

Episode 338: Building a Strong People-First Culture That Lasts with Michel Falcon

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Mamie Kanfer Stewart 00:00

The idea of building a people-first culture isn't necessarily new at this point, but what does that actually look like in action? Well, it's still a little bit unclear for most of us. Thankfully, today's guest has had years of first-hand experience building people-first cultures, and they have transformed lives, and he is joining me today to share what he's learned along the way. Today's guest is Michel Falcon. With 15 years of experience building his own companies, consulting for some of the largest, and writing a best-selling book. Michel has the real-world experience to share exactly what makes a high-performing team, how to design and deliver never-before-seen customer experiences, and build thriving companies in any market. As a speaker, Michel has been on stages around the world from Toronto to New York to Riyadh and Melbourne, leaving audiences with ideas they can apply within their organizations and teams instantly.

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Mamie Kanfer Stewart 01:23

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Mamie Kanfer Stewart 01:48

Thank you so much for joining me today, Michel. I'm super psyched to talk about your book, People-First Culture, which just, I think it's a great title, because it like, really, just says it all. So thank you so much for coming on and chatting with me today.

Michel Falcon 02:00

My pleasure. I'm looking forward to the conversation and the questions.

Mamie Kanfer Stewart 02:04

Can you just give us some foundation to build off of here? Like, what is a people first culture? And like, why is that the concept that is like you are have are making your life around?

Michel Falcon 02:17

At the core of the messaging, it's building an organization from the inside out and within. The inside of an organization are very hard working team members, and I don't believe that an organization can genuinely create an experience for customers that they've never seen before, if we don't first do it internally. And that all sounds like platitudes, and sure, I can subscribe to that. But then why is it that most companies don't follow suit with resources and effort and the people is a very general term for us at my company, and the ones that I coach, or if I speak on a stage in front of an audience, people are anybody that interact with your organization, whether they pay you or you pay them, so a traditional customer, a team member, a supplier. We need to treat our food suppliers who help us operate our restaurants as hospitably as the guest that comes four times a week, our investors, the media, like quite literally, anybody that interacts with your company, treat them exactly like you would your highest paying customer, and greatness will stem from that. So that's the people first culture message. I wrote a book about it in 2018 and I'm happy that it's being adopted and we're hearing the people first culture message be amplified over the years. I just want businesses to be more people centric. I would like other listeners, entrepreneurs, team builders, to really rethink, who are we propping up on society, billionaires or the team members that help us operate our businesses? I think the latter is the better path forward.

Mamie Kanfer Stewart 04:14

People are the core of every business, right? We don't have businesses if we don't have people to operate them and to partner with and to help us bring those visions to life. So it is so important.

Mamie Kanfer Stewart 04:24

I'm wondering about what a people-first culture looks like on the inside. Like, if I'm looking at my own team or my organization, I'm trying to figure out, like, how are we doing? Like, what are some of the things you would see in an organization that puts its people at the core?

Michel Falcon 04:39

High-employee retention, individuals that have stayed within the organization and grown ones that are well compensated, individuals that have a story to tell about the workplace. First, we have to create an experience for our team that they've never seen before, so that they do recruitment for us. And that's just advantageous because the company gets to lower their cost of recruitment because it's just happening authentically. And it's great to be able to compensate our team members to help us recruit rather than paying meta for Facebook ads, right? I'm not trying to downplay digital marketing at all, but let's go grassroots and think of how our grandparents built their businesses. They didn't have Meta and digital ads. Did they to grow their businesses? So let's rethink a off how we're building organic companies by putting our people first and supporting our team and the company with the proper system and process.

Michel Falcon 05:43

And within my book and something that I coach entrepreneurs and leaders on is something I call the 3P Strategy, and that is the crux of the people-first culture. So the 3P being purpose, process, and profit within the purpose part is truly understanding what is the purpose of our company. Like, Why do we exist? So most companies have a mission statement. At brass, improving kitchen, my restaurant brand, we call it the Why do we exist statement, and word for word, I am not looking at a script or anything. I have it stitched in my head. Are why we exist. Statement goes like this, to build a company that the world needs more of, one where everyday people are empowered to make great money, achieve career growth and help close the income equality gap. Now I know earlier that I said we don't, shouldn't celebrate billionaires. I'm talking about income equality. I'm very capitalistic, and I don't think we should villainize billionaires. But how we go about building our businesses is there's got to be another way. And guess what? There is. And the people first culture path forward is one that's really authentic, that will grow your business for decades, not just for the next quarter or two. What's the purpose of the company? How are we ingraining that into the DNA of our organization? So it's not just platitudes. What is the purpose of our team members? Every team member within an organization have their own individual purposes, whether they have discovered it or not, if they've discovered it, great. Let's pave that path for them, whether it's with the company or without the company. I'm an advocate that if my team member wants to grow and retire with us, phenomenal. Let's make that happen. Maybe they're only going to be with us for 18 months.

