
view from the top



While many companies struggled during the recession, USAA, the financial services company serving military families, experienced some of the best success in its 88-year history. The company is basking in robust growth, top ratings for financial strength and accolades for customer service from the likes of Bloomberg Businessweek and many others.

What is the secret sauce? CEO Gen. Joe Robles says in this interview that the fundamental recipe for USAA's continued success is its culture of service. He discusses the importance of his role as the "chief culture officer" to keep a sustained, committed focus on the culture of going above and beyond — and doing the right thing because it is the right thing to do.



senn delaney



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USAA CEO discusses why a culture of going above and beyond has created a huge competitive advantage

USAA has the highest ratings for financial strength, it regularly ranks the best in customer satisfaction, and 2010 is continuing to be a banner year. Through the first half of 2010, USAA’s net worth grew six percent to \$18 billion; it is currently ranked 66th in terms of net worth among the Fortune 500.

So why does one of the world’s best-rated companies stay laser focused on its culture to be better and better at serving its 7.8 million members? What lessons are there for other leaders who may not be achieving such success?

According to USAA CEO Gen. Joe Robles, the culture is something you can never stop nurturing. He attributes a big part of USAA’s success to the passionate commitment of leaders and frontline employees to USAA’s six cultural pillars called ‘My Commitment to Service’ and to working from a higher purpose of serving military families. That has created a distinct competitive advantage that has helped USAA not only survive the economic downturn, but thrive and grow.

Q Why did you first decide to focus on the culture?

We began working on this in 2007. When I first became familiar with Senn Delaney and the work it has done all over the world with some really large companies, I couldn’t wait to begin.

Q Given USAA’s strong history of success, why is culture something you focus on?

At USAA, we believe that improving and strengthening our culture are paramount. Culture is not a gimmick, a promotion or a one-time event. People think you can take a strong culture and build it up and then just move on to something else and then it’s going to sustain itself. Unfortunately, that’s not the way the world works.

Q What in your career experience and beliefs cause you to focus so clearly and steadfastly on people and culture?

It’s just as important for our employees to understand how we do things as it is for them to know the task. To use an Army analogy, I can direct my people to take that hilltop, but they are going to

encounter rocks and rattlesnakes and other unanticipated obstacles along the way. Culture gives our employees the frame of reference to make the decisions only they can make.

Q How do you keep that focus on the mission and cultural pillars and values alive in the company?

We had a very strong foundation on which to build. One of the big things that came out of our culture work is establishing a set of six cultural objectives called ‘My Commitment to Service.’ Each one starts with “I” because culture is really sustained and shaped one person at a time. These six statements of commitment to service get us as individuals fully engaged, fully aligned and fully focused on our company mission, our customers and our fellow employees.

One of the things that I also do every time I speak to employees is talk about our mission — our company purpose — and our core values of service, loyalty, honesty and integrity. USAA’s core values are very similar to the core values of the US military. They may be stated a little differently, but it is known throughout the company that we will never equivocate or

back down or walk in the grey areas of these core values. They are strongly embedded in our psyche and in our culture, and I think this differentiates our company.

Q How important are your employees to fostering the culture and putting the principles to use in their daily work?

One huge success story for us is that all of our employees have been through some culture training. As a result, we see a willingness to cooperate, a willingness to work together, a willingness to focus harder than ever before on our customers. I attribute that to the culture work we have done and continue to do.

I think if you ask any of our employees what the mission of USAA is, they could quote it almost verbatim. If you ask them about the core values we stand for, they could tell you almost instantly. Everything we do, every action we take, follows the theme of doing the right thing because it's the right thing to do. We do some things that other companies wouldn't think about doing from a business perspective and our employees know that.

They really shone during the very challenging 2008-2009, 2010 timeframe, and this has been a great benefit to USAA and the families we serve.

Q Can you provide any examples of employees living the cultural pillars that are the foundation of the culture?

I can give you a lot of anecdotal evidence of our culture being so strong. One of the things I tell our employees is that we really care about our customers as individuals.

Just recently, I shared with all the employees a phone call from one of our members, a young captain in Iraq. She had a mortgage with another company and, due to a lot of circumstances, including her

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movement to the combat theatre, she was late on her mortgage payments. They were about to foreclose and take away her house. She called us in tears, asking us if there was anything we could do.

The mortgage was not with us, but we knew that she was in distress and it would be a devastating blow to her, an officer who was serving our country in wartime, to let this mortgage company take her house. Our member service representative got personally involved, making it possible for this member to borrow some money to get current and then help her get her financial house in order.

Our member service rep. didn't have to do that. She could have told her there was nothing we could do about it. But she took it upon herself to say, “I need to take care of this member who is serving our country and doing what's right for the nation. I need to do what's right by her.”

Q It's easy to see why your company gets top ratings for customer service, but has the culture-shaping journey made an impact on other business results as well?

People ask me all the time what is USAA's secret sauce? How could you have done so well during the economic meltdown of the markets in 2008? Why is USAA one

of the few triple-A-rated companies in America? I keep telling them that a big piece of it is the culture of this company, and it has given us a huge business advantage.

You can see the improvement in customer satisfaction. You can see the business results and how we outperformed a lot of our competitors over the past three to four years. We've always done well, but it's especially coming through now because of the strengthening of our culture.

Q Where do you see USAA four to five years from now?

We will grow because USAA membership is now open to anyone who has honourably served in the US military – and once they join, their family members are also eligible. We are growing at a strong clip because of the value we offer our members in terms of competitive products and good advice from an honourable company that has their best interests at heart.

Our employees want USAA to continue to be there for the military and their families. They want us to continue to practise the core values we've always had. The members want us to be there, to take care of their families, cover their flank and do what's right by them.

Therefore, it is absolutely imperative that we continue stay focused on what has made us so strong for the past 88 years. I see us keeping our culture strong. I see us continuing to communicate to employees about ethics and core values and commitment to service — all the things we talk about; all the things that make us who we are as a company.

Q Do you still lead the culture at USAA and why is that important?

People ask me all the time if I think it's important for the CEO to own the culture or whether I should have a chief culture

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officer on my staff. I am the person most accountable to the board of directors for the results of this company and the culture of this company, so I am, by definition, the chief culture officer.

One of the things that I will pass on to my successor will be a strong and vibrant culture that is focused on our customers, that is focused on our employees and that continues our history of service and strong financial results. If I can do that, then I will have done my job as a CEO.

Focusing on and reinforcing the culture is more important than any single event that happens in my tenure because it is the culture that I leave behind that will carry this company well into the future.

Q What’s your greatest personal satisfaction since taking the helm?

Seeing the business moving forward has been satisfying, and I have especially been gratified to see the response of employees and members.

My greatest personal satisfaction comes from developing the future leaders of this company. I spend a lot of my time teaching, coaching and mentoring the people who are going to take over this company and carry through the next 88 years of service to our nation, the military and their families.

Q Has the culture-shaping process changed you personally as a leader?

It absolutely has affected me. The culture work gave me an appreciation for a lot of things, and it’s made a visible difference for all our leaders in helping them to be better coaches to their teams.

If I reach into my pocket right now, I have a blue chip that I carry with me every single day at work. It reminds me to focus on the important things. I focus on the company, I focus on the employees, I focus on the members and I focus on keeping this business model moving forward in a positive and direct way. ■

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