

Live W_ Steve Bilt, CEO of Smile Brands

Sat, 10/3 9:04AM • 55:50

SUMMARY KEYWORDS

people, company, business, pandemic, patient, smile, ceo, smiles, employees, workforce, support, organization, driven, big, purpose, celebrate, doctors, steve, happening, microaggression

SPEAKERS

Steve, Jacob Morgan

Jacob Morgan 00:04

Hey everyone, thanks for joining me again for another episode of the Future of Work with Jacob Morgan, my guest today, very special guest, Steve Bilt. He's the CEO of Smile Brands and the Smile for Everyone Foundation. Steve, thank you for joining me.

Steve 00:18

Thank you, Jacob.

Jacob Morgan 00:20

So for people who don't know, Steve is one of the CEOs who was included in The Future Leader. And he graciously agreed to join me today for for an episode of this podcast. And it was funny because the more that I was learning about you, and Smile Brands as a company, the more I was thinking, you're kind of like this mythical unicorn like creature. So just to give people some context, you have a 94% approval rating. Around 90% of employees recommend working in Smile Brands to a friend, you're one of the top CEOs on Glassdoor, you got an award for best CEO for women, best CEO for diversity, best company for leadership, best company for professional development. And I'm sure there's many, many other other awards that you got floating around out there. And so we're gonna talk about how you got those awards. But first, give people a little bit of background information about the company.

Steve 01:21

So Smile Brands is a dental service organization, services port organization. So we have about 450 dental offices around the country that we provide full service support for so that dentists essentially can be dentists, they can focus on their patients and not be distracted, if you will, by all the business elements that slow things down, and keep them away from from their patients, we're also able to use that location to have full specialty support going through the location so that a patient can go to one place and get everything they need.

Jacob Morgan 02:01

And how many employees you guys have now

Steve 02:03

About 5000

Jacob Morgan 02:05

Wow, these are actually pretty large size organization.

Steve 02:10

It's grown a lot, you know, it's a big sector. And there's a lot of things that we do that create a lot of benefits from having some size. So having specialists who can do specific things like support doctors with financing programs, and marketing programs, and human capital support, and the other the businesses are small, individual locations, but they actually need full business support. And you know, as you know, when you're very small, you can't really afford experts in each of those areas. So by aggregating a lot of dental offices together, they're able to get world class large company support, while still focusing on their customer like a small business does.

Jacob Morgan 02:53

Yep. So Steve, can you talk a little bit about how the company was started? And how did you get involved with Smile Brands?

Steve 03:03

Well, I was on the founding management team of Smile Brands way back in 1998. And so I was originally the founding CFO, and about a year and a half later became the CEO of the company. And you know, that story had a lot to do with the company just being a very operationally complex business. And initially coming out of the gate struggling a bit, I moved over into that CEO role, and really spent all my time working very directly with the doctors on creating close relationships, so that we really got to know each other knew what kind of support those doctors needed to be successful.

Steve 03:42

That real hands on experience enabled me to tailor the model in a way that now works at scale for lots of doctors.

Steve 03:51

So we did that got the model, kind of right at a time when people were experimenting with dental. And as they were experimenting with it, people were building up businesses, actually nine companies came public and like a six month period in the dental space, believe it or not, we didn't, all those companies ran into trouble with their models, we were able to actually acquire one of those that was about three times our size in 2003, bought another one in 2004. So suddenly went from having about 45 locations to over 300 locations inside of a year, which is definitely almost as shocking as this COVID experience in terms of, you know, going through change very rapidly. So we did that. went through a couple sale events with the business. I stayed with it through the end of 2013 and then left the company, and which, you know, was one of those moments where the newer investors decided that there's another way to do it, and I will

Jacob Morgan 04:52

We're gonna talk about that, sir. That's one of those stories... That's the story that I talked about in the book, which I which I loved.

Steve 04:57

Yeah, so I'll come back to that one. So we did that. And then came back to the business reacquired it with a small company that my CFO and I had started. And we acquired it in 2016. And then been on a four year run, since then of building it up, and have a lot of fun with it.

Jacob Morgan 05:15

So how I mean, did when it started, was it just you and like one or two other people, you had just one like dental location? Or how, how did it begin and then grow?

Jacob Morgan 05:26

Well, interestingly, so when it started in 1998, we had, I had just been part of a company, a New York Stock Exchange company that had been sold, and came over. And we actually acquired three little companies, with our private equity partners at the time. So we kind of went from a few of us in a business plan to then relatively quickly having a small company, you know, with the 40 location.

Steve 05:51

This last time when we restarted it was originally just my CFO and I, so there were two of us. And that was kind of interesting time. And then we started a search fund with our Private Equity Partners, look for businesses actually had three offices. So there's only you know, five or six employees, originally, and then we acquired my old company back and suddenly went from three offices to 350 offices overnight, which was another fast change of it.

Jacob Morgan 06:20

Crazy. So why, I mean, why do you do what you do?

Steve 06:26

So you know, I have I started out my career in the finance side. But I've always been in the service business since a public accounting way back in 1985. So I've always been very attracted, 93 actually very attracted to the service business and the healthcare service business. And dental specifically, I came from a little bit higher acuity health care, and fell in love with dental for a bunch of reasons.

