

S4E47 Joey Havens

SPEAKERS

Joey Haven, Peter Margaritis

Peter Margaritis

Hey, welcome back, everybody. My guest today is....well, you've already heard who my guest is, okay in the intro, and I am coming to the interviews that I've been doing over the last five year or so, and all my interviews have been great, but some that have been just thought provoking and above all the rest. And I think this is going to be one of those interviews today. And Joey, first, thank you so very much for taking time out of your busy schedule to spend a little time with me on my podcast.

Joey Haven

Peter, it's an absolute pleasure. I appreciate the opportunity.

Peter Margaritis

And I have to give a shout out to Cassie for helping set this up. Cassie R. was a member of, through serving, a lot of work with Joey over the years and she and I were speaking at a conference together. We had known each other for a bit, but I didn't know her true background, and as she was sharing this I'd love to get Joey on podcasts. And here we are. I'd like to start off this interview by I was reading one of your blog post on LinkedIn, and there's this quote that you start off with that says, "When you see a turtle on top of a fence post, chances he did not get up there on his own." Could you expand? I'm thinking we use your chances. I guess he could crawl maybe up there on his own. Be kinda tough to get to the top of that fence post, but explain to me my thought process around that quote.

Joey Haven

The root of that blog and the thought around that quote is we as leaders, we get to where we are, because somebody helped us get there. They advocated for us. They supported us. We all need help along the way, and the other part of that is you never stop growing and learning. As a leader, if you ever get to a point where you're, you feel like you've arrived that's when you're in trouble. I probably said chances just given everybody, you know, you talk about mindsets all the time, right?

Peter Margaritis

Right, right.

Joey Haven

You can't change somebody else's mind.

Peter Margaritis

Right.

Joey Haven

There are some leaders and some people that might assume that turtle figured out how to get up there by himself. The chances are, as you well know, he didn't.

Peter Margaritis

No, he did not and I love that metaphor. Yes. To get to where we want to be and you were...you served three terms as executive partner for a Horne accounting firm. And over the years you had a lot of people help you get to that place, advise you and actually help you when those mistakes and those roadblocks in the road and the road fork, helped you kind of manage that journey. And I think that's critical with all leadership. It's a journey, and we have to have other people there to help us achieve that ultimate goal.

Joey Haven

I couldn't agree with you more. It's absolutely a journey, and certainly what we've been able to do at Horne would not be possible without all our team members, our partner group and just so many champion leaders along the way.

Peter Margaritis

You are in the process of... you're no longer the executive partner, and you've got another role as a managing partner strategic business growth, but you're also in the process of writing a book. And I want to discuss, I know there's, you haven't really come up with a title per se, but the content of these first early chapters is what really caught my eye and my conversation with Cassie. And so, you were elected in 2011 took over in 2012. But I think as she put it, you didn't come in and think about strategic, new strategic business lines or anything like that. You took your executive partnership, partner level and acquisition and you looked at something differently if you could expand on that for me, sir.

Joey Haven

So, we did do two things. We did change our business model in that we went into focus areas, so we decided we weren't going to be everything to everybody. And that was something that the board embraced and wrapped their arms around early in 2011. We rolled that out in our plan for 2012. But the other thing, the big thing that the board and the Partner Group embraced was that we would... we had a compelling vision for the kind of firm we wanted to build, the kind of culture. We called it the Wise Firm. It's based on a biblical parable of the wise man and a foolish man. And the wise man built his house on the rock and the foolish man built his house on the sand. And the storms came, the wind blew, the rain pelted down, and washed the foolish man's house away. And we knew that our profession was going to be facing a lot of storms, a lot of challenges in the future, a lot of change. And we wanted a strong foundation that we could, could survive that and we built out around our purpose, and called our culture the Wise Firm. And we made culture number one. That was our number one priority. So, we moved away from growth being number one, client service being number one. We move to culture is going to be number one, and those are really the three that people always are balancing and talking about what should be first and we put culture first.

