

THE SINGLE, MOST SUCCESSFUL BUSINESS STRATEGY

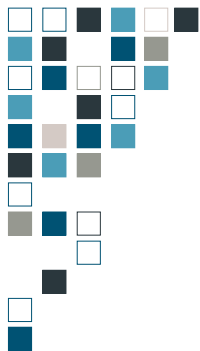
Ryan LLC Culture Impact Brief

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“I went from a guy, that thought this list was nothing more than a contest for the trophy case, and from that humble beginning, I have realized that being a great place to work is the single most successful business strategy that exists.”

Brint Ryan
Chairman and CEO
Ryan LLC





HOW PARTICIPATION IN A BEST COMPANIES TO WORK FOR LIST DROVE TOTAL WORKPLACE CULTURE TRANSFORMATION AT RYAN LLC

In 2005, highly-competitive Ryan LLC decided to participate in one of Great Place to Work's Best Companies to Work For list competitions. Ryan's results, coupled with the tenacity of their Chief of Staff and the evolution of their CEO, would set the course to transform their workplace culture.

TRUST INDEX® SURVEY IMPROVEMENT OVER TIME

Trust Index® Survey Statement	2005	2012	% Change
Management recognizes honest mistakes as a part of doing business.	68%	85%	+17%
Management involves people in decisions that affect their jobs or work environment.	62%	82%	+20%
This is a psychologically and emotionally healthy place to work.	56%	84%	+28%
People are encouraged to balance their work life and their personal life.	42%	90%	+48%
Managers avoid playing favorites.	56%	79%	+23%
People look forward to coming to work here.	58%	85%	+27%
This is a fun place to work.	57%	79%	+22%
I feel good about the way we contribute to the community.	55%	94%	+39%
I want to work here for a long time.	56%	87%	+31%
Taking everything into account, I would say this is a great place to work.	67%	92%	+25%



Brint Ryan founded tax firm, Ryan LLC, on the same principles that had made him personally successful: dogged determination and hard work. Within a handful of years of its founding in 1991, Ryan had developed into one of the most productive and profitable firms in its space, rapidly becoming the world's largest tax firm that was not also an accounting firm, and expanding to 67 locations worldwide. However, meteoric growth and awards from national business organizations, camouflaged the condition of Ryan's workplace culture, and despite a full trophy case, one award still eluded them: Great Place to Work's Best Small & Medium Workplaces in America.

Despite Ryan's seemingly easy success raking in accolades, the quest for Great Place to Work's Best Companies status proved taxing. After three years of unsuccessful attempts at the list starting in 2005, Ryan buckled down to actually address the Trust Index Survey results, and in doing so, drive a fundamental culture shift and astonishing advancements in Trust Index Survey Scores. This article explores some of Ryan's survey results along with the actions taken to transform their workplace culture, and in the process, achieve even greater success around key business metrics than imagined possible.

A HUMBLING EXPERIENCE

The results of Ryan's first Trust Index Survey were both disturbing and disappointing. For Brint Ryan, what hurt most was not the rejection letter, ("... and I tell you, it angered the hell out of me," admits Ryan) but that employees had such a low estimation of the company he had created. Ryan candidly shares, "I took offense that my employees would tell me my company was not a great place to work."

With scores 20 to 30 percentage points off from the Best Companies benchmark, Ryan had a long way to go to be recognized as a great workplace. Brint Ryan's personal beliefs that being a great workplace was about free pizza on Fridays and on-site massages, diminished his interest in pursuing a course of change. After all, according to other indices, the firm was wildly successful, trumping industry standards for client satisfaction, voluntary turnover, and outpacing competitors in terms of growth. For instance, turnover in the financial services industry sector was 27% and Ryan's was only 23%. In Brint's words Ryan was "kicking butt."

PERSISTENCE AND PARALYSIS

Companies contemplating culture transformation often have a champion and an obstacle. In Ryan's case, the champion was Chief of Staff, Delta Emerson, who insisted that incremental change would never make Ryan a great workplace, and the obstacle was admittedly Brint Ryan, himself. Despite several years of Trust Index survey data, it took a few years and a few events to initiate Ryan's workplace transformation.

"In 2005, I could not
have imagined how
transformational this process
would be for our company.
We are not the same
company we were in 2005."

Brint Ryan
Chairman and CEO
Ryan LLC

Every year, Ryan's leadership team poured over the survey results and noticed scores remaining persistently low in a few key areas, namely community involvement and work life balance. These two key focus areas would eventually be the cornerstone of Ryan's total transformation. Each year, Emerson led a post-survey analysis, sharing survey results, tackling low-hanging fruit, and assembling cross-functional teams to implement changes. Emerson also relied heavily on exit interview data, sharing it with the CEO to reinforce the findings of the Trust Index Survey. However, the incremental adjustments Ryan made were not moving the water line and resistance to addressing the big issues persisted.

