

WHAT MAKES A "BEST PLACE TO WORK"?

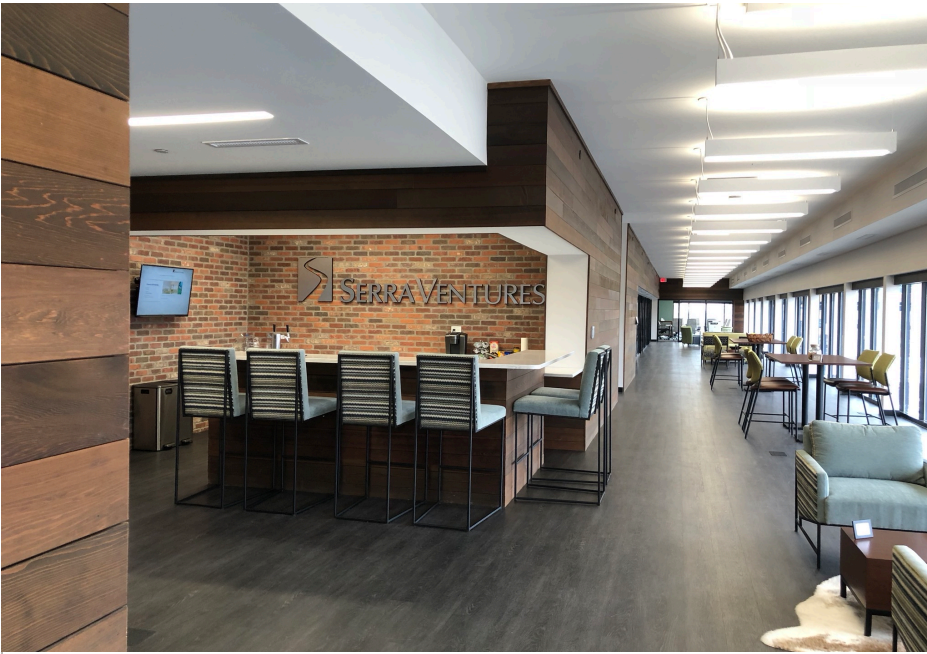
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Serra Ventures was pleased to begin 2020 with three portfolio companies receiving accolades for being great places to work. GoSite, a San Diego based company that offers a complete software suite that makes it easy for customers to find, engage, book and pay for services online, was recently listed by Forbes as a top place to work. In fact, GoSite won awards for Best Company Culture, Best Company for Diversity and Best CEO from Comparably Awards, which Forbes used in announcing its rankings. Shortly after the GoSite announcement by Forbes, two Serra companies based in Chicago, Tillable and Label Insight, were each designated as one of "2020 Best Places to Work Chicago" by Built In Chicago.

Frankly, we're not surprised by these well-deserved awards, and we expect them to keep coming for our portfolio companies. That's because company culture is one of the hallmarks of Serra investment, a distinction we look for when deciding which companies to fund. A closely related consideration is the quality, experience and chemistry of the leadership team. And that's because great leadership teams create great culture. While company culture and leadership are easy enough to point to, what specific ingredients constitute a great place to work?

When you begin to pay attention to the research, it is clear the days of strict 9 to 5 hours, formal dress and separation of work and family life have all gone the way of the buggy whip. Companies today see the value in treating their employees as individuals with lives, needing more than simply a paycheck to secure their commitment and best efforts. Beer on tap? A ping pong table for brainstorming sessions? Pet friendly offices? We're always delighted to hear of the newest and most unusual perks that companies are offering their team members. But going beyond the cool stuff, we wanted to know what keeps employees loyal, what makes them truly love the company they work for, and ultimately, **"What Creates a Great Place to Work"?**



"An ideal work-life balance is defined differently for each of us. Our people appreciate being trusted to manage their schedules and workload to support their own definition of work-life balance." - Dave Aniol, CFO of Label Insight

While our "research methods" weren't scientific, we endeavored to compile our list of top attributes by

- ▶ Gathering feedback directly from our portfolio company teams.
- ▶ Tapping the deep well of experience among our partner team, all of whom have run companies and have observed best practices in numerous organizations.
- ▶ Reviewing a variety of Best Places to Work lists to see what factors most consistently appeared.