Steve 06:56

But, you know, the business side of me loved it, because it's consumer driven, meaning people choose where to go. Versus, you know, coming from broader health care is kind of a payer, or another doctor told where to go. So I liked the business aspect of people choosing the customer choosing. Because to me, the customer choosing meant that if they felt like your quality was higher, and your value was better, and convenience was better, they would choose you over someone else.

Steve 07:30

So I looked at the sector and 50% of the country was in regular care. So I said, well, that's interesting 50% of the country's not in regular care. And we can deliver something that has a high quality, actual and perceived high value actual and perceived, we'll get our disproportionate share of those 50% of the people that aren't going.

Steve 07:52

And so we really set out to do that creative retail model. So it's consumer facing, we put it in strip malls. So the patient would see us when they drove by in their car, we'd advertise, we would activate people into care and then because the value was good, and the quality was high, we felt like we could sustain a business. And so that was kind of a original business premise.

Steve 08:16

And the passion premise has come from the fact that people really neglect based on that statistic, they're neglecting their oral health care. And the longer I've been in it, almost daily, we come up with another connection between oral health and systemic health. And you know, a lot of disease states are either comorbid, meaning they're present in both places, or they're actually led by a lack of oral health.

Steve 08:43

And so to me, activating more people into care, keeping them into care is a big step in the healthcare chain. So becomes a big mission to put a dent in that universe of percentage of people go in is where the passion taps.

Jacob Morgan 08:57

Got it. And thank you, my wife just brought me coffee, you saw like a little hand flame that camera. And so I mean, you you've done a lot of really, really interesting stuff as the CEO of Smile Brands, he has got a lot of awards, but it wasn't without its challenges. And when I spoke with you for the book, you shared actually this really fascinating story of how you were the CEO, and then you and I believe your co founder, you left somebody else took over. And can you share what happened with that story and and what they did ,the impact it had on the company and why you came back?

Jacob Morgan 09:36

Sure. So you know, I was the CEO of the company and been there for a long time. And when you're the founder of the company, and it's sold a couple times successfully, you know, you you get a suggestion at some point that you retire, right? Pursue other interests which is code for getting fired. So you know, it's that's what happened and

Jacob Morgan 09:59

Go do something else, Steve...

Jacob Morgan 10:03

Right? So you're gonna pursue other interests, spend more time with the family, whatever the, the code is for someone telling you it's time to go. So you know, and it was okay. Like it was, you know, maybe it was the right time to move on? I don't know, or certainly didn't know at the time, what I did find out is I had a real passion for the business and missed it.

Steve 10:21

And then what was learned in terms of that observation of the businesses, you know, we always connected, I mentioned early, like, I spent my early years running the business connecting with our doctors and our team to understanding what made them tick and what they needed from the business. And we would distill that down into, you know, I love three word phrases. So we distill that down into various three word phrases. One of those was smiles for everyone. And you know I wear that on my wrist we talked about all the time, we talked about this concept of a virtuous circle, which is, is every one of our constituents, getting a fair deal from us, whether that's patients, employees, providers, our vendors, our community, our investors, and we took that really seriously and pursued that win win around all six of those axes, pretty relentlessly.

Steve 11:14

When I left or was asked to leave, you know, the company tried to move to a much more kind of execution oriented, nothing wrong with that, but less personal mission driven, style or touch. And I think it was because the people who ran it behind me didn't necessarily understand that we were really serious about that. Like, when we evaluate a deal, we say, look, is this going to be good for you, and is it gonna be good for us.

Steve 11:43

I was just on the phone today with someone saying, you know, I'm not sensing by your body language, that you feel like this is a good deal for you, it's a good deal for us. But if you don't, you shouldn't do this, that's smiles for everyone. they guy was like, Wow, that is great to hear. And let me clear that up. And as we had a great conversation with that basis, we think that way with all of our employees, our patients and everyone that becomes part of your DNA as a culture. And when you take that away, and replace it by saying, well, we can do better, this metrics higher, or this metric moves further down field, a company like ours just loses its soul, if you will, or loses its art.

Steve 12:24

And it's amazing, because everything about our business is that last 5%, or that little extra mile, and you think about it, it's true, anything that you put your hands on, you think about your book, or, hey, if you didn't care deeply about the outcome, you could have got to the page count a lot faster.

Jacob Morgan 12:40

Oh, yeah.

Steve 12:41

And you probably would have went through a lot less rewrites and scrapped a lot less content to find other kind of, and that's what matters, that extra--work through the lunch break, that stay an extra half hour to make sure that patient gets their care. But when you're in a business, you know, multi site 400 and some odd locations, going after four or 5%. Same store growth. If I tell you someone stayed through lunch, the doctor to get a case done or stayed an extra half hour to finish a case, that's not 5%. That's like 10 12%. But it all comes down to that people really caring, and then you showing them that you care about them.

Steve 13:20

So that was taken away. And so to answer your question, when I came back to the company I went around to talk to I think it was 1500 people live out of our group. And we'd be in rooms, you know, and sitting there. This is back at a time you actually sat in the same room with each other right, that was a long time ago, but you sat in the same room. And they would say, you know, hey, are we serious about this bringing smiles for everyone back? And they said I said of course we are say so we can wear the wristbands again. And I kid you not like I'm wearing one of these right? I always do every day, people would literally come to the meeting. Oh, thank goodness, they pull them out of their pocket and put them on and say I've been saving this for this day. I was gone for two and a half years.

