FOUR I'S, THE

MAYBE THE MOST EXCITING facet of deciding to embark on your own venture is the opportunity it offers to take what you've seen and learned before that moment and create something new that applies those lessons in a whole new way. Specifically, *yours*.

I know my cofounders at my first start-up, Waveset Technologies, would agree. We didn't necessarily see it at the time, but the culture we created was heavily influenced by our reactions to—okay, I'll say it, *against*—some of the things we saw happening at other organizations.

Topping the list for me is how larger established organizations seem over time to be where innovation goes to die.

When a company has enjoyed great success for many years and has products all over the marketplace, there is a tendency to say, "Well, we've got this licked." In such companies' defense, it happens so gradually—almost organically—that it seemingly comes out of nowhere. But pretty soon you're not listening to the customer as well. Though your products are out in the marketplace, your people are not, not as much as necessary at least, listening to customer pain, which is the fuel of creativity and promotes aggressiveness in

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dreaming up new solutions to it.

My Waveset founders and I identified four areas where this manifests, and we decided to make them main areas of our focus—barometers for how we were doing, not just in the early stages but as we grew and eventually became a mature organization. They've carried through at SailPoint, and it's with zero hyperbole that I assure you of this: *more than anything else we've done, these four values have been responsible for the success of both organizations.*

We called them the Four I's: innovation, integrity, impact, and individuals. And we distilled the importance of each in just a few words.

INNOVATION: WE DEVELOP CREATIVE SOLUTIONS TO REAL CUSTOMER CHALLENGES.

Over time, many companies get into kind of a dull, repetitive pattern, where their innovations tend to be far less effective. Others do a great job of staying innovative, and we figured out pretty early that identifying innovation as a primary mission would allow us to constantly reinforce it, to reinvent our best solutions when they require it, and to keep us on the lookout for new opportunities to innovate.

Innovation means understanding customer challenges and pain points and developing creative solutions to them. It's an amalgam of product marketing and product management skills, of listening to the market, and of engineering people who can take a problem and figure out how to solve it. We essentially said, "Project management plus engineering equals innovation."

And then we looked at it organizationally in terms of value. Although we articulated it within product development aimed at customers initially, we said, "Look, innovation applies *everywhere*.

We should be innovative about how we contract, how we sell, how we market."

We never wanted our legal team to get too innovative, of course, because you know, that might involve jail … for me—no fun.

But we wanted everybody in the company, even those serving internal customers—finance and accounting and purchasing—to still be innovative in how they solved their problems. Give them an easier way to turn in receipts, to specify equipment needed. The core value is innovation.

For new organizations starting out, the proof in the pudding of innovation, especially in the business-to-business (B2B) world, is that whatever solution you're offering has to be innovative in a fundamental, pretty much disruptive way (*see* "Disruption—and Dysfunction"), because if your solution looks, feels, and sounds kind of like something customers can get or already are getting from a big established company, that's what they'll do every time. They're not going to risk going with an unproven young company if your solution looks and/or performs like what they're already getting, but if it feels unique and different, they'll at least take a look, which pretty much defines the value of innovation: it's what gets your foot in the door, and then you have to deliver real value. (*See* "Products, Good and Not So Good.")

INTEGRITY: WE DELIVER ON THE COMMITMENTS WE MAKE.

Something else we noticed about big companies was their tendency to overpromise and underdeliver, to not follow through on what they say they're going to do. That's a failure to deliver, pure and simple, even when (and if) delivery eventually occurs. Worse, it takes value

completely out of the equation.

A lot of people see integrity as synonymous with honesty and consider honesty just table stakes—the price of admission. Without honesty and the *trust* it fosters, there is no relationship; I don't care if we're talking business, personal, or otherwise.

But we take integrity further. We see it as consistently making and following through on our commitments. It's a higher bar, and here's why.

If I promise you something and don't deliver, I've destroyed trust. If I consistently underpromise and overdeliver, however, you're really going to like working with me, because I've earned your trust not through my words but *through my actions*. In fact, this type of behavior leads to the elusive concept of "delighting" our customers. We all love to be surprised in a positive way, and nothing is more positive than exceeding our expectations.

The critical corollary that big companies too often either forget or no longer care about is the value of *accumulated trust* when things go awry. Because it happens. Even with the best intent in the world, there are times you aren't able to deliver what you were confident you could. Whether the context is a personal or business relationship, the priority at that moment is *communication*. The minute you know you'll be unable to deliver is when you tell people—and I don't mean via a text or email. At minimum pick up the phone, and if they're close by, go see them.

People hate nothing more than last-minute *negative* surprises, and no last-minute surprise is more hated than a failed delivery. If you know in advance, which (if you're paying attention) you almost always do, and you tell people *the moment* you know it, the vast majority will be reasonable and rational.

There will be those who are not. Often there will be warning signs—ridiculous penalties for failure to deliver written into contracts spring to mind—but whatever they are, and whenever you see them, ask yourself if the potential angst is worth the trouble. Almost without exception, it is not.

Most people are reasonable and rational *if* you go to them as early as possible and say, "Hey, I thought I was going to be able to do this by here. It looks like I won't be able to follow through on that. What can we do to create the best possible outcome now?"

