

# Healthy Culture in The Modern Firm®



## Why a healthy culture is important in a modern firm

"Your firm's culture is the collective beliefs and behaviors of your firm."

As you read that sentence, your firm is operating under the influence of a living and growing culture.

You can't see it—but you can feel it.

You may not have chosen it—but you contributed to its creation.

You may not have prioritized it—but it should be your top priority

Your current culture affects what software you use, what color you painted the reception area, who your next hire will be and even your chances of landing your ideal customer. If today is the first time you've thought about your firm culture, it may have already drifted into something you never intended for it to be—and could be the root cause of the problems in your firm that frustrate you the most.

How do you begin to develop an irresistible place to work and do business? With willful intent and an open mind. You wouldn't be reading this eBook if you didn't have both of those assets, so let's get started...

**Your firm is operating under the influence of a living and growing culture.**

## “Better” begins with your firm culture

It’s been said that “culture eats strategy for breakfast.” While the origin of the quote is debated, the sentiment is not; if your business is surrounded by an unhealthy collection of beliefs and behaviors, all the planning in the world can’t make up for that.

At Rootworks, we work with accounting firms from all over the country. Many firm owners come to us with big dreams and great ideas. Others have lost sight of their dream to create a business that supports their life, instead of consuming it. After more than a decade of helping and learning from thousands of accounting firms, we’ve found four common threads that run through the cultures of the firms that successfully create the businesses they desire. This eBook is intended to inspire you to prioritize your firm’s culture, and to empower you with proven and practical next steps for creating an irresistible firm.

### Growing your culture organically

Rootworks defines firm culture as “the collective beliefs and behaviors of a firm.” Much work has gone into that short sentence, because we’ve learned that it’s at the belief and behavior level where real change takes place. Behavior unsupported by clear and authentic belief is a chaotic collection of individual opinions, emotions and habits. Authentic beliefs, on the other hand, lead to matching behaviors and end up creating the personality, direction and future of your firm.

What does it look like to begin to lead the collective beliefs and behaviors in your firm?

It looks like an apple tree. This may seem like a strange comparison, but think about it: An apple tree never sits at its desk and creates a strategy for making an apple. It never squints its eyes and tries hard to produce an apple. The way an organic

apple is created is that the right ingredients are brought together at the roots of the tree. Water, sunlight and nutrients find their way to the branches and then...one day...as a byproduct of the right ingredients being introduced to the tree over time, a real piece of fruit is produced.

We believe a healthy, organic firm culture is like that apple. And that the job of the firm leader is to introduce the “roots” of the firm to four specific ingredients. Over time, those ingredients work to produce a place that partners are proud of, that clients value deeply and where employees love to work.

In reality, firm culture is made up of a virtually infinite number of beliefs and behaviors inside your firm—from the way employees are treated, all the way to the type of light bulbs the firm uses. For the purposes of creating a clear and simple strategy for a healthy firm culture, Rootworks has simplified this effort into four basic ingredients that you can intentionally introduce into the “roots” of your firm. We refer to them as the “Four Cs,” which are:

#### 1 Clarity

What future do you want and what route do you intend to take to get there?

#### 2 Candor

Does every member of the team feel empowered to give input and share how they feel about their work?

#### 3 Connection

Does every member of the team feel connected to the overall goals of the firm, the leader(s) and their fellow team members?

#### 4 Consistency

Are you committed to creating a rhythm of the little things that make a healthy culture a priority in your firm?

# Improve the health of your culture

The goal of this eBook is to get you thinking about the current health of your firm based on these four ingredients. Just as with an unhealthy body, there are symptoms of poor firm health that can point to a root cause. We'll explore common symptoms as well as health indicators for each of the four ingredients, and then leave you with one important step you can take right now to improve the health of your culture, no matter what shape it's in.

For each of the Four Cs, we'll address three questions:

- ① How do we know when we're healthy?
- ② How do we know when we're not healthy?
- ③ What can we do right now to begin to prioritize this ingredient in our firm?

