



Plotting a Successful Course

By Rebecca Patrick

A dynasty is born of dominance and tradition, evoking awe and inspiration in allies and rivals alike.

Though the days of chariots and warriors have long been retired to the history books, the dynastic backdrop remains as a symbol of ultimate success.

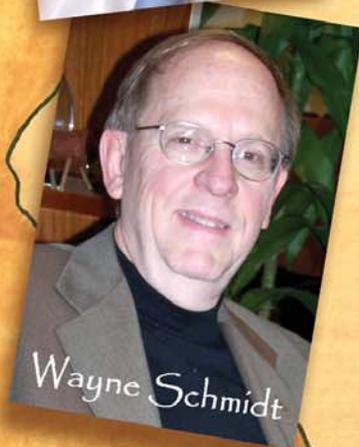
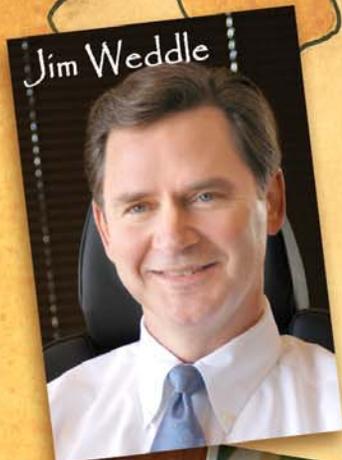
Two of the 2008 Best Places to Work in Indiana companies have already captured this essence, in only the third year of the program.

Atop the rankings: Investment giant Edward Jones, with 356 branch offices in the state, and architectural firm Schmidt Associates, located in downtown Indianapolis.

For Edward Jones, this is three number one finishes among the large employers in as many years, while Schmidt Associates has now garnered first place both times it's entered the small/medium-size employer category.

Being devout in philosophy, modern in culture and fostering employee opportunities have fueled their emergence. To discover more about their best practices, we turn to each company's leader.

In separate conversations, Wayne Schmidt and Jim Weddle, managing partner of Edward Jones, offer their beliefs for why their companies reign supreme – and how other companies can too!



Schmidt Associates: *Wayne Schmidt*

What main principle is your work environment based on?

“It’s all about giving to others and taking care of the clients – and the client can be each of us. So Mary who meets people at the front desk is also a client of mine, and I’m a client of hers. When you think about each other that way, then who is it that you would want to offend? No one. That’s what creates our atmosphere.”

Your company has been in business over 30 years. How long did it take for the culture you envisioned to take hold – and what was the process?

“In the very beginning, for several years, I was probably very authoritative and very driven. It was all about get work, get it done, get it built and stay in business. I think it evolved as I saw people who we were hiring have great skills, and frankly, they were smarter than I was – and still are. If you don’t delegate to people, they get bored; they will go somewhere else.

“Another thing I identified is that we are really an office of volunteers. I say that because in two weeks anybody here could have a job somewhere else. When you recognize that you’ve hired such dynamite people and that they could work anywhere with a two-week notice, then you better let them do their jobs well.

“That is a basic level of respect for people because you know they’re good, but you have to give them that chance to be good. I’d

rather have them be successful here than to go somewhere else and be successful.”

After you finished first in last year’s Best Places to Work program, you brought together some of the other high-ranking companies for a discussion. How did that go?

“We hosted a lunch with the number two (Sommer Barnard) and three (VMS) finishers. I started by saying, ‘I’ll share what we’ve got, you share what you got – and let’s all tie next year!’ We had a great conversation, and it was very candid. For example, we discovered that we all agreed that the most difficult thing to deal with was company dress code. ... Overall, it was great to sit down with two peer groups and share experiences and ideas.”

Taking time to have fun – whether it’s a company outing or a designated day to dress up (or down) in the office – resonates well with your employees. Was this a conscious decision?

“Really, how would someone decide not to have fun! We regularly do Colts day on Fridays. Right now we are raising money for United Way by bringing in cans of food – that will be used to build a sculpture (of sorts) and then donated. Last week, we had Red Beet Friday and you had to wear red. Before that, we wore green for Green Bean Friday. We also have Slipper Day once a year where people wear the oddest slippers. We do a lot of little things like that.”

What would you say to management that may be resistant to creating an atmosphere that appreciates “playing” (along with working)?

“In general, I think people take themselves way too seriously. ... If people aren’t coming in to something fun and, if instead, it’s a drudgery, they’re not going to be receptive to finding solutions. That’s probably a gap for people to jump across. Every business ought to be fun. Even being an actuary, there’s got to be fun in there somewhere. It’s about people liking what they do and creating an atmosphere in which people like what they do and where they do it.

“If you are having so much fun that it distracts you from what you are doing, then it’s too much. But if you are having fun and it adds to the atmosphere and what you’re doing, then

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Chili cook-offs (above), picnics and having Colts Fridays are among the fun activities Schmidt Associates has made a big part of its work culture.



Wayne Schmidt

Hails from Evansville, where his parents owned and operated a motel. He started his own business three years after graduating college.

