Running a Stress(ish)-Free Company

Thanks for joining today's talk and I'll be explaining how you can run a stress(ish) free company - yes, such a thing is possible!

Me: Owen Lansbury

Co-Founder - PreviousNext
Sydney, Australia

- Independent full-service Drupal company running in Australia since 2009
- Work with large scale clients in Government, Enterprise and Higher Education
- Lead the DrupalSouth steering committee for community initiatives in Australia & New Zealand
- Drupal Association board member since last 2019 - sit on the Strategic Direction Committee and chair the Revenue Committee

You?

- Agency founder or manager
- Leader within a larger organisation
- Team member interested in driving change within your organisation
- We will have time for questions at the end, so please just wait to post these in the chat window prefaced by a "Q" so they don't get missed if there's other chatter happening.

Today's talk

Today's talk, we'll look at:

- The myths were sold about what being in business should be like and how far away from stress-free these are.
- So, we'll start with calming yourself
- How this transfers to having a calm team & happy clients
- The effect this will have on your overall business
- At the end you'll hopefully have some new ideas and approaches to
  - Removing the 'Craziness' at work
  - Maximising job satisfaction and long term retention of your team
  - Ensuring high productivity and profitability for your business
- For context - This talk was initially proposed in late 2019 in response to a book called "It doesn't have to be crazy at work".
- At the time I read it and thought "At PreviousNext we already do this, and that, and that..."

If I'd done this talk as planned, I would have asked "How's it been going at work?" and I would expect many responses would have been:

- ○ "I'm sooo busy"
- ○ "Things at work are crazy"
- ○ "I'm totally under the pump"
- We're just not conditioned to talk about being calm as the default response when talking about work - usually because it just isn't calm and saying you're relaxed is often taken as a sign of weakness in business.

"We're gonna make a dent in the universe"
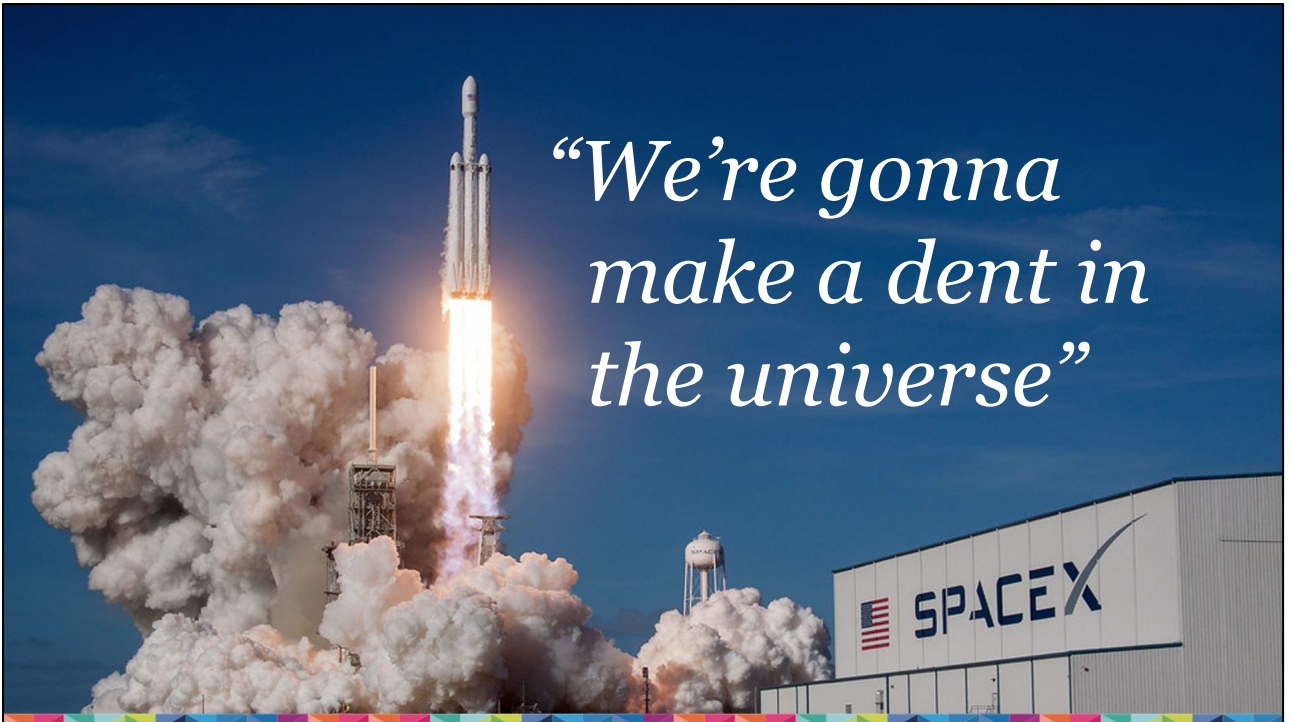
- All of this stems from a business culture had been imbued with the language and attitudes of challenge and conflict
- How many times have you heard:
  - "You'll only win if you're working harder than your competition"
  - "If you're not growing, you're dying"
  - And my favourite: "We're gonna make a dent in the universe" (I'm assuming no one listening works for SpaceX?)

