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# BUILT TO SERVE

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*How to Drive the Bottom Line  
with People-First Practices*

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## PREFACE

WHAT YOU ARE ABOUT to read is a story of experiential discovery. From growing up around an authentic cowboy on a West Texas ranch to piloting a high-performance jet to altitudes above 70,000 feet, it is an account that reveals a valuable lesson regarding leadership: culture and people, not Wall Street and investors, create sustainability.

The stories in *Built to Serve* remind us that seeking a higher purpose ultimately leads to personal growth, professional fulfillment, and success in life. Many of the stories are of familiar events, organizations, or institutions—Southwest Airlines, NASA, Air Force One, and Watergate. But some of the names may be less familiar. For example, names like Lubbock Christian University, Gallery Furniture, and adplex are likely to be new to the reader. Their stories will pique your interest and create a desire to learn more about

the cultures and people that differentiate them from other organizations.

United Supermarkets is a company not widely known, but its story—the story I tell as the person fortunate enough to serve as its CEO—is central to *Built to Serve*. Founded in 1916 by H. D. Snell, Sr., the son of an Oklahoma cotton farmer, United has quietly become one of America’s oldest family-owned corporations. Snell did not have a degree from Harvard, Yale, or Princeton. In fact, he never earned a college degree, yet through hard work and extraordinary perseverance, he created a splendid legacy built on the contributions of ordinary people. Today, nearly 75 grocery stores throughout Oklahoma and Texas owe their success to Snell and his descendants.

In the supermarket industry, where size is a popular strategy, United manages not just to survive, but to thrive. One reason for its success is that United’s team members are genuinely considered family, and United’s workforce displays the rhythm and innovation of a seasoned team.

The family’s vision is synonymous with its ministry—serving people and enriching the lives of others. The company’s mission is defined by just six words: Ultimate Service, Superior Performance, and Positive

Impact. United is a well-known and well-respected member of the communities it calls home, and its stores serve more than one million guests each week. For some guests, the journey is familiar—one their parents, their grandparents, and their great-grandparents made. For others, it is a new and refreshing approach to shopping for food and related products. Regardless, the result is the same—raving fans and loyal shoppers.

What makes the experience so unforgettable? While most companies these days rely on cutting costs to survive, we are sustained by a culture-driven, people-centered approach to business. As Matt Bumstead, co-president and great-grandson of the company's founder, puts it, "Our family takes how people are treated personally." From the newest recruit to the team's veteran players, our people connect what they do to who they are in a manner that has earned them national recognition. Our team members recognize personal relationships are their business—the fact that they sell bananas, bread, and milk is seen as incidental.

Additionally, United has established itself as a philanthropic entity that models the best of solid corporate citizenry in the communities where it has planted stores. In fact, United's team members once donated

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\$10 million to Texas Tech University to help fund a 15,000-seat, on-campus, all-purpose facility, which is known as United Spirit Arena. Despite the gift's high-profile nature, United's leaders prefer to operate without fanfare—just the way the founder would have wanted it.

I have been privileged to be part of this remarkable journey. I trust you will find the journey as rewarding to read as it has been to experience.

# INTRODUCTION

*The Southwest Airlines 737 we were aboard had just leveled off at 35,000 feet en route to California when I knew something was wrong. For a moment, I tried to pretend it was not happening. I forced myself to think about other things—the golf my son and I would play at Pebble Beach, the trip down to Carmel for shopping, and the view of the ocean from The Lodge. I was jolted by what was happening, and I soon found myself in a heavy sweat.*

*The nausea came fast. My vision blurred. The flight attendant near the back of the plane saw what was happening and rushed to help. By the time she reached me, I was no longer conscious. A paramedic traveling with his new bride on their honeymoon immediately began treating me, and he was soon joined by another passenger, a doctor from Amarillo, Texas. Working together, they resuscitated me and*



*stabilized my body while the jet began its descent into El Paso, where I was taken by ambulance to Del Sol Hospital for what became a one-week stay.*

*In the following weeks, every flight attendant who had been aboard the jet that day called to check on my condition. Most of them took the time to write a note. Several months after the ordeal, the airline's management team was still corresponding with my family—the airline even sent free travel coupons to the off-duty paramedic and the vacationing physician who had helped stabilize me. Not surprisingly, I became a champion for Southwest, telling my story to anyone who was interested. Southwest Airlines knows what most organizations have either forgotten or never understood: there is something special about being built to serve others.*

**T**HE GLOBAL BUSINESS CULTURE that prevails today is broken. What is needed is a radical transformation—a monumental paradigm shift that will reshape our present understanding of the true purpose of work. Such a change requires great courage and a compelling sense of urgency, but a proven formula exists. It begins with accepting the idea that an

organization's culture is the wellspring of sustained success.