That is acceptable as well. Well, how can we help your life after brasa Peruvian kitchen, or your company name here? And we should think of our companies like Alma matters, like universities where they graduated from brass Peruvian kitchen, and if they don't know what their purpose is, as leaders, as people, first leaders, we need to help them discover that path, because I've had mentors in my life, and they have helped me. So we have to have that Pay It Forward mentality as leaders. And then, what is the purpose of the customer? Why does that customer buy from you? What matters to them? You know, what ticks them off, but what makes them tick? And then we create some processes, like robust interview processes. I hope you asked me about my interview process, because it's never been seen before, and I've been looked at by my industry peers like I have three heads because it is bizarre, but it works. And then the last piece profit, like, let's not villainize profit, right? Let's earn a profit, but let's earn it the right way. And I want to reframe profit where it's not just economics. A profit is a reward of having a people first culture. Now you can get free media. That's a reward that's profit. In my eyes, have high employee retention, high end customer retention, and all these other good things. It doesn't just have to mean nickels and dimes, although that's very important to operate a business and continue to invest in growth. So at its highest level, that's the people-first culture and the mechanics behind it.

Mamie Kanfer Stewart 09:10

I would love to hear an example or a story around the purpose parts of this and like your purpose, maybe how you helped an employee find their purpose, and then connecting that to your company purpose.

Michel Falcon 09:20

I'm gonna go with Vanessa, the real world story to verify this, everybody can go to brassaprovid.com scroll to the bottom, click careers and scroll halfway down the page, and we have on our careers page, real life stories of people that have, quote, unquote, graduated from brasa and have elevated within brasa. So graduated means they they came, they did great work, and then they left to pursue other opportunities. And then elevated are the ones that are growing within the organization, and we share, you know, their names, their pictures, and like the story behind it. Well, Vanessa is somebody that started off as a team member, worked her way up, tripled her income, but then handed in her notice one day and went to go be the office manager of a consulting agency three blocks away from the restaurant that she was running. And for me, I was not when she handed in her notice, I wasn't like, Oh God, what are we going to do? Or you're dead to me, you know, none of this, right, none of this negativity. I said, this is awesome. Well, how can we make sure that we celebrate you on the way out? But then how can we do succession planning? And guess what Vanessa gave us? I believe it was four weeks notice, maybe more. More, much more than the typical Two Weeks Notice that some team members give. And she's the office manager of a consulting firm that orders catering from us,

right? And she visits us. She texted me on my birthday, and that's a really strong relationship. Now, on the elevated side, we have somebody like Natalie. Natalie joined us, earning \$20 an hour as a part time team member in Toronto. Now she has I've relocated her to New York, and she makes 90,000 US in two years. Like that for me, are badges of honor, and I'm proud of that growth. I'm really proud of it like I'm capitalistic. I believe in operating profitable businesses, and I expect to get profitable P and L's every single month. That's my expectation. And when we do, I celebrate for seven minutes, and then I get back to work. But what makes me most engaged is the promotion growth part, because I'm living our truth. I'm living our why we exist? Statement. And every mission statement has to be the bedrock of an organization. Every company has a mission statement for the most part, but very few actually apply it into the mechanics of the business for growth and performance. And you know, I love it. I asked my management team, like, who are we promoting? When is it happening? Let's make it happen, right? But they gotta earn it. Of course.

Mamie Kanfer Stewart 11:57

Maybe you could talk more about how you think about training versus development versus growth, and clearly, that's an important part of the employee experience.

