

MAN 4633 Homework 12

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All uncited quotes are from the textbook

Assurance of Learning Exercises

1. Go to the company website for REI (www.rei.com). Click on Stewardship at the bottom of the page, and then click on some of the tabs below to learn more about the company's culture and values. What are the key features of its culture? Do features of REI's culture influence the company's ethical practices? If so, how?
 - There's a reason it's called stewardship. It's all about being an ecologically responsible human being. Using recycled materials, selling used gear that you don't want any more, using sustainable resources and energy, and supporting rentals for short-term product use. REI's culture is a reflection of their ethical practices. They are a "practice what you preach" company and if they're saying you should do something, they will do that thing too.
2. Based on what you learned about REI from answering the previous question, how do you think the company's culture affects its ability to execute strategy and operate with excellence?
 - I've applied to work at REI on more than one occasion and been offered a position that I couldn't take due to timing issues. Their company culture is easy to believe in because most of it is easy to put into practice. In addition, most REI employees enjoy working there and if you enjoy working somewhere, you'll put more effort in at your job which includes executing the relevant strategies and allows them to operate with excellence.
3. Illustration Capsule 12.1 discusses Epic's strategy-supportive corporate culture. What are the standout features of Epic's corporate culture? How does Epic's culture contribute to its winning best-in-class awards year after year? How does the company's culture make Epic a good place to work?

ILLUSTRATION CAPSULE 12.1

Strong Guiding Principles Drive the High-Performance Culture at Epic



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Epic Systems Corporation creates software to support record keeping for mid- to large-sized health care organizations, such as hospitals and managed care organizations. Founded in 1979 by CEO Judith Faulkner, the company claims that its software is “quick to implement, easy to use and highly interoperable through industry standards.” Widely recognized for superior products and high levels of customer satisfaction, Epic won the Best Overall Software Suite award for the sixth consecutive year—a ranking determined by health care professionals and compiled by KLAS, a provider of company performance reviews. Part of this success has been attributed to Epic’s strong corporate culture—one based on the slogan “Do good, have fun, make money.” By remaining true to its 10 commandments and principles, its homegrown version of core values, Epic has nurtured a work climate where employees are on the same page and all have an overarching standard to guide their actions.

Epic’s 10 Commandments:

1. Do not go public.
2. Do not be acquired.
3. Software must work.
4. Expectations = reality.

Note: Developed with Margo Cox.

Sources: Company website; communications with an Epic insider; “Epic Takes Back ‘Best in KLAS’ title,” *Healthcare IT News*, January 29, 2015, www.healthcareitnews.com/news/epic-takes-back-best-klas; “Epic Systems’ Headquarters Reflect Its Creativity, Growth,” *Boston Globe*, July 28, 2015, www.bostonglobe.com/business/2015/07/28/epic-systems-success-like-its-headquarters-blend-creativity-and-diligence/LpdQ5moDDS4UVilCVooRUJ/story.html (accessed December 5, 2015).

5. Keep commitments.
6. Focus on competency. Do not tolerate mediocrity.
7. Have standards. Be fair to all.
8. Have courage. What you put up with is what you stand for.
9. Teach philosophy and culture.
10. Be frugal. Do not take on debt for operations.

Epic’s Principles:

1. Make our products a joy to use.
2. Have fun with customers.
3. Design in collaboration with users.
4. Make it easy for users to do the right thing.
5. Improve the patient’s health and healthcare experience.
6. Generalize to benefit more.
7. Follow processes. Find root causes. Fix processes.
8. Dissent when you disagree; once decided, support.
9. Do what is difficult for us if it makes things easier for our users.
10. Escalate problems at the start, not when all hell breaks loose.

Epic fosters this high-performance culture from the get-go. It targets top-tier universities to hire entry-level talent, focusing on skills rather than personality. A rigorous training and orientation program indoctrinates each new employee. In 2002, Faulkner claimed that someone coming straight from college could become an “Epic person” in three years, whereas it takes six years for someone coming from another company. This culture positively affects Epic’s strategy execution because employees are focused on the most important actions, there is peer pressure to contribute to Epic’s success, and employees are genuinely excited to be involved. Epic’s faith in its ability to acculturate new team members and stick true to its core values has allowed it to sustain its status as a premier provider of health care IT systems.

- Turns out this isn’t Epic the gaming company. Honestly, some of their 10 commandments seem pretty toxic, especially three and four. However, their principles seem good. In addition, the Illustration Capsule does not have enough information on why these commandments and principles make Epic a good place to work. It seems like more of “happy employees make a good product.”

4. If you were an executive at a company that had a pervasive yet problematic culture, what steps would you take to change it? Using Google Scholar or your university library's access to EBSCO, LexisNexis, or other databases, search for recent articles in business publications on "culture change." What role did the executives play in the culture change? How does this differ from what you would have done to change the culture?
- o Executives love to dictate a culture change and make a company "their own" but they never work on the ground floor where their culture is being implemented. Very frequently it does not mesh with the reality of working on the ground floor. Executives must practice what they preach and must have experience and continue to work on the ground floor on occasion so that they are staying in touch with the environments that their employees work in. If I am ever an executive, I will make sure I am staying in touch.

Fitbit, Inc.: Has the Company Outgrown Its Strategy?

Since this case study was written, Fitbit was acquired by Google. I would imagine that their entire strategy has since changed. This analysis will use the SOAR method.

Strengths

- Early market entry
- Solid financials even if they're not the best

Opportunities

- The market didn't really exist outside of pedometers before they created it
- Design flaws could be improved and the resulting situations could be solved
 - Antenna problems
 - Design flaws
 - Allergic reactions to materials
 - Too much information created a cluttered website
 - Privacy issues
 - New product launch costs

Aspirations

- Become a more highly valued company
- Create devices that give more detailed medical information

Results

- That remains to be seen. I'm curious where they'll go now that they're owned by Google

Now that I've tried to do SOAR, I think a different approach may have been better. A SWOT analysis would be better or analyzing their core competencies and what they could bring to the market.