Here's the Serra list of the top seven characteristics of a great work environment.

1. Work/Life Balance

The past 10 to 15 years have seen a dramatic shift in how companies structure work hours and how they manage the expectations of their employees, and most of this shift has been extremely positive. For decades employees were expected to work the standard 40 or more hours per week, and all generally within the typical workday of 8 or 9 to 5. Management had a tighter grip on where their employees were within working hours, as well as what and how much they were accomplishing during that time frame.

Today, the best companies have relinquished the tight hold on their employees and have adopted the mentality of trust -- allowing individuals flexibility in their work hours and time expected in the office -- and have taken up the mindset of "if you get your work done, we don't care where or when you do it." This shift has greatly benefited team members, allowing them more flexibility with their families, time for personal errands or appointments during the workday, and most importantly, providing autonomy and showing employees they can be trusted. As family and relational dynamics continue to shift -- more women entering the workforce, and more men stepping into more hands-on roles with their children -- attention to work/life balance and flexibility will be crucial in maintaining a productive work culture.

2. Growth and Advancement Opportunities

An employee who can envision a bright future at a company will be much more likely to be engaged in his/her work, and much more likely to commit to a longer tenure of service. Companies that offer their individuals real opportunities to advance, learn and grow will more likely retain their top talent.

An encouraging trend we are seeing is that more companies are taking an interest in bettering their employees in the broadest sense. This is evidenced by offering team members unique opportunities such as training in an adjacent discipline, workshops for skill development, and wellness retreats. Companies are sharpening their employees by encouraging them to learn about topics that are outside their field of expertise or for personal improvement - such as accounting classes for customer service representatives or time management classes for sales personnel. Better yet, the best companies are footing the bill and providing work time for these learning opportunities! Some companies are paying employees' ways so that they can return to school for an advanced degree or certification, a unique way to make that team member more versatile and at the same time add value to the company.

3. People That Fit

This third element is perhaps obvious, but not always recognized as such. Simply put, great people that really fit with the Company's mission and vision and work well with others create great work environments. And yet a workforce of great employees in alignment with the Company's strategy and direction is no happy accident. According to Harvard Business Review, time spent collaborating at work has increased by 50% over the last two decades. This suggests that work that may have been done individually in the past is giving way to a team-based approach today. Hence, the need for new hires to fit well into a team is paramount.

Toward this end, hiring practices at the best companies have become more scientific, blending the intuitive with hard data. Problem solving simulations, situational interviewing and strengths/competencies profiling tools are becoming more common in the best companies. These robust hiring practices enable leadership to more readily detect a person-company fit, ultimately providing a higher degree of success in the alignment of a new hire with the Company's mission, vision and values.

Of course, teams that thrive do more than simply get along with one another, they sharpen and better one another. In some of our top performing portfolio companies, individuals used terms such as passionate, motivated and friendly when describing their coworkers. Deep mutual respect and admiration for one another goes a long way in creating a great work atmosphere. Further to this point, Google recently conducted a study that found that dependability between employees was one of the top traits of a successful team. When each team member understands his or her own role and what is expected of them; has a clear understanding of what their team members are working on; and when each can readily depend on the other, it creates an environment of trust and transparency. And ultimately, better work gets done as a result.

"We strive to empower our employees to make an impact and own their role, while providing a platform for employees to contribute ideas toward the common goal and company mission. Our best ideas come from employees that are in the trenches every day." - Alex Goode, CEO of GoSite

4. Meaningful Work

It's easy, particularly in a larger organizational setting, to lose sight of the bigger picture and the link between one's work and that picture. A sense of isolation and potentially insignificance can occur if communication and information flow is lacking. Leaders that make a conscious effort to tie day-to-day work experiences to the larger vision and mission of the company and remind team members how their individual work plays a role therein will reinforce the meaning of work.