And, then...

- And then in mid March, everything just… stopped!

Lockdown!

- Entire sectors of the economy went into shutdown (and may never return).
- Companies have had to assess everything about their businesses to either stay afloat or adjust to the new normal.
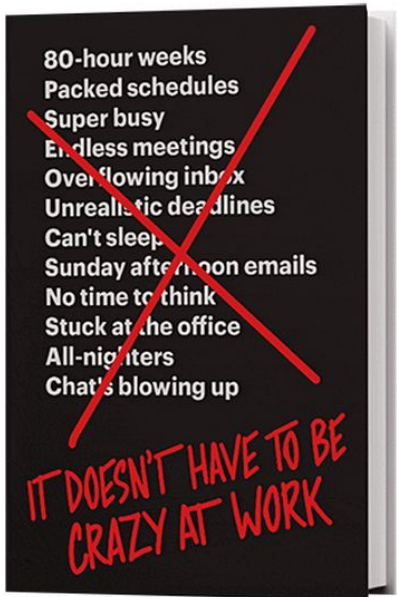
It is pretty stressful!

- I'll admit - It was pretty freakin' stressful for everyone - and still is! We're certainly a long way from what we might have called normal.
- Main cause of stress - uncertainty and complete lack of control over external events impacting you and your business.
- For our own company, the steps we took were:
  - Swift and proactive action - we didn't wait for government guidelines to shut our offices and lock down staff travel and face to face meetings.
  - Transparency with the team - i.e. we didn't know what was going to happen, but made sure our staff knew we had their backs no matter what.
  - Reducing the stress of the team was critical in the early stages, doing simple things like guaranteeing unlimited paid leave if they got sick or needed to care for family members and clarity around project piplelines
  - Talking to clients early about how we'd be able to keep projects going and frank conversations about the likely impacts on their budgets.
  - Ensuring Drupal remains strong regardless of what happens in the downturn so we all have work to come back to when things return to normal.

- The good thing is the lockdown's forced both individuals and companies to re-evaluate what's really important to them.
- While Maslow's Hierarchy of Needs is a bit of a presentation cliché, it's universal regardless of your background
- I.e. We all need - in order of priority:
  - A roof over our heads and food on the table
  - To live without fear - losing our jobs, staying healthy, violence in the streets - things that are challenging at the moment in many places!
  - To share our experience with people we care deeply about - friends, family, colleagues and community
  - To feel good about ourselves
  - And to feel that we've fulfilled our potential
- Notice that there's nothing about owning a Ferrari on here!

- Low and behold, a lot of the ideas in this book suddenly became even more relevant for companies that had been operating under traditional paradigms

- Now - I want to avoid a step through of the book (Assuming some of you have probably already read it) and focus on how we've already applied many of its core concepts.

- I also want to be clear at the start that:
  - I don't agree with everything in the book and different people will have their own take on what does and doesn't apply to their own circumstance
  - This isn't about removing stress completely, because certain types of stress can still be beneficial
  - Being calm is not about limiting your ambitions for your company or yourself, just taking different approaches that will ultimately make you happier and more fulfilled.