When the culture models this kind of vibrancy, such positive elements as growth, profitability, and good corporate citizenry are natural by-products. People are fulfilled professionally and personally, and organizations find deep meaning, resulting in a positive impact on the communities they serve. This is a business model that places people ahead of profits and service ahead of statistics.

Any organization requires technical competence, but that quality by itself will not allow an enterprise to realize its full potential. In truth, sustainable organizations have leaders who model a service-oriented culture that holds human beings in high regard and seeks opportunities to make a positive impact for all stakeholders.

Sustainability is a key concept to grasp because it establishes a context for decision making within an organization. Think about it from a personal perspective. When we make choices regarding what activities we pursue and what foods we eat, do we give any consideration to the long-term positive or negative effects of our decisions? We should. Such decisions have a great deal to do with our ability to maintain or

prolong our existence on this planet. Most, if not all, of the choices we make as human beings should be made with a desire to live long, active lives followed by exceedingly short deaths.

Likewise, sustainable organizations also focus on the longer view. They operate in a manner aimed at maximizing their time on the planet and giving them long, active lives. Decision making in this context is healthy, characterized as nurturing and supportive. Regrettably, however, a large percentage of organizations today are created not to serve, but to sell. They pursue a short-term agenda, resulting in decision making that is myopic, exploitative, and destructive. Typically, such organizations place a low priority on people and seek to satisfy only a limited number of stakeholders.

Sustainability, then, is really a process of balancing the short-term needs of an organization's people with the long-term needs of the organization's purpose. The process requires committed leadership, but for those leaders who are willing to accept the challenge, the result is a competitive edge that ensures prolonged success for their organizations.

Such is the case with Southwest Airlines. In an industry plagued by economic turmoil, no other air-

line can match Southwest's sustained success. Texans are well acquainted with Southwest's commitment to excellence as well as its ability to defy conventional thinking in the industry. While other airlines are scrambling for answers, Southwest flies above the turbulence. What sets this organization apart? Simply put, it is the people and the culture, in that order.

Management at Southwest Airlines knows other companies will attempt to copy everything the company does, but they also know culture is not something built from the outside in.

A sustainable culture is built from the inside out. It starts with leadership that places the highest level of importance on human beings and a corresponding premium on recruiting, hiring, and training—both academic and experiential training—to equip and empower them.

People are acknowledged as the organization's greatest assets, not mere expenses relegated to a line on a profit-and-loss statement. In fact, when I became a military pilot, one of the first things I learned was never to refer to my cargo as "passengers." Instead, I was taught to refer to people as "souls on board." While this might seem a minor choice of words, it communicated volumes to me regarding the value of

each person and the importance of maintaining safety in flight. The same must be said about organizations.

Great cultures transcend industry segments and promote universal truths. My friend and mentor Dr. Stephen Covey has spent much of his life teaching and reminding leaders and followers alike that natural principles endure over time. His years of research support the idea that culture is not just important to an organization—it is everything to an organization. Dr. Covey takes this a step further, connecting the role of personal faith to organizational principles.

6 I was seated next to him at an Ethical Leadership Conference in the fall of 2006. Our conversation turned to the topic of culture and its importance in the workplace. I asked Dr. Covey what he thought about my company's practice of praying before meetings and before making important decisions. In the private sector, it is lawful for an employer to incorporate prayer in meetings, whatever the prevailing beliefs. However, my question was prompted by warnings from attorneys that open expressions of faith in the workplace are sometimes problematic.

Dr. Covey's answer was simple and direct. "The next time anyone warns you of what might happen if you continue to pray before meetings and important

decisions,” he said, “tell them you’re more concerned about what might happen if you don’t.”

It was a great answer, and one I wish I had thought of first, especially given my own commitment to godly values. *A people-centered culture does not compromise values; rather, it seeks to remain faithful to values—even when remaining faithful means doing things differently from everyone else.* Remember, a legendary culture is created in the head and the heart of the leader and passed from team member to team member.

This is certainly the case with United Supermarkets. Like Southwest Airlines, United enjoys a legendary culture that sustains its ability to compete in an industry that has been turned upside down by commodity pricing, a cluttered marketplace, and razor-thin profit margins. Founded in 1916 by H. D. Snell, Sr., United celebrated its ninetieth year of continuous service in 2006.