Finally, when a top member of the Ryan team indicated that she would be leaving the firm because she believed that she could not work at Ryan and have the family life she desired, Brint Ryan caved, scheduling a meeting for the leadership team to address Ryan's the work-life balance issue for the following Saturday.



TACKLING TARGET AREAS: **WORK-LIFE BALANCE** **AND COMMUNITY INVOLVEMENT**

WORKLIFE BALANCE

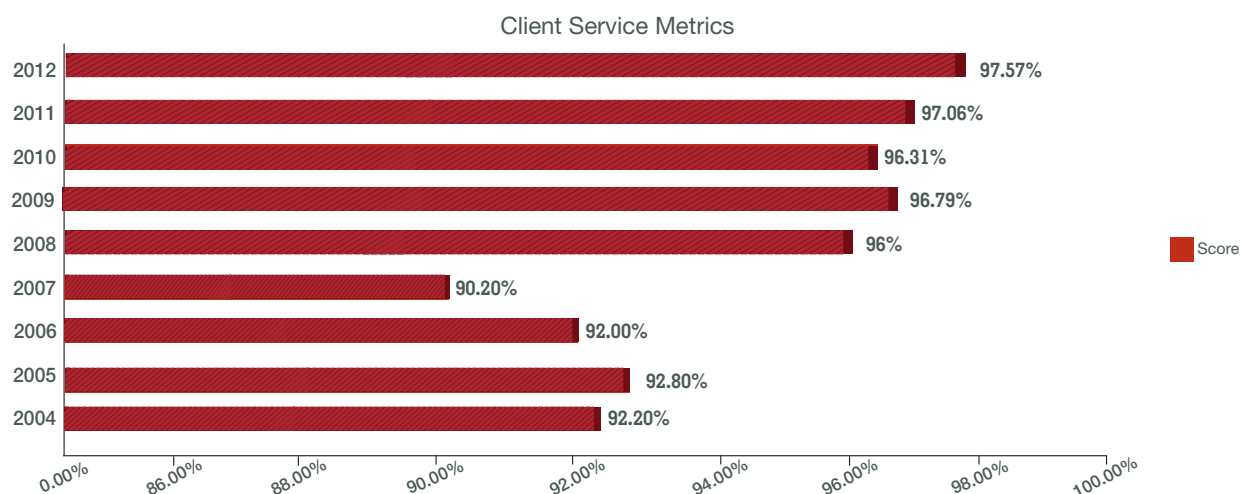
On the Saturday morning of the Red River Rivalry football game, Ryan's leadership team, and the about-to-defect-employee Brint Ryan convinced not to leave, met to discuss issues surrounding Ryan's work-life balance. In 2005, a mere 42% of Ryan employees agreed with the Trust Index survey statement, "People are encouraged to balance their work life and their personal life." As a company, Ryan religiously tracked hours, requiring a minimum of 50 billable hours per week, and celebrating and rewarding employees for logging the most hours. "We wore our hours as a badge of honor," acknowledges Brint Ryan, who himself recorded 2350 hours in a single year.

Brint Ryan's personal philosophy celebrated long hours as the hallmark of hard work. Naturally, when he built his company, this philosophy would be core to its identity. However, Ryan himself noted that his philosophy around hours worked and time in the office was often antithetical to the way he worked personally. As the father of five daughters, Brint frequently prioritized family needs and events, compensating for hours missed by working late nights and weekends. Brint worked when he needed to work and still managed to carry Ryan's biggest book of business. If this model had enabled his own productivity, might it not do the same for his employees?

"In exchange for incredible flexibility and freedom comes the responsibility and accountability for producing results."

Brint Ryan
Chairman and CEO
Ryan LLC

Without the buy-in of the total leadership team, Ryan embarked on a total restructuring of their work-life balance policies. If Ryan was going to commit to this shift, they would go totally radical, abandon the incremental changes, and rebuild work-life balance from the ground up. However, they would also reinvent how they defined and measured success. As Brint Ryan notes, "If we were going to do this, it was going to be about business... I wanted to design something that worked from a business perspective."



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The result was a totally flexible, results-only work environment called myRyan, coupled with a Success Measures dashboard that measures employee performance based on the value delivered to clients. The dashboard permits employees to log in from anywhere, any time and track their progress toward goals. Ryan's highly regimented and regulated work environment would have no core hours and no prescribed work locations. Ryan would offer unlimited flexibility and freedom in exchange for results. Despite fears by many leaders that no one would show up to work the next day, Ryan persisted and continued to deliver the same exceptional client service and extraordinary results the firm always had. Since the implementation of a flexible work environment, Ryan's client service scores have actually increased.