Michel Falcon 12:06

There's three sides of it. If you think about onboarding, right? New team member joins an organization. There's the technical part, the Okay, how are we gonna pay you? What's your emergency contact information? Let's upload you to this software and all that stuff. There's the part that is we're going to teach you how to do your job. But then there's the third part that most organizations miss, the connectivity part, the emotional part. How are we going to deliver a great first impression to this new team member, so that we can show them this is a company you've never seen before, although not perfect, very intentional in how we're going to welcome you, because we want to supercharge every single individual that joins us to deliver an experience to our customers that they've never seen before, but they need to know what that looks like. How does that feel? And then there's a element to this of I want to own the dinner table, and I want to create an experience so profound to you that you race home to tell a family member about the experience that first day. That's just good business. It's good word of mouth. Remember, I talked about it earlier, just resetting how we build our businesses like the internet doesn't even exist, and really connect on the human level.

Mamie Kanfer Stewart 13:30

What does that first day look like? Like, what do you do that's making it so special?

Michel Falcon 13:34

I saw an opportunity. How can I connect the interview process to day one? Now, if you think about it, the interview process and day one could be weeks apart. So we ask an interview question, and I coined it because, and now I quite literally hundreds, if not 1000s of companies globally are asking this interview question, and it goes like this, what is an indulgence you cannot live without that cost less than \$20 I created this question in 2016 and I'm still using it. And I am not one to recycle strategies, because I like to create new ones. But this one is still working, so I'm going to keep it. So what is an indulgence you can't live without that cost less than \$20. So I've heard many things. I've heard coffee, chocolate, this and that, but I'll go with the one that I hear the most. And it's coffee. Great. That's not enough. I need to go deeper. What type of coffee? Dark Roast, light roast, dark roast. Okay, great. From what region of the world, Costa Rica, great. On. I go with my question, other questions so you've kind of forgotten about it. Maybe even think like I wonder why I asked you that. And now, whether you're applying to be a marketer or an accountant or somebody that works in our restaurants, everybody gets this question junior and senior. So let's say we hire you on day one, the first thing that we present you with is a gift bag with your \$21 \$20 indulgence and a handwritten card that says, Thank you for choosing us. You are phenomenal in the whole interview process. We're so thankful and lucky to have you. I bet you dozens of companies made you offers, right, like reframing language, because language matters when it comes to company culture. Thank you for choosing us. And then, you know, we sign it. Then there's your \$20 gift, that dark rose coffee from Costa Rica. Okay, that's not where it ends. And that is actually not the value. Because you may be thinking, Oh, that's nice. It is nice. But here's why we do it. I told you earlier that to create an experience for our customers that they've never seen before, we need to do it internally first, so that is a great, affordable way to onboard new team members. The second reason we do this personalizing an experience. Every company tells their employees, personalize the customer experience. Make it personal. Notice how I didn't just give you any type of coffee, I made it personal to your preference. So now we have taught the team member This is what personalized customer experience looks like. And then number three has to do with learning and development. I in with \$20 and a little bit of effort, I just spikes your engagement. You're really content with this. I believe now you're just about to go into formal training. I want your engagement to be high because your knowledge retention will also be high. You're alert, you're engaged, which means that you're going to perform better in a shorter period of time. We win as a company, the team member wins because they got an experience I've never seen before, and ultimately the customer wins. And I think that is a three pronged approach, in an affordable manner, where everybody's winning. And it's worth noting that I love finding and building strategies that are cost friendly every company can afford the \$20.

Mamie Kanfer Stewart 17:21

Yes, I love this, and it's also amazing, because you don't even have to be in the same office if you're not co located like this is a strategy that you can use no matter where your team members live.

Michel Falcon 17:31

And you remember how I told you the second P and the 3P the process, right? That is a process that you can use to create a people first culture, and then the outcome of that is profit, high employee retention, customers are spending more, and like everybody should be winning all throughout this.

Mamie Kanfer Stewart 17:48

All right, is there more you want to say about the culture of learning and growing and developing your people.

Michel Falcon 17:54

Making sure that we over index on what we budget for this the right amount of time. And when I say budget, it doesn't have to be money, right? It's like time. And I guess you know, in many respects, time is money. One thing I was taught earlier in my career is people don't fail. Processes do. So if Johnny on your team isn't, quote, unquote, getting it. Well, maybe Johnny was not taught the way that is best for his learning style. Maybe he actually does get it, but he's not being taught the way that would resonate best with him. And then if you feel like, yes, our learning development process is very sound, okay. Well, maybe the process that broke down is maybe Johnny should have never been hired in the first place, right? Maybe that process broke down rather than looking outward as a leader of who is doing wrong and why first start inward and say how much of this is our wrongdoing. It's a humbling activity, and I recommend it to everybody. I do it myself, and it keeps us honest, keeps us always inspecting what we expect and auditing our businesses.