**Just as with an unhealthy body, there are symptoms of poor firm health that can point to a root cause.**

## ■ Clarity

**"If you don't know where you're going, you'll end up someplace else."**

**Yogi Berra**

Many firms have ended up in a place they never intended to be—and often, clarity is the root cause.

Firm owners frequently start their firm with great aspirations and a rosy picture of the future. Soon, however, they find themselves working for customers they didn't choose, providing services they don't feel equipped to provide—and wondering what they're really doing with their time, energy and resources.

When a firm's purpose and business model is foggy, it becomes a hard place for team members to work. They can find themselves so frustrated with the lack of direction that they do the bare minimum of work needed to get by. However, when firm leaders set confident boundaries and paint a clear picture of the future, the firm can move toward a preferred future

with intent and excitement. The heart of the clarity ingredient in your firm is formed by pursuing the "what, who, how and why" of your firm.

### Clarity questions

**What** are we selling?

What core products are we best at delivering?

**Who** are we serving?

What types of customers do we serve best, and what makes a client ideal for our firm?

**How** are we operating the business?

What are the boundaries and anchors of our business model? What types of software and solutions do we use, and what process do we lead our ideal clients through to provide our products? And because "What," "Who" and "How" aren't enough (just ask the next generation of your team members)...

**Why** does our work matter?

What bigger purpose do we have as a firm? How are we helping people through life and business? What good are we doing in the world?

## Signs of a healthy level of firm clarity

- Because of the clear boundaries you've set on your work, your team begins to talk about what you do as products instead of services.
- You start seeing ideal clients come to you because their colleagues recommended you.
- The leaders in your firm can immediately identify clients that don't fit your plan for the firm and politely send them elsewhere.
- Your team members feel a sense of being a part of something that is bigger than just their job.

## Signs of an unhealthy level of firm clarity

- There's an overall sense of just surviving the workday. No one seems to be able to think about the future, because it's all they can do to survive the present.
- Stress and anxiety are part of the expectation at work because there's no consistent business model for onboarding clients. Staff members find themselves scrambling to accommodate whatever software and processes the clients bring to the firm instead of leading the client to the firm's processes and technologies.
- The leaders of the firm often get frustrated with staff for not "getting it" when it comes to the products they're selling and the quality of work they expect.

## What you can do to help bring intent and health to your firm's level of clarity

- Get a day away from the office and clearly articulate for yourself the "what, who, how and why" of your firm.
- Look through your client list and identify three to five clients you'd consider ideal. Look for common denominators in their industries, personalities, and the products and services you provide for them.
- Plan to buy lunch for your team and discuss your firm's "what, who, how and why" with an open mind.

No one knows who to follow if you don't know where to lead them. So if you're a firm leader, congratulations: This is the kickoff of your leadership.

If you're a firm team member, your job clarity is first and foremost your responsibility. Make the choice to go to work for more than a paycheck by taking the initiative to get your questions answered—and not being satisfied if the answers are anything less than clear.

**Make the choice to go to work for more than a paycheck by taking the initiative to get your questions answered.**

## ■ Candor

### “Small truths have greater power than big lies.”

#### Matshona Dhliwayo

At first, candor is the most challenging ingredient to implement in your firm—but it's also the most powerful. While you may not know what candor looks like in your firm, you probably know what a lack of candor looks like.

A lack of candor creates elephants in the room. Unhealthy issues, incidents, stories or other staff issues that people don't address completely. A team member who isn't pulling his or her weight and hasn't for years. Perceived nepotism or unfair treatment. Undiscussed job performances. Overdue pay raises. Gossip and whispers around the office.

**Your firm becomes a place where every team member offers a valuable perspective that will be considered without fear of repercussion.**

A healthy culture creates and nurtures the idea of candor. Your firm becomes a place where every team member offers a valuable perspective that will be considered without fear of repercussion.