One family owns this regional chain. Its primary competitor, Wal-Mart, is more than 300 times its size. The chain also competes with large consolidators in the industry, such as Safeway and Kroger. Even so, United quietly records increases in sales and total customers (called “guests” at United) decade after decade.

Why? Fueled by the crucial contributions of thousands of team members, United's culture sets the company apart from its peers, large and small. Yet the company does not rely on training manuals or checklists to serve as shortcuts that team members can use in determining how to conduct business. Instead, the company depends on a nine-decade track record of success modeled by leaders and embraced by new hires to create walking, talking ambassadors of its culture.

8 A leader's actions, not words, form the basis for learning and eventually handing down a culture. Nowhere is this more prevalent than in the armed forces. I served as an Air Force officer and pilot for more than a decade, and I came to treasure the military culture. Contrary to the often-maligned image of military life, my experience was extraordinary. Of course, as one might expect, flying high-tech jet aircraft was as rewarding as it was challenging, but the enduring fulfillment of the job came from the deep meaning of the mission. I think this can be said of all military endeavors.

Clearly, money is not the primary motivator for military service. My hazardous duty pay amounted to about \$110 per month. Of far greater value was the small ribbon or tiny medal awarded to me in recogni-

tion of my sacrifice. The next time you see a member of the military in uniform, note the ribbons or medals. They speak volumes. Decorating service members regularly is an important part of the military's culture.

United is a huge believer in the importance of recognition programs. We have a standing policy that when leaders are not involved in a specific task, they are expected to write a personal note, send an e-card, or engage in a personal conversation to acknowledge the contribution of a team member.

I am regularly surprised by the number of people who come up to me and make a reference to a personal note I wrote them two or three years earlier. Team members remember when leaders make the time to take the time.

In my lifetime, I have had the good fortune of living and working in and around organizations where culture mattered. Long before my first professional endeavor, my family's culture of love and support proved a wonderful blessing. Essentially, all the elements of a great childhood and upbringing surrounded me.

One of the blessings I enjoyed most was the opportunity to get to know my grandparents. My maternal grandparents lived in Plains, Texas. My grandfather,



H. B. Price, was a true cowboy—a successful rancher, a man’s man in every sense of the word. He rolled his own cigarettes, wore a sweat-stained gray Stetson, and spent most of his life in the saddle. My grandmother was the consummate country cook who devoted her life to preparing meals in the kitchen. For a young boy raised in the city, trips to the ranch were adventurous, educational, and fulfilling. As a rule, people working on a ranch or farm acquire a lot of wisdom; my grandfather was no exception.

10 Among his most enduring life lessons was one regarding the manner in which we as human beings approach work. As on any working ranch, there was always plenty of work to go around, and a “vacation” on the ranch was code talk for work that needed to be done. I visited the ranch one summer at a time when the garden, which was just behind the ranch house, required tending.

My grandfather escorted me to the garden one afternoon and said, “You need to pick up all of these small rocks.” It was hot and windy, and I imagined a hundred other things I would rather be doing. Even so, I grabbed an old tin bucket and began picking up rocks. After what seemed like a long time, I became uninterested, tired, and unproductive.

I had reached the point where I was sitting on the bucket instead of putting rocks in it when my grandfather saw me from a distance and made his way to the garden gate. “You’re not making much progress, sonny boy,” he said. He was right. I had barely made a dent in the number of rocks in the garden. I responded truthfully, “I’m bored, and I don’t like picking up rocks.”

Then something special happened.

He said, “Let me ask you a few questions. What do you like?”

“Sports,” I said.

He continued, “Do you like basketball?”

I perked up. “I love basketball!”

He said, “Let me ask you something. This bucket you have here is about the same size as a basketball hoop, right?”

“Yes, sir,” I answered.

“What if this bucket was a basketball hoop and these rocks were basketballs. How many baskets do you think you could make in thirty minutes?”

I picked up a small rock and executed a little jump shot, and the rock landed in the center of the bucket. “Whoosh,” I exclaimed.

Then he said, “Can you do a hook shot?”

I picked up another rock and did a little hook shot, and that rock went into the bucket, too.

Then he said, “Well, how many of those can you do in a row?”

As daytime became nighttime, the rocks disappeared one by one, and my imaginary basketball game kept me thoroughly entertained.