COMMUNITY INVOLVEMENT

Another area where Ryan lagged significantly in their Trust Index Survey results pertained to the statement, "I feel good about the way we contribute to the community." A mere 55% of Ryan's employees agreed with this survey statement. These responses were difficult to reconcile with the fact that individually, Ryan employees and executives were quite generous, making significant charitable contributions to the local community.

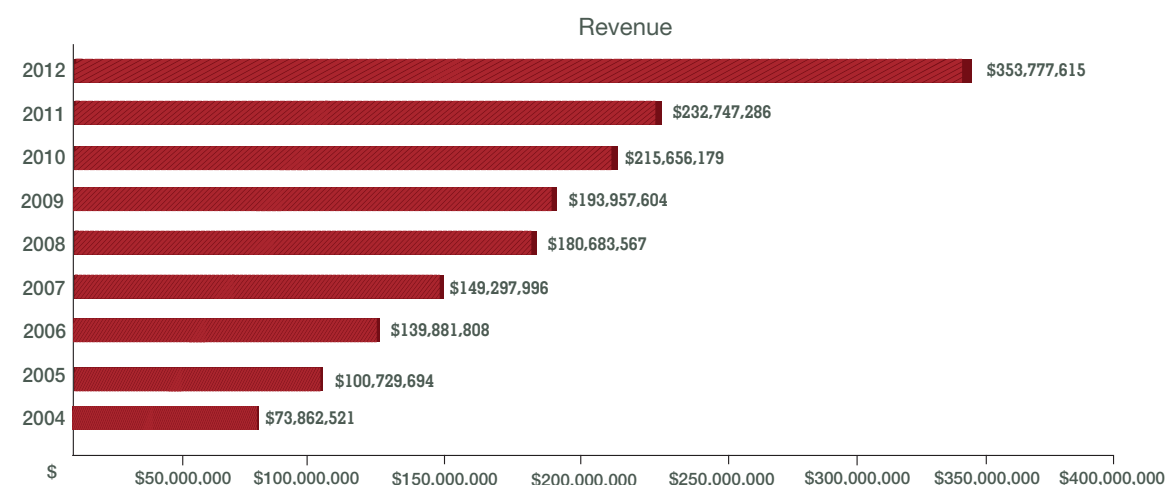
Ryan addressed this challenge through the creation of a new 501(C)3 to which Ryan would

donate a percentage of its annual profits and to which staff pledged a percentage of their earnings. Ryan selected four major charities they would support as a company, while every office initiated a community involvement committee that plans activities for their individual office.

Within a handful of years, Ryan changed employees' perceptions around this statement by nearly 40 percentage points, making that very same statement Ryan's highest Trust Index survey score. As Brint Ryan notes, "We changed our culture to embody the fact that success doesn't matter if you do not share it. If you are doing something good for the community, you are building camaraderie and having fun."

DRIVING RESULTS

While these represent the most significant changes Ryan pursued to transform their workplace culture, this list is by no means exhaustive. Similar, though less radical changes were made to address low levels of fun and camaraderie, and to be more transparent and inclusive in communications. Additionally, the process of administering the Trust Index Survey and action planning on results persists; the work of building and sustaining a great workplace culture is ongoing. However, the transformation has been astonishing. Within 7 years, Ryan has seen results on key Trust Index survey statements increase an average of 28 percentage points per statement.