Calming Yourself

- So, let's start with Calming Yourself

Set the right tone

- A natural state for many entrepreneurs is thriving on what we might think are healthy levels of risk and anxiety. Most people don't thrive on this!
- In turn, this means Managers are often placed under pressure to deliver on completely unrealistic targets
- Exhibiting stress-driven behaviour with your team drives negative stress in all of them when it's likely to be detrimental to their productivity and wellbeing
- The team will naturally emulate work behaviours of their leaders. If you're at your desk until 9pm most nights and sending emails at 6am, your team will think that's what's expected of them too. Stop it!
- We can't solve deep behavioural issues or run a mindfulness meditation session in this talk, but as a leader you need to be very self aware of what positive traits you need to exhibit to set the tone with your team.
- And if you can't address your own behavioural issues, you need to delegate leadership to others with more appropriate traits.
- I've had to do this myself throughout my career and have tried to learn to delegate to people who are just better at certain things than me!

Clear the decks

- So now that you're setting the right tone with your team, you need to be able to focus to execute on your business vision.
- Will you be able to do this by attending back to back client and team meetings all day, letting people interrupt you whenever they need to ask a question, getting involved in your team's project scheduling and working 12-16hr days? Of course not!
- Where I agree completely with the book is clearing your work life of distractions and being incredibly protective of your time,
- So let's clear the decks:
  - Structure your week around what's achievable within 40hrs where the focus is on effectiveness vs busyness. I'll often start my week by just mentally noting the main things I want to achieve - not necessarily a task list, just something like "Finish your damn DrupalCon talk!".
  - Don't attend meetings you don't need to - save yourself for the really important ones and let your team handle the rest.
  - Have fixed times for regular catch-ups rather than scheduling them ad-hoc when people think they need to have them. Unless there's a critical emergency, 99% of things can wait.
  - Same thing for email and chat apps like Slack if you need to get something done - close them and check them at a specific time of day. (This one is HARD!)

- Be ruthless with "Obligation Elimination" - delegate everything you can and save the critical things for yourself
- Get a good night's sleep - my favourite quote from the book is "Being short on sleep turns the astute into assholes!". Even Jeff Bezos agrees with this!

Active engagement & the 'trust battery'

- Now, if all of this sounds like you might make yourself redundant - that is generally the overarching goal. If you're business can run smoothly without your constant hands-on involvement you've achieved a very sustainable business model.

- But your engagement is still critical to driving the high level vision for the company - and that engagement needs to be active.

- By active, I mean you can't wait for people to come to you with problems with a lazy "My door's always open" or "Just ping me on Slack". You need to be keeping tabs on general team mood and chatter and making time to talk to key team members at regular intervals, tracking emerging issues and making sure they get resolved before they snowball.

- A classic example is the talented young developer who's a bit shy and has never asked for a pay rise. You need to actively seek that person out (Or ensure their manager does) , offer them the requisite pay rise without them asking for it and ensure they know they're highly valued. The alternative is they'll probably feel undervalued, easily find a higher paying job and leave without ever saying a thing about it!

- In a similar vein, if you say you're going to follow up on something, you need to maintain what the book calls your 'Trust Battery' and actually do it. Above anything, trust from your team is the only currency that matters and I'm sure we've all seen what happens when a leader loses

- that trust.

Calming Your Team

- So, you're a bit calmer, how about your team?

