the year 2040 a laptop computer will have more computing power than the entire human race combined.

I just read this morning that Google just got the fastest computer in the world which, if you take that supercomputer that I'm talking about, it's 100,000 times faster than the fastest,

200,000,000,000,000,000 operations per second, multiplied by a thousand. That's today. A leader of the future is going to have to be able to deal with technology like that in five years, 10 years, 15 years. And that's not an if, it's a when. So agility, adaptability, is going to be probably the most important thing for a successful leader in the future.

Chelsea Brasted: And it sounds like dealing with all of the robots that are going to take over.

John Spence: Okay, well there's going to be huge industries completely wiped out, which is a big concern, but there will be new jobs created. But one of the major concerns is what happens to that big group of people in the middle that the technology surpasses them too quickly and they don't have time to get retrained up to it. And many of the associations are going to deal with this with their members.

I deal with several large associations now, let's say in the financial industry, that a lot of the jobs that people are currently doing will be replaced by algorithms and fast computers much better than they could ever do the job. Radiologists, gone. Anesthesiologists, gone. Legal assistants, gone. I can go down the list, and there's associations that have those people as members. I think it's an association's job to help prepare those people to get ready for when parts of their job goes away and new types of jobs emerge.

Chelsea Brasted: You mentioned IQ, EQ, and AQ. Hopefully I got all of that right.

John Spence: You did, you did.

Chelsea Brasted: How can a leader test where they are on each of those three things? Is there a way to measure that?

John Spence: There are tests on EQ. I know because I took one and I got a zero. I took two tests. I took one self-competitiveness and another one on EQ. The researcher said I got the highest score she's ever seen on self-competitiveness and I'm like, "Yes! I'm number one!" She goes, "This isn't a test you want to win." I go, "But I won, didn't I? I mean, I'm the best?" She goes, "This isn't ... but on EQ you got one of the lowest scores I've ever seen." I'm like, "Ah, who cares?"

So yes, you can take surveys and tests on these. EQ is really about the only one you can't get tested on. IQ, you can take an IQ test, but I'm not talking about IQ as much as competency. So I don't really know that, unless you were winning awards or were a "thought leader" or something like that where you are clearly demonstrating you had ideas out of the norm for your industry, I don't think you can measure the other two well.

Chelsea Brasted: So John, let's talk a little bit about Core leology. What are some of the things that an organization should establish as they start to think about their culture?

John Spence: Yeah. And this is a confusing topic because a lot of people use different terminology. You've got vision, mission, values, purpose, all these things. It's like in strategy, there are strategic objectives, strategic drivers, blah, blah, blah. So part of it is you've got to

sort of approach this and put your own spin on it. So I've got a certain way I approach it. I think you need to have your core values. Not 50 of them, maybe five or seven, something that is fundamental to your association that is unbreakable. If somebody makes a big mistake, screws something up, you know, as long as it isn't illegal that's fine. But they violate values clearly and you can prove it — gone. So values are there.

There's a challenge between the mission and purpose. And I had a hard time discerning this and some people do. To me the mission is, who do you serve and why? And another way I like to say it is, who would miss you if you were gone? If your association ceased to exist who would go, "I love those people! What happened? Where'd they go? That was a great place. I loved their conferences." That, to me, is the mission of who you serve.

A purpose, to me, is on a little bit larger scale. It's how are you changing an industry, how are you changing the world, how are you impacting people at a very high level? They could be very close, I just differentiate them on the impact, the size and the length of the impact.

Then you can talk about your vision, which is something that should be way in the future, that should be very audacious. Possibly, you'll never reach it, or if you do it's just an amazing stretch, it might be 20 years out, 30 years out, but it's that compelling vision of where you want to take the organization that gets people excited about making that happen. And to me, when you combine the vision and the purpose, that's the thing that gets people just incredibly excited and loyal and engaged in making that happen.

And then another thing we talked about in the course and things we're covering is the idea of a painted picture, which I love, which is a sort of short-term project of sitting down and creating a really vivid, writing out in as much detail as you can, a vivid description of what your association looks like, let's say three years from now, and then sharing that and getting other input so people can literally see it.