Steve 14:03

People were saving them in desk drawers. Waiting for when I hopefully came back. And so that was the biggest thing. And people always kind of scratch their head and go, really. And don't get me wrong. There were lots of tactical things that had changed that had to be adjusted back. But none of those could have been adjusted back until the spirit of the culture was back.

Jacob Morgan 14:24

And just so I was slipping through the page in the book where I talk about this. And so it went from smiles for everyone. And then they changed it to to give providers and their dental teams the freedom to put patients first so that they can become the most preferred dental office in their community. So somebody might read that and say, Okay, well that that's not terrible. It's not bad. Why did that not resonate as much with your people with your customers as smiles for everyone?

Jacob Morgan 14:56

So you're correct. It's not that, there's nothing wrong with what they were saying. Now, I would say my critique of it was that that's not exactly a pithy statement that just rolls off the tongue. It's not, it doesn't fit on a wristband either, which is a big problem for me, or as a three word slogan, on a shirt, or some or a name tag. But the bigger problem with that was we set our entire culture around, sitting down and checking in to our mission statement, we started every meeting, saying this meeting is about moving us closer to our vision of delivering smiles for everyone. And here's how it happens.

Steve 15:40

And then when we're working with people, we would check in and say, are we moving together towards smiles for everyone? And by the way, you know, who gets to evaluate that for you? You. You know, who evaluates it for me? Me. When you start talking about what I can't remember the entire thing you just said, because I sort of block it out.

Steve 16:01

But you're putting providers in a position to be the preferred provider in their community, you don't really roll that off the tongue and say, Hey, am I putting you in a position to be the preferred provider in your community? So that it becomes a statement that exists on a wall or shelf, but it's not breathing? It doesn't have a pulse? And so the way we do it now, yeah, if we just put the three words on the wall and talk to him, it wouldn't matter anyway. But we keep it really short and tight. So we can check in and say,

are we doing this? Are we moving closer to this, and that just became part of our DNA. And when you move that generic thing that can be any dental company?

Jacob Morgan 16:41

Yeah. In fact, any business, you if you swap out dental provider with like, store, you can kind of copy and paste that for anybody.

Jacob Morgan 16:52

Copy Paste anyway. So therefore, it loses its meaning. Right? For us, we say smiles for everyone. It's unique to us, because we're talking about how we're the emotion we're getting from people. And by the way, it happened to Dell also, right, and then everyone met all of our constituents. And so it became a really, it's more how we use it. And because we use it in every meeting, we try to use it in every interaction. As soon as you start to lengthen it, to create more explanation for it, you're doing two things, you're making it harder to use. And you're also telling people what the standard of success is.

Steve 17:31

When the point of the mission statement that we have is only you, Jacob can say what makes you smile in this situation. So I can't put criterion around it to say, well, as long as my lighting is good enough, you're gonna be happy with this interview. As long as my, you know, shirts the right color, I can't put the standards on it only you get to judge that. And so that's why I hear a constantly kept is very short. So it was highly subjective. But you as the constituent and me as the constituent would evaluate it qualitatively. That's another thing, which that means I have to ask you, if it's working for you, now, just hand you statistics and say it is working for you, which is what most businesses do.

Jacob Morgan 18:13

I like it. Yeah, it's it's definitely more human in that regard. For sure. Well, so now lately, you know, of course, with what's been going on with, with COVID, Black Lives Matter, there's just been a lot of madness and chaos in the world. Can you share a little bit about the impact that that's had on you? I mean, I'm assuming especially with COVID, that's been probably very, very tough for you guys. But how have you been doing as a company?

Jacob Morgan 18:38

Well, and I want to talk about both of them, because they both been very impactful for us. So COVID was quantitatively incredibly impactful. I think we dropped 93% in three days as a business. That's a wake up call.

Jacob Morgan 18:54

Wow.

Steve 18:56

He's like a wow

Jacob Morgan 18:57

93%?

Steve 18:59

Yeah. And it was straight off the edge. Right. So in that case, you know, we had to do a few things from a leadership perspective, and a company perspective, that that, in hindsight, worked out pretty well. At the time, I wasn't so sure.

Steve 19:18

So you know, one of the things that I did as a leader is, you know, I could feel the stress of that kind of impact, obviously, can be dead, not too, right. So, so that impact, and I remember going to my people pretty early on and said, You know, we're going to meet every day on this, we're going to be constantly talking about it, we can communicate really heavily into the organization, but just know something, you know, this is my first pandemic. So I'm probably not going to do it that well. I'll make you guys a promise, my second pandemic, I'm gonna be really good at this.

Steve 19:55

But for my first pandemic, we're kind of going through it and learning together, so bear with me. Now, obviously, there's a little bit of tongue in cheek there. But there's also a lot of sort of this underlying freedom for everyone in the management team to go, guys, we're going to figure this out together and make short cycle decisions come together a lot, but don't be afraid of being wrong, because none of us have done this before.

Steve 20:19

So we really did go through that. And now this is six months in now, my senior leadership team and I, which is 14 people we've met every single day, we stopped doing Saturdays and Sundays, but for the first month, it was every single day, then it's been every single Monday to Friday day, we've met. My senior operating team, which is four, five of us total, right? We meet every single day also. So you're talking about a pretty, you know, intensive, you know, group coming together pretty regularly, to try to make sure that we're communicating and making micro adjustments to the business.