Peter Margaritis

I was reading a book recently called, "CEOs Do Three Things." They focus on the culture. They focus on the people. And they focus on the numbers. And but to your point, culture is always first. So describe how you change the culture within the firm?

Joey Haven

Well, let me say culture should always be first. It's not always first. It wasn't always first Home, and it has to be closely interrelated with serving your clients. In other words, that has to be... they just have to be right there hand in hand, but if you don't take care of people, if you don't love people, they're not going to care and love your customers, your clients. And that's kind of the secret sauce is that to have a high trust high performing organization, people have to have a strong sense of belonging and that's what we were looking for when we started building the Wise Firm culture. And step one, which is a really hard step was we had to... we had to face the brutal reality of where we were. We had a good culture, and you've heard the enemy of great is good. Yeah, well, it is nothing more true and building great cultures with high trust and high performing teams. Your enemy is good culture.

Peter Margaritis

That's a good point, because it's more resistant to that change if we have a good culture. What was it? If it's not broke, don't fix it. Right? So...

Joey Haven

Right.

Peter Margaritis

Right, right. But you saw that it did need fixing. You said something that that you said the P word. People. Your people. The people that you hire. The people that you employ. It's some of the similar philosophy that Richard Branson has. See, he doesn't focus on his clients. He focuses on people. Hires the right people, treats them well. And by doing so, they will turn around and treat their customers, their clients well. Because you recognize this. We're the business that we're all in is the people business. First and foremost, without people we have no business. And there's a lot of organizations that people are our greatest asset! That's all talk, because that's not the way they treat them. So, please continue with building this is changing of a good culture into a great culture.

Joey Haven

Well, I think you keyed in on the fact that I did say people, and it is about people being number one. There's something I didn't say that you said earlier, which is I didn't say anything about numbers. We actually believe and proved that when you put people first and you take care of clients, you'll have all the growth and all the numbers you need. And actually a book I read early on, Patrick Lencioni, who's one of my favorite authors wrote the book, "The Advantage." And in that book, he comes to the conclusion that in the future because of the speed of technology and the fact that if you get an advantage in six months, your competitor can catch up with you. He pointed out that the only distinctive advantage you can have in the future would be your culture. You know, the way you serve clients and the way you serve your people. And I really bought into that. I truly believe that, and we certainly approved that over the last nine years by focusing on culture. We've had phenomenal growth. We've

had incredible retention of our talent. Peter, there's an energy out there that I think people ignore, which I call it magnetic energy. Some people call it, you know, being part of a tribe. It is that community of building something bigger than yourself. And people and we look for that. And we look to do that on team where we have a strong sense of belonging. So, when you create a story around your culture, it creates a magnetic energy and a buy-in and a engagement discretionary effort that you don't get when it's plug and play. So, that was kind of the vision and compelling story around our journey, which started out with, you know, we basically had to sit back and own where we were. What was good. There was... if you had asked people in the profession, they'd say, 'Yeah, Horne's a great, firm. Go to Horne.'" Look, we had accelerating turnover. We were over 20%. One out of five team members were gone on every year. But, you know, what was the... what was the message in the profession then? Well, that's just public accounting. Or our people fudge the numbers but we were very transparent that that was not acceptable. That we could be better than that. And so, our whole journey, which again interests me so much about your podcast, because in 2012 when I addressed the firm, we had come up with the concept that it would be a 'Be better mindset.' And that was about all about challenging the status quo. Just because we've done it that way before. And so, be better, #BeBetter became... we had it displayed all over the firm everywhere. You could give a sticker to another team member if they came up with a better idea of doing something. So, as you well know you have to grow that and people have to decide, hey, I'm gonna be part of this be better mindset.

Peter Margaritis

And you mentioned #bebetter and #wisefirm. I did notice as we were talking yesterday prior to this interview, you had two banners in your office, and those were both of those two banners. So, my thought, you're making a huge cultural shift. In other words, let's use the change word. And change is difficult for many people to accept, many people and I think the words used is to buy-in. So, as you began this titanic shift in culture, some people bought-in and others just couldn't grasp it. Could you expand on that?