Sometimes people put a picture on the wall, cutting out pictures, they say, "This is where we're going to be in three years. This is what our office is going to look like and what we're going to do and who we're going to be serving." And it's so vivid and compelling because here's another phrase — I use all these phrases I love — "when values are clear, decisions are easy." When you've got strong core values in your association and a clear vision and a painted picture of what you want to create, everybody in your organization knows how to make decisions very quickly that align with that. If you don't have that, people are just guessing. And rarely does an organization succeed at a high level when everybody's guessing.

Chelsea Brasted: So how important is it for an organization to have all of those things written down-

John Spence: Central. Yeah. I'm sorry to talk over you but, I mean, I had to cut you off because if you don't have them written down they don't exist. It's pretty clear. If I can't clearly tell you what the vision, mission, purpose, and values of my organization are then they don't exist, effectively. And how often do you do it? Every day, all the time. I have

presidents of associations and CEOs say, "Well how long until you know you've communicated this enough?" And I say when you've said it to the point where you're nauseous, the lowest person in your organization just heard it for the very first time. There is no way to over-communicate. Written, spoken, pictures, any way the vision, values, mission, purpose, that's got to be ubiquitous throughout the entire organization.

Chelsea Brasted: So every single person in an organization should be able to identify what those things are.

John Spence: Absolutely.

Chelsea Brasted: So I want to think about the future for associations. What do you think is the biggest threat or the biggest problem that associations are facing these days?

John Spence: I can't put my finger on one thing, but there's a bunch of things coming together. You've got all this technology and stuff that I said, they're going to speed things up, it's probably going to impact a lot of different industries that associations are in. You've got a tremendous fight for people's attention. There are a zillion different things that can do. A lot of the stuff that associations used to deliver you can get over the internet.

Actually, here's the biggest one: people thinking that just because they were a member last year they'll become a member this year, that "You owe it to me. We're the association for the industry. You have to belong." No. If you're not adding massive value, if you're not making a difference to a person, if you're not constantly improving, and they don't see that I invest in this association but they invest back in me and I get a lot more back than I put in, then there is no reason they should join. And I work with a lot of associations that just assume because they were a member last year, we'll just put the pressure on again that they need to be a member this year. It's like my local chamber. They just tell me, "You have to be a member." I'm like, "But I don't get anything out of it." "You have to be a member." And I send my money in every year. But for a few years I didn't because I saw no ROI.

John Spence: So associations are going to be really challenged with all these things happening to make sure that members want to join next year and sponsors want to give money and people want to be involved because they see huge value in being associated with that association.

Chelsea Brasted: Does culture help an organization face the future? Does it help protect you in some way as all those changes are coming down the pipeline?

John Spence: Yeah if you have a culture of innovation, a culture that doesn't revel in change but drives change, that's out constantly trying to learn what's going on, that's looking forward, that's bullish on knowledge-sharing, helping people out. If you have a culture that knows the future is going to be challenging and difficult and they're excited about that and are pushing forward into it, your culture can definitely set the organization up for success.

There are also many cultures I've seen in associations that have been around for 6,000 years where they don't want to change. "This is the way we've done it for 30 years. Our board's been here for 30 years." They're still trying to do things the way they did it 30 years ago. I'm dealing with one right now in the financial industry that just... they're serving millennials, there isn't a person on their board under 70 years old. As the chairman likes to say, "We're three heart attacks away from a quorum." And I'm trying to help these people understand 80-year-old people are not going to be able to connect with 28- to 34-year-old members. It's just not going to work. So you've got to have an organization that loves change and is excited about and not resistant to change.

Chelsea Brasted: So an innovative culture can really help future-proof.

John Spence: Yeah, absolutely.

Chelsea Brasted: So John, one of the things that I think we hear about in associations is it can be difficult for them to think of themselves in a business mindset. There's for-profit, there's nonprofit; there's us, there's them. So how can an association start to think of itself with that business ideal to help it grow?

John Spence: Really, really good question because it's something I've seen across my career, and even one that I came into when I ran one of the Rockefeller foundations, is they kept saying, "You're a nonprofit, you're a charity. You do research, you're not a business." And I'm like, "No, we're going to run this thing like the best business in the world and we're going to make amounts of money, not for me but for what we're raising it for." I mean I'm greedy, greedy, greedy, I make as much money as I can because it's called revenue in excess of expenses and it all goes into the charity.