Steve 20:58

So you know, we had to go through furloughing 85% of workforce is incredibly painful. But I told people, I said, Look, we're gonna get through this, I said, the only thing more painful than going through this pandemic, and everything all this pullback would be going through it, and then I have a job on the other side. So we're gonna get through this, it's gonna be painful, we're gonna get through it. So we communicate a lot around that.

Steve 21:22

We also set in mind, a canyon metaphor, not a mountain metaphor, but a canyon metaphor. And the reason the canyon was so important, as we sort of started here, we slid down to the bottom, which could still be a mountain metaphor. But what I wanted people to think about is surviving on that canyon floor during COVID. And then building back to a new place, not climbing back to the old place. So we really reinvented every aspect of our business, while we're on the canyon floor.

Steve 21:55

And as we started to emerge back out, and now we've emerged back out the other side, we're got 100% of our revenue back 101% of our revenue back. And well, more than 100% of our profitability. We were able to rebuild it in a way that's different. And now we're fighting to add different services and a different approach. So we continue to grow without necessarily trying to go back to the old model, which the world's not ready for yet. Again, a lot of can't handle that kind of throughput yet. So it's been other ways to do it. So we've really done those things, and then again, just micro adjusted every single day to get the model to the right place.

Jacob Morgan 22:36

How did you Oh, sorry, go ahead.

Jacob Morgan 22:38

No, I was gonna switch to the other side. So I'll stay on this topic.

Jacob Morgan 22:42

So I'm really curious. So having the furlough 85% of your workforce? I mean, that is, of course, devastating. It's huge. I mean, that's, that's massive percent of the workforce. Can you talk about how you, how did you communicate this? How do you handle this with your people? Because obviously, this is something that, you know, your company got a lot of awards for your leadership style and how you do things. So how do you think you approach this differently than maybe most other companies who just basically said, like, you're out of a job, sorry.

Jacob Morgan 23:15

So you know, one of the things that I've long done is, I really have one version of my message, it's the same one the board gets, and the rank and file of our team gets. So I would honestly have very similar, almost the same conversation. You know, the board meetings were on the computer screen, the meetings with a theme around the community. This is the same message going out to both constituencies, I mean, the board, my senior leadership team, and then we were doing very consistent messaging 2,3,4 times a week, to our workforce.

Steve 23:55

So when this was happening, and people are getting furloughed in there, and we're have all this change going on, they were on a webinar two three times a week with me and other members of the senior leadership team, telling them exactly what was going on, here's 100% of what we know. And they were We were really trying to adjust our messaging to what people needed from us.

Steve 24:17

And that didn't have to be traditional stuff a company would do so we can be hearing on the webinar that people are having trouble getting unemployment. So we'd say okay, we're gonna put someone on that and figure out how to get you signed up or help you sign up in your state, or whatever the issue was, we try to partner with our people to help them get through it. And then know we're going to be here for them on the other side.

Steve 24:41

And then there were times when the message was you know what? federal employment or unemployment benefits of gray you might even make be making more than you were with us. But no, we have to come off the canyon floor now. We do need people to come back to work and if you don't want to, I understand that. Because you might be scared, you might have a health issue. But don't do it just because you're making more money not working, because come July 31, that ends. And if we filled the position, I can't now terminate the person who I just hired.

Steve 25:14

And so we started signaling that really early on. And it worked out great. Like we needed people, there were just enough people to come back, if people said, I want to come back for a few hours, we create job sharing. And so we really tried to be flexible, and live to that. So my first pandemic, I'm not sure exactly what to do, tell me what's working for you tell me what's not working. And let's just keep adjusting our approach. So that it kind of meets both our needs, I think we had a mature enough relationship with our employee base that we're able to say, I get it, and you'd rather come back to work, you know, in my example, on August 1, the day after benefits end, but that might not work. You know, and I just want you to understand that. And so we really signaled it, and we're just able to keep that balanced by I think having again, that more mature open conversation with our team at all the levels.

Steve 26:10

And it hasn't been perfect. Don't get me wrong, but but it's that's served us really well. \

Jacob Morgan 26:20

What is the corporate culture like at Smile Brands?

Jacob Morgan 26:24

Well, you know, I corporate, hopefully corporate extends across all the entities is not the corporate office. But yeah, the our footprint. You know, I believe it's very camaraderie driven. So, you know, we talk about supporting each other, taking care of each other, being there for each other, right, as a team. And so that's probably number one is, you know, we're in this together, we rise and fall together, let's support each other, which actually goes to your second part of your question, which was around the Black Lives Matter, movement around all the social unrest around the horrible dialogue in this country in terms of the way we seem to talk to each other these days, right. And it was creating a lot of stress in the organization in the middle of the pandemic, which you know, people were struggling with.

Steve 27:15

And so while I would have liked to have said smiles for everyone is enough of a guideline for having each other, it turns out because there was new things happening, like, What's a microaggression? And how do I deal with that? And, you know, can someone wear this hat into our office? What if we get an anti masker in our office, and they won't wear the mask, and now what do we do and all the craziness, so we came up with the platform platform, again, three words, drive everything, we do a platform called Safe smile space, which is we call s3, our service platform is G three, greeting guiding gratitude.