Why would anyone want to work with you?
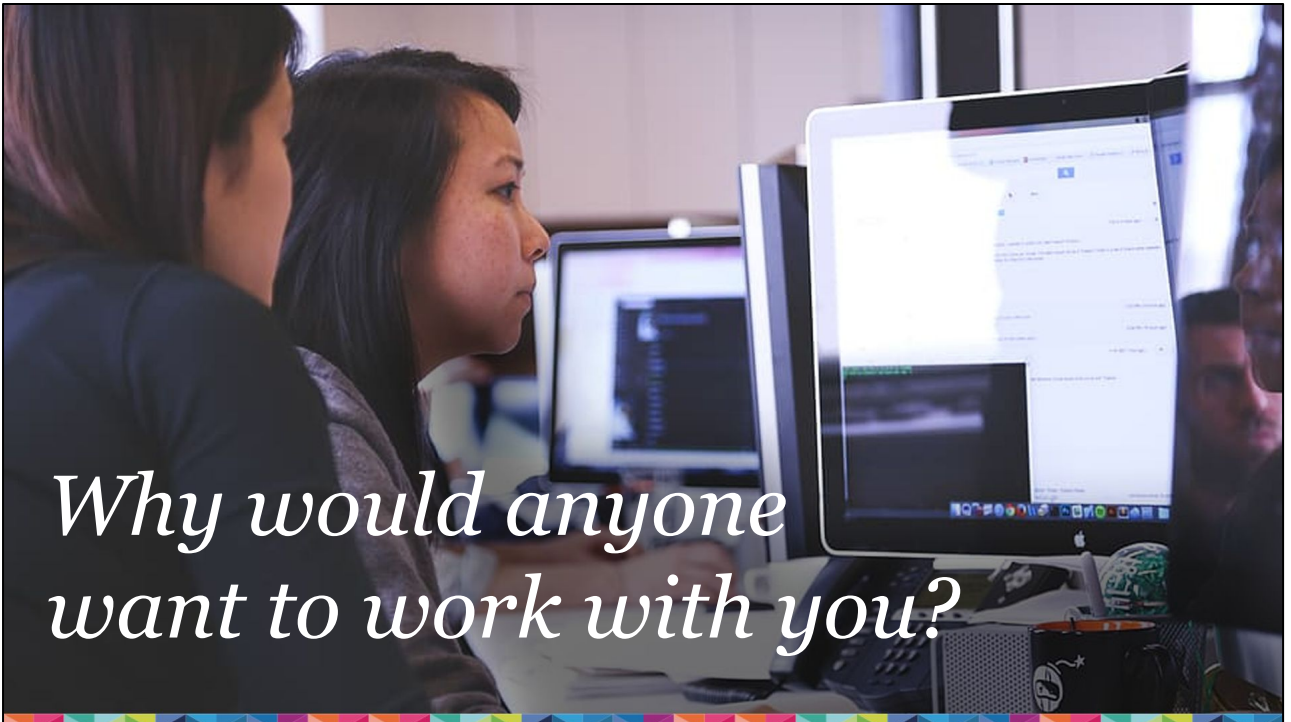
- First question: Why would anyone want to work with you in the first place?
- The type of work we do in the Drupal world requires people with highly developed skills across multiple disciplines - analysis, communication, strategy, project management, systems and information architecture, design and programming. And because Drupal is at the upper end of the complexity curve, this is only increasing.
- We often talk about a "war for talent", so what are the best employees driven by and how do you attract them?
    - 1) Remuneration is obviously important, but it's quite easy to determine what market rates are and pay at or above that rate. If you can't pay market rates, you need to do some work on your business!
    - 2) But more than money is the type of projects they're working on and the intellectual challenge and skills growth that come with that. A key part of this if you're working with Drupal is actively driving open source contribution as part of their roles on company time which gives people a chance to work on something much bigger than client projects and develop relationships outside their immediate team.
    - 3) Just as importantly, who are they working with? A Players want to play with the A Team, so if you've loaded up your team

- with juniors, the A Players will quickly lose patience and move on.
- 4) Finally, how much self-direction do they have in their roles or are they being micro-managed?

Great people are anywhere

- Luckly, COVID has quickly shown the world that working remotely is achievable for many businesses, and the Drupal world has led this for years with most companies having some or all of their teams distributed.
- All the tools are available to make this possible, so it's much more about establishing processes and policies to support remote working.
- Smaller team sizes of 3-5 people make remote teams far more efficient and to build strong trust amongst the team members.
- Ensuring the whole company interacts is still important, and you can do this virtually and in-person at consistent intervals so everyone's clear on the broader company goals and direction and to build relationships outside their immediate teams.