It was a lesson worthy of an Ivy League diploma—a glimpse into the way people are wired. I have often reflected on this lesson while educating corporate leaders on the difference between advertising and marketing. When my grandfather told me rocks needed to be picked up in the garden, he was simply *advertising* the fact we had rocks in the garden.

However, when he convinced me the bucket was a basketball hoop and the rocks were basketballs, he was *marketing* something different. Once I made his perspective on the job my own, I enjoyed getting the job done because the garden of rocks was now the basketball court at Madison Square Garden, and I was the star forward of the New York Knicks. What seemed torturous, frustrating, and discouraging actually turned out to be a highlight of my summer’s stay. People-centered cultures are focused on *marketing* the work, not on *advertising* work that needs to be done.

We all know unglamorous jobs exist in any profession. Even so, the successful completion of the work is largely the result of our mental approach to the task. *Cultures focused on people unleash the imagination and lift performance to new heights—to a higher purpose.* Max De Pree, the gifted CEO emeritus of Herman Miller, put it this way: “The future can be created, not simply experienced or endured.” In the right kind of culture, De Pree’s statement is true.

Therefore, this is a book about changing the future of organizations and the people they serve. I believe God created human beings to serve, and since organizations are composed of human beings, they should be service-oriented. When you create an enterprise to serve others’ needs first (the equivalent of subscribing to a higher purpose), great things happen for all involved.

Contrary to popular belief, organizations can have a culture-driven, people-centered philosophy and still deliver superior performance. Consider this: an investment in creating the right kind of culture delivers big returns. A study conducted by Deloitte Consulting tracked the shareholder returns of the 56 publicly traded firms on *Fortune* magazine’s 100 Best Companies to Work For list in 2006. The facts revealed that those firms consistently outperformed the S&P 500. Genentech, one

of America's best-known biotech firms and number one on *Fortune's* 2006 list of the 100 Best Companies to Work For, understands the concept of directing and focusing energy on employees and customers while still providing an exceptional return to shareholders.

Businesses today focus an enormous amount of time on financial performance but appear to be indifferent to the way employees are valued and treated. We pore over profit-and-loss statements and obsess over quarterly financial reports, which prompt a litany of questions regarding past activities. We analyze financial statements formatted to suit a nineteenth-century manufacturing plant—statements that neatly categorize me as an expense of the business, but the computer I am working on as an asset of the business. It is time to change.

The most important questions should be those that ascertain the organization's potential and assess how best to unleash the power of the workforce. One reason for our fixation on past performance is that it is easier to see where you have been than to accurately predict where you are going. *To predict the future, you need to understand an organization's potential, which requires knowing how to maximize the talents of the people you employ. This is where culture matters most.*

An organization will never fully realize its potential if it does not engage its people in a higher purpose.

All too often, business leaders continue to have a misguided perception that suggests the real purpose for their organization's existence is profit, and the things that matter most are power, position, and money. Nothing could be farther from the truth for an organization seeking sustainable success. A compelling option worthy of consideration centers on nurturing people to render ultimate service.

Failure to act on this reality may leave companies with a crippling labor drain as a result of the globalization of the labor market. In addition, virtually all products and services without compelling differentiation are or will eventually be commodity-priced. An organization's ability to serve will be the last tool that can provide a competitive advantage in a crowded marketplace. Organizations desiring sustained success simply must embrace a culture-driven, people-centered philosophy.

Consider this: in virtually any supermarket in America today, you can purchase a pound of bananas grown thousands of miles from the store; transported to a regional distribution center within days of harvest; ripened in a multimillion-dollar, climate-con-

trolled chamber until they are ready for consumption; retransported to individual stores; stocked by employees; and sold for about 25 cents. No wonder the supermarket industry understands what it means to succeed on less than 1 percent of net income.

Companies counting on gross profit margins significantly increasing in the future will fail. Only those companies that price their goods and services as inexpensively as possible will thrive, especially for items that have no differentiation from the competition. The relentless pressure for cheaper product pricing that is applied to organizations today has expedited the globalization of labor, forced the issue of outsourcing, and destroyed otherwise healthy corporate cultures. Once this happens, organizations become vulnerable to any competitor that brings a lower price to the market. No loyalty exists when the nature of the relationship between the buyer and the seller is based on price and nothing more.

So what can you do to ensure your organization focuses on culture and people? How will a culture-driven, people-centered environment create fulfillment and meaning for all stakeholders? What benefits can be realized by seeking a higher purpose? This book will answer these questions.