John Spence: So I think a lot of nonprofits, associations, things like that think of themselves as a charity first and a business second. Or even if they think of themselves as a business, I would say you need to read the business books. Read Inc., Forbes — look at yourself as an entrepreneur. It's a startup. Your job is to 10-X it, grow it. Use all the business tools there are around strategy and marketing and data analytics and all those things that most nonprofits or associations don't think is what they do. No, you want to run it like the best business you can humanly run and maximize revenues, maximize engagement, maximize market share just like any business tries to do. Funny thing is at the end of the day it goes back into the association, back into supporting the members.

Chelsea Brasted: Yeah. It's all about just growing an organization so that you can make sure you're providing the best possible outcomes for all of your members and helping, hopefully, drive your purpose forward.

John Spence: Yeah. And that's investing in your employees, your staff, too. A lot of times in associations the last person to get the best training is the people on their team. It should be the reverse. Invest in your people, give them seminars and send them to stuff and training and coaching and everything you can. Because again, we said it at the very beginning, the

entire success of your association is directly dependent on the quality of the people you've got and the culture you create. Those are the two things that are going to drive success.

Chelsea Brasted: So what would you say to somebody who was worried about, you know, "I've invested so much in this employee and now they're going to go work for somebody else"?

John Spence: I hear that a lot. There's some cliches, "I invested all this money and they leave." And they say, "Well, what happens if you hadn't invested any money and they stay?" I've heard that a zillion times, it's a consultant quote. Here's the deal: they probably are going to leave. And you should expect that. If there's no place for them to go, there's no upward mobility, you're probably going to lose your best people about every five to seven years. It's the way it works.

I've owned a couple of companies where there was only two layers of management and once you got to the second layer, you were pretty much capped out on salary and you were capped out on title or responsibility. That's fair. You got them for seven years. They worked there, they did great work, they moved on someplace else. Hopefully they leave with a great feeling and they're still in your network and they're still helping, but if you can't move up in the organization or make more money, eventually it's right for you and your family to go someplace else and learn new things and experience new things and get new challenges.

Chelsea Brasted: And would you say it's an opportunity, then, to bring somebody new and get some fresh ideas?

John Spence: Absolutely. Yeah.

Chelsea Brasted: So is there anything in particular that you want to make sure you mention or a question I should have asked or an example you want to make sure that you tell us for our audience?

John Spence: Yeah. I want to dissuade people from trying to copy Google or Zappos or, you know, a whole bunch of these companies that really have outrageous cultures but they can afford to. When you've got a couple hundred billion dollars laying around, you can have the M&Ms and the swings and all. And that's all nice, but also it's a minimum six-interview process. It usually takes about three months, multiple people interviewing you, to get into Google. So you're going to take three or four months, go through lots of interviews, have all kinds of tests, really hard questions, so that when they hire somebody they know that they've invested in someone that the perks are just sort of extra, nice there.

So don't get caught up in looking at all these big companies. Look at small companies in your community. Look at other associations. Who, just in the city here won Best Place to Work? Who won Best Place to Work in Florida? Or Best Place to Work in Gainesville, Florida? Take a couple of your people and go over and visit them. And likely, if it's a smaller company, they're not spending extravagantly; they're just doing some neat things that they

came up with. So creatively swipe from everybody you can, other associations, other organizations. When you walk into a restaurant or a building and people seem to be having a great time, find out who runs the place and say, "Tell me about your culture." Because if they've got a good one, they're going to want to talk about it.

So find out as much as you can about how other organizations have created great cultures. Just go to a Chick-Fil-A. Talk to somebody there. This is an organization where they hire people that make minimum wage and clean toilets and are happy about it so there must be some sort of a culture there that creates that kind of engagement. So learn from everybody.

Chelsea Brasted: So one of the key things I heard there was a good culture is not just for the organizations that make boatloads of money. You can have a great culture in an organization with two people in it.

John Spence: Absolutely. Absolutely.

Chelsea Brasted: So if you could make sure that our audience remembers just one thing that we said here today, what is the one thing that you want to make sure they remember?

John Spence: Culture equals cash. It's the single biggest place to improve the success of your organization or it's the single biggest place that can create the ruin of your organization, so. And a very big thing, the profit, the success, the growth of your association, is 100% done by the people and the culture you have.

Chelsea Brasted: Awesome. Thank you so much, John. We so appreciated having you here.

John Spence: Oh, my pleasure. My honor.