Becoming comfortable with candor doesn't happen overnight. The heart of candor is honesty and transparency. The rhythm of candor arises from the commitment to address both positive and negative issues surrounding the firm. And the culture of candor comes from a rhythm of intentional communication that starts with firm leaders. When leaders and staff choose thankfulness, mention small victories and authentically appreciate one another, they earn the right to be candid when it's needed.

It does take intent and work, however. As an example, now is the time to start sentences inside your firm with “Let's be honest.” And at least twice per year, every team member on your firm deserves a meeting with someone they report to in order to address the following candor subjects as it concerns their job.

- ① What is the team member's job and how does it fit into the firm's overall purpose?
- ② How is the team member doing in terms of job performance?
- ③ How does the team member feel about their pay and the future of their role in the firm?
- ④ Overall, does the team member like their job?
- ⑤ Is there anything in the team member's personal life that the firm can help with, or allow space for the team member to deal with?

These meetings should be consistent (some Rootworks member firms do them quarterly), and they should be mostly steered by the team member. Keep in mind that this is not an employee review. It's an opportunity for individual team members to give input and to be heard.

#### Signs of a healthy level of firm candor

- You hear statements around your firm like, “I messed up, can you help me figure out where I went wrong?” or “I'm in over my head on this,” or “I'm having a hard time at home and need some help.”
- People start conversations with leadership with the words, “Can I be honest about something with you?”

## Signs of an unhealthy level of firm candor

- Gossip and whispering has become a regular mode of communication around the firm.
- There are no consistent opportunities for team members to have planned one-on-one conversations for candor and input with leadership.
- Team members display passive-aggressive behavior in meetings.
- There's an overall air of reservation between team members and leaders of the firm.

## What you can do to help bring intent and health to your firm's level of candor

- Set up regular (at least twice per year) meetings with every team member to candidly address the questions shown above.
- Clear any elephants in the room immediately. As difficult as it may be, you'll instantly feel a relief inside the firm.
- Don't make decisions in a vacuum. Get input and perspective from team members and allow the entire team to be a part of decisions that affect their daily work.

If you're a firm leader, this is potentially the most difficult and most important job you have. People follow leaders they trust, and trust begins with candor.

If you're a firm team member, choose candor even if others around you don't choose to be candid. Resist the urge to be passive-aggressive, or to disconnect from the firm.

## ■ Connection

**"Connection is what gives meaning to our lives. I define connection as the energy that exists between people when they feel seen, heard and valued; when they can give and receive without judgment; and when they derive sustenance and strength from the relationship."**

### Brené Brown

"People matter most." These three words are one of Rootworks' value statements for a very good reason: It's true.

In the end, your firm can't do anything without humans—human leaders, human clients, human staff members. People serving people makes your firm what it is, so why do too many leaders consider the humans involved in their organizations last?

It's innocent and it happens slowly. Bills pile up, 1040s keep coming through the door and the work becomes everything. You may not say it, but your staff knows it. Doctors' appointments, sick kids and real life take a back seat to invoices, angry clients and surviving until April 15. One of the biggest risks your firm has right now is losing your staff—the single most valuable asset in your firm.

Your firm has a healthy level of connection when everyone on the team feels connected to the firm goals, the leaders and their fellow team members. In order for every person in your firm to feel connected in this way, they must feel:

### ■ Seen

We all need to feel that our presence is welcomed and needed. Every person in your firm should be acknowledged every day. This can be challenging if you have staff that work remotely, but for them to maintain their connection to the firm, it's every bit as important to acknowledge remote staff as it is to acknowledge onsite staff.

## ■ **Heard**

When people feel heard, they work better. As a leader, if you want compliance, you give orders. If you want engagement, you give input. If all you're getting from your team is compliance, your next move should be to give them input.

## ■ **Valued**

This may be the most important component of the connection ingredient. When a team member or leader doesn't feel valued by the organization, they enter survival mode. Staff members who feel this way may "check out," or just want to do their job, get their paycheck and go home. Unfortunately, the team member is often blamed when the root cause is actually the firm culture.