Let your team take the wheel

- So you've hired great people? Let them take the wheel in terms of how they're working together.
- While this talk isn't about Agile project management specifically, its core concept of self organising is critical to highly motivated and engaged teams.
- The teams define their project schedules, meeting times and other communication methods and deliverables.
- This builds strong relationships between the team and client without relying on layers of middle management and ensures the team is personally invested in its delivery.
- While individual teams are self directed, there's agreement company-wide on standards in terms of tools, design and coding, adjusted as required over time so that people can easily switch between teams as might be required.

Defend your team

- Of course, things don't always go smoothly, and when they don't your team needs to know that you've got their back.
- This is usually related to managing unrealistic client demands and adversarial behaviour, and the simplest mechanism to address this is establishing multi-tiered client relationships.
- At the project team level, they might be dealing with a client-side project manager who thinks threats and micro management are great team motivators. If you've established a relationships between your own senior staff (or you yourself) and a client's senior management, this type of issue gets dealt with at that level.
- This approach usually achieves a number of important things:
  - Your team knows you've got their back
  - The client knows your committed to the project but won't be pushed around
  - The problematic client team member is often looking for a new job shortly thereafter
- Similarly, your team may highlight issues internally that need addressing around processes, tooling or personnel. They'll be able to solve many issues themselves, but will still be looking to you to handle the hard stuff, like coaching someone on your team with performance issues or moving them out of the company entirely. Tackle these issues swiftly and decisively and your trust battery with the rest of team will

- remain charged. Let it linger, and you'll likely have much bigger problems to deal with.

We're not family, we're family friendly

- Now that your team has strong relationships with one another, many companies leverage notions of the company itself as a 'family', when in reality they're just trying to extract more head hours out of their staff.
- Instead, a positive Family-friendly culture needs to prioritise family well above work, which can be achieved with a few simple policies:
  - Project scheduling is only ever based on people's standard working hours. Overtime is NEVER accommodated except in the most extreme cases - and even then it should be planned with the team's input.
  - Staff can set their own working hours around family commitments, like getting the kids to and from school.
  - Part-time positions are available to anyone that needs to permanently adjust their availability.
  - Work from home whenever you choose to, which might be permanently.
  - Paid personal leave provided to care for sick family members and clear policies on leave for new parents.
  - Vacations are off-limits for contact with work unless there's a completely extreme situation. Even in this instance, there should be a triage protocol before someone on vacation gets contacted, which they've had input into.

Real life benefits

- Many companies tout benefits that really just keep people at work longer. Free lunches! Fuzzball tables! Beer O'clock late on Friday afternoons.
- But what about benefits that get people away from work and engaged with their friends, families and the wider world? Things we've adopted at PreviousNext include:
    - Open source contribution during paid company time (We provide up to 20% of paid time to be used towards Drupal contrib)
    - Funded conference attendance and defined training budgets
    - A fitness and wellbeing allowance to be spent on gym memberships, meditation courses, sport team memberships - anything that keeps them healthy and active on a consistent basis
    - Extended sabbatical leave after a certain period of tenure in addition to accrued leave (We have a month at the 5 and 10 year marks of at least 4 weeks)
- Ultimately, a healthy company culture is driven as much by what people are doing outside of work as inside.