Joey Haven

That's probably the ugly part of change. And it's really ugly for everybody. Because it's like a big U. When you go to really transform anything: culture, your business model. You're going to immediately go down this slope. And you're going to initially think, Gosh, this is harder than I thought it was going to be. But you go down here it's gonna be this is really difficult and we're making a lot of mistakes. How are we ever going to get out of this pit that we're in? Oh my gosh, we should have never done this. To, well, we are making a little progress. Man, look how far we've gone the last year, and then all of a sudden you're on this plane where you're accelerating. But you have to go through that whether you buy in early, or you buy in late. You're going to go through that U shape. Maybe a couple of different times.

Peter Margaritis

And changing in any matter way shape or form, you just described it perfectly. You're going to go down this, and why did we do... what were we thinking? Were we crazy? But then when you stick to it and you keep moving every day, everyday, it gets a little bit better at some point. It just gets a little bit better. Next thing you know, like I said, You're in this plane flying going like, "This is great." And part of this cultural change, I believe you said in 2014 you introduced the concept of flexibility into the firm, which

really was a visionary move that really helped. If you could explain about how important introducing flexibility to the firm.

Joey Haven

As we formed our Be Better teams, and by the way, I didn't do any of it. Our team and our partner group really came together to lay out. We did identify, you know, the number one challenge in our profession is flexibility where people can integrate their work and their careers, their family. You know, we had core values of God, family, serving and gratitude. And we knew that it's just as important to serve our families as it is to serve our clients. That that's part of people really having a sense of belonging. And flexibility and the ability to work when, where and how you wanted to, and what worked best for you is very critical that we identified that is the number one challenge. And we knew the number one challenge but we didn't have any answers. We had none. And so, we opened up a collaboration across the firm. Open collaboration, everybody could see it. People posted their ideas, comments. The team members began to organize around a couple of trends that were there, and we were able to take that and start to develop that. And then we took some study groups and worked on some of that. And we came out and we named it Fearless, Unrivaled Flexibility, because we wanted people to be... to have the courage to ask for the flexibility they needed in their lives. And it was built around commitment, trust and communication. And those three were the pillars of our Fearless, Unrivaled Flexibility. And let me tell you something, Peter, you talked about getting down in a deep, deep hole. We got down in there because we made every mistake we said we were going to make. That we thought we might make. Our team members made them. I made them. I made some of the big ones right out of the box. Now, part of the group made some but we stay the course. We learn from the mistakes. And when we came out on the other side, when we surveyed our people were before we put in Fearless, Unrivaled Flexibility, 24% of our team said they had the flexibility they needed to manage their lives. Five years later, it took five years. In 2019, we measured that there were 92% of the team including our hourly team members, administrative staff, where it's limited on what you can do on some flexibility for them. 92% of our team members so we moved in five year period from 24% to 92%.

Peter Margaritis

Holy cow, that's incredible! And just by allowing them flexibility to work from a Starbucks, from home, from wherever. Were the requirements, were in this flexibility that you had to be in the office on certain days and certain times, or was it just you know, if you have a client coming in, then clearly you need to be in the office and you need to be dressed appropriately. But outside of that was a any kind of constraints?

Joey Haven

The constraints were completely around your role. So for example, we have some contracts with some clients where team members actually work at the client's place, and they have to honor the clients hours. And so, for those team members, we were able to communicate with the clients that certain team members would be working four day weeks, but we would have, you know, other resources there. So, we had to work through that with some of the clients. But for the most part, if you honor your commitment to the team and our clients, if you communicated what you're going to be doing. If you are flexing, you did have to be available. Now, if you're on vacation or paid time off, you could disconnect but if you were flexing, you had to be on call. It's like being on call, you know, being a doctor and being

on call. I guess is a great way to think about it. So, depending on your role, most team members, they either went to four day work weeks, and each team had to manage who could do that. You know, whether that was on Monday or Friday. They might rotate that. We let every team in each focus area kind of determine the best way to manage that. Because let me tell you the one of the things that we learned the very first year is that flexibility is unique to the individual. And 'll say that again. Flexibility is unique to the individual and until you do it that way. You truly don't empower your people to manage their lives.