## **Signs of a healthy level of firm connection**

- Team members share their ideas and do more than just the bare minimum needed to get by.
- There's an audible "buzz" in the office in the morning, around lunchtime and before people leave for the day. People feel free to talk about things beyond work—and you can feel it.
- Team members organize outings, community service projects and friendship-driven activities without leadership intervention.

## **Signs of an unhealthy level of firm connection**

- Team members tend to show up in the morning, briefly acknowledge their coworkers and then disappear into their offices until it's time to leave for the day.
- Birthdays, anniversaries and life hardships come and go with little acknowledgement from the team.

- There seems to be an air of pretense when people interact about things that don't involve work... especially when the boss is around.

- You hear statements like "I don't care...that's not my job." Or "I'm just doing what I was told to do" or "I'm just trying to get to Friday."

## **What you can do to help bring intent and health to your firm's level of connection**

- As a leader of the firm, connection may not be your strong set...and that's okay. There will be someone (or even a few people) who do have the energy to connect. Designate that person or team to be in charge of firm connection, give them a budget and empower them to create opportunities for people to connect on a regular basis with encouragement, appreciation gifts and team gatherings outside of work.

- Prioritize people. Even if connection doesn't come naturally to you, you have a responsibility to make each member of your team feel valued. Create a 10- to 30-minute window at least once a week to write thank-you cards, send emails and walk around the office to intentionally make connections with your team.

If you're a firm leader, connection begins with you. If your team sees you as distant or set apart from them, they may assume that's your intent for the firm as a whole. Choose connection, even if it's not in your nature.

If you're a firm team member, see, hear and value the people you work with beyond their jobs. Take the time to care about their families, their interests, and look for things that bind you together. A job where you're disconnected from your fellow team members won't lead you to the fulfillment you're looking for in your work life.

## ■ Consistency

**“It’s not what we do once in a while that shapes our lives. It’s what we do consistently.”**

**Tony Robbins**

The fourth ingredient works hand in hand with the other three to create a sense of rhythm in your firm. Much like brushing your teeth or showering regularly create a rhythm of health for your body, consistently doing the little things that clarity, candor and connection require creates a rhythm of health for your firm.

Here are a few of the ways Rootworks members have created a consistent rhythm of health in their own firm cultures:

### ■ Individual employee/leader meetings

These semi-annual or quarterly meetings give each employee the opportunity to request clarity in their job duties, and to strengthen the sense of candor and connection between team members and leadership.

### ■ Annual firm retreat

A firm retreat can serve as both a party and an opportunity to make the team aware of upcoming changes and future plans.

### ■ Thank-you gifts

Throughout the year, employees receive a box in the mail with company-branded apparel, snacks, drinks and a hand-written thank-you note from firm leadership.

### ■ “Last Fridays”

On the last Friday of every month, firms stop working at 4:00 p.m. and enjoy snacks, drinks and games provided by the firm.

These things might seem small and insignificant, but so does brushing your teeth for two minutes. It’s the dedication to the little things that brings health over time.

If you’re a firm owner, now is the time to commit to the little things. How do you know if you’re committed? Set aside time, money and energy to make consistency a priority, and you won’t regret it.

If you’re a team member, you can help lead the culture effort in your firm.

Ask the firm leader for permission to spend a bit of time and money researching and trying some things that create an opportunity for clarity, candor and connection.

**It’s the dedication to the little things that brings health over time.**



## Final words...

The choice is yours. There's no magic bullet for a great culture. Putting a ping-pong table in the conference room or buying a couple of cases of beer once a month doesn't create a healthy firm culture. However, intentionally facilitating these four ingredients inside your firm is a proven way to organically produce a place where firm owners can pursue the dream they envisioned in the beginning, where clients can find value and partnership, and where employees can love their jobs. Start today!

### **Want to learn more about creating a healthy firm culture?**

At Rootworks, our team is committed to helping our members build a healthy and inclusive firm culture. We're continually developing resources that support our members' efforts in this area, including webinars, educational materials and personalized coaching.

**For more information on Rootworks and our firm culture resources, please contact [membership@rootworks.com](mailto:membership@rootworks.com)**