Steve 27:53

So we came out with a safe smile space, the idea of having a safe smile space was this essentially be our offices, if you will, would be this tent, or this safe haven, where people were free from hopefully COVID, because we have 1000 procedures around keeping COVID in check in our deadlock, that great deal of success with that in our offices, but also now how we deal with the social dialogue and the social unrest, and all the trouble and challenges that go with that.

Steve 28:24

So we laid out five tenants, those tenants included how you deal with microaggressions, and how you receive someone sharing that with what we do, if someone doesn't want to follow our safety protocols, which by the way, if it is a patient, we can't treat them because we have to take care of our people, right. But you know, we have to go through that and give our people permission to deal with that. And then permission to say, Hey, I feel like this microaggression that occurred and help people understand A what it was and B how to receive it. So we put out the s3.

Steve 28:56

Then we've done these listening sessions. So we'll have big open forum townhall kind of listening sessions with myself, and various other people in the company who might be from a group that that would experience microaggressions helping you understand, like, how does that impact people? What are they? How do you receive that from someone? What should you do? You know, someone points it out to you, how should you treat someone who you might look at and say, well, they're from a certain group, right?

Steve 29:25

So these are things that what I found is like, as much as we've been exposed to these things in our country, most of us grown ups haven't really had a lot of conversations about those things in a way that that we can ask a question without saying, Oh my gosh, I'm gonna be in trouble because I asked the question wrong. And so we've set up these sessions where we've asked those questions of people and they've answered those questions. And then our whole company can see those answers. Okay, now I get it. It's there's been lots of examples like that where it's, I think, help people understand what it means to be treat someone equally treat someone fairly to receive criticism and not be offended by it. And so that's really impacted us. And we codify that into a language that enables us to have the conversations.

Jacob Morgan 30:13

What do you look for in your other leaders? So when you are thinking of either hiring leaders externally or promoting leaders inside of your company, what are some of the things that you look for?

Steve 30:27

Well, probably a combination of courage, and humility. So you want people who aren't afraid to take on change, but are humble enough to bring others along, humble enough to fail and adjust without having to be personally, you know, a confidence shaker for them. And so, you know, there's lots of language, you can play around those things around failing fast or be open to change.

Steve 30:57

But But you know, it takes courage to make a change. It takes courage to face a crisis like COVID, it takes courage to change a business that's working, okay. Right. It takes a lot of humility to be wrong. And and to correct course, and it takes a lot of humility to receive feedback from people like, I know, you're trying, but this isn't working. You know, a lot of leaders will just convince someone that it is working, rather than say, Okay, let's explore what's not working. And, you know, if they openly explore what's not working, it's usually like 85 90% working and there was just some element, that was it, and you can fix it and move on, probably without too much pain.

Steve 31:34

But when you keep driving forward, without fixing the underlying issue, you end up with way bigger problems. So probably those two attributes. I think, if it's not included in there, this sort of relentless pursuit of a fair outcome, right. Because, you know, in our business, if we get a fair outcome across 450 locations for us, we get a great outcome as a company, we don't need to hog it in one place, right, we need everyone to thrive, and then we thrive.

Steve 32:11

So there's an element there to where it's not the you know, I'm gonna win this deal at all costs kind of mentality that really helps us succeed. It's a again, a smiles for everyone. Let's figure out what the win win intersection is. And that's really how we do. So I think those probably three attributes.

Jacob Morgan 32:29

When when you kind of think through the history of smile brands, was it always this this great place to work that had these awards? Or did you have to go through some sort of a transformation to make the culture in the company what it is? Or is it kind of like that from day one?

Jacob Morgan 32:46

No, it's had a couple of distinct periods where that was not present. And it had to be instilled, I think, when it was being instilled, to create the learning of how important was so when we first started the company, it really was. So culturally driven a more of a financial engineering kind of concept. And it struggled out of the gates. And then we created this connection. And this Win Win pyramid with our doctors, which is kind of a mass low base pyramid that said, we need to ascend to this place where we're winning together, right, where we care as much about your paycheck, as we do our p&l, and you care as much about our p&l as we care about your paycheck, then we get this relationship where we can support that together.

Steve 32:56

So we move to that. And it was this immediate bend in the curve in terms of how we're performing as a company, which then enabled us to go do those two initial big acquisitions I talked about. With that, in a big way up until I left, then when I left, it was an another 180 back to this much more, you know, financially engineered approach to life, and it just didn't work. So then when I came back at 16, and brought that back in, it again cemented the importance of that, so so we've experienced what happens when a business like ours doesn't focus on the win win outcome.

Jacob Morgan 34:11

Don't ever leave again.

Steve 34:13

Yeah. I'm not going anywhere

Jacob Morgan 34:16

I know, purpose is also a very, very big topic area for you. So I thought maybe we could talk a little bit about purpose. Where does it come from, you know, who's responsible for purposes at the company? Is it the leader, the employee? And also how do you think of purpose and how do you instill it for your team members?

Jacob Morgan 34:36

So I, I personally think the purpose has to be embedded in every aspect of what you do. So I don't think you can have a core profit engine that is completely devoid of purpose, and then absolve your sins enough with good needs to end up as with a purposeful organization, so I talk about smiles for everyone. That is our purpose.