Peter Margaritis

So, how did you get let's say, the managers, the leaders of the organization, how did you get them to let go of that control of if I see them in the office, if the cheeks are in the seat, I know they're working. I can't see them. Are they watching Oprah and eating bonbons? I have no idea but that level of trust.

Joey Haven

You did hear me say it took five years, right? And you've heard me talk about how I beat the pit, right? Oh, it was, it was hard because, you know, we had team members that... we rolled it out, we said this is a privilege that you earn. It's not a right. And you earn that privilege by honoring your commitment, communicating what you're doing, not just doing it and building trust by getting the results that you committed to. So, obviously when people started treating it like a right, and taking advantage and, you know, leaving the team hanging or the client hanging, at the same time, we're talking about cultures. Number one, we want everybody to have a sense of belonging. You can imagine the conflict in manager's and partner's minds about what can I have a hard discussion? Should I have a hard discussion? And so, we just had to reinforce, reinforce over and over again. When people are abusing the policy, you have to have that discussion. And you have to take the privilege away until they get it right. So, it was a lot of that. It takes one on one discussions. I think one thing that helped us get off to a fast start one of the funny stories that's told at Horne is the fact that when we rolled this out, I knew that, and the board we talked about this that you know 70 Something percent of initiatives fail because middle management, the people that really direct people every day, the Partner Group and the managers that touched everybody's schedule and everybody's role and responsibility every day, really control whether the initiative works. And so, I planned two hour meetings across the firm in every office. I met with all the partners and managers and small groups. And I walked into the room. Each one of those meetings with my hands, physically tied together with a big old rope. So, it was very obvious this was not going to be a normal meeting to talk about was not going to be the norm. And I sat there with my hands tied for the whole first hour. While we talked about why, why this was so important to our future? Why this would make us distinctive? Why this would provide us the ability to respond to clients and really be more flexible. And why would help us retain talent? And so after an hour, I let them untie my hands, and then we started talking about, you know, what are your issues? We just had a good discussion about why it wouldn't work. There was a lot of that. And so, from that we put together best practices and went at it. But I think that launching it with those graphic, you know, you know that I think that picture in people's mind realizing hey, this is really dependent on me, not Joey, not on the board. This is me. I've got to make this work.

Peter Margaritis

I love that metaphor and probably still to this day people still talk about your hands being... do you still have that rope?

Joey Haven

You know, at one time I had it. We've changed offices since then. So, I'm gonna have to look through a couple of boxes to see if I can find my rope.

Peter Margaritis

I think you should have that rope and have it framed. But not at home, but you leave it in the lobby of the main corporate headquarters for Horne. That's the time, well what's that?. Well, those that was the rope that had Joey's hands tied as we're rolling out this new culture and this new flexibility program. That's a great talking point.

Joey Haven

Well, it might be but I'd be scared they want to tie my hands again, Peter.

Peter Margaritis

What surprised me is they actually untied your hands at the time. So, let's fast forward to in this story to March of 2020. And we're now under this...we've heard the word pandemic, global pandemic. We have quarantine. We have social distancing. We've got people fighting for toilet paper. We've got hoarding. And all of a sudden people who worked in offices had to go work from home, and then families had to be at home. And you tried to raise your kids in school, and then you're trying to do your job. And everybody was grappling with this new normal. You guys didn't have to grapple so hard.

Joey Haven

Well, I would say that we were certainly very blessed. This one of those coincidences are where God has prepared, even though we didn't know that. You know, the hard part, though, especially for and I think a lot of this fell on the working moms. We did a lot of study groups around that, put out a lot of help aides. But even though we were prepared and overnight, you know, we flip the switch and 1000 people were working remotely and they were very productive, from the very start we still had to grapple with all of the people issues and how people's lives have changed. And you know, the working moms and the parents that were having to help homeschool as well as do their other work. That's a big hurdle that you can't really prepare for and nobody that I know of was prepared for. But what we did is we recognized that early on. I think part of that is the mindset of people first, and we were putting out information immediately about how to help manage your day and how what some of the best practices around that were.