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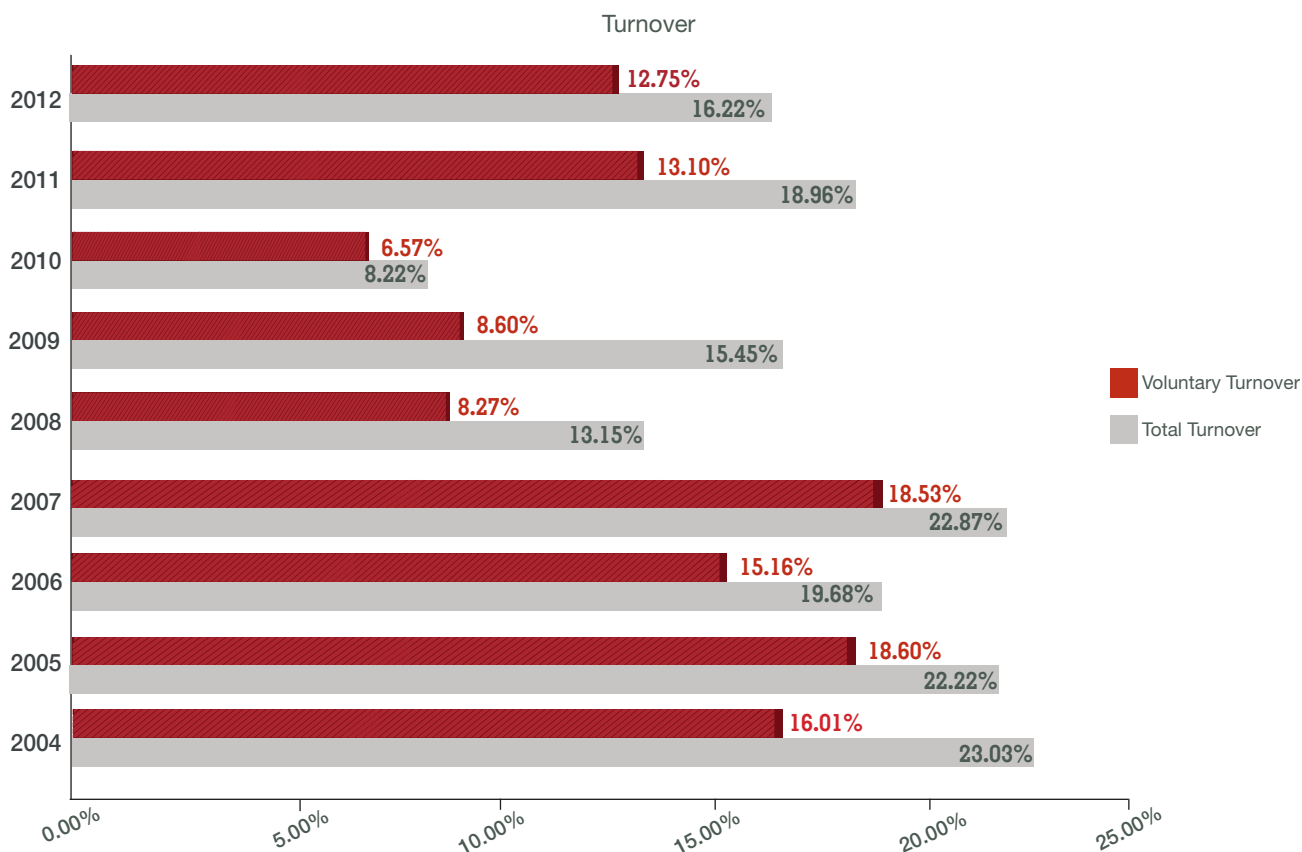
When Ryan started to reconceive of their workplace culture, Brint Ryan's reservations were tied to the fact that the firm was already incredibly successful. Ryan reflects, "The more successful you are the more difficult this transition is;" leaders are reluctant to fool around with something that's already working. However, this focus on reinventing Ryan's workplace culture has also netted measurable business results in areas such as revenue, turnover, and client satisfaction.

SINGLE MOST SUCCESSFUL BUSINESS STRATEGY

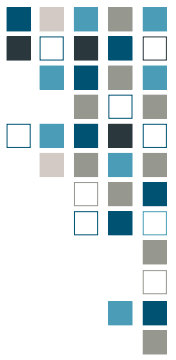
What started as a quest for an accolade, has dramatically transformed Ryan as a workplace and a business and the key to that success rests with the Trust Index Survey results. By identifying focus areas and rigorously pursuing change in those key areas, Ryan was able to drive a total culture transformation. Ryan's culture change champion, Delta Emerson, advises others in her position that "persistence pays." Armed with data and an unflappable belief in the value of a strong workplace culture, she was able to influence Brint Ryan to go down this path. Brint jokes, "I don't

believe that anybody can become a great place to work without executive level support, because you are dealing with people like me." However, the successes Ryan has experienced through focus on workplace culture have convinced Brint, and the skeptics on his executive team, that workplace culture is "the single most successful business strategy that exists."

"Here's the takeaway and I want to share the most important thing that I've learned in this process, and that is, when you treat your people like they are your best clients, you win. When you let them drive, you win. When you design a culture that builds on itself... if people aren't doing their jobs, I don't have to do anything about it. The teams take charge of it. They will literally, like an antibody, attack people that are not doing what they are supposed to do and they will make it uncomfortable for them. They will realize they are not performing. I went from a guy, that thought this list was nothing more than a contest for the trophy case, and from that humble beginning, I have realized that being a great place to work is the single most successful business strategy that exists."



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About Great Place to Work®

Great Place to Work is the leading authority on high-trust, high-performance workplace cultures. Our insight and expertise is based on 25 years of work with thousands of companies and research drawn from over 10 million employee surveys.

We use adaptable, customizable tools modeled on the dimensions of trust found in great workplaces, to design tailored solutions for organizations that put people first and believe that people drive superior business performance. Our advisory service, best workplace benchmarks and leadership development programs, help companies build trust-based relationships to nurture a culture that fosters sustainable business success.

Great Place to Work® produces 45 great workplace lists around the world and the FORTUNE 100 Best Companies to Work For list here in the United States. Our ongoing research validates that great workplaces are more successful businesses and provides us with the framework and expertise to help companies transform their workplace cultures.

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