Mamie Kanfer Stewart 19:08

I love that. I'm wondering if you can share another story with us about one of the experiences you've had, either in your business, or when you're being consulting to others, putting these pieces in place, and kind of, how do people respond when you're in that transition? When you're you've kind of been in a traditional kind of environment as a team or an organization, and you're like, making the switch, or you're kind of in the process of becoming a people-first culture.

Michel Falcon 19:33

Literally, people will pull you aside and say, Thank you, right? I finally feel like this is a place that I belong. Thank you for respecting me, being gracious, for my efforts. I'm so gracious. I'm recording this with you, and the show still goes on at my restaurants without me, because we've put our people first, and they've insulated me from the day to day, if I so choose to excuse myself from the day to day. And look, maybe it's because I'm South American and I'm emotional, but I feel good to be a good hearted leader, and believe me, the profits even feel better when you know that your team members are also benefiting as well. With this being said, some individuals will take advantage of this and not show gratitude, and you must remove those people very quickly, because if you've created this people first culture, a lot of people are going to want to join it. You're. Because a lot of individuals have never seen anything like this, but they've always dreamt of it. Do not allow yourself to be taken advantage of, and your kindness and all of your efforts, you have to manage performance very strictly, and as you should, just like in your personal life, you would probably exit a personal relationship where you felt like you were being taken advantage. And we have the right to do so in our workplaces when we know that we're creating something great, and individuals are welcome to have a seat at the table, but they have to earn it. They have to continue to earn it. And just like the company has to continue to earn the trust of the team. It's a reciprocation needs to happen within people first culture to be able to prop it up.

Mamie Kanfer Stewart 21:24

So when you talk about managing performance, are you looking at business performance? Are you looking at their behavior? What are the things that you kind of bundle together to say like they need to earn it?

Michel Falcon 21:34

Quite literally, everything. So there's a phenomenal quote from Netflix that says "We will not tolerate brilliant jerks because the cost of teamwork is too high." And when I read that, that was paradigm shifting for me, because how many organizations protect the quote, unquote, brilliant jerk, because they sell well. They're a great engineer, they're such a great chef, so talented, yeah, but the majority of the team really don't like working with them. It impacts all of their engagement, and they leave. So we can't protect those individuals. They are not excused from being a part of the culture, just like somebody who's a culture fit that doesn't perform shouldn't have a seat at the table either. Right? We have to measure both equally. Are you upholding the values of the company similarly to how you are upholding your performance and the standards that we have set working within a people first culture is not for everybody, because we're trying to create something that's never been seen before. We want to be best in class, not just for

today and tomorrow, but for decades, and you're going to experience high employee retention, and you have to protect that benefit by making sure that individuals that do not fit, whether it's for performance against their goals and responsibilities or against the values of the company, you have to remove them. And you know, I've made sure to do that. And Am I perfect at this? No, there are times where I should have terminated sooner than I actually had, but protect the house, is what I say.

Mamie Kanfer Stewart 23:16

Okay, before we run out of time, I have one more question, which is, if I want to create a people first culture in my organization, but maybe I'm not the boss, like, maybe I am a mid level manager in an organization that has, you know, 1000 employees, I can't change everything. Where do you think we should start? Like, what's the first thing that we can do to start to shift, you know, in our own little team, or maybe our single departments, towards a culture and towards a team experience that people haven't ever experienced before?