Peter Margaritis

Well, as you're describing this, and you've done it, I went back into my mind going well if you build the culture correctly as you have, those challenges aren't as daunting as if you deal with them for the very first time. And when you put people first and what issues are they running into on a day in and day out in this new normal? I mean, I've been working from home from for over 10 years, but all of a sudden I have as I like I say, like to call it, I have two new FTEs my house. And you know what, by April, I was

putting them both on warning. And I tried to off board them in May but they didn't leave. They kept staying. All those little issues that became because everybody was, you know, quarantined. What was a huge challenge as well as trying to maintain a sense of business, and a sense of how do I help serve my clients during this time? That what can I do to help them without having to charge them any money just be there to serve them? And it sounds like you guys had had that mindset and was there to help serve those clients as was your internal clients in order to survive those early tough times.

Joey Haven

Yeah, tough for everybody. And you know, one of the great things that came out of that is that more people had access to leadership because, you know, we started communicating even more. Started Zooming every week with everybody giving them updates. But something happened there that and this this doesn't have to be a pandemic, this really gets back to why should we go through that U curve, that sloth, that swamp to get to be a great culture is that when you have high trust, high sense of belonging, that tribe effect, people spent less time worrying about was the Horne team going to gather up and keep everybody safe? And they were able to spend some constructive time on, okay, our class are hurting right now too. In fact, we've got some that their doors are closed, and how do we help them? So, the power of a high performing team with high trust and that tribe, that community, however you want to describe it. That community allows you to move past that initial fear that hits everybody. I think people felt safer that they knew Horne was going to do what we needed to do to keep our families intact and safe.

Peter Margaritis

And I I take it during this time but other firms that I've talked to during this time, some of them kind of maintain the status quo, but others went out and really help their clients even help the bankers understanding these PPP loans, and all this, you know, being there to help get them the resources that they need. And the accounting profession, I don't believe I haven't seen any stats on this, maybe you know, I don't know if a turnover is not the right word, but how many... did firms have to lay off people in order to, you know, maintained that their bottom line? Or were able to maintain their... hopefully bigger firms like yourself saw the people, we need them. We'll find a way to keep them on board, because they have lives. They have families. They have required things that they need to take care of. I think I just kind of butchered that question, but I think you understood what I was trying to get at.

Joey Haven

But it was a very, very uncertain time. You know, we made some staff changes, very minimal, but we did make some staff changes. Some functions that we couldn't see being full time, we put people on a shorter work week. So, we made some changes around that until we could get our feet under us and see what was going on. But in 2020, you know, we ended up hiring several 100 more people than we started the year with. We had phenomenal growth. Most CPA firms experienced some growth during the pandemic during 2020, because there was so much to do that PPP loans. They're the client said lots and if you are out there talking to your clients, even if it was on Zoom, there were needs that you could address. And so, we ended up one because we were immediately productive in March of 2020. I think because our team wasn't as scared. We didn't have fear immobilizing us as much as maybe some groups had. So, we were already moving and anticipating what are some of the new needs of the clients? We just had phenomenal organic growth in 2020.

Peter Margaritis

That's great. I love the word phenomenal because that that's...you don't hear that very much in 2020. That type of growth, but once again, it goes back to the culture that we create creates those opportunities. The culture that we create, empowers and motivates our people to go sometimes way, way beyond in helping our clients and with their businesses in their lives. Just I could have taken probably more than enough of your time and I hope someday soon that our paths crossed because then I want to sit down and just continue this conversation with you. Because it's something very unique in the accounting profession. It's something that has been desperately needed, but I do have one one question for you. What challenge we have people currently have today that has been still there maybe since even through this changing culture or as they deal with their clients? Now, some of our clients are well versed when talking with CFOs though, but some clients out there maybe nonprofit boards, maybe entrepreneurs who don't have that background that what we're speaking to them it's deer in the headlights, and trying to make that better connection with them. And I hear story after story after story of people going, "Well, I left my CPA today. I had a meeting with he/her today. No idea what they said, but I trust them. So we'll just move forward." And well, I'm going, there's something missing in that. That ability to translate that complex language of ours. Accounting into plain English.