Bicentennial connection: “I didn’t have anything else to do that July 4th (in 1976) so I decided to paint the office I had just rented, move in and go to work.” He started with \$800 and his monthly rent was \$160. A year later he added a partner.

Fun fact: Proudly wears his “fabulous” moose-head slippers on the firm’s annual Slipper Day.

isn’t that the right balance? We could do the special days, the chili cook-offs and stuff like that, too much, but we’re not there – the balance is still very good.

“My gosh, just learn to appreciate your staff and what they bring to the party. Allow them the time to do a good job and along the way you can have fun with your peers. In the end, you’ve got to make money and you’ve got to have fun. If you’re not doing those two things, what are you doing it for?”

You have two employees designated with duties that essentially involve employee relations – an HR manager and someone who oversees Schmidt Academy (which provides continuing education courses). How important is that commitment?

“You’ve got to have someone focused on how you are developing the talent in your office – whether it’s all inside people or outside people. If you’re not getting smarter everyday, you’re going to be behind. Incidentally, Susan Sigman’s title is now talent development, not human resources, because it’s about how do we get smarter.”

When you’re looking to hire new talent, how big of a plus are the employee programs you have in place?

“It’s huge! In particular, we make people aware that we have Schmidt Academy (relating to the company’s four distinct career tracks), which offer lots of classes at all levels. ... The proof is sort of in the pudding because our retention rate is very high. We just seldom have people leave and go somewhere else; rather, a lot of the staff we hire is because someone recommended they come

here because they would like the atmosphere. ... We were just recognized by *Building Design & Construction* as one of the best companies to work for in the country. And they only identified two companies with under 100 employees. They could not believe how many things we did as a firm to increase our employee experience.”

What would you like to hear your employees say about the company?

“That we serve first, then we’re allowed to lead. I think every employee would bring that up because we really try to hammer that home. The other might be kaleidoscopic thinking and that is if you put the right components into a kaleidoscope, you hold them up to the light, you turn them and you see more solutions to whatever it is. We seek alternatives because there’s nothing more dangerous than a person with one idea.”

Getting senior management to buy into a culture of including staff can be a real stumbling block for some companies. What would you offer as a counter?

“It’s so important to do so because the employees are the ones that are going to make things happen. With our strategy development this year, we started with about 25 people at all levels of the office – those here just a year, recently out of school and right up to principals, engineers and architects.

“It was then presented to all of the principals and adopted. We are now moving to building the business plan off of that. I think what’s important is to understand that staff will drive the strategy and implementation; there’s nobody else to drive it. I can do my part, so and so can do his or her part, but Mary at the front desk needs to understand the strategy too – what we’re about and why we are doing it. If that vision isn’t shared and doesn’t fit the individual vision/mission of your people, then they’re not going to buy into it.

“Right at the time of orientation, we ask staff to write their mission/vision statement – to make sure it fits with ours, so all the horses are pulling the wagon in the same direction. Once you do that, it makes my job much easier because I know that the decisions made will be made within that context, especially when you further define your company values. What’s there to think about anymore when everyone’s bought into it? There’s hardly any job to it for me. I don’t have to go out and beat people on the head; I know people will make the right decision 95% of the time – which is a lot higher than my percentage of being right.”

Above all else, what is the one thing you would recommend management do that will have the biggest positive impact on a company?

“Hire people smarter than you are. If you’re hiring and firing people, then you’re not doing a good job of hiring the right people. But, if you’re doing a good job hiring, your staff is probably smarter than you are in their area. Then, you need to make sure people are acting out of their strengths and not put in a position in which the weaknesses are going to act upon them.”

Edward Jones: *Jim Weddle*

What are the principles that the Edward Jones work environment is based on?

“We value working in a partnership, and I think this plays very importantly to why our associates feel good about working at our firm. Legally, we are a partnership – the largest and, I believe, the only remaining partnership on Wall Street. We have about 11,500 of our 27,000 full-time associates who are limited partners in the firm and share in the profits. In addition to that, whether you’re a limited partner or not, we paid last year a little over 40% of our operating income out to our associates in the form of either bonuses or profit sharing.

“We also value individuals and their contributions. Everything from small things like how we refer to each other – we don’t have employees, we have associates. None of our vocabulary includes the words ‘reports’ or ‘reports to.’ I don’t have a dozen reports. I have people who are responsible to me, and people that I am responsible for. I think it is a far more respectful kind of way to refer to the professional relationships that we have.

“We really do try to respect and to recognize the contribution of every individual that’s helping us to be successful. It’s the compensation system, it’s open communication in terms of an awful lot of what I have responsibility for, plus communicating with everyone how the firm is doing, where the firm is going and all those kinds of things.”

The company has been in business since 1922. Has the core philosophy pretty much stayed the same over the years or was there a need to adapt?

“We worked with Jim Collins, a noted business consultant, who wrote ‘Built to Last’ and ‘Good to Great.’ He prompted us to walk through an analysis and review of our company. One statement of his rang very true to us. It’s that you don’t change your values. They evolve slightly over time, but you don’t mess with your values. What you do is take a look at your strategies. How you conduct yourself to accomplish the mission of the firm. Those strategies certainly do evolve.”