Calming Your Clients

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Keep the trust battery charged
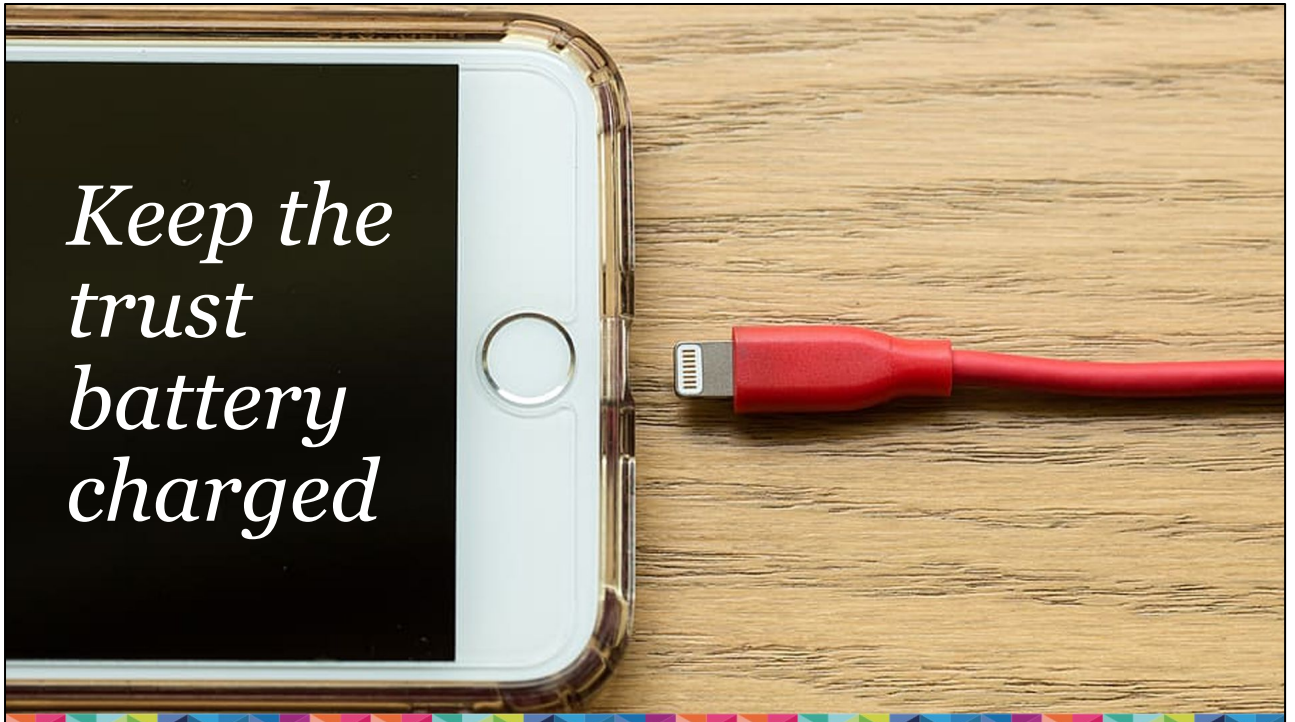
- In the same way as with your team, establishing and maintaining trust with your clients is the key to a long term relationship.
- Trust is established from the first engagement. If you win a project by underbidding, you're on the back foot from day one.
- If you're honest about real effort and costs your great clients will trust you even when things go badly on occasion and keep you engaged for a long, long time. Our own average client tenure is over 5 years.

- A lot of this comes from knowing when to say "No".
- No to the wrong type of client
- No to unrealistic demands
- No to projects that will drain your team and risk people leaving
- No to assholes - both within your own team and on the client side

Depth vs. breadth

- Related to saying "No" is knowing what you're good at as a company.
- It's easy to get caught in the trap of trying to offer a broad array of services to a client that you're really not that well qualified to do and stress everyone out trying to deliver.
- Focus in on the expertise that provides your clients with the deepest value rather than spreading yourself too thin. You can always introduce partners with specific expertise so that you're still managing the overall relationship.
- This is not to say that over time you might grow competencies in new areas, but do this strategically rather than reactively. There's nothing worse than wondering whether you can actually pull of a project, and most clients will detect that straight away!

Build long-lasting client relationships

- I did an entire talk on "Winning and Retaining Long Term Clients" at DrupalCon Amsterdam - so check that if you're interested https://www.youtube.com/watch?v=dKumvxuV15g
- Your team will often outlast most or all of a client's staff and establish your company as a trusted partner and advisor.
- Repeat projects with the same client are always easier to win than new clients entirely!

Calming Your Business

- So into the final stretch, how does all of this calm your overall business?

"Be careful what you wish for"

- Getting back to the classic business myths we've been sold, our own first business plan was pretty typical of the usual ambition: Grow the company and sell out within 5 or so years.

- Lo and behold, we got a tap on the shoulder from a very big player a few years ago with an offer for a chunk of cash up front, a fancy job title and some crazy growth targets we'd need to hit to achieve our full earn out.