Joey Haven

Right.

Peter Margaritis

I do. I see you smiling. So, you guys still have that same challenge out there.

Joey Haven

Yeah, I mean, I think he held that challenge is certainly a challenge we had at Horne that we started working on. It's certainly one that's common to the profession because we have been successful the last 100 years by being technicians and regulatory gurus and historians. And that is not where the market is. And so, we have been going into these meetings and we're talking all these technical terms rather than talking to the client about their business. So, we actually did a lot of training around that. We do role playing. If you have a big meeting with a client have a big presentation at Horne is now a practice to do role playing. We do after action reviews. What could have been done better? So, that we're changing that language and expectation around what we call collaboration. So, that's the skill set that we tried to build. And the other I know, you know, Tom Hood.

Peter Margaritis

Yes.

Joey Haven

Great friend of mine. One of the things that Tom Hood did for us was get us connected to Daniel Burrell. Yeah, and we trained our organization with the anticipatory organizational principles. And so, now that's part of our vocabulary, and it's very common for you seeing our team members anticipating the opportunity or the next challenge before the client does.

Peter Margaritis

That's great as I was formulating a question in my head, that my inner voice is what they're already doing this, Pete, but this is going to be great because they've already recognized this challenge that's out there. And they've already put pieces in place. Where I think other firms haven't even recognized that like that difference in that communication sounds like English when it comes out, right? When you say depreciation to an accountant, they go, "Oh, that's the value I lose my car when I drive out the new car lot." You go no, no, no, it's a systematic allocation of an asset over time. Arrooo. So, I applaud you guys. This has been a wonderful conversation, but I cannot leave without asking is Oliver around?

Joey Haven

Yeah, Oliver is around. Thankfully, my wife came and shut my office doors or I would put him on screen for you. But Oliver's my little Yorkie and when he's about 16 months old, and he's my best buddy. He's got a bed right up here on my desk. And when I go to work, he comes to work.

Peter Margaritis

And he was there when we first started and by the way, Jody did say that Oliver has his own Instagram account. Oliver Jean Haven so as soon as we're done with this interview, I'm going up to Instagram and liking him and start following Oliver.

Joey Haven

Awesome. He's been known to be seen driving and picking out mattresses. And at Halloween, he had hold of a cow's tail which is a pretty funny video too. So, he's got quite a personality.

Peter Margaritis

And so do you sir. You have a wonderful personality and I love your vision, your humor, your foresight, and I told you this yesterday, if I was a lot younger, I would love to come and work at your firm because what everything that you put in place.

Joey Haven

That's mighty kind. I certainly appreciate you saying that but it's a result of a fantastic team and a great partner group. And most of all, you know, we believe in giving God credit because he has blessed our firm immensely.

Peter Margaritis

Absolutely. And thank you so very much for your time and look forward to when our paths cross. And it's that time of year, Happy Thanksgiving. I hope you have a wonderful holiday season this year, and 2022 far exceeds your expectations by the end of 2022 than when they started.

Joey Haven

Well, thank you and Happy Thanksgiving to you. And again, it this has been a pleasure.

Peter Margaritis

I want to thank Joey for his time and discussing how his vision of the CPA firm of the future, and how he and the 1800 other teammates at Horne were able to change the culture from something traditional

in the public accounting world to something completely transformative. I will conclude this episode was another improv quote that's very fitting for this interview. "There are people who prefer to say yes, and there are people who prefer to say no. Those who say yes are awarded by the adventures they have. And those who say no are awarded by the safety they attain." Thank you all.