Is there any particular type of communication that you make sure to do, or is it just keeping the channels open?

“We attack the communication challenge in a number of different ways, and you just have to keep working on it. I love going out and speaking at regional meetings (Edward Jones has 200 regions). We also have basically an internal television station where I can go live to broadcast to all of our associates in the home office as well as in our branch offices. I do that quarterly for an hour. For the first 30 minutes, I’ll give an update on the firm – how we’re doing against objectives – and then talk about the industry issues. Then the second half hour is live Q&A. People call in, they’ll ask a question on a topic I didn’t discuss or ask for clarification on something perhaps I did mention.

“Another thing is really a Jones invention, I’ll call it. Many, many years ago, my predecessor created something that we refer to as the suggestion box. Lots of firms perhaps have suggestion boxes, but ours is electronic and right on our (internal) communications system. It’s entirely and absolutely anonymous, unless you want to sign your suggestion. We’ve built the system in a way that we cannot track the author.

“We get suggestions and some creative ideas. Also though, we get complaints and we get criticisms. But you know what? It’s a wonderful mechanism for people to send us what they are thinking. We get a couple hundred a day. I respond to some individually on Jim Weddle’s corner (on the internal web site). On a weekly basis, I select four, five or six suggestions that have broad application that I think other people would like to see the question and answer.”

How important is it for senior management to lead by example?

“It’s critically important. We expect our leadership team to do so by relating their experience and their career and all the different roles they’ve had with our firm. Also, leading by example very much means treating people with respect and helping me with the communication.

“We have a management committee of 15 people, and part of their responsibility is to foster an open communication throughout the firm and throughout each division. Also a major responsibility



Jim Weddle

Started as an intern at Edward Jones in 1976; assumed the top management role at the firm’s corporate office in St. Louis on January 1, 2006.

Hoosier connection: A DePauw University graduate, he was a financial advisor in Connersville from 1977-1984, when he moved to company headquarters to do sales training.

Fun fact: While in Connersville, he was once chased through a field by a bull on a prospective client call.



Part of Jim Weddle's overall communications effort includes going to visit regional leaders like John Bouvy (above), who heads up the Indianapolis area.

is for the development of the associates in their divisions – identifying talent, challenging those people, providing feedback so that they can continue to grow professionally.”

Flexibility is a big component of the culture at the Edward Jones branch offices. How are you able to strike that balance of allowing flexibility when the offices are so small (typically two or three people)?

“It’s a balancing act. Number one, we hire people who share our values and have an incredible work ethic. They are very focused. They are very service-oriented, but are also driven to succeed. They are high energy, take-charge kind of people.

“We also recognize that everybody has families, and you’ve got priorities that need to be balanced. If you’ve got a son or daughter participating in a sport or an activity at four o’clock in the afternoon, I don’t have a problem at all, and in fact, I think you ought to be at the ballgame or soccer match!

“I also don’t have any worry about that because I know that individual – either that financial advisor or branch office administrator – is going to make sure that the office is covered and will get their work done everyday because we hired the right kind of people.

“If you said absolutely no leaving the office between the hours of eight and five – oh, come on! It’s unrealistic and makes for a very inhospitable kind of environment. The flexibility that we provide people to balance their work, their family and their community activities actually promotes them continuing to work very, very hard for us. And I’m not aware of any work that hasn’t been done.”

Can you relay how taking care of employees relates to the increased health of the company?

“We believe that folks that work here, if they’re challenged and if they’re treated with respect, they’re going to enjoy the work that they do. As people, what we do professionally is part of our identity. We want people to be proud of being part of Edward Jones. We do important work with individual investors, helping them to reach their financial goals. If you’re proud of the work that you do, if you enjoy the people in the organization that you work with, then you’re going to do a better job. It’s just a natural connection there.

“If you have angry people who are frustrated and unfulfilled in the work that they do – holy cow – you’re client service is not going to be good. The execution of your strategies is really going to be negatively impacted. ... We’ve got to take care of the service side of the client relationship, and the only way you do that is with really, really good people who are motivated and recognized.”

In talking with employees the last two years, the firm’s culture of caring – be it for one of them or someone in the community – is mentioned frequently. Can you talk about that?

“You know what, at some point all of us are going to need some help. When those circumstances affect us, won’t it be great to have other people able and willing to offer their help and their resources. ... There’s just an incredible kind of culture of family and giving back and volunteerism at Edward Jones.”

Above all else, what is the one thing you would recommend management do that will have the biggest positive impact on a company?

“Number one is respect the people that you have invited to work at your organization. Nothing good will happen for your business, for your clients, for your results unless you’ve got the right people. You attract the right people and you retain the right people by providing opportunity to continue to grow, both financially as well as professionally. And you retain the right people by respecting their contribution and letting them know, and having the appropriate compensation and recognition programs in place. Investing in your folks is also very important. People want to do a good job and properly equipped and continuously trained, they are going to excel. Make sure you are providing them with those opportunities to continue to learn and to grow, and they’ll do the best job in the world for you.”