Our portfolio companies achieving the best results are generally the ones with a mission of significance and a practical methodology for connecting each of their people to that mission. Human beings want to know that their lives – and their work – matter. Being able to believe in a meaningful Company purpose and to understand one's role in achieving it can unlock powerful self-actualization and incredible productivity.

At a practical level, it's about keeping the lines of communication open and free flowing. It's about frequency of "touches" that each team member receives. It's about giving employees context for any given initiative or strategy. As the saying goes, it's not rocket science, but it does take a consistent effort to ensure that purpose and meaning is at the center of each of our employee's work.

5. Shared Rewards/Compensation

Offering competitive pay is often cited as key in attracting and retaining the best talent, as well as offering competitive benefit packages. Yet employee engagement, performance and loyalty are based on more than a traditional salary and benefits. A company that fosters a culture of shared rewards – both monetary and nominal – will encourage everyone to work together, harder and smarter. A win for the Company really can become a win for all versus only a small handful of folks at the top.

Practical ways of executing on this include employee stock option plans, stock appreciation rights plans, incentive compensation plans and profit-sharing plans. Each of them offers a slightly different incentive – but each is about sharing the success of the organization with a broader group of people than just leadership.

If the above forms of monetary compensation aren't quite as feasible for a particular stage or type of company, then nominal yet still meaningful shared rewards are the answer. These include catered lunches, sports or movie tickets, social outings or fun nights, or a fully stocked break room. Each of these offer a meaningful yet inexpensive way to say thanks to the people making your company go.

6. Recognition for Work Well Done

A common misstep for some leaders is speaking up only when things have gone awry or when team members have missed the mark. These leaders hold an assumption that a certain outcome should be achieved, and when it is, great – time to move on to the next task at hand. Yet showing gratitude or appreciation for a job well done isn't just a "nice idea." The best companies foster an environment where achievements are recognized and celebrated. Whether provided by a superior or peer, offering up a simple "great work" or "thanks for doing that!" acknowledges not only the person's work, but the person themselves.

An individual who knows that their work matters and is being acknowledged as contributing to the company, will be more engaged and ready to tackle the next challenge. Leaders -- speaking encouragement to each individual about his or her contributions to the company is the human thing to do! And, you'll realize the benefit of team members that are enthusiastically bringing their best effort to work!

7. A Great Company Culture

The previous six elements are key ingredients providing the basis for a culture of honor and integrity. But this final characteristic deserves a spot of its own on the What Makes a Great Place to Work list. Company culture has been described as the "personality" of a company -- something that is unique to that organization alone and which is made up of both tangible and intangible elements. Culture is a special combination of people, programs, leadership, expectations, aspirations and experiences. The creation of a great company culture -- and one that honors each team member and has integrity at the core -- is essential to attracting the best talent and ultimately keeping employees engaged, passionate and loyal.

In the Google study mentioned above, "psychological safety" was reported as the top element of a great team. Our take is that this means providing a judgment-free atmosphere, where individuals can openly share their ideas and opinions, and they are encouraged to take appropriate risks without fearing failure or reprisal. It means creating an environment where each member is valued and trusted.

This type of healthy environment can partially be created through the formal systems and processes of an organization, but often finds life and energy in the person-to-person interactions and the informal social fabric that develops. Wonderful things can take shape as a team lunches together or takes time in the afternoon to shoot some pool while discussing ideas or grabs a beer together after work.

As a Company intentionally puts each of the items in place that we've explored in this article, what emerges is a workplace of mutual trust, respect, friendship, loyalty and meshing of common interests. The culture of honor and integrity results in a great atmosphere with great people, creating a truly great place to work!

Sources:

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