Steve 35:04

So we do that in our dental offices with every paying patient that our team sees, we have to do that of how we interact with each other, even if those aren't patient facing activities. And when I say everyone, again, it was patients, it was providers, employees, or vendors, is our investors, right, the business itself, and then we say, our broader communities and world. So we don't think the value proposition for broader community very different than the value proposition for the communities we serve with our profit engine.

Steve 35:44

Now, when we go out into Paraguay, or Ghana, or Nicaragua, or Thailand and Laos, or Cambodia, or wherever we go, we're not expecting to get paid for those services. But the core value proposition or purpose is the same, which is to improve people's lives by improving their oral health, improve their lives by showing them care, right? Because there's two things, right, it's one thing, just showing someone care, adds value, then improving their mental health adds value. So that was what we got, from a purpose perspective, what we want to do in every aspect of the organization, whether it's again, patient facing for profit, or not for profit, or whether it's just in how we interact with each other in our day to day lives.

Jacob Morgan 36:29

yeah, I like it, it kind of installing getting all the all the different things that you do. And so, you know, you have a large percentage of your workforce that is, you know, on the front lines, so to speak. Can you talk about some of the things that you do to help instill purpose in the, you know, the frontline workforce that seeing patients?

Jacob Morgan 36:50

Sure, well, you know, and again, I think it's, you don't want to separate it from your moment to moment or day to day activities. And so, you know, it's on their name badges, it's, you know, all over the office,

what our mission is, we talk about it constantly in terms of being focused on delivering smiles for everyone, we have metrics that we look at to make sure that's happening. So people were caring for the type of procedures they're getting, the way those services are priced the number of bibs they have presented to them, so we know where they're getting the one that fits them the best.

Steve 37:25

And then the constant messaging to all the communication in the organization to celebrate those stories, where those things are occurring is really important too. Because, you know, you are your rituals, people see what you celebrate. And so when really good care driven, smiles firm, when moments happen, are we celebrating those inside our company inside our organization so that people know, that's what we value.

Steve 37:52

So I think those are the big ones. You know, there's a lot of celebrating inside the offices, too. So we have another three word concept called celebrate everyday miracles, celebrate every day, miracles, actually goes back to the to the mission or the charitable work we do. And what I found is, you know, in our organization, our doctors and our teams, getting a little worn down by the grind, sometimes, like dentistry can be a grind, it is really hard work inside the space of a baseball, you know, with your hands, it's you're bent over, it's hard work. And I found when we went on these international trips, we could be working in literally a garbage dump. And I mean, literally, you know, not like the person in the coffee shop for the day who literally died because the coffee was so good. I mean, like literally a garbage to see you're working there, people are living in this dump. That's how they make their living.

Steve 38:47

We set up a clinic there, and people are coming to me saying, This is the greatest thing I've ever done. I love this. It's incredible. Thank you, thank you, thank you. I'm like, so you realize, like you do this every day take care of patients, and you have a nicer office and better equipment and actually work, you have a real dental assistant, it's not me, you know, and then you have all this going on. Yet this is somehow so much better, right and so much more rewarding and fulfilling.

Steve 39:13

And it was kind of Wow, it's amazing that when you take the profit engine out of it, if you will, and the work element out of it, it becomes so fulfilling what you're doing. And the reality is are people if they could see a patient and say, you know, I know you're a little tight on money, I'm not going to charge you. And if they could do that, you know, half the time, then they could maybe call the bank at the end of the month and go Hey, my mortgage payment, only half my patients could afford to pay me this month. So is it okay? If I only send you half? They they do it every day of the week. But that's not the way our economy works.

Steve 39:47

So we really have to think about how do we tap into this wonderful work people do every day and not let this system we're gonna get paid for it gets in the way of it and so part of that's how we In a workflow part of that, who's responsible for what, but a lot of it is just stopping and making sure we see these things happening. So we say celebrate everyday miracles. It's like, sometimes they're true miracles, like

we find a oral cancer. And someone's life is saved, right? Sometimes it's they got a new front tooth, and got a job for the first time in four years, those are kind of miracles.

Steve 40:23

But sometimes it's just little stuff like an employee hits, not little but employee hits a 30th anniversary or 25th anniversary, that might have just been blown by celebrated, right. So so really creating a culture of celebrating, and doing that every day not celebrating occasionally or on national holidays, I'd say that's a lot of air in the balloon, if you will, is really teaching our team and myself to see those things, and then call them out and celebrate.

Steve 40:55

And I guess the only other one I might add is, and this is more of a personal one for me is that I know for me to be pretty driven person, and hopefully looking at myself as they need to be better at this better that. One thing I'd be very hesitant to do is look at someone on my team and say, you know, I'm proud of you. Because seemed kind of parochial and who might be proud of someone. And I've kind of learned to give myself the freedom to say no, I'm really proud of what you did here. I'm really proud of what you accomplished here. It doesn't mean I'm better than you. It just means I saw it. And I'm proud of it. And so whether it's that phrase or something else, but freeing people up to be comfortable in celebrating and recognizing is huge to the energy and the endurance of the company.

Jacob Morgan 41:43

Yeah, no, I agree. I mean, the recognition aspect is wonderful. And so I want to talk a little bit about some of the awards you received in, in why you receive them starting off with Why did you get an award for being the best CEO for diversity? What what are you doing it smile brands that is allowing you to, you know, to get these awards and recognitions?