Michel Falcon 23:46

That's a phenomenal question. And what I would recommend to individuals that maybe don't have full authority to create this much change, but sees it as a great path forward. Number one, educate yourself. Find companies that you admire for their culture and just Google their names. Go to YouTube and type the company name and company culture after it, and just watch videos. Read some case studies, anything you can discover about the company, then go to LinkedIn and search for the company by in the search field, type in the company name, in the search field, click search. Then that's going to filter people that work there. Try to connect with those people, and you'd be surprised how many people will connect with you and put a personalized message to it and just say, Hi, Michelle. You know, love where your company stands. We're hoping to connect with you right and then engage with them to have a better understanding of how does it work in other companies. So the first step is just really educate yourself, and then second step, go to your leader, book a meeting with them and just say, hey, here's the agenda. I would love to have a coffee with you, because I've really been studying this company. I think there's some great things that we can learn together. And then it would be great to ask ourselves, like, how might we be able to do something similar within our department, even before making an organizational shift? Because if you're in a big, large organization, creating this organization will change takes, takes a while, right? So why not first start within your own group or your team, and I would hope most leaders are going to enthusiastically take that meeting and say, you know, phenomenal job. Only insecure leaders will see it as a threat because they. Wasn't their idea, and if that is the case, you should find somewhere else to work, because they are not aligned with what you want for yourself and your career. I love it when people come to me with these ideas, I'm like, Whoa, yes, let's do this. And then I'll point to them

and say, you run with it. Keep me up to date. Tell me what you need from first, educate, then yourself, and then educate others and measure the buy in. That's where I would start.

Mamie Kanfer Stewart 26:04

I love this. I mean, what a great way to like get more ideas of all the kinds of things that you could do, because when you have that universe of options, and it'll just spark, and you'll find something right, you'll find the thing that will work for you, or you'll give you a new idea for something to try. So I love that,.

Mamie Kanfer Stewart 26:20

All right. And lastly, to wrap us up here, Michel, can you tell us about a great manager that you worked for and what made this person such a fabulous boss?

Michel Falcon 26:28

Patrick Lewis, he was very patient with me. He was my first mentor when I was in my early 20s, mid 20s, back then, and I still am, you know, a wide eyed, anything is possible, professional maybe did not approach conversations the right way, because I had this, all this enthusiasm, somebody drinking from a fire hose. And I still in contact with Patrick, 15 years after, and we still meet for coffee, and I joke with him. I said, you should have fired me a dozen times. He's like, I know. And I said, first, thank you for not doing that. And two, why didn't you? And I'm paraphrasing, but he said I saw potential in you, but it's my job to groom and coach and bring up that next layer of leaders, and that has always stuck with me. And one thing that he's told me that really stuck with me and made me, you know, really thinking, you know, get like, emotional, was he said something along the lines of, you know, you should stop thanking me, and you should thank your parents because they gave you that DNA. I was like, wow. Okay, as soon as I'm done talking to you, I'm calling my parents and saying, Thank you, because it's Leadership isn't just a title, it's a human behavior, and human behaviors are formed when you're really, really young, your work ethic, your kindness, all these things that ladder up to being a great leader. So ask yourself whether it's your parents or somebody that had a profound impact on you, pick up the phone after listening to this podcast and call them to say, thank you for making me the leader that I am today. Probably the best phone call will take all day.

Mamie Kanfer Stewart 28:13

Amazing. And where can people learn more about you? Remind us the name of your book and where people can find it.

Michel Falcon 28:17

Yes, the name of the book is [*People-First Culture: Build a Lasting Company by Shifting Your Focus From Profits to People*](#). I wrote that in 2018 I think it's about time I read another one. It will come soon, and then search for me anywhere you hang out, [Instagram](#), [LinkedIn](#), [Facebook](#). Michel Falcon. I may be the only Michel Falcon on the planet. I believe so I'm easy to find, and I run a coaching program called [Teams by Michel Falcon](#), coaching leaders all over the world how to be people-first, culture-centric. And yeah, I would love to connect with you. This really is quite a racket that I have. I love what I do. So if you have questions, just shoot me a message. Wherever you choose to engage with me, and I would be happy to share my insight, if that would be valuable, amazing.

Mamie Kanfer Stewart 29:09

What a generous offer. Thank you again. So much, Michel. Really a pleasure speaking with you today.

Michel Falcon 29:14

My pleasure. Thank you.

Mamie Kanfer Stewart 29:16

Michel is offering a free consult to one member of Podcast+. You can use this time to get advice or pick Michel's brain on how to help you or your team or your organization foster more of a people-first culture. To get this guest bonus and many more, become a member at themodernmanager.com/more. All the links are in the show notes, and they can be delivered to your inbox when you subscribe to my newsletter. Find that at themodernmanager.com. Thanks again for listening. Until next time.