- But because we had a strong, sustainable business with happy staff and customers, we were in a position to take the offer process slowly and carefully.

- When the final offer didn't align with what we felt was better than remaining independent, we had the power to say "No".

Are you sustainable?

- So focusing in on sustainability, rather than a "Build to flip" business model - focus on a "Built to last" one.
- The irony is that if you're running your business like it's going to last a long time, the practices you put in place make you more attractive to a potential buyer, including:
    - Long term relationships with large scale clients
    - Strong billable hours ratio and consistent profitability
    - Strong staff retention. Tech industry has the highest staff turnover of any business sector - averaging about 18mths (Amazon & Google 12 months, Apple 24mths). Our current tenure average is 5 years.
    - Founders that aren't critical to daily operations.

Balance your capacity
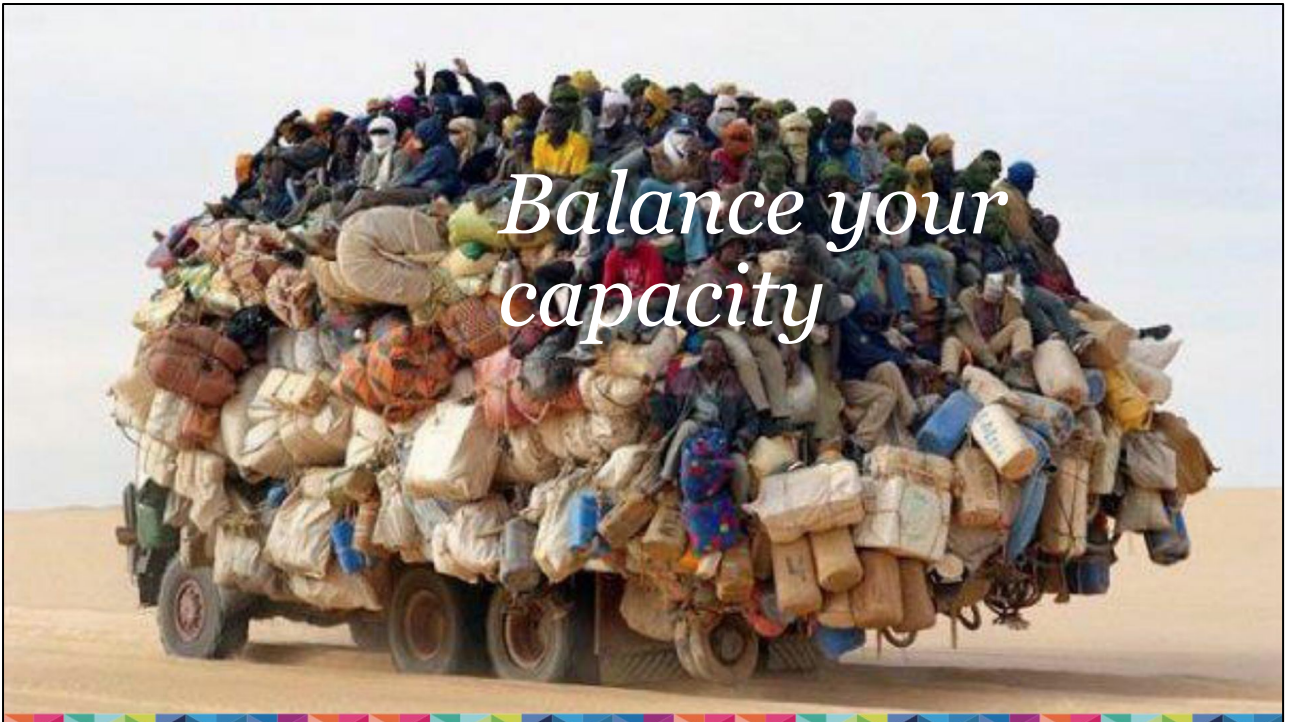
- A huge factor in sustainability is avoiding staff burnout.
- Sure - you might get a big project land that means you need to add another 5 or 10 people, but can you sustain that long term?
- This is why so many smaller companies fluctuate wildly in staff numbers as they grab every client that walks through the door. They add 10 people, that project finishes and they haven't backfilled it with more projects of the same size, hold onto the extra headcount for too long and in many cases have to shutter the entire business because they drain their profitability dry.
- Our response to this has been to maintain our core team numbers around 20-25.
- Instead of focusing on growth for the sake of it, we focus on achieving the revenue that the team's capable of delivering at 80% billable.
- They're not scheduled on projects more than those 4 billable days, and the remaining 20% of their available paid time can be directed to Drupal contribution, personal development and general admin.