The key phrase? *As early as possible*. I can tell you from personal experience that the sooner they know, the better the outcome will be, because schedule juggling on their end to accommodate the delay on yours is often an option.

But the longer you wait, the less likely it becomes.

And so it—integrity—comes down to a very simple rule: *bad news can't wait.*

Has someone, a contractor let's say, ever called you the day that they were due to begin a project and said, "I'm sorry, but there's no way I can get there for another month"? If so, how did you react? You know (short of a sudden illness) that they didn't just figure this out. After calming down, you'd probably have one question, and one only: "Why didn't you tell me sooner, so I could *make other plans*?"

Had the contractor simply done that, he may well have gotten to you sooner than his worst-case scenario. You'd still have been disappointed initially but marginally happier when he showed up sooner than expected.

Instead, that ship has sailed with you aboard, bidding your *former* contractor *adieu*.

IMPACT: WE MEASURE AND REWARD RESULTS, NOT ACTIVITY.

Large legacy companies are often loaded with people who are just taking up space and collecting a paycheck. It's a significant issue, and it goes hand in hand with integrity. We're still talking about overpromising and underdelivering but internally.

Earlier I talked about the necessity of making innovation a priority with internal as well as external customers. The same goes for impact. (For that matter, integrity too.) Effective workers know the difference between busywork and producing value. They find nothing more frustrating than coworkers who stir up a cloud of dust and confuse it with progress.

Everybody in the organization must be clear on what success looks like, and self-starting employees are often clear on that, right out of the gate. Indeed, keeping them *in* the gate is the challenge. So the role of management is to be clear on the objectives and then let people run.

Yet corporate culture—specifically, the received wisdom of the traditional HR industry—says that people's performances must be regularly evaluated with heavy-handed "corporate" forms. The reality is that managers should be more focused on *coaching*, not evaluating, true self-starting, high-value employees. Once given high-level direction, the self-starters we all want on our teams tend to know intuitively what's expected of them and how they're tracking against that standard, provided everyone is clear and open and transparent with them at all times.

If the manager and the employee know what the results are intended to be, it becomes obvious pretty quickly that the employee is either getting those results or is not.

Something else we've learned with impact is that there are times when you must absolutely acknowledge that you've given people "stretch" goals and that not getting the desired result in those cases may be quite acceptable, since you're stretching them toward something more. The trick is to be clear *which type* of goal you're setting up: concrete or aspirational. It feels to me that, when we're firing on all cylinders, we'll get close to our aspirational goals, and we'll hit and exceed the concrete ones. The times when goals that should have been hit and were not then become rare exceptions.

At SailPoint, we know something has gone very wrong for our people when they miss achievable targets. They are that good, and they are that good because they know what was expected from day one (*see* "Put Your Mouth Where Their Money Is").

INDIVIDUALS: WE VALUE EVERY PERSON.

This is the one thing that has changed the most in my thirty-five years in the business world. More and more, companies get that every employee is a whole person. That if we want the best out of them for our companies, we must treat them as the whole people they are—because thanks to technology, the line between home and work has become very fuzzy.

You have this device. You're checking it all the time. You're taking work email at home and personal calls at work. I remember a time when company resources were expressly forbidden for personal use, like making a personal phone call from my desk phone. Or when we first got computers, sending my family an email from my work account was not really okay.

That's all out the window.

As companies, we now pay professionals to get their work done.

We're increasingly less concerned with how—provided, of course, that it's legal and ethical. There are no time clocks. There are few limits. There are no managers watching over a brood of employees as if they were kindergarteners.

We treat people like adults; indeed, at SailPoint, we can shorthand our entire culture to just that: "Treat people like adults." Tell them what you want them to do, give them freedom and resources to do it, then mostly stay out of their way and let them get the job done.

In fact, I often refer to the two guardrails I think managers should bring to leading their people. First, never, ever micromanage a competent professional. While it may make sense to take that approach with a high-school fast-food worker, well-educated, experienced people generally won't put up with it for long and will "vote with their feet" to find somewhere else to work where they won't be treated like a kid. On the other end of the spectrum, a manager needs to define what success looks like at some level, so that their team members are at least pointed in the right direction for what's expected. Then they are free to use their intelligence, experience, and creativity to get their work done. And generally, that's what creates the elusive engagement that employees so desperately crave at work.

When you combine that with respect and valuing their whole person, they will go through walls for you—because they know you will for them. (If you haven't yet, take a moment right now to read "Valuing People versus Claiming To.")

Treating people like *whole* people means not saying, "Oh, you've got this thing going on in your personal life? *Tough crap*. That deadline is a *deadline*. You've got to deliver."

There are still companies out there doing that, but I don't expect they'll be getting away with it much longer. One of the reasons you work around people's personal lives is the knowledge that one day, maybe six months or six years from now, you'll have to look them in the eye and say, "I need you to work a couple of weekends here, because we're really crunched. Can you do that?"

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I can say with *absolute confidence* that instituting the Four I's will not prevent your new company from making mistakes—and plenty of them. They will, however, keep everyone pulling in the same direction and ultimately create a culture that you, your customers, and your employees, investors, vendors, and board will appreciate and aspire to uphold and deepen.