Jacob Morgan 42:07

Well, I hope it's what we've been doing all along, which is, again, focusing on smiles for everyone, treating everyone with respect, and making sure that when we see things that go out of bounds relative to respect, and the way people are treated, that we deal with that. So I hope that's what it is, I hope it's a longer body of work. And it's a way we've comported ourselves, you know, for the 20 years, I've been running the company.

Steve 42:38

I think the timing of when this came together, and we've been on that list, not the diversity of for women, and employees in general, we've been on those lists for a number of years now. So I think it's I hope it's that you know, that longer body of work, the diversity one came up more recently. And that was a little bit more around this s3 platform. But the s3 platform a little bit before that was, you know, I think, trying to be aware of the fact that we needed to grow and evolve to understand the issues people were facing, that were different than the issues perhaps you or I face. Now having you know, that you use that word humility to say, you know, I don't know that I understand. But I want to So tell me, and then let's create a world where the rest of us can hear about this. And we can hopefully make progress on this. S

Steve 43:42

o an example that, you know, years ago, the virtuous circle model that I've talked about a couple times, where we, you know, the win-win that we launched in 2000, you know, 1999-2000, it was something I've talked about since the beginning of the business. We started calling it smiles for everyone in 2005. But in 2005, when I showed it to the company and said, this is smiles for everyone, I said, This is my dream, you know that we can deliver smiles for everyone. And that this can be our mission statement. And when I did that, I actually used Dr. King's speech and said, You know, this is my dream. And I started with the speech.

Steve 44:21

And so when everything started to happen in the last several months, you know, I went to the company said, You know, I want to start this whole dialogue off by saying, you know, I evoked Dr. King's message, when I talked about my dream of smiles for everyone. And I want to be super clear, like my dream was obviously incredibly safe. relative to what Dr. King experienced. You know how that ended? Right? And I've never been through anything, even remotely close to what he went through, or what so many of you have went through. So I just want to acknowledge that And hear about it here or we can be better around it.

Steve 45:03

And that actually led to developing the s3 platform, which was we, you know, we need a safe space. And we're in a place where it's like, we have a very diverse workforce. We also have lots of people in the workforce whose you know, spouses are first responders. And it's like, oh, my gosh, these two, you know, areas of society are really being, you know, pitted against each other in a lot of ways. And that's terrible. And that's huge tension, potentially, in our organization. But under our tent, we're just Smile Brands people. So we don't deal with this, how do we talk about it? And how do we open up the dialogue? How do we support each other going through it.

Steve 45:44

And it's pretty remarkable that when 90, whatever, 8% of the time, when you open up the dialogue, and you're there for each other, it ends up pretty well. That's not to say that we haven't had half a dozen experiences in our company since where we've had to let people go, where they just said, You know, I stand for this, I'm gonna say it this way. So if you can't do that, we're not going to tolerate it. And you know, I hear all this stuff, you know, freedom of speech, I can say whatever I want, you know, it's like, Well, turns out, you can't, you know, it's not. So, you know, we've stood for it and stood, you know, pretty, I don't wanna say so strong, because like, we're facing the biggest channels in the world basis, but we, we've been consistent in that message, and the fact that we stand for this safe smile space. So I think that was probably the more recent change around that one. That kind of occurred ahead of that particular survey.

Jacob Morgan 46:43

Okay. So I suppose you got it just because you're you're kind of openness to different cultures, values, ideas, backgrounds, and creating a space that where other people are not open to that you have to leave the company.

Jacob Morgan 46:57

I think standing behind it and saying it is a binary choice, ultimately, you'll be you'll respect the safe smile space for everyone, or you just can't be here with a patient or, or an employee.

Jacob Morgan 47:10

You also got an award for best CEO for leadership. And so what what do you do differently? Do you think around around leadership, just your approach to leadership and your team's?

Jacob Morgan 47:24

You know, the biggest part of the approach, I think, I hope is that we're bringing people along for the journey, right? So they've got responsibility, I spent a lot of time thinking about the organizational design. So there's a formula, right, accountability equals control plus influence. And so if you want someone to be accountable for something, you have to give them the control or the influence over the resources, they need to be successful. And so one thing we really work hard to do in our organization is say, this is what you're responsible for, we're going to support you in it.

Steve 48:02

But you're going to drive the outcome of that not us, it's sort of the opposite of micromanaging someone through a process for saying, you do this task, this task and that task. But if you get a bad outcome, it's your fault, not mine. So we'll spend our time trying to say we're going to help coach towards how to move towards the goal and give you the resources you tell us if you're lacking resources, but you're accountable for making the decisions, and you're accountable for getting that result. And so I think, you know, stylistically we've tried to organize our entire company behind that philosophy, which hopefully frees people up to be better than their jobs, and make better decisions and owner more.

Jacob Morgan 48:41

yeah, that makes sense. So when it comes to leadership, have you seen because obviously, you started the company in 1998. Over the course of the last 20-30 years or so, have you seen an evolution or change in leadership at all?

Steve 49:03

Um, I think so, although there's always this confirmation bias when you're sampling towards something you want to see. Right. So I, I hope I've seen it, where people realize how capable individuals are if you give them the latitude to run their business. And so, you know, I think, with the speed of business with the level of change that occurs out there with the amount of information available for us how distributed we become, you know, I hope I certainly know with us as a company, we've taught it and lived it, that you run your business, we're here to support you.