Prioritise profit

- Once you understand your capacity, you can focus on profitability - which we've always set at a minimum 20% target.
- Because we've always had profit, strong cash reserves and no debt, we've had a buffer against ups and downs, like the big pause on Drupal projects around 2016 when no one was moving straight to Drupal 8.
- So, profit equals stability, the freedom to say "No" and sleeping soundly at night.
- Sure, some companies focus on revenue growth at all costs, but this is usually at the expense of profitability and cash flow, which will often spiral out of control and take the whole company under.

Not at all costs

- This feeds into a notion of "Not at all costs", and from day one my co-founder and I had a very strict policy of not putting our personal assets at risk for the business.
- While we have used financial targets as a benchmark, these haven't been arbitrary or unachievable. I.e. Our core target is the revenue that's achievable with the existing team rather than factoring in speculative hires.
- We're generally very conservative about things we're investing in, like internal product development.
- Our decisions aren't driven by a lust for risk or a fear of the whole business crumpling into a heap if we make a wrong decision.
- Again, we sleep very soundly at night because of this.

Define your own best practice

- Aside from the one I've referenced here, I rarely read business books, and I've never thought the way a company like Apple or Amazon does business has any relevance to how we do business.
- Identify and refine the practices and tools that work for your company and evolve them carefully over time.
- Be prepared to adjust your processes as the need arises, but don't change just for the sake of changing.
- Make sure your team is closely involved in decisions about changes to processes and tools. They're likely to baulk if it's imposed on them, but will take ownership if they've been the ones to drive the change.

Participation vs. competition

- This might make it seem like we're not ambitious or competitive. Quite the opposite - we're very ambitious to retain a reputation as one of the best Drupal services companies, and we still get annoyed if we don't win a big project we've bid on.

- However, the overall health of Drupal as a product and the market for Drupal is just as important for us.

- But, Accenture is now doing Drupal and will put us all out of business!!!! No - Accenture is validating Drupal as a serious piece of software and introducing new customers to it that might otherwise never consider it!

- As the Drupal pie grows, we all get bigger slices, so a vibrant ecosystem of companies offering Drupal is essential.

- Being part of helping grow that ecosystem through Drupal contribution and community engagement is a fantastic complement to your normal business activities, because it's something far bigger than you could ever accomplish alone.

Are we calm now?

- Are we all calm now?
- Three core take-aways I hope you got from this talk are...

Stop being so darn busy!

- Stop wearing "being busy" as some badge of honour
- Once you break with busyness yourself, you start to convey a sense of calm to the rest of your team

Your team is the business

- As services companies, we're only as good as the sum of the people in our teams
- Focus on building and nurturing a great team over the long term and you'll have a great, sustainable business

It's a long game

- When I started working in digital at the beginning of the dot com boom, I thought I might need to work 5 years before winning the start-up lottery, but 25 years later I'm still here plugging away.
- Once you take a long view to your career and company, then the bumps and rattles of the everyday start to even out. Set your big goals in years and the panic of what's happening on a day to day or month to month scale dissipates.
- And finally - while all of this is challenging, it's literally not rocket science, and becomes a lot easier when it's viewed in that context.
- We're not all making dents in the universe, we're providing an environment for our teams to work on interesting projects, helping clients in the process and living happy and fulfilling lives outside of work as a result.
- If we can achieve this within our organisations it's a great measure of success.

Q & A

- Thanks for listening, and I'll now check the chat window to see if anyone has questions they'd like me to answer. Feel free to add some now.

Feedback

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- I'll paste the link to the session feedback in the chat window now.

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@PreviousNext
owen@previousnext.com.au
Drupal Slack: owenlansbury

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