Steve 49:49

And then that translates down to how that happens at the individual office level. You know, it's your business to run, and we're here to support you. So I think You know less of that old school command and control, you know, the guy walking down the hall, go and do this, do this, do this, do this, do this. And then, you know, go into the office and, you know, being done with the day versus, you know, really coaching people up spending a lot more time coaching.

Steve 50:15

I think it may be a metaphor that might be helpful. The way I think about it, is, you know, you, I probably grew up thinking of the CEO role, much more like the executive branch of government, where the CEOs, the you know, the president who makes the decision, right as the most powerful man in the world, versus perhaps the CEOs more like the Supreme Court. And what's more important is not so much the decision you make, but the how you make it and the precedents that you set. So if I make a decision, it's not so important that I'm right or wrong, it's more How did I go through it? Therefore, when it's repeated 1000 times our organization, people know how to do it in a way that's consistent with the thinking I put behind it. Not so much the outcome that I put.

Jacob Morgan 51:07

Yeah, and I like the emphasis on the coaching, because that is something that I think we need now more than ever. We only have a couple minutes left. So maybe to wrap up, but do you have any advice for people out there who want to become more effective leaders, something that maybe you've learned during the course of your career that helped make you become a better leader?

Jacob Morgan 51:29

Well, you know, what I talked about at the beginning when I talked about my first pandemic. So yeah, we make a lot of mistakes. The second one would be amazing. So I do think you have to find a mechanism as a leader to be wrong. So don't paint yourself into a corner to have to have all the answers. Right. So you're leading an exploratory process to get to the right answers, which is different than having the right answer. Again, I think a lot of us grew up thinking, well, leadership means you already know how to answer.

Steve 52:01

It's not reality, especially today, when things are happening so fast, and short cycle And oh, by the way, we're in the middle of pandemic and social unrest and everything else like really. So you know, you're you're doing a lot more to help people understand how to explore their way to making decisions or to commit to a decision than you aren't necessarily knowing the answer. So I think that's number one. And so, you know, that that thing about that being my first pandemic was a freeing trick, if you will. All of us as a leadership team to say, Hey, don't sweat it. We don't have to be right. We just have to be moving.

Jacob Morgan 52:35

So you're, you're okay was saying, I don't know, in you're okay with your leadership team says, I don't know.

Jacob Morgan 52:40

I think it's one of the most powerful things you can do as a leadership team to say, you know, I don't actually know the answer to that. Let's figure this out. How would we go about figuring that out?

Jacob Morgan 52:49

So you're not going to get fired? If you don't know the answer?

Steve 52:51

Yeah.

Jacob Morgan 52:53

Okay. Now, I love that approach. Because I mean, you're right. Throughout history, if a leader used to say, I don't know, they'd be like, what, why are you a leader? If you don't know the answer to this? Whereas now, do you even yourself personally, outside of the pandemic, do you frequently find yourself saying I, I don't know, we got to figure that out? I don't know the answer.

Jacob Morgan 53:11

Yeah, you know, one of the things for me is leadership. I like to explore concepts. So that brainstorming approach. I mean, I tell my team, though, sometimes, you know, sometimes I'll ask questions in the form of a declaratory statement. So just just help me out there. So they'll be like, Well, here's the deal. And it's like, I'm actually, supposing that might be the deal. If I have to kind of remind my team sometimes like, No, I don't actually know that I'm trying to explore that could be one of the answers. That's possible.

Steve 53:44

So I'm working my way through that and learning to put a bit more of a obvious question mark at the end of it. Right. But But yeah, I the best sessions we have the most learning we do. Most growth we get is when we're exploring these things, real time, not somebody running off trying to find an answer and come back. So it's, and again, I think it goes back to what you celebrate, you know, do you say this is an incredible meeting? Because we explored like five different ideas, and we don't know the answer yet. Or do you be like, Oh, my God, we just wasted out we don't know the answer yet. No, I try to make sure we're we're celebrating those meetings where big issues come up. And then we start to expose the path to an answer versus a we know the answer.

Steve 54:37

So that's probably the biggest behavioral thing we always stay true to.

Jacob Morgan 54:42

No, that's great advice. I think for everybody especially leaders. Well, Steve, maybe you can let people know where can they go to learn more about you smile brands, anything that you want to mention for for people to check out? Please feel free to do so.

Steve 54:55

Sure. So, obviously, smile brands.com is our website. I'm on LinkedIn available there to connect with folks. I'll post you know things periodically about the company. What I see going on. Those are two great spots.

Jacob Morgan 55:12

Cool. Well, Steve, thank you so much for taking time out of your day to speak with me. I really, really appreciate it.

Jacob Morgan 55:18

Absolutely. Thank you for having me, Jacob. And thank you for the mention in the book as well as fantastic.

Jacob Morgan 55:24

Oh, of course. And thanks, everyone for tuning in. Again, Steve Bilt CEO of smile brands and the smiles for everyone foundation. He's in the book. There's a great story about him in there. And please make sure you check out. Steve, you're on LinkedIn. You've been reading a couple articles on there over the past few months. Check check him out on LinkedIn and check it out. Smile brands on their website and I will see all of you very soon. Thanks for watching.